

THE BUILDING BLOCKS OF DYNAMIC MARKETING CAPABILITIES IN FAST-CHANGING ENVIRONMENTS

ABSTRACT

Marketers have encountered unprecedented challenges during the Covid-19 pandemic. Companies needed to develop new marketing capabilities to cope with changes in consumer preferences and purchasing patterns to respond to the dynamic environment. Yet, despite 40 years of capabilities research, marketing managers lack a framework with clear constructive elements to build new or enhance existing capabilities. This paper further develops dynamic marketing capabilities theory and proposes a set of constructive elements for marketers to develop marketing capabilities for greater effectiveness and efficiency of marketing, while considering the strength and weaknesses of their organization.

Keywords: marketing capabilities, dynamic capabilities, dynamic marketing capabilities, competitiveness, resource-based view

INTRODUCTION

To respond to the unprecedented external shocks, companies need to adapt their marketing capabilities (Capozzi et.al., 2020). In the last 18 months, consumers were expected to move permanently to digital purchasing (Charm et.al., 2020; Robinson & Vranica, 2021). However, consumers have returned to offline purchasing with many favoring multichannel shopping (Alldredge et.al., 2022). Additionally, almost 40% of consumers experimented with new brands (Charm et.al., 2020), questioning brand loyalty and further exerting pressure on the marketing departments to understand and react to market dynamics.

Dynamic capabilities allow organizations to adapt to distressed markets (Morgan, Feng, & Whitley, 2018). They help managers to understand and adapt to their environment, explore available organizational resources, acquire new skills and functional competences, and devise strategies to undertake an appropriate response to a changing environment (Day, 1994; Teece, Pisano, & Shuen, 1997). Dynamic capabilities play the important role of reconfiguration of existing and creation of new marketing capabilities (Teece, 2009). As such, they are both a resource and instrument to explore organizational resources for greater effectiveness and efficiency (Makadok, 2001). A subset of dynamic capabilities are dynamic marketing capabilities (DMC), through which organizations manage the available resources to deliver customer value according to the market needs (Vorhies & Morgan, 2005).

Managers can build new or reconfigure available capabilities if they understand the marketing capabilities' constructive elements and the relationships between them. Despite more than 40 years of capabilities research, there is not a consistent managerial marketing capabilities framework with clear conceptualization of the capabilities' constructive elements and the relationships among them. The lack of consistent conceptualization of dynamic marketing capabilities' constructive elements does not allow for uniform measurement of

their impact on the competitiveness of the organization and prevents practitioners from utilizing them for greater effectiveness and efficiency of the marketing function and enhanced competitiveness of the organization.

One reason for the lack of established capabilities framework is the evolving conceptualization of dynamic capabilities, including the role of and relationship with their antecedents in the resource-based view theory: skills, assets, resources, and processes. These antecedents are often used interchangeably or equivalent to capabilities with some characterizing capabilities as skills (Morgan & Slotegraaf, 2012), others as processes (Fang & Zou, 2009), routines (Konwar, et al., 2017), resources (Makadok, 2001), assets (Teece, Pisano, & Shuen, 1997) or bundles of organisational elements (Day, 1994).

While *skills* and knowledge management are fundamental to the origin of capabilities (Day, 1994), they are neither equivalent to, nor the only building blocks of capabilities. Capabilities are originating from processes (Teece, Pisano, & Shuen, 1997), are processes (Day, 1994), and include processes (Morgan N. A., 2019), but cannot be defined as an organizational process (Srivastava, Fahey, & Christensen, 2001). Capabilities are both resource and configuration instrument of resources (Dierkx & Cool, 1989). These conceptual complications are illustrated by Vorhies and Morgan (2005), who use creative skills and brand image management, a complex process, as interchangeable examples of marketing communications capabilities.

