

# Matching organizational frame of reference and business strategy with contemporary marketing practices

## Evidence from Arab world

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Business  
strategy with  
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### Abstract

**Purpose** – The purpose of this paper is to investigate diversity of marketing practices of firms operating in the same environment, by identifying how management perception and business strategy (BS) fits with the choice of the marketing practice.

**Design/methodology/approach** – A model was developed and tested using survey methodology based on three well-validated research instruments. Data were analyzed using the partial least square approach.

**Findings** – The results showed that different marketing practice were coupled with different frame of reference, as well as different BS. These forces were found to be inter related, and internally coherent, resulting in viable configurational profiles.

**Research limitations/implications** – The research is unique and exploratory, and was conducted in three Arabic countries with a small sample size. For these reasons, generalizability is somewhat constrained.

**Practical implications** – The findings would help managers to carefully examine the internal logic of their marketing-related profiling; it can be used as an assessment tool, where performance should be enhanced if the variables are coherent.

**Originality/value** – To author's knowledge this is the first study that inspect three variables that had been associated with decision making, but not integrated together in a holistic framework to explain marketing diversity. Additionally it identified four viable types of marketing practices with its corresponding frame of reference and BS. Therefore, the paper reports a work in an area not previously researched.

**Keywords** Emerging markets, Marketing strategy, Strategic management, Managerial cognition

**Paper type** Research paper

### 1. Introduction

One of the fundamental issues of strategic marketing is to explain the differences in marketing behavior of competing businesses in the marketplace (Hunt, 1983; Meyer, 1991; Schendel, 1991; Varadarajan, 2010). Specifically, why do competing companies approach the same market differently? The plurality of marketing modes in the same environment is self-evident; firms operating in similar markets approach their targets from contrasting angles. While the literature has documented the different marketing practices employed by firms (e.g. Coviello *et al.*, 2002; Pels and Brodie, 2004), the reasons for the diversity of marketing practices in the same environment have received virtually no attention (Pels, 2010); therefore, the purpose of this paper is to provide more understanding about the reasons for plurality of marketing practices within the same environment.

The first point of departure is found in strategic management literature since the presence of diversity and the search for archetypal order is well researched in this field. Earlier literature in strategic management argues that the strategic choices of firms are a reflection of the values and cognitive bases of powerful actors within the organization (e.g. Anderson and Paine, 1975; Elsbach, 2006; Hambrick and Mason, 1984; Kaplan, 2011).



Researchers have reported that different strategic outcomes are a result of the diverse assumptions that managers make about their environment (e.g. Gallen, 2006; Hambrick and Mason, 1984; Schwenk, 2007). Surprisingly, marketing literature has ignored the effect of management assumptions on the choice of marketing practice (Pels, 2010). Yet previous studies have provided evidence that the selection of functional strategies (e.g. marketing practice) flow from and are consistent with business strategy (BS) (Miles and Snow, 1978; Porter, 1996) therefore, it is expected that BS would mediate the relation between management assumptions and marketing practice selection.

Accordingly, this exploratory research seeks to increase understanding of marketing practice diversity by investigating how management assumptions and BS fit with the choice of marketing practice. In doing so, it examines the psychological and practical aspects of a unique cultural setting. The Arab region with its political, economic, and traditional orientation presents a unique setting for this exploratory research, which may complement or improve the predominant management and business models from the “developed” world.

From a theoretical point of view, this paper may provide a better understanding of the reasons for diversity of marketing practice in a real business environment, through linking it to diversity of management assumptions and plurality of strategic business choice. In addition, it attempts to provide an integrative view of inter-firm relationships as a means of value creation. From a managerial perspective, the findings should help firms to examine carefully the internal logic of their marketing-related profiling. These profiles are clusters of the three imperatives, where the knowledge of certain elements can lead to reliable predictions of the remaining elements which would in turn help managers to handle their marketing practice accordingly. Performance should be enhanced if the three elements are coherent.

The remaining parts of this paper are organized into three sections. First, the literature on management assumptions, BS, and marketing practice is reviewed, and an appropriate classification to represent each variable in the theoretical framework is selected. Next, the paper presents the research methodology and the partial least square (PLS)-path findings. Lastly, the paper concludes by discussing the findings, managerial implications, and future avenues for research.

## **2. Literature review**

### *2.1 Managerial assumptions*

The importance of managerial assumptions in the formulation of organizational strategies, and their role in explaining diversity of strategic behavior has been identified by management researchers (e.g. Child, 1997; Daft and Weick, 1984; Hambrick and Mason, 1984; Schwenk, 2007; Smircich and Stubbart, 1985). This research stream suggested that organizational outcomes are a reflection of the values and cognitive bases of powerful actors within the organization (e.g. Gallen, 2006; Hambrick and Mason, 1984; Schwenk, 2007; Shrivastava and Mitroff, 1983). The research found that the cognitive base affects the manager’s field of vision, selectivity, and subsequent interpretation process (Qiu, 2008) thus “directly entering in the strategic choice” (Hambrick and Mason, 1984).

