The effectiveness of marketing strategy making processes: A critical literature review and a research agenda

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Abstract This paper contributes to the literature concerning the marketing strategy process. It reviews the extant literature in this field, drawing out areas of consensus and gaps in that literature. The principal gaps identified concern non-rational strategy making processes and the combined implications of internal and external contingencies. Using well-established theories from the sociological perspective of the organisational behaviour literature, this work proposes relevant questions for future research in this field.

INTRODUCTION

Strong marketing strategies are clearly important to the effectiveness of an organisation and so the effectiveness of marketing strategy making processes is an important consideration for both academics and practitioners. Various approaches have been made towards understanding and improving such processes. This paper attempts to synthesise these perspectives to create a more rounded and deeper understanding of how marketing strategies are made and how they might be improved. In short, the findings of this work suggest:

— that rational planning processes contribute to organisational effectiveness. No reported methodology, however, is able to say more than that, and relatively little is known about the value of the more

commonly employed non-rational processes of strategy making
— that the content of strong marketing strategies is, to a useful degree, well defined by the extant literature. This content definition is useful in evaluating the outputs of marketing strategy making processes and offers a valuable alternative to attempting to correlate strategy making process with organisational outputs
— the normative, prescriptive models of strategic marketing planning are not an accurate description of most practice. This suggests that, for many practitioners, the practical application of the process falls some way short of the ideal
— the effectiveness of normative strategic marketing planning is contingent upon both internal and external factors, both of which are limited in

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the degree to which they can be moderated by practitioners
— the congruency hypotheses of Burrell and Morgan suggest a model by which the effectiveness of marketing strategy making processes might be better understood and improved.

THE EFFECTIVENESS OF MARKETING STRATEGY MAKING PROCESSES

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

The first phase adopted a strongly positivist approach to the problem. The prototype was the much cited work by Thune and House[1] which was later extended by Herold.[2] This work demonstrated that formal planners did perform better against several financial criteria than non-planners. Further work, using similar comparisons of formal versus informal planners supported these conclusions.[3-8] This phase of research, therefore, firmly concluded that planning formality was positively correlated with organisational effectiveness. Even at this stage, however, there were indications that this correlation was not universally true and anomalies were observed in service industries[9] and in the impact of planning on growth rates.[10]

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

emerged. First, that the planning/performance link is highly contingent upon a multitude of other factors.[11-15] Secondly, that the construct of organisational effectiveness was itself much more complex than even a comprehensive set of financial measures might allow for.[16-19] This phase of research therefore concluded that the planning/performance link was in fact unproved. Further, it suggested that such a simple correlation would never be possible. Instead, the consensus of this work was that, at best, planning is only effective within a certain set of contingent conditions and that effectiveness itself was a complex construct, dependent upon the organisation's goals and situation.

The third and most recent phase of this work suggests a position somewhere between the unbridled positivism of the first and the inconclusive relativism of the second. Partly, this work paralleled the development of ideas about measuring organisational performance.[20-23] Further, it reflected more sophisticated work that attempted to allow for the many contingent effects on effectiveness.[24-28] This work therefore considers the performance/planning link within the limits of environmental contingencies and the context of organisation specific objectives. Within those parameters, a consensus is apparent among researchers on this topic. This consensus is of a small but significant correlation between planning and performance,[29] that substantive external contingencies have little impact[30] and that more sophisticated methodologies have produced stronger links than earlier work.[31] Further, this work makes clear that the advantages of strategic planning are not only financial but lie also in less tangible 'process' benefits.[12,32]