Understanding marketing capabilities is further complicated by the role and place of capabilities within the organization and their relationship with the external environment. As capabilities are exhibited through organizational processes (Day, 1994), they are subject to organizational characteristics, such as structure or culture (Fuchs et.al., 2000). Therefore, a successful understanding and application of marketing capabilities requires analysis of their

place within the organization and their relationship with other organizational elements in the context of the marketing function and its objectives.

A determinant of dynamic capabilities' value is their ability to exploit organization's assets (Dierkx & Cool, 1989; Teece, et al., 1997). Yet, researchers group together, under the concept of *assets*, internal and external aspects that affect organizational competitiveness, such as available technology and the regulatory environment (Teece, et al., 1997).

This paper introduces the constructive elements of a DMC managerial framework and discusses the relationship among them in the context of the organization and the external environment. This framework defines DMC and each of its constructive elements, proposes different types of DMC and their relationship with other dynamic capabilities. The DMC also introduces the concept of the marketing manager's domain and the creation of new capabilities, while considering the external environment.

DYNAMIC CAPABILITIES AND COMPETITIVENESS OF THE FIRM

Firms establish competitive advantage by being more effective and efficient than their competitors (Barney, 1991). For that they deploy different resources, available in their organization (Wernerfelt, 1989). For the resource-based view, a resource is anything which could be deployed for exploiting strength or mitigating weakness of the firm (Wernerfelt, 1984).

Hence, resources are "assets, capabilities, organizational processes, organizational attributes, knowledge, etc. which are controlled by the firm and allow it to devise strategies which improve the firm's efficiency and effectiveness" (Daft, 1983, cited by Barney, 1991, p.101) or the firm's *reputation*, "its intellectual, human, technological and financial *capital*; and even its advantageous *alliances* with other organizations" (Fuchs, et al., 2000, p.126).

For a resource to improve organizational competitiveness, it needs to be internal to the firm (Barney, 1986; Wernerfelt, 1989). The resource should contribute significantly to the firm's effectiveness and efficiency, and ideally, difficult, or expensive for competitors to acquire or copy (Teece, Pisano, & Shuen, 1997). To facilitate competitive advantage, resources must be valuable, rare, imperfectly imitable, and difficult to substitute (Barney, 1991).

While tangible assets, such as equipment and machinery are easier to value and acquire, intangible resources, such as organizational processes are more difficult to replicate or acquire (Teece, Pisano, & Shuen, 1997). Examples of difficult to replicate resources are knowledge and skills of individuals performing tasks in the organization, as well as organizational resources such as processes, organizational structure, or culture (Barney, 1991; Wernerfelt, 1989). The more complex the process, the more difficult it is for competitors to replicate, and to negate a competitive advantage (Teece, Pisano, & Shuen, 1997).

Capability resources evolve from knowledge, experience, skills, and processes, making them difficult and costly to replicate (Daft, 1983); they are a precious competitive tool. Capability resources are "complex bundles of skills and collective learning, exercised through organizational processes, that ensure superior coordination of functional activities" (Day, 1994, p. 38). Capabilities are not just another resource, but also the instrument to manipulate other resources into different configurations and explore their productivity (Dierkx & Cool, 1989; Makadok, 2001).

Managerial approaches to building new capabilities become an important factor for organizational competitiveness (Wernerfelt, 1984). Firms deploy capabilities in response to a changing environment, to facilitate the organization's competitive position, or to adapt its resource structure and competitive strategies (Eisenhardt & Martin, 2000; Grant 1996;

Morgan et al., 2009; Pisano, 1994; Teece, 1997; Wernerfelt, 1984). *Dynamic capabilities* are “the capacity to renew competencies so as to achieve congruence with the changing business environment” (Teece et.al., 1997, p. 515). *Dynamic capabilities* allow organizations to develop further their competitiveness through building, adapting, or combining organizational *skills, resources, competences, and assets* (Teece, 2007; 2009).

