Marketing Logics for Competitive Advantage?

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ABSTRACT

Purpose:

In this paper we address two issues facing marketing management: firstly, the need to make marketing a more central function of the firm and secondly to explore ways in which marketing can be more innovative. We do this by investigating the logic of marketing management as practiced by Corporate Marketing Executives (CME). Logics describe the sense making activities of managers which help explain the disparate ways in which marketing managers approach similar marketing problems.

Methodology:

The paper develops a framework for analysing managerial decision making. The research applies a Grounded Theory technique and 15 personal in-depth interviews are carried out with top managers in marketing (CMEs) in 3 financial services companies, 3 telecommunications and IT companies and 9 pharmaceutical companies.

Findings:

Our results suggest 4 main logics: Performance, Communication, Stakeholder and Innovation. These are then defined in terms of management and marketing capabilities. Implications for marketing managers and further research are discussed.

Research Limitations / Implications:

The paper develops a framework in which to examine the use of logics in marketing management. In the actual survey we examined only a relatively small sample of organisations in a few industries, but in considerable depth. The research does however give the basis for a more quantitative study to generalise the existence of these logics and investigate their links with company performance.

Practical Implications:

This paper gives important managerial insights into the ways in which managers' logics both limit and provide opportunities for managerial action. The findings will help managers become more reflexive towards the tacit assumptions they make about the business environment, the tasks that they undertake and the capabilities that they need to develop.

Originality / Value:

The paper represents a new and unique way of addressing marketing management. Management logics and sense-making have been studied in the management literature but their repercussions for marketing managers have not been fully explored. It paves the way for further research into the role of marketing logics in influencing managerial action.

1. Introduction

During the last part of the 20th century marketing as a field of education, research and practice changed considerably in character. The earlier, more or less generic idea of 'what marketing is' (Kotler, 1972) was abandoned. Marketing became a field of inquiry and practice to be approached from different views, depending on the issue or context in focus. Thus we have seen the emergence of: Services Marketing (Bateson, 1992; Lovelock, 1992; Zeithaml and Bitner, 1996, 2000), Relationship Marketing (Berry, 1983; Palmer, 1996; Gummesson, 1995; Grönroos, 1996), Business to Business Marketing (Ford, 1997; Mudambi, 2002), Retail Marketing (Gilbert, 2003; Mulhern, 1997), Social Marketing (Andreasen, 2006; Kotler et al., 2002), and Brand Management (Aaker & Joachimsthaler, 2002; Keller, 2003; Kapferer, 2004). When Vargo and Lusch (2004) reflected on this development, they came, however, to raise the following hypothesis: "Perhaps marketing thought is not so much fragmented as it is evolving toward a new dominant logic". On the basis of this hypothesis, or more correctly standpoint, they set out to analyze the evolution of marketing thought in the literature. The conclusion from their analysis is: "marketing has moved from a goods-dominant view, in which tangible output and discrete transactions were central, to a service-dominant view, in which intangibility, exchange processes and relationships are central" (Vargo and Lusch, 2004, p. 2). In a parallel development, a number of other researchers point to the need to redefine the focus of marketing towards a value-based logic. For instance, Prahalad and Ramaswamy (2004) argue cogently for radical re-evaluation of the long-term value of traditional approaches to markets and customers, by rejecting the "boredom" of product and process orientation (including reengineering and efficiency management) in favour of a model which encourages firms to identify and seize future value-based market opportunities. Kim and Mauborgne (1997, 2005) make a similar point in stressing the value of redefining markets in terms of customer value creation rather than seeing them from the confines of traditional

conceptualisations of the market. Davenport, Leibold and Voelpel (2006) postulate: "Companies need to escape from the conventional competitive-goods mindset and adopt a collaborative value-innovation mindset" (p. 117).

When Davenport, Leibold and Voelpel (2006) describe the meaning of what they call "a value/service-centred dominant logic" (which they regard as being synonymous with Vargo and Lusch's (2004) service-dominant view), they do not stress any particular function or change agent as being the ambassador of the logic. The same holds true for Vargo and Lusch (2004). They conclude, with reference to Barbara (1996), that "marketing is an organizational state of mind". However, the challenge for marketing management, we believe, is to investigate whether and to what extent this new logic, or state of mind, has perpetrated the decision-making process of marketing managers, what barriers exist to achieving this and whether it is desirable from a competitive perspective. There is therefore a need to develop an understanding of the ways in which marketing logics or logics impacts of the decision-making processes of the marketing manager, what impact these have on the ability for the marketing function to become an organisational state of mind, and thus to what extent these logics can be implemented across the marketing organisation. We believe that in order to understand the role of logics in managers' daily activities and ultimately on the way in which marketing is implemented in the firm, we have to look at evidence of the use of logics at the micro level of managerial decision-making.

The use of marketing knowledge at the micro level has been addressed, if only at a preliminary level (McIntyre and Sutherland, 2002), but work has yet to be carried out to look at how a dominant logic might impact particularly on the tasks, processes and knowledge utilised by marketing mangers (see Daniels *et al*, 2002 for a notable exception). Thus whilst the literature appears to

support the idea of a dominant logic, there is little evidence of how it is expressed (and/or implemented) in practice. Although a considerable amount of research has dealt with marketing's role and organizational placement in organizations (e.g. Webster, 1997, Homburg *et al.* 1999; Homburg *et al.*, 2000), there is a lack of research about the meaning of marketing among the ones who have been appointed to put them into work, i.e. the chief marketing executives (CMEs).

The purpose of this explorative study is to outline a framework for filling this knowledge gap. It is not our intention to discuss what marketing logics are in any one specific way, but to explore how the concept is made operational as a way of uncovering some of the components of logics as they are discussed in the literature and how they emerge from our data. We aim to deal with the following research questions: Is marketing from the perspective of CMEs evolving towards a dominant logic, i.e. a kind of dominant logic for marketing management? How are the new ideas and values on marketing and management in the literature reflected implicitly and explicitly in CME's models for executing their role? What impact does this have on the firm's ability to develop and nurture core capabilities? Finally, what implications might this have for the firm's competitive advantage?

2. Theoretical Framework

The importance of understanding managerial assumptions in formulating organisational strategies and in daily practices is widely documented (Bettis & Prahald, 1995; Prahalad & Bettis, 1986; Senge, 1990; Thomas et al., 1993; Weick, 1977, 1979, 1995, see Walsh, 1995 for a review of the application of cognitive theory in management). Concepts such as Frames of Reference (Shrivastava & Mitroff, 1983) and Sense Giving (Gioia & Chittipeddi, 1991) have been used to describe the ways in which managers make sense of equivocal events in order to facilitate the

decision-making process and of how managers influence the strategic possibilities for the firm through their assumptions. There have however only been sporadic attempts to apply this approach in the marketing literature (See, special issue Psychology & Marketing, 2001).

Theories of mental models, schema, paradigms, cognitive models, etc. propose that managers carry with them a set of beliefs and assumptions that influence the interpretation of events that they face. Further, these interpretations influence which issues managers attribute significance to, how they react to them, which solutions they develop in response to them and how they evaluate the efficacy of their response. For instance, mental models may consist of "a picture of future customer needs; an understanding of a business model; a set of relationships showing some causality or consequences in the market place; a diagram of critical interdependencies in the value chain; or a mental motion picture of chain of events in a strategic plan" (Karp, 2005, p.89). They are thus critical to understanding how marketing strategies are developed, implemented and evaluated.