Different conceptualizations and terms of managerial assumptions have been suggested (e.g. Day and Nedungadi, 1994; Goodenough, 1971; Shrivastava and Mitroff, 1984). For the purpose of this study, the frame of reference (FoR) typology proposed by Shrivastava and Mitroff (1983, 1984) as a determinant of managerial assumptions was adopted because its rigorous basis and its constructs have been clearly classified and operationalized.

Shrivastava and Mitroff (1983) describe FoR as the fundamental assumptions upon which organizational inquiry into problems is based. They include “methodological, epistemic, ontological, and ideological assumptions that enable organizational members to make consensual meaning out of social events” (Shrivastava and Mitroff, 1983). In other words, FoR is the underlying ground of organizational reality that leads its “mindscapes.” Organizational FoR is intended to be a collective term, in the sense that it is shared by most of the organization’s employees (Shrivastava and Mitroff, 1984).

Shrivastava and Mitroff (1983, 1984) identified four types of organizational FoR: political FoR, entrepreneurial FoR, bureaucratic FoR, and professional FoR (Table I) which are based on six constructs. Cognitive elements are the fundamental units of information: ideas, notions, concepts, and assumptions that are often taken for granted but cannot take place without personal inquiry or concept formation. Cognitive operators are the methods by which vast amounts of data are obtained, ordered and rearranged, in order to create meaning. Reality tests are the processes that “anchor organizational inquiry and resulting actions in specific rules and regulations, personal values, social ideologies, customs, or scientific knowledge and thereby give them “truth” or “reality status” (Shrivastava and Mitroff, 1983). Domain of inquiry is the scope and boundaries of the inquiry process that firms consider and address. Degree of articulation is not an element of FoR, but instead pertains to the “degree to which the assumptions embodied in the other four elements have been articulated and codified” (Shrivastava and Mitroff, 1983). Metaphors are symbolic constructions of the firm’s world in meaningful ways.

Elements of FoR	Entrepreneurial FoR	Bureaucratic FoR	Professional FoR	Political FoR
Cognitive elements	Subjective information	Objective information	Inter-subjective information	Subjective and objective interest
Cognitive operators	Personal commitment	Organizational commitment	organizational commitment	group or coalition commitment
	Judgment/intuitive analysis	Computational analysis	Planning and computational analysis	Bargaining and negotiation
	Limited short term problem formulation and solution	Interpersonal inquiry	long range problem formulation and solution	inter-personal problem solving
Reality tests	Self-experience	Organizational rules	Empirical, experimental proofs	Popular wisdom
	Facts are what work or get tasks accomplished	procedures procedural rigor	methodolog rigor	social and organizational norms
Domain of inquiry	Problem specific	Department fixed	Organizational fixed	Organizational and regional
	changing continuously	and well-drawn boundaries	boundaries	with stakeholder interests
Degree of articulation	Low through gestures and actions, non-verbal	High through explicit statement of assumptions, rules	Medium explicit in the knowledge base utilized for decision making	Low through rhetoric and metaphorical communication
Metaphors	Economic/militaristic	Economic/social	Scientific	Political

**Table I.**  
Shrivastava and Mitroff's FoR typology

## 2.2 Business-level strategy

A firm's strategy reflects its short and long-term responses to the challenges and opportunities presented by the business environment (Miller, 1988; Porter, 1996). Strategies can be formulated at three different levels: corporate, business and functional (Olson *et al.*, 2005). This paper focusses on business-level strategies because it is at this level that firms determine the general direction for each unit to follow in a given market (Rajaratnam and Chonko, 1995). And business-level strategies thereby directly influence the type of functional strategies such as what type of marketing practice is adopted (McDaniel and Kolari, 1987).

In examining business strategies, we adopt the typology developed by Porter (1980) which has been well operationalized and has been widely accepted to explain diversity and competition (Dess and Davis, 1984; Miller and Dess, 1993; Miller, 1988). Porter (1980) suggested that to overcome environmental threats and develop means to maximize business outcomes firms could adopt one of three major strategies: differentiation, cost leadership, and focus. The strategy of differentiation is a way for firms to set themselves apart from their competitors by providing unique products, services, technologies, brands, or customer service (Gurau, 2007). The strategy of cost leadership centers on cost efficiency, significant and successful cost control may give firms a competitive advantage in a given market, ultimately helping them produce results at the lowest possible cost. The strategy of focus is about concentrating business activities on a specific range of products, or on a specific market segment, using one of the two previously mentioned strategies (Miller, 1988).

Porter's generic strategies have been operationalized by various researchers (Dess and Davis, 1984; Miller and Dess, 1993; Miller, 1988). We perceive Miller's (1988) work to be the clearest, easiest to comprehend, and the broadest; therefore, this paper therefore adopts his operationalization. We chose to include Porter's (1980) two generic strategies, overall cost and differentiation, without including the focus strategy, since firms adopting such a strategy are implementing one of the two previous strategies, but in a narrow segment of the broader market.