The relationship between skills and capabilities

Organizations deploy processes for competitive advantage through *competences* and *capabilities* (Barney, 1991; Teece, et al., 1997). Competences are an established best practice to perform a functional activity, usually by a group of people deploying their individual skills and knowledge (Teece, Pisano, & Shuen, 1997). As capabilities evolve from competences (Barney, 1991), knowledge and skills are fundamental elements of capabilities (Day, 1994), but the latter manifest in the organization through processes to coordinate, ensure learning, and reconfigure assets for appropriate environmental response (Teece et.al., 1997). Therefore, *skills* are the individual ability of applying experience and knowledge to perform different tasks (Morgan & Slotegraaf, 2012) and *processes* are the way things are done to achieve tasks results in the organization (Barney, 1991).

Skills are antecedent of competences and capabilities and necessary, but not a sufficient condition for capabilities building, because they need to be deployed along processes for asset exploration. Additionally, skills are the domain of the individual, while competences and capabilities are the domain of groups of people or organizational structures (Morgan N. A., 2019). Therefore, an organizational capability must include the individuals’ *skills, available assets, and organizational processes*.

Functional and architectural capabilities

While more complex than *skills*, *competences* are configured by *capabilities* (Teece, Pisano, & Shuen, 1997). As such they could take the form of a process or less complex capabilities. As competences originate in a common functional activity, in this paper they are constrained to the boundaries of an organizational function. These capabilities, which facilitate outcomes within an organizational function, or department, are defined as *functional capabilities*, *functional competences* (Teece, Pisano, & Shuen, 1997), or *specialized capabilities* (Morgan & Slotegraaf, 2012).

Firms are complex organizations with multiple interacting elements increasing in complexity functions and processes. Less complex *functional capabilities* are managed and reconfigured by higher level capabilities. *Architectural capabilities* (Vorhies & Morgan, 2005) are the “glue” (Dierkx & Cool, 1989); they coordinate any available organizational resources for greater organizational competitiveness. While both architectural and functional capabilities could be dynamic, *architectural capabilities* reconfigure not only skills, processes, and assets, but also other capabilities. Therefore, *architectural capabilities* have an additional constructive element - *functional capabilities*.

Examples of *architectural capabilities* are organizational learning, market sensing (Morgan & Slotegraaf, 2012) and Integrated Marketing Communications (IMC) (Luxton, Reid, & Mavondo, 2015). While organizational learning is at the heart of every capability, IMC is a capability within the domain of marketing. Therefore, this paper distinguishes between *generic architectural capabilities*, which facilitate outcomes regardless of the organizational functions, and *functional architectural capabilities*, which could be used to reconfigure lower-level functional capabilities in the context of specific organizational

function. IMC capability, for example, could include functional capabilities, such as marketing planning, marketing implementation, and marketing analytics.

According to RBV, *architectural capabilities* are the ultimate competitive advantage, because their high complexity makes them difficult to acquire or replicate in other organizations (Teece, Pisano, & Shuen, 1997). Lower-order functional capabilities, on the other hand, have relatively little impact on the long-term organizational competitiveness, as they do not reconfigure significant resources, but rather facilitate functional processes and activities. *Functional capabilities* could lead to temporary competitive advantage or competitive parity (Luxton, Reid, & Mavondo, 2015), as they are not significantly difficult to replicate.

The assets and the position of the organization

Individual *skills* and *knowledge* on institutional level evolve into *capabilities* that incorporate *processes* to explore *assets* (Jaworski & Lurie, 2019) for economic value. *Assets* are any means of production in possession of the firm (Wernerfelt, 1984) and their availability to the organization, defined as *organizational position* (Teece, Pisano, & Shuen, 1997) is important factor in capabilities' performance.

The conceptualization of assets and the notion of *position* introduces confusion about *assets'* role in capabilities development. *Organizational position* is the resulting marketing posture from the available to the organization assets (Teece, Pisano, & Shuen, 1997). These assets could be tangible or intangible (Wernerfelt, 1984); they could include technological, financial, and reputational assets, in addition to “structural”, “institutional”, “market”, and “organizational boundaries” assets (Teece, Pisano, & Shuen, 1997). Hence, *assets* are both internal and external to the organization, resulting in a contradiction in the definition of an asset as means of production tied semi-permanently to the firm (Wernerfelt, 1984). While

technology and financial resources are controlled by the organizational assets, institutionalization or industry structure run contrary to RBV, which postulates competitiveness is determined by internal organizational resources (Barney, 1991). As they are not under control of the organization, the management has limited means to explore them for greater competitiveness.