The long history of research into the effectiveness of planning therefore seems

to have reached a balanced and qualified conclusion to the positive. This body of literature, however, is open to two criticisms in the context of this work. First, it entirely concerns itself with the effectiveness of rational planning processes. As will be argued later, strategy process researchers suggest that strategy making is in reality more complex than this, and that strategic marketing planning is, in practice, notable for its rarity. Hence, the extant literature, by considering only planning, simplifies strategy making into one dimension and gives only one perspective. Secondly, the work in this area seeks to correlate strategy making with financial performance, attempting to control for other mediating factors (such as market conditions) via the methodology. This limits the insight gained compared with the construction of intermediate variables lying between strategy process and financial outcome.[33] These shortcomings in the literature suggest that knowledge about the effectiveness of strategy making processes is limited. The extant knowledge cannot answer the question 'what is the best process for making marketing strategy?' and indeed suggests that researchers need to design more carefully research to measure the direct outputs of hybrid marketing strategy making processes, rather than the correlation between formal planning and organisational performance. This in turn prompts a consideration of the extant literature concerning the direct outputs of marketing strategy making and the nature of the strategy making process. Other authors have noted that the content of the strategy produced by any strategy making process is distinct from the process that creates it,[34] and these two areas are therefore considered separately in the next two sections.

The contents and properties of marketing strategies

The direct outputs of marketing strategy making processes are marketing strategies. While definitions of marketing strategy vary, the literature seems to hold a strong consensus about the content of the marketing strategy. At its simplest, marketing strategy is agreed to have two necessary components: a definition of the target 'market' and a statement of the 'product' or 'value proposition' aimed at that target.[35,36] This dual-component view of marketing strategy is sufficient to differentiate marketing strategy from strategies relating to other non-marketing functions such as research and development or manufacturing and from other non-strategy aspects of marketing management such as tactical actions. It provides little guidance, however, as to the quality of a marketing strategy. Even a weak marketing strategy can be stated in terms that contain definitions of market and product. The literature concerning marketing strategy content is noticeably lacking in providing indications of desirable marketing strategy properties.

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

This literature concerning strategy properties and content has a long history

Table 1: The nine properties of an effective marketing strategy

Strategy property	References
Market definition Effective strategies direct resource allocation between markets by making explicit those markets that will receive resources and those that will not	'domain'[37] 'identifiable'[38] 'product market scope'[39] 'decision on concentration'[40] 'market positioning'[41] 'market definition'[42]
Definition of intended competitive advantage Effective strategies direct resource allocation between internal functions by making explicit the nature of intended competitive advantage	'competitive advantages'[37] 'advantage'[42] 'competitive advantages'[39] 'decision on concentration'[35] 'product positioning'[40] 'the value proposition'[41] 'market discipline'[43]
Internal consistency and synergy Effective strategies enable efficiency by minimising internal conflicts between areas of activity and optimising synergy between areas of activity	'synergy'[37] 'consistency'[42]
Degree of uniqueness Effective strategies minimise the effects of competition by focusing resources and activity in a way that is significantly different from that of competitors	'unique'[38] 'rests on unique activities'[44]
Congruence with the external environment Effective strategies lever relative organisational strengths against relevant market opportunities and either negate or correct relative organisational weaknesses against likely market threats	'resource deployments'[37] 'fully exploits opportunities'[38] 'consonance'[42] 'suitability'[45] 'synergy'[39]
Consistency with the organisation's objectives Effective strategies define a target market that is sufficiently large, and a value proposition that is sufficiently strong, relative to the competition, to win a market share that is in accordance with the organisation's objectives	'appropriate to the values of the key managers' and 'appropriate to the desired level of contribution to society'[38] 'consistency' and 'attractiveness'[46]
Acceptability of risk level Effective strategies involve a level of risk that is within the organisation's limits of acceptability	'level of risk feasible'[38] 'acceptability'[46]
Feasibility within the organisation's resources Effective strategies are executable within the resources available to the organisation	'consistent with competencies and resources'[38] 'feasible'[42] 'feasibility'[46]
Provision of a level of guidance to tactical activity Effective strategies facilitate their own implementation by providing clear guidance as to what tactical activity is necessary for and appropriate to the execution of the strategy	'stimulate organisational activity' and 'internally consistent'[38] 'growth vector'[39] 'marketing mix'[40] 'the key relationships'[41]

and is very broadly based. It fails to prove strong correlations between the properties of strategy and organisational results, but this is not surprising given the difficulty of this discussed earlier. On the other hand, the strength of the consensus among the leading authors, and the lack of serious disagreement, supports the view that this list of properties might form the basis for the measurement of marketing strategy strength or quality. Such a variable would be independent of context and closely associated with marketing strategy

Table 2: Key dimensions of strategy development[47]