According to the literature, a mental model is a tool "to categorize an event, assess its consequences, and consider appropriate actions (including doing nothing), and to do so rapidly and efficiently" (Prahalad and Bettis, 2004, p. 76). This pragmatic definition rests upon the understanding of logics as constructions of reality that both serve to present and hide possibilities for action; as Shrivastava & Mitroff (1983) note, "Management as a profession is made out to be 'action' oriented rather than 'reflection' oriented" (p.166). Mental models may therefore act as blinders for the organisation in the sense that they direct top managers' attention and attitudes in relation to issues and actions. In the marketing literature the concept of mental models has only recently emerged and, as a consequence, there is a lack of empirical analysis as to the role of mental models in marketing strategy formulation and implementation (Day, 2002; Day and Shoemaker,

2004; Noble *et al*., 2002; Tyler and Gnyawali, 2002; Wierenga, 2002; Prahalad, 2004; Vargo and Lusch, 2004; Wind 2005).

In examining the role of marketing logics this paper describes the individual-level, cognitive processes through which decision-makers make sense of the marketing situation. It is generally agreed that the role of top management is central in terms of forming and influencing the interpretation framework for the whole organisation (Krepapa and Berthon, 2003; Day, 2002, Day and Shoemaker, 2004). Their importance, or influence, comes from the decisions and other management processes they are engaged with, but also from the values, knowledge and fields of interests top managers talk about, more or less explicitly (Leonard-Barton, 1995; Nonaka and Takeuchi, 1995; Davenport and Pruzak, 1998; Pan and Scharbrough, 1999; Gold, Malhotra and Segards, 2001; Earl, 2001; von Krogh, Nonaka and Abend, 2001; Armistead and Meakings, 2002; Gieskes, Hyland and Chapman, 2002). Furthermore, their role is multifarious in that their influence encompasses not only structures within the organisation but also the knowledge that is prioritised, the field of interest that the organisation focuses on and more broadly their general assumptions about the priorities of their business in particular and business generally.

The central notion applied in this paper is therefore that Chief Marketing Executives (CMEs), as significant influencers and implementers of corporate marketing policy, carry with them a set of ideas and beliefs regarding the meaning of corporate level marketing and of the CME's role in that regard. They in turn also hold beliefs about customers' and competitors' behaviour and values, about particular characteristics of their companies, and about appropriate administrative tools and processes to respond to their perception of the marketplace (Prahald and Bettis, 1986; Senge, 1990; Bettis and Prahalad, 1995; Bettis and Wong, 2003; Prahalad, 2004; Daniels *et al*., 2002). Thus, our

view is that managers "understand the world by constructing models of it in their minds" (Chermack, 2003: 408), and that these models, act as: "lenses through which managers perceive the world they have to operate in, the constructions they make to explain how it and they are behaving, the structures they use to design their actions" (Stacey, 2003, p. 108). The approach is consistent with the broad organisational psychology literature where theories of social and individual cognition are considered useful in understanding the behaviour of top-level decision-makers (Fiske & Taylor, 1991; Dutton, 1993; Keisler & Sproull, 1984).

This leads us to pose two questions regarding the nature of these models and the way in which we go about measuring them. Firstly, what are the key variables in these mental models in relation to the decision making processes of the CME? Secondly, how can we use this to devise an empirical study of managers' mental models?

3. Developing a Framework for Management Sense Making.

It has long been recognised that mangers are in a constant process of scanning, interpreting and learning about their environments (Daft and Weick, 1984). Interpretation capabilities are fundamental to the manager's and the firm's ability to adapt and innovate in so far as they can prioritise relevant internal and external signals that are needed to respond the changes in the organization's environment (Rosa, 2001; Weick, 1995). Each stage is affected by cognitive frameworks or mental models. In line with the literature, we propose that sense making, at a pragmatic level, can be divided into the following three stages: sensing, interpreting and responding. These concern how the manger senses the environment, i.e. what issues trigger a manager's awareness? How the manager interprets and attaches significance to these issues? What

knowledge they apply to this and what knowledge is as a consequence generated? And how the manager responds to these issues in terms of his / her actions and the processes that are undertaken?

The framework presented here builds from this 3 stage model. However, in contrast to traditional approaches to sense making which present these in a lineal relation, we believe that the process is much more cyclical, with each element influencing the other two. Thus, a central idea behind the framework is that top managers' knowledge systems (including both descriptive and procedural knowledge) influence both decision-making and the management processes (tasks) that they are involved with. Furthermore, that the experiences that top managers gain through key events and issues will influence their perceptions about what they regard as important knowledge in developing and implementing marketing strategy. Thus, the framework proposes that top managers' perceptions about 'issues' affect their perceptions about 'knowledge' as well as their knowledge management activities, among other things ('tasks'). In this way the management logics described in this paper describe the ways in which managers make sense of their environment; scanning marketing environments is not merely a reaction to events (and an attempt to make sense of them) but can equally involve the active creation of meaning by affecting experience (Chermack, 2003; Gioia and Chittipeddi, 1991)

From this approach we propose a cyclical model of managerial sense-making as the basis for understanding and investigating the role of dominant logics on the decision-making processes of the individual manager (Figure 1). The model should be understood as a methodological tool for examining the role of logics in decision-making rather than a reflection of the actual processes, and the order of those processes in reality. In this way the core of the model built around values and

beliefs, issues, tasks and knowledge represent the marketing logics.

TAKE IN FIGURE 1

3.1. Sensing

Marketing managers face a constant barrage of stimuli from both their internal and external environments. A number of writers have noted the challenges of external market turbulence (D'Aveni, 1995; Brown & Eisenhardt, 1998) that are both unstable and unpredictable and favour adaptive sense making processes (Bogner & Barr, 2000). Since both internal and external environments are complex and unpredictable, signals are implicitly and explicitly filtered by the manager's interpretation system in order to simplify this complexity (Hodgkinson, 2001; Bogner and Barr, 2000; Dutton, 1993). This filtering system has two elements: a receptive, collecting element and an active scanning element, defining their role as a collector of information or as an active agent in defining issues (Ottensmeyer and Dutton, 1989). Managers have a predisposition as to what they believe is important and what is not. They therefore impose structures and meaning on their equivocal environment that essentially forms and reinforces their own perception of the environment through processes of enactment and directed viewing (Rosa, 2001; Weick, 1979). Thus sensing mechanisms are interlinked to interpretation systems; the simplifying assumptions (Hodgkinson, 2001) that underlie mangers' responses to situations characterised by bounded rationality are more that simplifications: sensing triggers the first stage of the interpretation system that filters and sorts information through selection processes and interpretation and results in issues that the organization then deals with.