## 2.3 Marketing practice

The current literature proposes two major perspectives to guide our understanding of the types of marketing practice. The proponents of the first take a more dichotomous position, and differentiate between transactional and relational marketing (Berry, 1983) viewing them as existing at opposite ends of a continuum (Grönroos, 1995). The proponents of the second approach conceptualize marketing practice along a continuum and they adopt a more pluralistic view that looks at a range of marketing practices. They include transaction marketing (TM), database marketing (DM), interactive marketing (IM), and network marketing (NM) (the contemporary marketing practice (CMP) group, e.g. Coviello *et al.*, 1997), and transactional, narrow, and broad relationship marketing (Sheth and Parvatiyar, 2000).

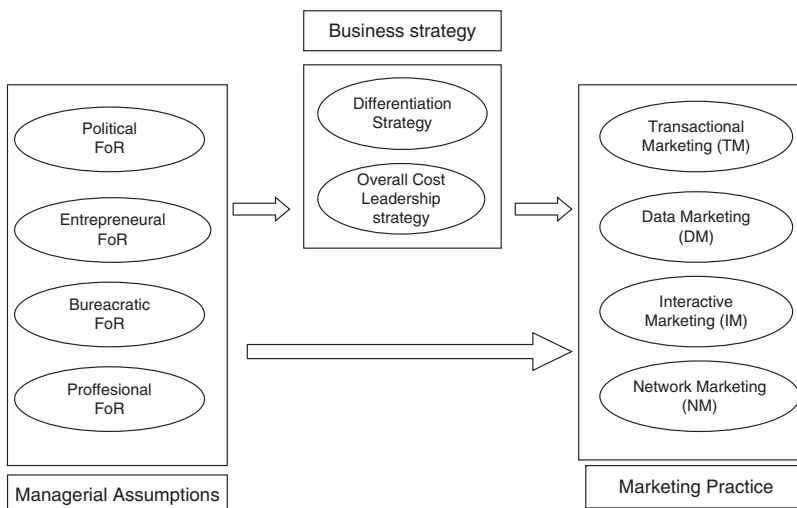
While a dichotomous approach is useful in simplifying relationships in the marketing field and thus makes it easy to understand the market dynamics, it does not capture the diversity of practices that may exist in between the two poles. Consequently, this paper adopts a pluralistic view and treats marketing practices as complementary rather than alternatives (Pels, 2010). Furthermore, it builds on the work of the CMP group to demonstrate the diversity of marketing practices. The work of CMP was chosen because it is conceptually the most developed; it suggests a typology and it is supported by extensive empirical work (Brodie *et al.*, 2008).

Coviello *et al.* (2002) identified four types of marketing practices instead of two: TM, which is influenced by a school of thought in marketing management that focusses on “attracting and satisfying potential buyers by managing the elements in the marketing mix,” DM, the goal of which is to retain customers using technology-based tools and in which sellers play an active part in communicating “to” customers, IM, which seeks to develop cooperative and mutually beneficial interpersonal relationships with customers through face-to-face communication “with” them, and ultimately to retain current customers; and NM, which contains the elements of IM but focusses more on the formulation of relationships between firms at different levels to enable coordination of activities with the ultimate goal of advancing a firm’s own position in a business network.

### 3. Conceptual framework

The previous discussion has established that managerial assumptions play a vital role in marketing decision making and that they are influenced by the FoR of the dominant coalition. Organizations’ FoR underlies how problems are formulated, how data are collected and interpreted, how alternatives are identified, and the choice of final solution. In addition, BS covers the general direction that each unit decides to follow, and functional marketing activities are intended to support such choices by gathering, disseminating, and responding to information on customers and competitors; therefore, it is expected that marketing practice will be affected by strategic choice at the business level.

The proposed framework presented in Figure 1 integrates the paper’s three variables: the organization’s FoR, BS, and marketing practices. In addition, for each variable, it indicates the related categories. This framework illustrates the thesis of this study, which is that an organization’s FoR affects the choice of marketing practice both directly and also indirectly through BS as a mediating factor. The direct effect is appealing if one considers the empirical and theoretical work that emphasizes the role managers assumptions’ play in determining organizations’ strategic direction (e.g. Day and Nedungadi, 1994; Pels, 2010; White *et al.*, 2003). As for the mediating relationship, the logic behind such relationship is that managers usually start by setting business



**Figure 1.**  
Conceptual  
framework

strategies and then move to functional strategies as the supportive activities essential for translating core strategy into an effective guide for action (Conant *et al.*, 2006). This top-down relationship implies that there is a fit or consistency between a firm's strategy and its marketing practice. As a result, it is expected that the relationship between an organization's FoR and its marketing practice will be mediated by its BS.