Dominant dimension of strategy development	Example references
Command, strategy deriving mainly from a key individual or top management team	Bennis and Nanus (1985)[48] Shrivastava and Grant (1985)[49] Westley and Mintzberg (1989)[50] Kotter (1990)[51]
Planning, strategy deriving mainly from a logical, sequential, deliberate set of procedures	Ansoff (1965)[39] Mintzberg (1978)[52] Steiner (1969)[53] Argenti (1980)[54] Rowe *et al.* (1989)[55]
Incremental, strategy deriving mainly from 'sucessive limited comparisons of alternative actions'	Lindblom (1959)[56] Mintzberg *et al.* (1976)[57] Quinn (1980)[58] Johnson (1988)[59]
Political, strategy deriving mainly from negotiated settlements between powerful sub-units of the organisation	Cyert and March (1963)[60] Pettigrew (1973)[61] Hinings *et al.* (1974)[62] Hickson *et al.* (1986)[63] Anderson (1982)[64]
Cultural, strategy deriving mainly from the 'taken for granted' frames of reference shared in the organisation	Weick (1985)[65] Deal and Kennedy (1982)[66] Schein (1984)[67] Johnson (1987)[68]
Enforced choice, strategies deriving mainly from the external forces and contraints acting on the organisation	Aldrich (1979)[69] DiMaggio and Powell (1983)[70] Hannan and Freeman (1984)[71]

making process, both of which are advantages over the use of financial or other higher organisational effectiveness measures. The literature concerning strategy content and properties therefore suggests a way to correct one of the two shortcomings in the marketing planning effectiveness literature. The second shortcoming, that concerning the consideration of only planning, and not non-planning, strategy making processes is addressed in the next section.

The nature of strategy making processes

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

These single perspective schools of thought are more thoughtfully considered by Mintzberg *et al.*,[72] who perceived strategy process as essentially a hybrid process and rationalised the single perspective views as not incorrect but simply one perspective on a very complex phenomenon. Such single perspective studies clearly elucidate the contribution that each dimension, such as planning or incrementalism, makes to strategy development. In doing so, however, they understate the complex nature of the multiple simultaneous processes that constitute strategy making in practice.

Other attempts to identify typologies or taxonomies of strategy development processes in practice reflect a multiple perspective view of strategy development processes. These show an evolution in

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Table 3: The evolution of attempts to identify taxonomy of strategy development processes

Proposed taxonomy	Reference
Linear, adaptive, interpretative	Chaffee (1985)[73]
Managerial autocracy, systemic bureaucracy, adaptive planning, political expediency	Shrivastava and Grant (1985)[49]
Rational, transactional, symbolic, generative	Hart (1991)[74]
Command, rational, transactional, symbolic, generative	Hart (1992)[75]
Commander, change, collaborative, cultural, crescive	Bourgeois and Brodwin (1984)[76]
Planning, logical incremental, planning command, muddling through, externally dependent, political cultural command	Bailey and Johnson (1994)[77]

sophistication based upon recognising and incorporating the various schools of thought. Hence there are structures suggesting three,[73] four,[49,74] five[75-76] and six[77] modes of strategy development. Each of these pieces of work identifies a number of typologies of strategy development, each of which can be seen as hybrids, containing a blend of the single dimensions in varying ratios. While differing in terminology and complexity, this stream of research presents a coherent theme of strategy making as a hybrid process. These attempts to identify a taxonomy of strategy development processes are summarised in Table 3.

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

While much of the strategy process literature relates to strategy making in general, a helpfully rationalised model of this hybrid strategy making process has been proposed for strategic marketing planning in particular.[78] This model envisages marketing strategy development as a blend of rational, visionary and pragmatic processes.

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

Internal and external mediators of marketing strategy making processes

As with studies of marketing strategy process effectiveness, most of the work considering mediating effects focuses upon normative, rational planning

processes. As described later, some of the strategic management literature considers non-rational processes, but even this literature is based upon comparison with established prescriptive planning processes.

The published work in this area falls broadly into four categories. The first considers the extent to which strategic marketing planning is used, the second and third consider the internal (organisational) and external (market) mediators of marketing strategy making processes. The fourth provides a theoretical basis by which the effects of internal and external mediators might be explained.