3.2. Interpreting

Once the manager's attention has been triggered, he / she will actively or implicitly make sense of these stimuli. Issues, which are actively identified or are reacted upon passively, are implicitly and explicitly prioritised typically according to the individual manager's mental models and the routines of the firm (Dutton *et al*., 1983; Dutton and Duncan, 1987; Dutton, 1993). At this stage factors such as personal experience (tacit knowledge) (McIntyre and Sutherland, 2002), company policy and disposition to issues plays a significant role in determining the feasibility and importance of dealing with specific issues. Key events and critical issues (Isabella, 1990; Shein, 1985) provide useful indicators of manager's way of sensing their environment since the implicit prioritisation of issues are related directly to the heuristics and biases that mangers hold about their environment (Hodgkinson, 2001). Once strategic issues are identified, the manager is then concerned about applying existing and new knowledge to these issues. Managers often retain solutions to issues in their memory as implicit mental models, which they then use in the future to define and solve what they believe to be similar problems in the future (Rosa, 2001). This cyclical process concerns the development and application of knowledge where the manager draws from own experience, standardised organizational response procedures and concepts and models from their own education or learned from others. Rossiter (2001) suggest that knowledge structures are "a descriptive list of concepts… that help to organize and therefore begin to solve, a marketing problem." Whilst the role of lists of concepts is important this approach, we believe it fits poorly with the sense making literature and the cyclical nature of the interpretation process outlined above. We believe the use of knowledge cannot be separated from the individual manager's own experience, the context within which the manager applies knowledge, its use and the role of tasks in creating knowledge. Rossiter's rejection of procedural knowledge (know how?) as a general form of marketing knowledge may be relevant in that context, but in the framework of our cyclical model, such knowledge may provide valuable insights into the dominant logic. Thus, whilst declarative

knowledge (know what?) (Rossiter, 2001) may limit the manager's available set of issues (and thus affecting the strategic issue diagnosis phase); procedural knowledge affects the set of possible reactions that the manager has available.

3.3. Responding

The application of procedural knowledge thus leads to development of tasks that the manager implements in order to deal with the issues identified. Tasks may be routines or developed specifically in relation to the issue at hand. The very actions in relation to a task then create responses in the internal and external environments: responses that resonate and confirm existing beliefs about the environment and the firm and those that create new challenges to these beliefs. This then feeds into the issue diagnosis phase to complete the cycle. These processes occur within an overall framework of values and beliefs about the role of business: assumptions about what is important for the manager's own business built upon their own assumptions about business in general. These are described as shared belief systems (Bogner and Barr, 2000). The value system, as part of the organisational culture and personal / professional culture provides the overall framework for decision-making but also influences directly the development and retention of knowledge in the firm. As Lee and Choi (2003) note: "organisational culture is the most important factor for successful knowledge management. Organisational culture defines not only what knowledge is valued, but also what knowledge must be kept inside the organisation for sustained innovative advantage." (p.188).

On the basis of the above, we believe that marketing managers' logics (frames, of reference, cognitive logics, perceptual maps or what you will) can be more precisely understood in terms of four key topics: Issues, tasks, knowledge and values. These do not exist in a linear relationship but

constantly interact with each other through the process of sense-making. Issues represent the critical events that trigger managerial action. Tasks represent the routines and processes that managers set in motion to respond to these events. Knowledge is both that which is applied from the learned experience of managers and used to make choices about appropriate tasks, but also that which is gained as a result of these tasks. Finally, values are the fundamental assumptions about the environment that the manager works within, be they personal, professional or corporate values. The model allows us to see how management logic affects each variable, and how these are interlinked to affect management decision-making. Likewise, the model identifies the topics that form the basis of our empirical work.

4. Methodology

4.1. Data Collection

Data was collected through 15 semi-structured in-depth interviews with the top managers in marketing (CMEs) in 3 financial services companies, 3 telecommunications and IT companies and 9 pharmaceutical companies in Denmark. The choice of industries was driven by the desire to choose those that represent highly competitive, dynamic and innovative industries. Each have high levels of service content and therefore potentially reflect the business environment described by Vargo and Lusch (2004) in their description of marketing new dominant logic. Equally they represent a broad range of industries with both Business-to-Business and Business-to-Consumer elements. Table 1 gives a profile of the firms in survey; as can be seen this represents a considerable variation in terms of age, size and turnover; it was important for this study to be representative of the variety of marketing contexts which CME's find themselves in. All companies were globally or regionally (Scandinavia) oriented and operated as global or regional headquarters.

TABLE 1 ABOUT HERE

Choice of respondent was made on the basis of the criteria that the respondent was directly responsible for marketing activities in the firm and had direct access to the board of directors – their job titles ranged from marketing director to vice president corporate communications.

We sought to study the various components of mangers' logics in terms of their everyday decision making. The study focused on decision-making processes as a methodological tool for making the concept of management logics operational (Shrivastava and Mitroff, 1983). In this way the intention was that by following decision-making processes we would be able to uncover the logics that the manager implicitly adhered to without asking direct (and unfathomable) questions. Using the model developed in Figure 1, respondents were asked about the issues they felt were most pressing as a way of opening the interview. We then used a semi-structured approach to ensure that all 4 topics (issues, tasks, knowledge and values) where covered in the interview.

During all of the interviews we used an audio recorder and each interview was fully transcribed into a textual format. Our core motive to work with tapes and transcripts was, as discussed by Silverman (2000), to be able to focus on the "actual details of one aspect of social life", (p. 149) such as the language (the words, concepts and expressions) that managers used when they talked about areas and aspects of knowledge that they regard as being important. Both authors coded the data separately according the above methodology. Results were then compared and discussed in order to improve the validity of the coding. Differences in interpretation and significations were discussed with reference to the transcripts.

4.2. Data Analysis

We have broadly applied a grounded theory methodology since we are attempting to develop an understanding of the complexities underlying the decision-making processes of CME's in an area with little prior research. Grounded theory, developed from the work of Glaser & Strauss (1967), uses an inductive approach to building theory from data. It emphasizes the development of theory grounded in the data itself rather than in predefined hypotheses. Given that the nature of this research is explorative and focused on understanding how managers define their own work, this approach has given us the opportunity to build up categories and work towards identifying logics based on the experiences that we report through this research. This, we believe, enhances the validity of the results by putting CMEs' decision-making processes centrally to the research.

In designed this study we did not, however, reject the role of existing theorization in the areas of managerial decision making but sought to integrate a plurality of perspectives into the methodology. Using a reflexive approach (Weick, 1999) we have sought to combine various theories of managerial decision-making into the research design. Thus, the emerging conclusions and theories were grounded in the data, but not rigidly bound to it (Shrivastava and Mitroff, 1983; Barzun & Graff, 1977); in this way we attempted to achieve theoretical triangulation (Janesick, 1994). Rather than adopting the purely open techniques proposed in grounded theory (Strauss and Corbin, 1996) and in in-depth interview techniques (McCracken, 1988), we have guided them around broad topics suggested by the literature. In this case under the topics of: Issues, Tasks, Knowledge and Values (see Appendix 1). The detailed notes and data from the interviews were thus coded around these topics. Themes (Strauss and Corbin, 1996) emerged across the respondent companies by using a cross-case analysis as suggested by Yin (1994). In this way topics acted as a methodological tool for asking questions, but the analysis remained grounded in the data.

As to methodology to analyse the transcripts we followed the basic ideas, or assumptions, of conversation analysis. One of these assumptions concerns the necessity to "avoid premature theory construction and the idealisation of research materials which use only general, non-detailed characterisations" (Silverman, 1995, p. 125). A three-stage process was followed when analysing the data, as suggested in the literature on conducting qualitative research and on analysing sense making processes (Carley and Palmquist, 1992; Gioia and Thomas, 1996; Miles and Huberman, 1994; Spradley, 1979; Strauss and Corbin, 1990; Thomas *et al.*, 2001). Accordingly, the analysing process started up with a reconstruction of the interview tapes to texts and to synopses. Thus, each interview was fully transcribed and resulted in an empirical material consisting of 15 to 25 pages (double spaced, font size 12). Thereafter, in the working out of the synopses, the data from each interview was arranged, as far as possible, into sections (issues, tasks and knowledge) and sub sections.