The notion of managerial control is important because managers could have greater levels of control in their functional department than in other departments and even less in the whole organization or its markets. Therefore, from the perspective of the marketing department, the marketing manager's "organizational boundaries" that affect their capabilities development, are different than the traditional organizational boundaries as defined by Teece, Pisan & Shuen (1997). The marketing manager's organizational boundaries are the marketing department, where the manager has more control over the capabilities' elements, such as skills or processes. Beyond the functional boundaries, the marketing manager has limited control over the organization's resources.

This paper distinguishes between *assets* as means of production and an important resource and element of capabilities under the control of the marketing manager (e.g., marketing technology), and *organizational positions*. The latter is defined as the current fundamental state of the enterprise with regard to difficult or slow to change organizational aspects, such as organizational structure, organizational culture (Barney, 1986), politicization of organization (Ots & Nyilasy, 2017; Prensky et.al., 1996; Sriramesh et.al., 1996), or its level of market orientation (Kohli & Jaworski, 1990). *Organizational positions* could greatly influence the way processes or capabilities are affecting organizational competitiveness, but they are beyond the marketing manager's immediate organizational boundaries. While

managers could find it difficult to reconfigure *positions*, they need to consider them when determining the constructive elements of dynamic capabilities.

THE BUILDING BLOCKS OF MARKETING CAPABILITIES

Dynamic marketing capabilities are defined as organizational composition of skills, assets, and organizational processes which, influenced by the strategic position of the organization, improves the effectiveness and efficiency of the marketing function with the goal to achieve competitive parity or greatly enhance organization's competitive position relative to competitors.

Table 1 lists the distinct types of dynamic marketing capabilities and their constructive elements. Increasing in complexity, in contribution level to the organization's competitiveness, and in difficulty to acquire and copy, managers build, develop, configure, and deploy for competitive advantage individual *skills*, organizational *processes*, *assets*, *functional*, and *architectural capabilities*. This study establishes a clear hierarchy from *skills* to *dynamic architectural capabilities* with skills being relevant on individual level, *functional capabilities* that could include skills, processes and assets on functional level, and *dynamic structural capabilities*, consisting of skills, processes, assets, and functional capabilities on departmental and organizational level.

TABLE 1

Dynamic Marketing Capabilities Framework (DMCF)

Resource	Level	Definition	Constructive elements
Skill	Individual	Execution of specific tasks. ¹	Knowledge and experience
Processes	Function, organizational, inter-organizational	The way things are done in the firm, or what might be referred to as its routines, or patterns of current practice and	Skills, culture, organizational structure

		learning. ²	
Assets	Function, organizational, inter-organizational	Valuable to the company resources that are semi permanently tied to the firm. ³	Human resources, fixed assets, intangible assets
Functional capabilities	Function, organizational, inter-organizational	Specific marketing program-related processes. ⁴	Skills, assets, processes
Structural capabilities	Organizational, inter-organizational	Processes that orchestrate multiple specialized capabilities and their associated resource inputs. ⁵	Skills, assets, processes, functional capabilities
Position			
(The specific endowment of external for the organization or the owner of marketing capability factors of influence over the marketing capabilities)			
	Organizational culture	Organizational structure	Organizational politicization