The observed application of strategic marketing planning

A significant subset of the literature concerning the effectiveness of strategic marketing planning is that work which examines the actual level of application of these formal, rational processes. Early studies of the degree to which companies adopted marketing as a strategic management process were encouraging.[79,80] These studies suggested that marketing was becoming central to business planning, although there were clear variations between industry sectors, company sizes and functional areas. Even among these earlier studies, however, there were indications that while many firms espoused the values of marketing, their actual behaviour contradicted this.[81,82] The literature in this area gradually moved towards the conclusion that strategic marketing planning was widely claimed but much less practised.[78,83–86] Further work went on to describe how marketing planning was supplanted by less rational decision processes.[87–95] The related but more broadly-based literature concerning strategic decision making reinforces the picture that rational planning, whatever

its merits or otherwise as a prescription, is a poor description of reality.[33,96] This conclusion has been fully supported by exploratory fieldwork for this study,[97] which shows that marketing practitioners in healthcare companies are generally unqualified and make little use of the tools of strategic marketing planning.

Some of the work in this area is open to the criticism that it is overly concerned with semantics. It could easily be argued that a strategic marketing plan that does not use the terminology and structure of the accepted texts is still a strategic marketing plan. Studies of, arguably, the two most important tools in strategic marketing planning suggest, however, that it is often honoured in name and abused in practice. The first example of these tools is the use of segmentation, which is fundamental to strategic marketing planning. Strategically, segmentation is meant to be both customer-driven and reflected in organisational structure. The reality[98] shows that most companies rely on customer categorisation bolted on to the customer contact part of the company. The second example concerns SWOT analysis, the central technique for aligning the internal and external environments and, therefore, defining the basis of competition in a market. Examination of practice[41,99] reveals that, although widely quoted, the technique is usually reduced to a subjective listing exercise, identifying none of the key issues that are the intended output of the technique.

Critical assessment of this body of literature therefore concludes that the prescriptive rational model of strategic marketing planning is not an accurate description of what occurs in many organisations. This is highly significant to this study of strategy making effectiveness, and reinforces the hybrid process picture suggested by the strategy

process literature. Taken alongside the effectiveness literature, it suggests another idea. If rational processes contribute to effectiveness but are not used, this suggests that they are limited in their utility rather than their effectiveness. This is a critical distinction. Taken together, the literature suggests that strategic marketing planning can work, but that organisations find it too difficult to use in practice. This is entirely consistent with a related stream of work calling for improvements in the marketing strategy process.[100-105] This work calls in particular for the development of marketing strategy making processes so as to be more appropriate to the context in which they operate. The relationship between marketing strategy making processes and their context is considered in the next two sections.

Internal mediators of marketing strategy making processes

Examples of and reasons for the failures of organisations to implement strategic marketing planning are well documented.[106,107] Broadly, these have been categorised as either cognitive or cultural barriers.[78] A more expansive classification of these barriers is given by one review work.[108] As well as culture, these authors cite management roles, management cognition (ie knowledge of marketing techniques), systems and procedures, resource allocation and data availability as moderators of rational planning use. Other researchers expand this work to include barriers across the organisation as a whole.[95,109] Researchers looking at how strategy making varies between organisations reinforce this classification. Investigations of strategic planning in small to medium size enterprises (SMEs), for instance, point to lack of resources and knowledge as barriers to rational planning.[8,110,111] Systems, procedures and structures are

also linked to the degree to which strategic planning can be used.[112,113] Other authors building on this work suggest, however, that these tangible reasons reflect fundamental differences in small firms' beliefs about themselves[114] and other cultural factors.[115] A comprehensive stream of work by one author, investigating the interaction between culture and strategic marketing planning, supports the idea that the cultural context is critical.[116-123] This connection between tangible barriers to planning and the firm's beliefs, values and culture suggests a more fundamental root cause for the ineffective implementation of strategic marketing planning. If tangible barriers, such as lack of resources and extant systems, are simply manifestations of organisational culture, then there is really only one barrier to strategic marketing planning, namely organisational culture. This tentative conclusion, based on the empirical observation of failures in strategic marketing planning, is reinforced by the organisational culture literature, as discussed in the following paragraph.