The second stage sought to identify major trends in the data. In each individual synopsis, terms and statements were identified and marked out as a basis for creating a coding strategy and categories subsequently. The aim was to break down the data into discrete ideas and beliefs relating to 'issues', 'tasks', 'knowledge' and 'values'. Thereafter connections between terms and statements, and eventually between sections were identified. The output from this stage was a condensed version of the data, a coding strategy, and an abstracted version of the data. The selected terms and statements became the raw code that expressed the distinct quality of the interviewed managers' mental models. Thus, in the language of Strauss and Corbin (1990) the terms are so called "in vivo codes". In relation to this, it shall be noted, that all of the interviewed managers used a lot of established marketing concepts as well as popular terms stemming from the management literature.

5. Findings

Indicators that CMEs enact marketing from a common mental model, a kind of dominant logic for corporate level marketing, has not been found in this explorative analysis. Thus, the findings show that CMEs have varied views and ideas as to what are the key issues, tasks, knowledge areas and values for corporate level marketing. Having not found evidence of an overall marketing logic (or even a service centred marketing logic), we did, however, find evidence for commonalities between the schema (logics) of respondents. Overall four categories emerged: Performance Focused Management Logics, Communication Focused Management Logics, Stakeholder Focused Management Logics and Product Innovation Focused Management Logics. In accordance with this finding it was found that CMEs differ as to what management capabilities that they are busy creating or nurturing. As regards the latter, the following dichotomies appeared as representing two major discriminating dimensions: 'responsive versus proactive' and 'support versus control' oriented marketing management. This section starts with a presentation of a typology of management logics and ends with a discussion of four categories of capabilities and of various expressions of a "value/service-centred" view on marketing within each one of the four identified categories of logics.

5.1. A Typology of Management Logics

Table 2, gives an overview of terms, expressions and statements that we have extracted from individual mental models and interpreted as representing a common theme that permeate a category of management logics. As the names of the categories suggest, it was found that CMEs attention and field of involvement is typically oriented to one overriding issue. Whilst managers often address many issues in their work, a common focus between respondents clearly emerged within

the category. However, as will be explained in the presentation of the four categories, it was also found that although CMEs share a preoccupation on one issue in the category, they may differ in what the object, or motive, is for their involvement. Thus, for example, in the second category, 'Communication Focused Management Logics', it was found that the key object might be the image of the corporate brand, the life-cycle state of the company's or the business unit's key product (-s), or the feature of the dominating model for developing new products. One implication of this finding is that we propose that marketing management from the view of CMEs is a manifold concept.

TAKE IN TABLE 2

5.1.1. Category I: Performance Focused Management Logics

The interviewed CME's that came to represent this category demonstrated an almost exclusive focus on corporate brand performance figures and measurements, and implicitly on the documentation of the effectiveness of various marketing communication activities. When telling us about what issues that stand at the top of their agenda one of the CME's added: "We can see that customers' perception of X has improved by 50% in 3 years, where we have run our branding process. We measure this constantly" (cf. one of the IPs' statements). In our sample, performance measurement was focused at the corporate level. However, the role of corporate level marketing is defined exclusively as a support function with a focus on advertising, direct marketing and customer satisfaction/image/loyalty analysis, and not as a strategic function in defining for example corporate values, policy or product development. Thus, the field of influence and capabilities of the logic relates, above all, to the execution of a communication plan and to the guardianship of a shareholder policy, by providing decision makers within and outside the marketing department with: "key figures, measures of efficiency: market share, customer satisfaction and image" (cf. one

of the interviewed IPs statements). Quotes indicative of this logic:

1. "We experience that we become demanded if we are able to create value in the areas where we act. Because we are a support function, it is not us who decide… so we must be able to document our results."

2. "We have a shareholder oriented policy that says that the best protection we can have is a high share value. So … we are very focused on this share value. And the consequence of this is that we must continually create value. And value for us is having (robust) key figures."

3. "The [relevant business unit] decides that they would like to develop a proposition to [a new segment]. That is they will identify the range of factors that are relevant for that segment: what does the new segment demand: do we have to alter our some things in our contact structure, do we change our products because these are more relevant? All these things are given to us. How we communicate this to people: should we write this with large text, or… not. And how should one reflect over these things: such projects are our responsibility."

5.1.2. Category II: Communication Focused Management Logics

The essence of corporate level marketing is captured in the following visionary statement: "We want to have market driven programmes. We want to define what will be said about the product when it will be launched. It's about developing a vocabulary around a brand early in the process and to use words that differentiate us" (cf. one of the IPs' statements). Later on when this quoted CME from the pharmaceutical industry talked about the operational meaning of this vision it was evident that for her, corporate level marketing management is, above all, about securing a market oriented

language in product development processes. Another CME, who also stressed coordination through 'managing language', emphasized a clear dissociation from product development tasks (see quotation number 5.). He works in the financial services industry and according to him the key issue for corporate level marketing concerns the following: "The problem is not to develop a brand: to define it. The problem is to implement it; to make it become a brand" (cf. one of the IPs' statements). Brand management was also taken up by CMEs in the pharmaceutical industry, as representing a key task area. In our sample focus was on creating a common framework for the marketing of the product portfolio worldwide. Quotes indicative of this logic:

4. "I work really hard with finding a strategy to extend the life-cycle for one of our main products. My other task area concerns bringing marketing input to product development. It's a big cultural difference. Earlier, R&D handed over the products to us; sell this. I want to change this. We have a strong line organization in our company. People are not used to working cross-functionally. Life cycle management is all about this. It's about all sharing the same information."

5. "Product development and distribution are not marketing tasks, but they contribute to creating a brand. The service concepts of our branch offices are not a marketing task. Our task is to secure power, control over the brand in all those situations where our brand is experienced."

6. "Our primary task is to grow brands; to develop our brands. You have to differentiate and you have to satisfy the trade. Industry is changing. The food chains are starting to sell our products and most products are the same. If you are to differentiate it is important to give the consumer some unique presentation and to stay one step ahead of competition."

5.1.3. Category III: Stakeholder Focused Management Logics

According to this category, which is only represented by CMEs from the pharmaceutical industry in our analysis, innovation is a key issue and highly dependent on the management of relationships in the institutional world. As regards the latter, a clear difference in CMEs' views was identified. For some, public relation or public affairs, which were the terms used, is perceived as an opportunity and a series of projects that are run 'together with' governmental institutions, employee and employers organizations. The background for this view was explained as follows: "The climate for health-creating lifestyle products has changed. The debate is objective (*sic*) and we (our company and a number of governments all over the world) have a common strategy: to invest more money on creating health. It's all more preventive today" (cf. one of the IPs' statements). According to another view, public relations is regarded as a strong prerequisite for pharmaceutical marketing and unlike the previous view it is described in structural terms, as: being a member in a committee that 'handles political issues' (within a pharmaceutical industrial organization), having an insight about laws that regulate the industry and having know-how knowledge of 'political marketing'.