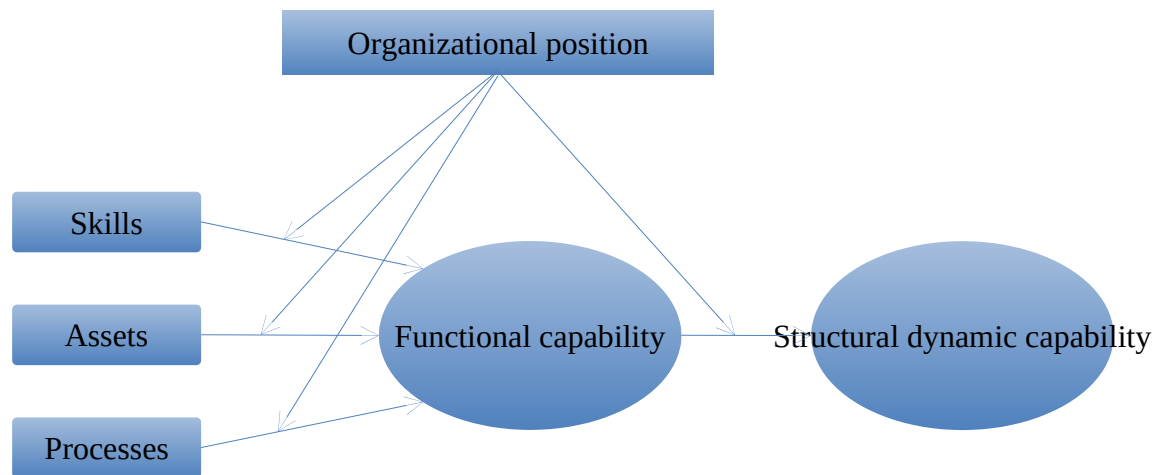
¹ (Morgan & Slotegraaf, 2012); ² (Teece et.al., 1997); ³ (Wernerfelt, A resource based view of the firm, 1984) ^{4/5} (Morgan & Slotegraaf, 2012)

At the level of the least complex functional activities, individual skills could be acquired relatively easily, subject to financial constraints, but the relatively simple processes do not allow for major competitive advantage. When linked strategically through *processes*, a set of functional capabilities will construct a *structural capability*. While *functional capabilities* could lead to temporary competitive advantage or establish best practices in operations, *structural capabilities* will evolve into unique sources of long-term competitive advantage.

The deployment of functional capabilities, their interlinking into structural capabilities and simultaneous relationship with other organizational structures and capabilities is facilitated through organizational processes, themselves subject to the organization's *position*. Organizational culture, structure, and politicization are external, beyond the control of the functional leader factors that influence the performance of processes and capabilities. Despite being internal to the organization, they are beyond the organizational boundaries of the

functional leader, as they have little direct control over them. As such, if they align with capabilities' requirements, they could enhance them and if they do not align with the processes' requirements, they could impede development of capabilities and the functional management would need to adapt its capabilities strategy. Figure 1 illustrates the relationship between *skills*, *processes*, *capabilities*, and *organizational position*.

FIGURE 1

The structure of dynamic capabilities***The marketing skills***

Marketing *skills* could be professional and supporting (Vukasovič, 2014). While professional skills require subject matter expertise like marketing communications, market research or marketing planning, supporting skills can be universally applied in every function. Example of supporting skills could be teamwork, willingness to learn, analytical skills or communication skills (Vukasovič, 2014).

Professional skills are a critical element of every distinctive functional capability and they can evolve with time according to the requirements of the marketing strategy and marketing mix. They could be relatively easy to acquire, including from external partners. Supporting skills, on other hand, underpin all organizational functions and are important for the marketing communications integration (Orr, Bush, & Vorhies, 2011).

Gronstedt (1996) believes marketing managers must look for certain skills and traits already at the recruitment stage, such as teamwork and cultural fit (Glaser, 1994).

Collaborative skills are identified as an important factor for understanding marketing knowledge (Menguc & Barker, 2005). Other important *supporting skills* for marketing managers are communication, interaction (Bonoma & Crittenden, 1988), stakeholder relationship management, and understanding the strategic needs within the organization (Duncan & Moriarty, 1997).

The marketing assets

Examples of marketing *assets* are marketing technology, corporate reputation, corporate brand, organizational culture, or the organization's top leadership (Duncan & Moriarty, 1997; Schultz, 1997). The heterogenous nature of these assets determines the complexity of their deployment as part of the organization's marketing capabilities.