#### 4. Methodology

##### 4.1 Data collection and sample

The Arab region was the subject of this study and data were collected in three countries from the region: Palestine, the UAE, and Egypt. There are several reasons for this choice. First, despite the economic and political importance of the Arab region (Khdour *et al.*, 2015), there is still a lack of empirical data on its organizational practices. Consequently, data that illuminates or attempts to explain the psychological and practical aspects of Arab firms can be valuable. Furthermore, any findings about this region may complement or improve on the predominant management and business models from the "developed" world (Dwairi *et al.*, 2007).

To collect the data, a self-administered-questionnaire was distributed using an online survey format. This paper used listed companies from stock exchange databases from each of the three countries and officially available records of companies as the sampling frame which contained 757 companies. From this list of companies, 30 personal e-mail addresses and 432 general e-mail addresses were collected. An e-mail containing a link to the survey and a cover letter explaining the purpose and content of the survey was sent to the e-mail list. Respondents had the option of filling out either Arabic or English versions of the questionnaire. Finally, reminder e-mails were sent out and/or phone calls made every two weeks for one month. Out of 351 managers who viewed the survey, 158 completed it (Palestine ( $n = 53$ ), UAE ( $n = 60$ ), and Egypt ( $n = 40$ ), unspecified ( $n = 5$ ), yielding a response rate of approximately 35 percent.

In terms of the characteristics of the respondents, 37 percent were in upper management positions, while 39 and 21 percent were in the middle and functional management levels, respectively. As regards to the type of position held, 37 percent were in marketing 27 percent were in finance and accounting, 8.5 percent were in HR, and the remainder were distributed between engineering and other fields. This distribution is accepted since most Arab companies are small in size (Dwairi *et al.*, 2007) and cross-functional activities are often carried out. We therefore expected that respondents would be involved in or at least have knowledge about their company's marketing practices. Most of the respondents held a bachelor's degree, 68 percent and had over six years of professional experience. Approximately 65 percent of the respondents had worked for their current employers for over three years which enables these personnel to carry out their current company's strategies and practices.

With regard to the respondents' organizations, over 75 percent of the organizations were established less than 20 years ago. Of these organizations, 63 percent were completely domestically owned. As for the markets served, consumer markets accounted for 28 percent and business markets accounted for 24 percent; however, the majority (46 percent) served both markets simultaneously.

The overall characteristics of the sampling pool obtained are consistent with previous international studies (e.g. Coviello *et al.*, 2002), and comparable in terms of statistical physiognomy with previous studies conducted in Arab regions (e.g. Khdour *et al.*, 2015).

#### 4.2 Measures

The three main components of the questionnaire are based on earlier measurements because this paper adopted existing typologies that have been well operationalized. Organization FoR was based on the questionnaire originally reported by Shrivastava and Mitroff (1983), a total of 28 questions reflecting the five components of FoR were developed. For BS Porter's generic strategies were measured using 12 questions developed by Miller (1988). Of these 12 questions, four measured marketing differentiation, three measured product differentiation, and five gauged overall cost leadership. Marketing practice was measured using the CMP standard questionnaire for marketing practices (e.g. Coviello *et al.*, 2002) which contains a total of 36 questions. Each type of practice (TM, DM, IM, NM) was reflected in nine of these questions.

#### 4.3 Data analysis

Since the goal of this research is to assess direct and indirect relationships between the different variables, "fit as mediation" was adopted for dissecting such relationships, as it starts by checking the existence of direct relationships and then proceeds to inspect the indirect relations using mediating variables (Venkatraman, 1989).

This paper employed the PLS approach. Several studies have applied this method in testing their structural equation modeling in the marketing field (Henseler *et al.*, 2009). Adopting the PLS approach offers three advantages that coincide with the goals and characteristics of this study: it is a technique, that is recommended for models that emphasize theory development (Chin, 2010), it has an inherent ability to compute a cause-and-effect relationship model (Henseler *et al.*, 2009) and puts minimum demand on measurement scales such as the sample size and conditions for normality (Chin, 2010) as is the case with this particular study.

### 5. Results

The model was tested using SmartPLS version 2.0 (Ringle *et al.*, 2005). Model estimation was performed in a three-tier procedure as recommended by Henseler *et al.* (2009). First, the measurement model, then the structural model and finally indirect relationships were tested.

#### 5.1 Measurement model results

For evaluating the measurement model, the values of the indicator coefficients; composite reliability ( $\rho_c$ ), Cronbach's  $\alpha$ , and the average variance extracted (AVE) for each construct were tested (see Table A1). Using the advice of Chin (2010) of accepting items with loading over 0.5 if other items on the same construct reported high loadings, a total of 29 items were deleted. As for the ( $\rho_c$ ) index, all constructs exceeded the minimum value of 0.7 (Hair *et al.*, 2006). In addition to  $\rho_c$ , Cronbach's  $\alpha$  was examined as a matter of convention rather than giving it too much credence because Chin (2010) reports that  $\rho_c$  tends to be a closer measure of a construct's reliability than  $\alpha$ , under the assumption that the parameter estimates are accurate. These results show that the model passed the construct reliability test. Henseler *et al.* (2009) advise using AVE to evaluate the model's convergent validity. This measure for the proposed model ranged from 0.5081 to 0.9631, which is above the cut-off point of 0.5, indicating sufficient convergent validity, means that the latent variables are able to explain more than half of the variance of its indicators on average.