The CMEs in this category do not have the authority to coordinate innovation processes that concern functions and features of pharmaceutical products. A key task is instead to act as a supporting source of knowledge about the institutional environment and about end-users' values. Additionally, another key task is to initiate and to run development projects aimed at exploring and designing new ways to communicate and market over-the-counter (OTC) products, considering developments within the institutional environment (concept, channel and brand development). Quotes indicative of this logic are:

7. "Our global strategy is all about generating growth. The focus has moved from profitability to

growth. Another thing is that the market is changing rapidly. We must prepare ourselves by creating scenarios. Public relation is a new field of competence that we have been building up lately. It's actually a very recent development; the result of our scenario process, which predicted the emergence of a major new field: preventive health care."

8. "Our problem is that we are very constrained. We are not allowed to say that calcium strengthen your bones. Another aspect is that the consumers can't really see differences between alternatives. Thus, for us the core issue is to build up trust. This is not something we do alone. We are very much dependent on journalists and doctors. A large part of my job concerns getting some documentation on our products."

5.1.4. Category IV: Product Innovation Focused Management Logics

What sets this logic apart from the previous ones is that key issues and tasks dealt with by CMEs concern transforming their companies' learning orientation from incremental to radical product innovation. When two CMEs talked about why radical product innovation stands at the top of their agenda (representing the IT- and the pharmaceutical industry), it became evident that they conceive their role as a change-agent in a process that just had started. The aim of this process was described as 'moving' their companies not only from incremental to radical product innovation, but also from technology driven to end-user driven innovation. A CME from the IT-industry told the following: "We are in a transition period from being order producing and reactive to becoming advisory and proactive and not just pushing products around - to use a whole lot of trendy words" (cf. one of the IPs' statements). Like this CME, another from the pharmaceutical industry emphasized the need and challenge to integrate the end-users of their products into development processes, (see quotation number 9). Thus, as implied by the above, quite another perception about what is important

knowledge for radical product innovation was also put forward by CMEs in the IT- or the pharmaceutical industry, namely that this is knowledge about product technology and competitors, above all. Quotes indicative of this logic:

9. "Marketing has previously been very much sales oriented, but now it is becoming more marketing predominated. Traditionally we focused on the compounds, but today we are a lot more focused on the customers, not just the doctors; the consumers. We really believe in consumer input for product development. It is a very big focus for us and I think it is extremely exciting and we are making huge changes in integrating consumers in our marketing and product development."

10. "Our business foundation builds upon continual product development and innovation. Only by being at the forefront of technological development can we meet our customers' needs for IT-implementation." But further on… "We show (the customer) which way we see trends going. We give them some inspiration to try and transform them and say how they can use the technology in their organisation. And so together with them design some solution. We give them ideas to how they can develop and how they can develop their business from a technological point of view."

5.2. Marketing Management Capabilities

Having identified four categories of marketing logics, we now want to discuss the repercussions of this for the firm and the role of marketing in the firm. We therefore move on the question of what impact these have on the ability of the firm to develop and nurture core capabilities. In the following section we argue that the development of key capabilities, and ultimately the ability to innovate, rest and rely upon the logics of CMEs. Given that logics are critical to "the way in which mangers (in a firm) conceptualise the business and make critical resource allocation decisions

(Prahald & Bettis, 1986, p.490), we assume that they have a direct and important influence on the firm's ability to develop and utilise core capabilities.

In the literature, capabilities are described as being composed of knowledge that has been built up over time through repeatable organizational learning processes (Iansiti and Clark, 1994; Day, 1994; Leonard-Barton, 1995; Quélin, 1997, Teece *et. al*., 1997; Sanchez and Heene, 1996, 2004. Thus, capabilities are thought of as representing a special category of assets in that they are embodied in individual knowledge and skills, and embedded in technical systems, managerial systems and values and norms (Leonard-Barton, 1992). From this follows that capabilities represent an interrelated and interdependent knowledge system and that "they are part of the organization's taken-for-granted reality, which is an accretion of decisions made over time" (Leonard-Barton, 1992, p. 114). Furthermore, a general notion in the Resourced Based literature is that some capabilities are "necessary just to be in the game", while others provide today's and/or tomorrow's competitive advantage, in that they are so unique and so deeply embedded in organizational routines and practices that they cannot be imitated (Leonard-Barton, 1995). Recently, however, the question of whether companies are able to develop so called core capabilities has been raised. That is, capabilities that are valuable, rare, inimitable and non-substitutable (i.e., so-called VRIN-attributes). One conclusion, or more correctly proposition, that Eisenhardt and Martin (2000) present as a result of their review of empirical evidence of firms that have managed to create a sustained competitive advantage in dynamic markets is the following: "long-term competitive advantage lies in the resource configuration that managers build using dynamic capabilities, not in the capabilities themselves. Effective dynamic capabilities are necessary, but not sufficient, conditions for competitive advantage", (p. 1117).

We are inclined to agree with Eisenhardt and Martin (2000), that what in the marketing literature is called capabilities probably "have commonalities across firms in terms of key features (popularly termed, 'best practice')", as market sensing, product improvement, relationship building, effective communication etc. (Day, 1994). Consequently, the critical issue for top managers lies not only in ensuring that 'best practices' are followed and further developed in a unique way, if possible, but also in ensuring that resource combinations are built on an effective use of capabilities. However, the object here is not to highlight communalities across companies and industries or to propose what capabilities that CMEs in the IT, financial services, or pharmaceutical industry should focus on. What we propose is to highlight the differences between management logics in terms of the following two broad categories of capabilities: functional and integrative capabilities.

Functional capabilities contain a broad array of technical knowledge, as general knowledge about models, methods, processes and values in marketing, or about other business processes such as R&D, manufacturing and HRM. Additionally, they also include capabilities related to particular sub processes and decisions such as market segmentation, end-user involvement in design processes, product architecture, aesthetics and ergonomics. Verona (1999), adds the following to the list: "Other relevant capabilities affecting the launch of new products into the market include strategic marketing management and marketing mix policies", (p. 136). The overall purpose of integrative capabilities is according to the literature is: "to structure and organize the firm into a particular form that is unique to the firm" (Quélin, 1997, p.143). From this follows that integrative capabilities may have either an external or an internal object and that learning takes place in various business processes, as customer relationship management, product development, manufacturing etc.

Thus, it is proposed that integrative and functional capabilities are the product of the issues and tasks that CMEs and the corporate level marketing function are involved with. Our analysis has shown that CMEs who are guided by 'Performance Focused Logics' are focused on functional capabilities related to the measuring of the efficiency of various marketing communication activities, whereas CMEs who are guided by 'Communication Focused Logics' are preoccupied with organizational learning processes aimed at securing that a common language is used in brand implementation and in incremental brand development processes. According to our interpretation, 'Communication Focused Logics' and 'Performance Focused Logics' are both oriented on activities, knowledge and learning processes aimed at preserving already existing resources (products, brand's identities and images, customer relationships etc.). Activities such as benchmarking and forecasting, but also value-based leadership and reputation management all take their starting point in past performance and emphasise the need to either align the organisation to external standards (through benchmarking or reputation rankings) or to institutionalised internal logics and values. In branding for example, Aaker & Joachimsthaler (2002) and Kapfrer (2004) both focus on brand identity and brand essence respectively as the cornerstones of brands. These are essentially internally oriented approaches which see branding as a long-term activity focused on preserving the core identity of the brand. This has repercussions: As Holt (2004) points out, these approaches do not consider how brands are formed in the relationship between the customer and the brand: where the brand is formed and developed in a synergy between the dynamics of the market and consumer cultural identities. It can be argued that focusing on core brand identity is fine for relatively stable markets, where brand management is focused on preserving the brand as a resource, but in dynamic, symbolic markets brand management needs to reflect change and empathy with its external environment. Each case requires a different focus and set of core capabilities: the former focusing on preserving whilst the latter on interaction and innovation.