The literature base concerning organisational culture consists of two very different philosophical traditions. The first, essentially positivist, stems from the earlier body of literature on organisational climate,[124,125] and is strongly quantitative in its approach.[126-129] The second, essentially phenomenological, has its origins in anthropology[130,131] and claims sharp divisions with the quantitative approach. Despite this philosophical schism, there exists a core of agreement about the nature and significance of organisational culture. Both positivists and phenomenologists see culture as being a means by which the organisation aligns itself to the external environment[132] and regulates internal transactions.[133] Similarly, both schools see organisational culture as

multi-layered.[67,134-136] A second point of consensus exists between the positivist and phenomenological schools of organisational culture. This is that culture is, as Drucker puts it, 'persistent and pervasive'.[137] Studies of organisational culture support the belief that the phenomenon is very difficult to manage.[138-140] Where it is achieved, it is usually the result not of dramatic change, but of managing the natural dynamic flux of culture via the use of symbolism.[141] Even were organisational culture open to easy manipulation, this risks lessening any positive aspects of the extant organisational culture,[137,142] and decreasing organisational efficiency by increasing the intangible costs of internal transactions.[133]

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

This concept of fit between marketing strategy making process and culture is well supported by other researchers, without recognising the mechanism of two parallel alignment processes,[143,144] and is consistent with studies in organisational behaviour, which also correlate fit between organisational components to effectiveness.[145,146]

Similarly, the idea of culturally congruent planning is consistent with theories that management skills are culturally specific[147] and that strategy formulation must recognise behavioural as well as mechanical aspects of organisational processes.[148] Other researchers, from different perspectives, have pointed to the observed importance of organisational culture to strategy formation and implementation,[66,146,149] without referring specifically to the alignment function of both the phenomenon and the management process. More specifically, the existence of appropriate organisational values as a prerequisite to marketing effectiveness has been identified,[150,151] and is at the root of the marketing orientation literature. This last body suggests clear associations between marketing orientation and performance,[152-157] although it has not answered the criticisms implied by the organisational effectiveness literature as discussed earlier.

Hence, a very broad body of literature supports the idea that the effectiveness of marketing strategy making processes is related to its fit with the organisational context, at the root of which is pervasive and persistent organisational culture. This concept is not new. It was one of the conclusions of one of the earliest PhDs in strategic marketing planning.[158] A mismatch between culture and process would suggest at least a partial explanation for the limited adoption of a known contributor to organisational success. This consideration of internal factors is not, however, likely to be a complete explanation of marketing strategy making process effectiveness. To be so would imply that external, market, factors are of no importance. The importance of external market factors in mediating marketing strategy making processes is discussed in the next section.

External mediators of marketing strategy making processes

The marketing strategy literature is relatively weak in considering the implications of external conditions for marketing strategy making. This would appear to be due to the dominance of prescriptive, normative models in this field. The broader, strategic management literature, however, contains more on the subject. Support for external mediation of strategy making processes is seen in work in which planning has dysfunctional effects in uncertain and inefficient markets.[112] Similarly, research in high-velocity environments indicates that planning formality may be negatively associated with performance, and that planning comprehensiveness has significant positive associations with performance.[159-161] The relevance of market complexity is also supported by work showing the relationship between planning comprehensiveness and effectiveness.[28,162,163] Many of the arguments concerning the impact of external context on marketing planning processes have been consolidated by Speed who contends that external context affects decision character, decision process and decision outcome.[164] Supporting this external approach, from a slightly different perspective, is work correlating planning to effectiveness in hostile environments and for 'mechanistic' cultures, while advocating emergent processes in benign environments and 'organic' structures.[165]