To demonstrate that discriminant validity has been established, Table II shows that the AVE square root (on the diagonal line) is higher than all below correlations which

**Table II.**  
Discriminant validity  
coefficients with  
*p*-value

	TM	DM	IM	NM	Political	Entrepreneurial	Bureaucratic	Professional	Cost	Differentiation
TM	0.73 <i>1</i>									
DM	0.264 0.001	0.723 <i>1</i>								
IM	-0.13 <i>0.109</i>	0.209 <i>0.009</i>	0.727 <i>1</i>							
NM	0.014 0.001	0.544 <i>0.001</i>	0.559 <i>0.001</i>	0.737 <i>1</i>						
Political	0.466 <i>0.001</i>	0.191 <i>0.018</i>	-0.13 <i>0.109</i>	-0.04 <i>0.656</i>	0.732 <i>1</i>					
Entrepreneurial	-0.16 <i>0.05</i>	0.156 <i>0.055</i>	0.493 <i>0.001</i>	0.2 0.013	-0.02 <i>0.722</i>	0.717 <i>1</i>				
Bureaucratic	0.214 <i>0.008</i>	0.369 <i>0.001</i>	-0.04 <i>0.594</i>	0.263 <i>0.001</i>	0.052 <i>0.522</i>	-0.106 <i>0.19</i>	0.752 <i>1</i>			
Professional	0.043 <i>0.595</i>	0.419 <i>0.001</i>	0.069 <i>0.395</i>	0.417 <i>0.001</i>	-0.17 <i>0.035</i>	-0.164 <i>0.042</i>	0.52 <i>0.001</i>	0.781 <i>1</i>		
Cost	0.466 <i>0.001</i>	0.163 <i>0.045</i>	-0.11 <i>0.193</i>	-0.01 <i>0.944</i>	0.588 <i>0.001</i>	-0.135 <i>0.097</i>	0.014 <i>0.859</i>	0.008 <i>0.922</i>	0.757 <i>1</i>	
Differentiation	-0.17 <i>0.042</i>	0.37 <i>0.001</i>	0.441 <i>0.001</i>	0.531 <i>0.001</i>	-0.2 <i>0.012</i>	0.358 <i>0.001</i>	0.077 <i>0.341</i>	0.209 <i>0.01</i>	-0.27 <i>0.001</i>	0.833 <i>1</i>

means that each latent variable has more variance with its indicator than with any other latent variable (Henseler *et al.*, 2009). In addition, this table reports the *p*-value for all the different correlations to indicate their degree of significance.

5.2 Structural model results

The empirical results shown in Figure 2 display all the significant paths with their *p*-values after running the bootstrap 5,000 times and deleting all the non-significant relationships or the ones with negative algebraic signs.

The psychometric properties of the structural model are shown in Table III and include: the coefficient of determination ( $R^2$ ), Stone-Geisser's  $Q^2$ , the variance inflation factor (VIF), and the communality for all constructs.

The  $R^2$ , which indicates how much of the endogenous variable is explained by the exogenous variables, reported scores of over 0.33 for all variables except for differentiation. These scores are considered moderate scores according to Chin (2010) and are acceptable values as reported by Henseler *et al.* (2009). The  $Q^2$ , which shows the model's predictive capability and shows values over 0, ranged from 0.327 to 0.382, which means that the variables have a large predictive relevance (Henseler *et al.*, 2009). The third column shows that the VIF values are far below 10, indicating the absence of multicollinearity. The last column presents the communality values, which represent how much variance each construct shares with all other variables included in the model. All constructs reported communality above the critical point of 0.5 (Hair *et al.*, 2006) which indicates that they have sufficient explanations.

Table IV reports the effect size  $F^2$ , which is calculated as the increase in  $R^2$  relative to the proportion of variance of the endogenous latent variable that remains unexplained (Chin, 2010). All values of the model are above the critical point of 0 (Henseler *et al.*, 2009), and range from small to medium size according to Cohen (1988), who considered the values 0.02, 0.15, and 0.35 as having small, medium, and large effects, respectively.