TAKE IN FIGURE 2

Explore-oriented functional capabilities aim to secure the creation of new resource combinations in alliance with internal and external stakeholders. As shown in Table 1, both 'Product Innovation Focused Logics' and 'Stakeholder Focused Logics' are oriented towards identifying and defining emerging or new business opportunities. In the latter category, the CMEs emphasise the building up of capabilities about: public relations, lobbying, trend analysis, scenarios planning and end-user analysis. Among CMEs who are guided by 'Innovation Focused Logics', knowledge and skills about end-user analysis is stressed. In addition to this, they underline the importance of building up knowledge and skills about: how to integrate end-users in product development processes, how to manage key-account customer relations in development processes, and how to manage knowledge for product innovation on various organizational levels (knowledge about end-users and/or about technology in a broad sense).

As implied by the above, the role and the position of 'Product Innovation Focused Logics' in innovation processes is different compared with that in 'Stakeholder Focused Logics'. In our interpretation, the two sets of internal integrative capabilities (coordinative versus supportive) are present among the CMEs who stress 'exploration'. As regards to CMEs who follow 'Product Innovation Focused' logics, it appears as if they have recognized what Wind (2005), amongst others, is arguing for, namely that there is a need for a broad multidisciplinary approach to secure innovative solutions. This is reflected in the results of this paper, where CMEs talked about 'marketing as a bridge' between various functions and processes involved with product innovation, and about important knowledge for product innovation as encompassing both knowledge about

customers and technology in a broad sense. CME's who adhere to the 'Stakeholder focused logics' emphasise their role in collecting market and institutional knowledge to facilitate the processes of other departments.

As illustrated in Figure 2, another difference between management logics was found, namely that of marketing's organizational placement, or position. It was found that CMEs who are guided by 'Communication Focused Logics' and 'Product Innovation Logics' emphasise the coordinative, or controlling, role of the corporate level marketing function. Thus, coordinative integrative capabilities are in the typology based on the idea that CMEs and implicitly the corporate level marketing function seek to realize integration through various control activities, like measuring the brand image in various touch points and checking that market research is brought into various brand decision processes. The impact of these control activities is most clearly seen where CMEs and their functions have been given the authority to motivate, coordinate and direct other functions (sales, R&D and manufacturing) to act in a certain way. Thus, in relation to 'Communication Focused Logics', we see in the literature on corporate communication and corporate branding the desire to achieve total corporate communication (Balmer and Grey, 1999). That is, the brand management models in the literature are based on the idea, that corporate level marketing should take the lead in brand management. This contrasts to the underlying understanding amongst CME's in support functions, which constantly emphasised marketing's secondary role in relation to other departments. Words such as facilitation, support and data collection all emphasise the implicit and often explicit understanding of marketing as a support (rather than strategic) function.

5.3. A Service-Centred Logic on Marketing

In line with Vargo and Lusch's (2004) description of the emerging service-centred dominant logic (SCD logic), each one of the four categories showed up a focus on organizational learning in terms of the developing of marketing capabilities. Vargo and Lusch (2004) state: "the service-centred view of marketing perceives marketing as a continuous learning process (directed at improving operant resources)" (p. 5). In Vargo and Lusch's (2004) framework no particular functional capability is pointed out. That is, they do not explicitly talk about capabilities for measuring marketing performance, managing stakeholders, brand building or product innovation. However, inherent in their presentation is that the SCD logic encompasses all of the above capabilities. The reason is that Vargo and Lusch emphasise the necessity of creating and leveraging both current and potential capabilities, and then "collaborating with and learning from customers and being adaptive to their individual dynamic needs" (p. 6). This characteristic of the SCD logic is also stressed by Davenport *et. al.* (2006). By using the dynamic capability construct they note that it is about capabilities that are required to develop a strategy that is both adaptive and dynamic.

In contrast to the SCD logic, the four categories of management logics that were identified in our analysis each have a focus on one particular set of functional and internal integrative capabilities. Furthermore, it was found that the four logics are oriented on leveraging either current or potential new capabilities in relation to internal and external networks. According to Davenport *ET. al.*'s. (2006) analysis, the latter group of capabilities represents a key characteristic of the SCD logic. That is, a view of marketing as: "being proactive, creative, and emergent in shaping the external environment" (p. 123). In our interpretation, the two categories in the right side part of Figure 2 show up this characteristic. That is, they both express an eagerness to change the present dominant perception within their companies of what creates competitive advantage, and implicitly who are the key learning, or contributing, partners. The CMEs in the category 'Stakeholder Focused

Management Logics' talked about the importance of starting to "think about innovations differently" and explicitly noting that there exists a potential to develop pharmaceutical services even further to end-users, employers and employee organizations, through educational programs, advisory services, and one-to-one communication sites on the net. In the category 'Product Innovation Logics' emphasis is put on being proactive and to deliver genuine both tangible and intangible innovations.

Within the two categories in the left side part of Figure 2, the values and buzz-words that CMEs used in their talks about key issues were: specialization, growth, "be number one", "be smart" and competitiveness. In the language of Davenport *ET. al.* (2006), these CMEs are focused on trying to "outperform/beat the competition" through incremental adaptive development processes of the corporate brand and its expressions, and/or in the marketing of current and mature product brands. Furthermore and in contrast to 'Product Innovation Focused Logics' and 'Stakeholder Focused Logics', potential new capabilities, stemming from co-operative learning processes with end-users, intermediaries, official research institutions, politicians etc. are not stressed in these two categories. Key issues and tasks concern differentiation through internal learning processes aimed at integrating various functions and processes even further.

In Vargo and Lusch's (2004) presentation of the SCD Logic it is suggested: "that firms are shifting away from a functional marketing organization and toward a marketing process organization" (p. 10). As one might expect, we also found representatives of this changed view of marketing's organizational placement or positioning. The CMEs who are guided by a 'Communication Focused Logics' or by 'Product Innovation Focused Logics' were all preoccupied with the building up of, as they claimed, a strong corporate marketing function that is based on the idea that marketing

represent a particular and important field of competencies. In line with this, the positioning of the marketing function was by them described in a manner that matches Vargo and Lusch's (2004). They state: "The focus of marketing on core competences inherently places marketing at the centre of the integration of business functions and disciplines" (p. 5). It should be noted that a majority of the CMEs within these two categories had been recently appointed and were busy recruiting team-members with a deep insight in a particular field of knowledge in marketing (end-user analysis, public relation, media planning, product development etc.).