This stream of work suggests, therefore, that the effectiveness of strategy development processes is mediated by external market contingencies. Further, it suggests that market turbulence and market complexity are the two areas in which explanations of this mediation might be found. The consensus around this is indicated by the fact that this was the common ground in the debate between Mintzberg and Ansoff.[166,167] This stream of work also gives some indication about the nature of appropriate fit or congruence between strategy making process and market conditions; complexity is seen to favour rational planning, turbulence is seen to favour less rational approaches. This, however, is the limit of the conclusions that can be drawn from this work, which retains three important weaknesses. First, the work relating strategy process to effectiveness remains wedded to the measurement of organisational, rather than strategy process, outputs, and thus fails to answer the criticisms associated with this approach, as discussed earlier. Secondly, the empirical work does not allow for simultaneous mediation of the strategy making process, hence failing to distinguish between internal and external mediators. Thirdly, the work comes, almost entirely, from the perspective of proving or refuting the effectiveness of rational planning. It therefore tends to characterise strategy making processes along a simple planning/non-planning dimension. As the earlier section concerning hybrid strategy processes suggests, this is a simplistic approach to understanding actual marketing strategy making processes. The literature on external mediators of strategy making process effectiveness therefore suggests external mediation occurs and indicates dimensions of process/market fit, but leaves unanswered important questions about the effectiveness of different strategy process hybrids in differing market conditions.

Theoretical bases for marketing strategy process effectiveness

The prior work summarised and criticised in the preceding sections suggests that both internal cultural factors and external market factors impact upon

the effectiveness of marketing strategy making processes. This clearly suggests that a contingency approach might be useful in understanding and explaining the effectiveness of marketing strategy making processes.

Contingency theory is, of course, a very broad approach covering numerous bodies of literature. Thompson[168] usefully describes the origins of the contingency approach as being the intersection of various streams of organisation theory including general systems theory, open systems theory and behavioural theory. Theoretical and practical contributions are seen to be derived from contingency theory through:

— identifying important contingency variables that distinguish between contexts
— grouping similar contexts based on these contingency approaches
— determining the most effective internal organisational designs or responses in each major group.

And the approach has been used both implicitly and explicitly in much marketing research.[169]

Relevant to this work, contingency approaches are seen as particularly useful in strategy research because they improve on the generalisability of single in-depth case studies while providing greater depth than large sample, statistically-based work which de-emphasises contextual differences.[170]

Much of the research on strategic marketing planning effectiveness and mediating variables, criticised above, adopts the contingency approach. This body of work appears, however, to have a significant flaw when applied to understanding marketing strategy making processes in the context of the extant knowledge reviewed above. First, the work concerns itself with

contingent dimensions of either the internal or the external environment in which marketing operates. This is at variance with the empirical findings discussed above that suggest that both internal and external contingencies affect the effectiveness of marketing strategy making processes.

One stream of that work does, however, suggest some ways in which the theory of marketing strategy process might be developed. One of the early seminal works in the contingency tradition of organisational theory developed concepts of functional differentiation, specialisation and integration.[171] This work was later developed to suggest that management functions are most effective when they are congruent with both their micro-environment and macro-environment.[172,173]

This idea of effectiveness being a function of two types of congruency simultaneously is known as the congruency hypotheses, and represents a significant step forward in thinking from earlier, simpler, work. The congruency hypotheses, when applied specifically to the process of marketing strategy making, suggests a potential explanation for the effectiveness or otherwise of strategic marketing planning. Namely, that the effectiveness of strategic marketing planning is contingent upon its congruence with both the external market environment (macrocongruence) and the internal environment (microcongruence).

In their favour, the congruency hypotheses allow for both the organisational and market contingencies suggested by the literature already discussed. Against this, they do not, specifically, suggest the dimensions of the internal or external environment of most importance to strategy making effectiveness. Nor do they specify the