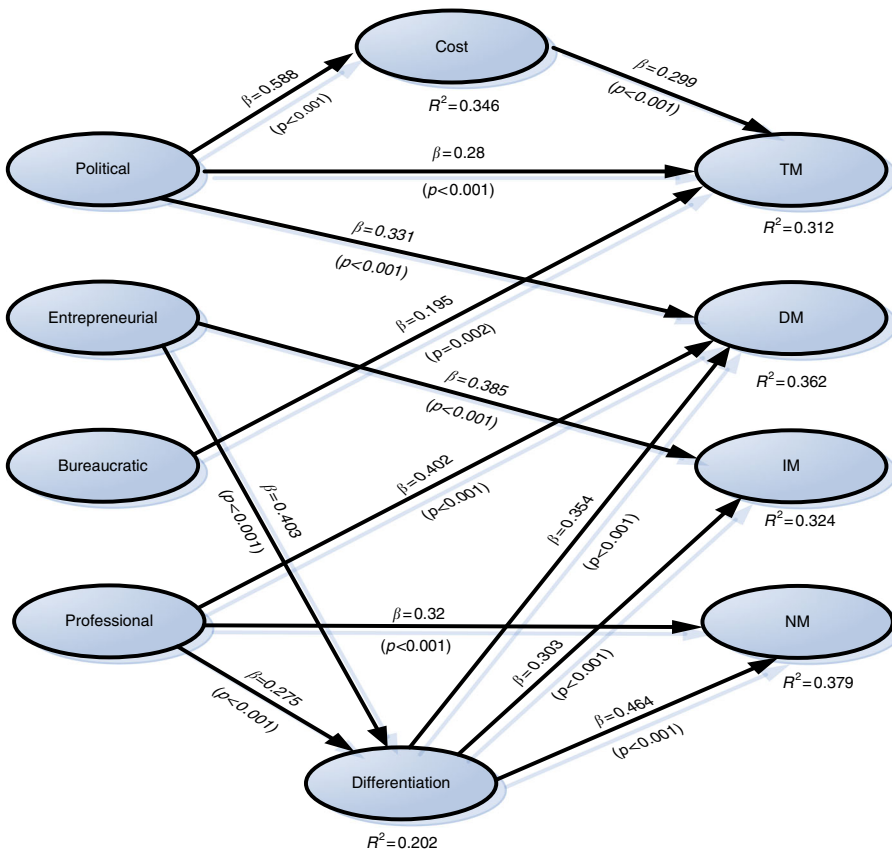


Figure 2. Empirical results

	$R^2$	$Q^2$	VIFs	Communality
TM	0.312	0.318	1.531	0.533
DM	0.362	0.371	1.937	0.523
IM	0.324	0.327	2.002	0.529
NM	0.379	0.382	2.458	0.544
Political			1.862	0.536
Entrepreneurial			1.563	0.515
Bureaucratic			1.544	0.566
Professional			1.887	0.61
Cost	0.346	0.353	1.805	0.573
Differentiation	0.202	0.211	1.77	0.694

Table III. Psychometric properties of the structural model

### 5.3 Mediation effect results

To test the indirect effects between FoR and marketing practice using BS as a mediating factor, indirect effects were calculated and their significance was examined. The significance was computed using two methods: *t*-value, and bootstrapping confidence intervals. These values are shown in Table V. Seven indirect relationships

**Table IV.**  
Effect size  
( $F^2$ ) results

	$F^2$	Effect size
Political → TM	0.212	Medium
Political → DM	0.063	Small
Entrepreneurial → IM	0.25	Medium
Bureaucratic → TM	0.042	Small
Professional → NM	0.187	Medium
Professional → DM	0.209	Medium
Political → Cost	0.346	Medium
Entrepreneurial → differentiation	0.144	Medium
Professional → differentiation	0.058	Small
Cost → TM	0.139	Medium
Differentiation → DM	0.131	Medium
Differentiation → IM	0.134	Medium
Differentiation → NM	0.246	Medium

showed significance at 0.05 levels with values between 0.083 and 0.176. The third and fourth columns show the upper (CIUL) and lower (CILL) bootstrap confidence intervals. None of these intervals contains zero in its range, which confirms that all these relationships are significant (Hayes, 2009).

Table V also shows the effect size of each of these indirect relationships, where most of them indicated a weak effect. Furthermore, the “Variance Accounted For” (VAF) value with unstandardized path coefficients to assess the size of effect (Henseler *et al.*, 2009) was calculated.

Table VI reports the total effect results with their significance level. These total effects are the sum of direct and indirect relationships. These effects range from 0.142 to 0.588, depending on the number of paths and the strength of the relationship.

These results assist in drawing the conclusion that the proposed model significant path coefficient and moderate  $R^2$ ,  $Q^2$ , and  $F^2$  indicate the strong explanatory power, high-predictive relevance, and applicability of the chosen variables; therefore, this is an appropriate stage at which to provide an analysis of the model’s findings.

## 6. Discussion and conclusions

The findings from the PLS-path provide strong support for the paper’s conceptual framework that the three variables (FoR, BS and marketing practice) are inter-related, indicating that marketing practice choice is based on a manager’s assumptions and readings of the environment and their consecutive choice of BS.