As regards field of knowledge, one group of CMEs in the category 'Product Innovation Focused Logics' emphasised the importance of a deep knowledge about end-users' needs and consumption situations, and about how to integrate this knowledge in development processes. In Vargo and Lusch's (2004) analysis the latter knowledge domain constitutes the hub of the SCD logic in that the consumer is perceived as a co-producer of value (an operant resource) and not as a target (an operand resource). Another, and related central feature or dimension of the SCD logic, concerns the perception of the primary unit of exchange. According to Vargo and Lusch the SCD logic is governed by the following perception: "People exchange to acquire the benefits of specialized competences (knowledge and skills), or services" (p. 7). In our interpretation, all of the interviewed CMEs would agree with this standpoint. However, their perspective, or vantage point, differs when putting this principle into practice. In our interpretation, 'Performance Focused Logics' and 'Communication Focused Logics' are characterised by an internal view on brand management. In other words, these CMEs are guided by a mental model on brand management that stresses the identification of company values and capabilities as the basis in the brand strategy planning process. Standing in stark contrast to this, according to our interpretation, are the 'Stakeholder Focused Logics' and 'Product Innovation Focused Logics'. The issues and tasks that were found to involve

CMEs in these two categories indicate that their vantage point concerns values in the external environment from a macro or micro level point of view: 'Stakeholder Focused Logics' orienting the organisation in relation to its external stakeholders and 'Product Innovation Focused Logics' focusing on defining values in co-operation with end-users.

6. Conclusions and Discussions

In this paper we have explored the existence of marketing logics and attempted to confirm the existence of a Service Centred Dominant Logic as proposed by Vargo and Lusch (2004). Further, we have explored the significance of logics in relation to the decision-making processes of CME's and, importantly, the implications for marketing's role in the organisation. To do this we have developed a cyclical model of managerial sense making that has allowed us to build up an understanding of the existence of logics and their role in decision-making.

On the basis of this explorative analysis, we cannot support the idea of one dominant logic generally, or of a Service Centred Dominant Logic, as proposed by Vargo & Lusch (2004) and Davenport *et al.* (2006). Our results do however clearly indicate the existence of different and distinctive logics that dominate the decision-making of individual CMEs. Based on our findings, we conclude that the meaning of marketing management is highly fragmented in the business world in terms of the issues, business processes, values and areas of knowledge that top managers in marketing are concerned with. For instance, our findings indicate that top marketing managers' mental models within the pharmaceutical industry are characterised by three very distinct mental models: Communication Focused Logics, Stakeholder Focused Logics and Product Innovation Focused Logics. Whilst, the results of this study appear to disprove the existence of a dominant

logic, they provide basis for some interesting and significant speculation about the role of marketing and the way in which it is developing in firms today.

It is hard to say whether a service centred dominant logic is the optimal or dominant logic. Empirically, we see pluralism. Of the logics we identified the 'Product Innovation Focused Logics' came closest. This variation may reflect the institutional norms and routines, company strategy or industry characteristics. There is reason to believe, on the basis of our findings, that all these factors are relevant. As Daft and Weick (1984) noted, managerial sense making is not a simple affair, but is affected by a multitude of factors within and external to the organisation. Further, Daniels *et al.* (2002) found in their study that institutional norms were a significant factor when looking at middle managers interpretation of competition.

Our findings seem to indicate that manager's mental models are therefore not idiosyncratic but are reflected within and across industries. However, this needs to be tested in further research. The emergence of four logics, further, pointed to clear divides between the way managers perceive the role of marketing in the organisation and, broadly speaking, the innovative nature of marketing. What we saw was that much marketing activity is based on a preservation strategy that focuses either internally on developing and nurturing existing knowledge and resources or externally on aligning the company to competition through processes of marketing performance measurement and benchmarking. As discussed in this article, the overt focus on existing resources may make the firm blind to changes in its environment. Whilst in stable and mature markets this may be a cost effective strategy (reducing the need to track changes in the external environment), it makes marketing vulnerable to the charge of being reactive; a charge levied many years ago (Tauber, 1974). This is also interesting in relation to the increasing focus on value based marketing in the

literature (Doyle, 2000; Ambler, 2000) where a greater focus on performance measurement may actually have the unintended consequence of further marginalising marketing as a strategic function of the firm.

Having identified four logics, we went further to investigate the relationship between logics and management capabilities. We found that the logics appeared to reflect (or encourage the development of) distinct sets of capabilities. Further, that these capabilities are linked to corporate strategy. Here we propose that the mental models of chief marketing executives reflect the central idea of their companies' business strategy (preservation vs. exploration), and the leadership role of the corporate marketing function (supportive vs. coordinative). This leads us to speculate about the relationship between capabilities and logics, and to ask the following questions: How do logics impact on the ability of the firm to develop and nurture core capabilities? Do certain logics favour certain capabilities, and conversely do others limit the firm's ability to develop them?

According to the normative literature in the field of strategy and management 'preservation' and 'exploration' strategies need in most companies to be carried out more or less simultaneously and continuously (e.g., Abell, 1999; Atuahene-Gima, 2005; Baker and Sinkula, 2005; Christensen, 1997; March, 1991; Smith and Tushman, 2005). In response to this claim and to prove marketing's strategic role, the marketing literature advises chief marketing executives to approach marketing challenges from a holistic view, a multidisciplinary perspective (Day and Shoemaker, 2004; Wind 2004). That is, a mindset that incorporates knowledge and practices about performance measurement as well as stakeholder management, marketing communication and product innovation. However, our findings point in the opposite direction in that it was found that chief marketing executives are oriented on either 'preservation' or 'exploration', and that they have a

focus on one particular field of knowledge and group of marketing processes. In our view this contradiction between the literature and practice points to the importance of research that aims to detect barriers to adopt a broad view on 'marketing processes' and on 'marketing knowledge' in the business world.

If we consider the desirability of certain logics for certain market conditions, one issue is how these logics are shared across the organisation. Management theory has shown that managerial reflexivity is essential if managers are to understand the logics of others in the organisations, especially where high levels of interdepartmental cooperation are required. For example in new product development, logics can prove to be the source of insurmountable barriers to cooperation and at the end of the day successful innovation strategies. The extent of managerial reflexivity is dependent on: organisational structure, hierarchical structures and level of the manager, the norms of managerial discretion particular to the organisation (Shivastava and Mitroff, 1983) also the constraints of time and pressure of work (Mintzberg, 1973) – many managers are so pressured to meet monthly and quarterly targets that it becomes almost impossible for them to lift themselves out of the daily hubris and attempt to understand the issues and values of their co-workers: this is further exacerbated by the tendency to emphasise action orientation rather than reflection orientation in the management profession (Shrivastava and Mitroff, 1983).

Considering the qualitative and explorative nature of our analysis, we regard it as important to further explore and validate the findings of this survey. More empirical research is needed about the prevalent mindsets of marketing mangers. We need, amongst other things, to develop frameworks that aim to further our understanding of the situational factors that may support or hinder top managers in marketing in adopting alternative mindsets. This study could be usefully

expanded to include more firms within the chosen industries, other industries and other countries in order to validate the occurrence of the four categories.

The value of research about management logics from a managerial perspective depends on whether or not a link can be identified to some valued performance measurement. We suggest that Hooley *ET. al*.'s (2005) two typologies of: customer performance (satisfied and loyal customers who are relatively efficient to serve) and market performance (sales volume and market share as representing an important company resource) could be useful here. However, to measure the impact of marketing logics on customer or market performance we need to work out scales for measuring the occurrence of different categories of marketing logics, or mental models in marketing. Furthermore, we need to develop a framework containing variables that link mental models of top managers in marketing to customer and/or market performance. In developing such a framework, the conceptual model by Hooley *et al*. (2003), for example, could function as one inspirational and supporting source. The reason is that the link between market orientation (as a philosophy and set of activities) and overall performance measurements (as customer and market performance) in their model is manageable, i.e. the link is made up of groups of assets that marketing have an influence on, more or less.