Figure 1 Combined congruency model
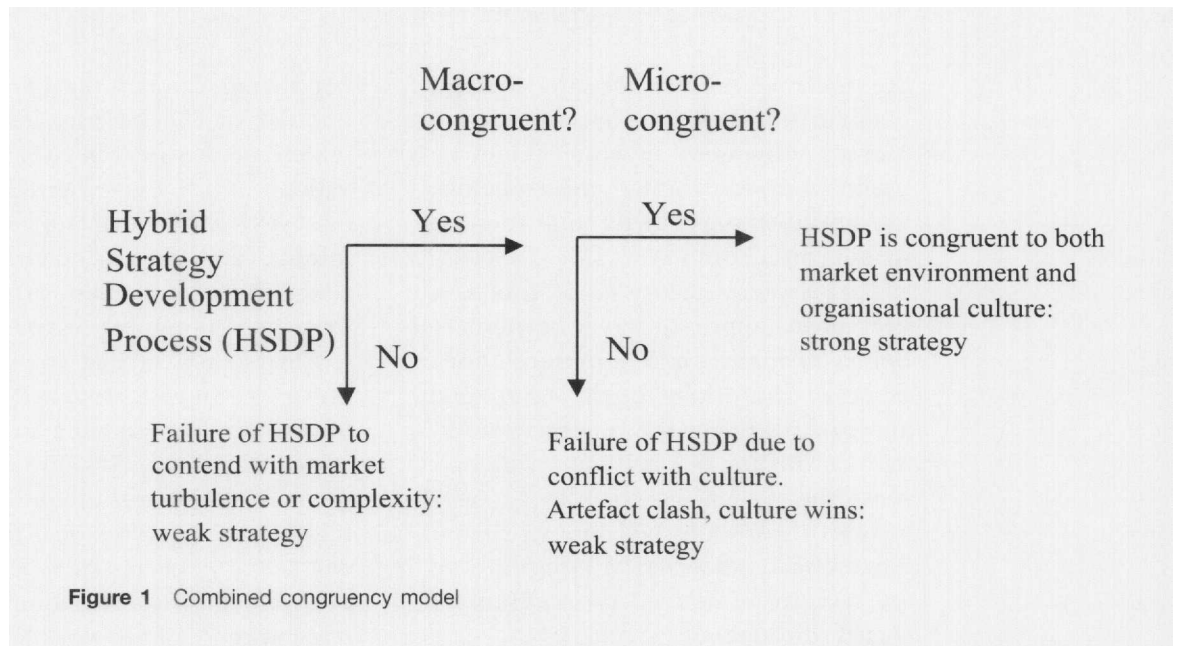
nature of success for that process. Taken together, however, the preceding literature review, contingency theory, and specifically the congruency hypotheses of Burrell and Morgan, suggest a theoretical basis upon which an explanation of marketing strategy making effectiveness may be developed. This explanation and its concomitant research questions and hypotheses, will be developed in the following section.

CONCLUSIONS

This work attempts to draw together ideas from several bodies of literature in order to synthesise a model of marketing strategy making process effectiveness.

This combined congruency model is summarised in Figure 1. The important constructs of this model are:

— the hybrid strategy making process: that combination of command, incremental and rational processes which accurately describes the set of marketing strategy making activities undertaken by an organisation. This might be expected to be characteristic of any given organisation

— macrocongruence: the degree to which the hybrid strategy making process copes with the external market conditions, particularly the complexity and turbulence of the market
— microcongruence: the degree to which the hybrid strategy making process copes with the internal organisational conditions, which can all be seen as artefacts of the organisational culture
— strategy strength or quality: the degree to which the resultant marketing strategy meets the conditions of a strong strategy as derived from the consensus view of the literature.

If empirically supported, this model would suggest that the prescriptive recommendations of the normative marketing planning literature can be improved upon by deliberate and considered adaptation to the particular context of any given firm. Specifically, the ratio of command, incremental and rational processes might be changed to better fit the market and organisational culture in which the marketing strategy making process operates.

A RESEARCH AGENDA

While the model described above is consistent with the literature reviewed in this paper, knowledge in this field is far from complete. In particular, knowledge of the interaction between non-planning processes and contingent factors is incomplete. Further, while there is much useful consideration of internal and external contingencies affecting strategy processes, there is little that considers how both sets of contingencies act together to affect the quality of the resultant marketing strategy. Helpfully, the congruency hypotheses inform thinking in this respect. They have not, however, been tested in this context and this gap suggests the following research questions:

— are the contents and properties of marketing strategies dependent upon the degree of congruence observed between an organisation's strategy process and its culture (microcongruence) and its market environment (macro-congruence)?
— what is the nature of micro- and macro-congruence? How does it exhibit itself and are any mechanisms of congruence and incongruence visible in the way they influence marketing strategy content and properties?
— what steps do organisations take to optimise congruence and how does that influence marketing strategy content and properties?

These questions form the bases of ongoing research and will be reported in due course.

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