**Table V.**  
Indirect effect results

	Indirect effect	$t$ -value	Boot LL ci	Boot UL ci	Effect size	VAF
Political → TM	0.176	3.2	0.078	0.281	0.082	0.386
Entrepreneurial → DM	0.142	3.381	0.0701	0.2701	0.022	1
Entrepreneurial → IM	0.122	3.5882	0.0508	0.197	0.06	0.24
Entrepreneurial → NM	0.187	3.5283	0.1063	0.2804	0.037	1
Bureaucratic → TM						
Professional → DM	0.097	3.3448	0.045	0.1641	0.041	0.194
Professional → IM	0.083	2.5152	0.0279	0.1676	0.006	1
Professional → NM	0.128	3.5556	0.0716	0.2069	0.053	0.286

	Total effect	Direct	Indirect	No. of paths	t-value	p-value
Political → TM	0.456	0.28	0.176	2	7.729	< 0.001
Political → DM	0.331	0.331		1	4.729	< 0.001
Entrepreneurial → DM	0.142		0.142	1	3.381	< 0.001
Entrepreneurial → IM	0.507	0.385	0.122	2	7.456	< 0.001
Entrepreneurial → NM	0.187		0.187	1	3.528	< 0.001
Bureaucratic → TM	0.195	0.195		1	2.868	0.002
Professional → DM	0.499	0.402	0.097	2	7.677	< 0.001
Professional → IM	0.083		0.083	1	2.515	0.006
Professional → NM	0.448	0.32	0.128	2	7.226	< 0.001
Political → cost	0.588	0.588		1	10.5	< 0.001
Entrepreneurial → differentiation	0.403	0.403		1	4.975	< 0.001
Professional → differentiation	0.275	0.275		1	3.873	< 0.001
Cost → TM	0.299	0.299		1	3.602	< 0.001
Differentiation → DM	0.354	0.354		1	5.13	< 0.001
Differentiation → IM	0.303	0.303		1	4.329	< 0.001
Differentiation → NM	0.464	0.464		1	6.725	< 0.001

**Table VI.**  
Total effect results

The results showed the existence of a certain degree of internal coherence and consistency between the three variables.

First, they show that firms with TM are associated with political FoR and overall cost leadership strategy. This significant relationship is expected if one considers the fact that political FoR in the Arab world focusses on the coalition to which they belong (Khdour *et al.*, 2015), which goes with TM orientation for growth and expansion (Brodie *et al.*, 2008). In addition, the subjective nature of political FoR and its reality tests, determined by the organizational and societal norms, are harmonized with TM low emphasis on building external relationships. The cost leadership association with TM has been recognized in previous research. For example, Olson *et al.* (2005) found that low cost defenders achieve superior performance when utilizing a transaction selling strategy. The reason is that production or selling oriented firms are more likely to select a competitor market orientation rather than a market oriented approach (Noble and Mokwa, 1999).

The second positive relationship was found between entrepreneur FoR, differentiation, and IM. Entrepreneurial FoR managers are less formal and have a broad domain of inquiry. They seek to be innovative, hence need a marketing practice that focusses on establishing close ties with customers in order to understand their needs better and thereby respond innovatively to such needs. Therefore, entrepreneur FoR is associated more with IM and NM. However, while the results found a significance path with IM, significance was not found with NM which is one profound type of RM. One reason for such a finding may be that NM as a marketing practice is considered more strategic in orientation and requires more resources in order to develop a position in a network of relationships (Pels, 2010). This practice does not fit with Arab managers who due to cultural characteristics are usually less comfortable with conducting marketing research (Ali, 1998). The association between IM and differentiation strategy is understood by differentiation strategy's need for a marketing practice that seeks to build a close relationship with customers and tries to understand their needs (Conant *et al.*, 2006; Mcdaniel and Kolari, 1987).

The third finding was between bureaucratic FoR and TM. The bureaucratic FoR nature of being objective, impersonal, and looking for empirically verified information coming from documented, impersonal sources matches the TM impersonal nature, with no

individualized or personal contact. However, this relationship was found to be weaker than the one found between political FoR and TM, in addition bureaucratic FoR did not match with any business strategies. Such a finding can be explained by the cultural context of the study, where Arab bureaucratic managers have a preference toward traditional methods of marketing (e.g. TM) since they consider market research and other marketing tools, apart from direct selling, as a luxury and an unnecessary expense (Souiden, 2002). Add to this, certain marketing strategies such as mixed practices would not appear using PLS, because of its shortage in finding combination or clusters of practices. Therefore, bureaucratic FoR may have a stronger relation with one of these mixed practices that could not be obtained with the type of analysis used in this research mainly the low formal marketing practice.

Finally, the results show a relationship between professional FoR, differentiation, DM, and NM marketing practices. This may be an interesting finding, since DM may be conceived as an automated approach to TM (Brodie *et al.*, 2008) and NM is considered one of the main RM practices. Professional FoR in that case can be said to be employing a pluralistic marketing practice. This supports previous CMP findings that marketing practices were not necessarily practiced exclusively, but could be practiced concurrently (Coviello *et al.*, 2002); therefore, such relationships could be found.