The findings of this survey indicate that marketing, as practiced by CME's is far from the Service Centred Dominant Logic proposed by Vargo and Lusch (2004). Indeed, the results here provide evidence of several dominant logics. What is significant about these findings is that these logics appear to have a significant on the role of the marketing function in the organisation and to ability for marketing to be proactive and innovative rather that a reactive function. Our results suggest that this may be a reflection of situational factors (industry, nature of competition, etc.), but is due in

large part to the mindset of the managers. The challenge for future research is to assess which is

which and how and whether we should challenge the accepted mindset of our chief marketing

executives.

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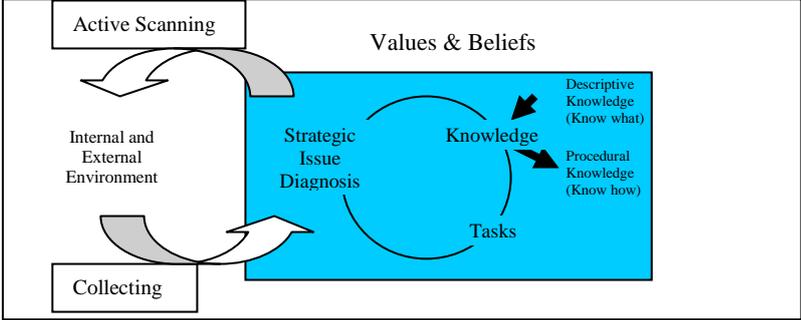
TABLE 1: Profile of Companies Surveyed

YEARS SINCE ESTABLISHMENT	Less than 10	11-25 years	26-50 years	51-100 years	Over 101 years
Financial Services	-	1	-	1	1
Telecommunications & IT	-	-	1	-	2
Pharma	1	3	3	2	-
TURNOVER (MILLIONS OF DKK)	**100-200**	**201-500**	**501-1000**	**1001-10000**	**10001 +**
Financial Services	-	-	-	-	3
Telecommunications & IT	1	1	-	-	1
Pharma	2	2	5	-	-
NUMBER OF EMPLOYEES	**100 or less**	**101-500**	**501-1000**	**1001-10000**	**10001 +**
Financial Services	-	-	-	2	1
Telecommunications & IT	-	2	-	-	1
Pharma	3	6	-	-	-

Table: 2   A Typology of CMEs Mental Models

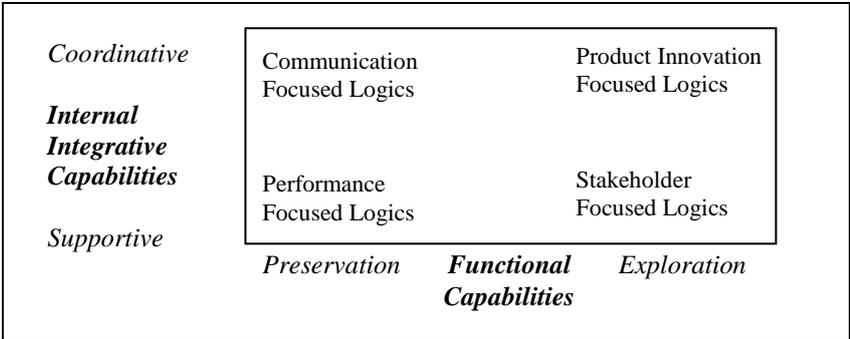|	Performance Focused Logics	Communication Focused Logics	Stakeholder Focused Logics	Product Innovation Focused Logics
Industries/ companies represented[1]	The financial services (2) sector.	The financial services (1), telecommunication (1) and pharmaceutical (3) industry.	The pharmaceutical (4) industry (representing the Rx and the OTC sector).	The pharmaceutical (2) industry (only Rx) and the IT-industry (2)
Issues	Increase the efficiency of marketing activities. A shareholder view. Competitors are alike. Differentiation. Create a clear and a unique profile. Consistent and effective communication.	Secure uniqueness, similarity and control over brand image in various situations. Differentiation. Competition. Prolong product lifecycles and identify opportunities within key business areas.	Thinking about innovations differently. Health consciousness. Get the industry to growth. Find new ways to grow and see the market in new ways. Price consciousness. Political interventions.	Genuine innovation. End-user driven innovation. Global competition focused on technology. Tough reimbursement and/or legislative environment.
Tasks	Measure and document marketing performance. Support general mgt, sales and development with market analysis and communication plans. Implement campaigns.	Develop a vocabulary around a brand. Brand building. Coordinate and control communication. Integration of marketing and R&D and/or of other business units.	Have a continuous dialogue/cooperate with authorities. Generate innovative ideas. Influence the political debate. Provide R&D with market input.	Marketing as a bridge. Integrating customers/ end-users in R&D. Managing key-account customer relations. Knowledge management.
Knowledge	Market performance and customer satisfaction figures. Image analysis. Measures/ measurements of mass communication effects. Marketing communication.	Brand Values. Customer image, satisfaction and loyalty. Communication performance measures. Competitive intelligences. Knowledge of the industry. FMCG marketing.	Trends and scenarios in health-care; deceases, attitudes and treatments. The political debate. End-users' product beliefs and preferences. FMCG marketing.	Customers/end-users situations and values. Product knowledge. Problem and branch specific knowledge. Legislation and the political agenda.
Values	Share holder value. Efficiency. Specialization. Growth. Be number one.	Work with what we stand for and to be unique. Speak with one voice. Be smart. Competitiveness.	Provide services. Innovation. Cooperation. Consistency. Stand up for/ stick to one's believes.	Communicate/being in tune with customers and/or technology. Proactive. Credibility.

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[1] The number is parenthesis represents the number of firms in each sector within the category

Figure 1: CME'S Interpretation System

Figure 2.   Management Logics and Capabilities

Coordinative

Internal Integrative Capabilities

Supportive

	Communication Focused Logics	Product Innovation Focused Logics
	Performance Focused Logics	Stakeholder Focused Logics

Preservation   ***Functional***   *Exploration*
Capabilities

Appendix 1: Interview Guide

Issues:

1. What issues do you regard as being central for your company in the nearest future?
2. With respect to marketing – what issues do you regard as central for your company in the nearest future?
3. What issues stands at the moment at the top of your agenda?
4. What issues are you generally engaged with?

Knowledge (company specific):

1. What is marketing's position/influence/power in your company?
   a. How can the position be explained?
   b. How can the position be strengthened?
2. What marketing knowledge, market facts etc. are to regard as 'alpha & omega' for your company and the particular sector of the industry, respectively?
3. What knowledge is to regard as 'alpha & omega' for marketing (to keep or increase its position/influence)?

Knowledge (general):

1. How do you define marketing?
   a. What is the content of marketing strategy/How to create competitive advantage?
   b. What expectations or values do you relate to marketing?
   c. What are the core activities, assets and capabilities of marketing?
   d. How shall marketing be evaluated?
2. Are there some particular terms or constructs do you relate to marketing?
   a. You have mentioned ……..can you please elaborate the meaning of it:
   b. Have you heard about …..? How would you define it?
   c. Are there some constructs that are more important than others - why?

Tasks:

1. What do you use most of your time on? Describe…
2. What task or tasks do you consider as being the most important one (-s)?
3. Do you consider your management tasks as unique in some respects?

Values:

1. What values do you relate to your role as corporate manager of marketing?
2. What value (-s) do you consider as the most important one (-s)?
3. How do you communicate these values and to whom?