In conclusion, these findings provide strong support for the paper's conceptual framework and suggest that when the combination of the imperatives is internally coherent, it will result into viable profiles which can be hypothesized and tested in future studies. The results affirm the strategic marketing theory prediction of the fit between BS and marketing strategy (Conant *et al.*, 2006; Mcdaniel and Kolari, 1987), different strategic type emphasizes different marketing activities (Conant *et al.*, 2006; Mckee *et al.*, 1989; Varadarajan and Jayachandran, 1999; Mcdaniel and Kolari, 1987; Slater and Olson, 2000; Slater *et al.*, 2011). It also confirms previous results on the key role management styles play in marketing decisions (e.g. Gallen, 2006; Hambrick and Mason, 1984; Schwenk, 2007).

## 7. Theoretical and managerial implications

The framework presented in this paper makes several contributions to enriching the marketing literature. First, companies responded to different profiles of marketing practice which supports the existence of the three imperatives and their underlying constructs, thus supporting their adoption. Second, this paper can provide a novel view on the reasons for marketing practice diversity by linking it to the inter-play it has with the management assumptions and BS. These results show that it is not the contingency factors that influence the marketing choice, otherwise how would we expect multiple successful marketing practices to exist within the same environment, but rather due to internal factors. From a strategic management perspective, this paper shows that frame of reference is the underlying explanation as to why different assumptions exist, and the important role it plays in decision making.

From a managerial standpoint, the results identified different profiles that should help firms to examine carefully the internal logic of their marketing-related profiling, and to manage their marketing practice accordingly. In other words, this framework would allow managers to know themselves better as decision makers since most managers are not aware that their choices of marketing practices are inter-related with the other imperatives (Pels, 2010). Therefore, this study can be used by managers as an assessment tool to understand that marketing practices are inter-related with the other imperatives and that the coherence between the three imperatives is what allows it to be viable for their marketing practices in relation to their FoR and BS, in order to gain viable effective practice. Finally, the results presented here may help managers to read and understand their competitors better.

## 8. Limitations and future research

This study is exploratory in nature, thus it is necessary to highlight several limitations. First, given the novelty of the approach adopted in the study I draw conclusions about association and not causation. Second, the study was restricted to three Arab states and had small sample sizes which may reduce the generalizability of its findings and conclusions. The paper also relied on a single informant within each organization. While the paper believes these individuals had good knowledge about their organization's FoR, business strategy, and marketing practice, multiple respondents in an organization would be preferable. Finally, even though the questionnaire included different control variables, I chose not to examine them for reasons of space, and acknowledge that these should be discussed in future work.

This study also opens up avenues for future research. First, it took the supply side to explain marketing diversity. Another possibility could be to adopt the demand side by using consumers as opposed to managers. Second, the study included firms from different industries. An interesting research development would be to conduct a study within the same industry. In addition, this paper is exploratory in nature and is restricted to the Arab market. Replicating this research in other countries or markets with different cultural dimensions (e.g. Hofstede dimensions) and comparing the results will increase the validity and applicability of the findings in various contexts and allow for further insights on its generalizability.

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Measure	No. of original indicators	No. of significant indicators	Indicator name	Indicator loading	$\rho_c$	Cronbach's $\alpha$	AVE
TM	9	5			0.849	0.7759	0.5307
			TM2	0.795			
			TM3	0.772			
			TM6	0.741			
			TM8	0.759			
DM	9	5	TM9	0.556	0.845	0.769	0.522
			DM3	0.733			
			DM4	0.796			
			DM5	0.673			
			DM6	0.774			
IM	9	5	DM7	0.626	0.848	0.776	0.5263
			IM4	0.731			
			IM5	0.704			
			IM6	0.794			
			IM8	0.686			
NM	9	5	IM9	0.717	0.856	0.79	0.5426
			NM2	0.694			
			NM3	0.728			
			NM5	0.738			
			NM6	0.79			
Political	6	3	NM9	0.733	0.776	0.566	0.5358
			Polit2	0.688			
			Polit4	0.757			
Entrepreneur	8	4	Polit6	0.75	0.809	0.685	0.5081
			Entrep5	0.741			
			Entrep6	0.724			
			Entrep7	0.723			
Bureaucratic	6	3	Entrep8	0.681	0.796	0.616	0.5385
			Bureac4	0.757			
			Bureac5	0.771			
			Bureac6	0.729			
Professional	7	5			0.886	0.839	0.6008
			Prof1	0.769			
			Prof3	0.806			
			Prof4	0.826			
			Prof5	0.793			
			Prof6	0.705			
Cost	5	4			0.843	0.75	0.5723
			COST1	0.706			
			COST2	0.808			
			COST3	0.711			
			COST4	0.798			

**Table A1.**  
Psychometric  
properties of the  
measurement

(continued)



Measure	No. of original indicators	No. of significant indicators	Indicator name	Indicator loading	$\rho c$	Cronbach's $\alpha$	AVE
Differentiation	7	6	DIF1	0.825	0.931	0.911	0.6931
			DIF2	0.877			
			DIF3	0.835			
			DIF4	0.78			
			DIF5	0.89			
			DIF6	0.784			

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