According to RBV, the way the organization deploys *assets* for effectiveness and efficiency determines its competitiveness (Barney, 1991). An important part of the marketing manager's responsibilities is to determine the required assets and to ensure that the marketing department has the capabilities to deploy them for marketing effectiveness and efficiency. Due to the diverse nature of marketing assets, the marketing function requires different abilities to exploit these resources. For example, when deploying marketing technology, such as automation applications, the marketing organization would not require complex processes or capabilities other than marketing and application-specific skills. The major instrument to explore this asset are employee skills and depending on where marketing managers would like to plug in the technological asset in the marketing process, relatively simple linking *processes* with others in the marketing process might need to be established. Therefore, off-the-shelf marketing technology applications cannot be a major contributor to organizational competitiveness because the technology, as well as the skills required are easily acquirable either through purchase or through knowledge acquisition in the form of qualifications.

On other hand, highly valuable and complex assets, such as brands and top management, require more complex processes and capabilities to extract value from them. To achieve the greatest impact from the corporate brand, not only does the organization need to integrate the brand into the marketing strategy and implementation, but also to deploy strategic brand management capability, which in turn could require complex integration with other parts of the organization. Such brand exploration would require specific brand management *skills*, multiple *processes* to integrate and coordinate brand management with other marketing and organizational structures and processes, as well as specific functional capabilities, related to product and brand development (Keller & Lehmann, 2006).

Similarly, senior leadership can support marketing efforts (Duncan & Moriarty, 1997) and actively participate in them. In both cases senior organizational leadership requires specific linking to marketing management processes, either formal or informal. In the case of actively participating in communications management, marketing managers should consider establishing a specific marketing capability that integrates parts of the senior management team into the planning and implementations stages of the marketing communications process.

While certain assets require skills and simple processes to extract value from them, others could require specific capability development. As a result, managers need to consider their asset-exploring capabilities together with the *asset* potential to evaluate fully their potential for competitive impact.

The marketing processes

Managerial and organizational processes are defined as “the way things are done in the firm, or what might be referred to as its routine, or patterns of current practice and learning” (Teece, Pisano, & Shuen, 1997). The marketing department’s processes could also be generic

or specialized. The latter are processes that underpin every *functional capability* such as marketing planning, marketing analytics, or marketing implementation. Such specific functional processes would facilitate important activities like messaging development or external agency management (Laurie & Mortimer, 2019).

Generic processes, on the other hand, play an important role in linking the marketing department with other organizational structures. Generic processes could exist in the organization without direct dependence or relationship with the marketing or other functions. Examples are *cross-functional collaboration* (Christensen, Firat, & Torp, 2008) and *open communication* (Cornelissen & Thorpe, 2001), both identified as critical for integrating marketing communications. These processes could greatly enhance the effectiveness and efficiency of the marketing department through better collaboration with other organizational structures along the whole marketing process and reduce turf battles and politicization through open communications (Duncan & Moriarty, 1997).

While many organizations find it difficult to establish such linking processes, they could still have highly functional marketing function. But if marketing managers need to tap into organizational capabilities or integrate marketing with structures beyond their immediate marketing domain, they need to ensure appropriate skills and processes like *cross-functional collaboration* or *open communication*.

The position of the organization

The performance of processes, *capabilities*, and their constructive elements in the organization are subject to organizational structure and culture (Fuchs, et al., 2000; Teece, et al., 1997). Teece et al. (1997) believe organizational structure could be part of the asset position of the organization like any other asset. This paper distinguishes between tangible and intangible assets, controlled by the owner of the capability and the *position* of the

organization, defined by factors beyond the immediate control of management. *Positions* that have been identified as having a significant influence on organizational integration, processes, and marketing capabilities are *organizational culture* (Sriramesh, Grunig, & Dozier, 1996), *organizational structure* (Prensky, McCarty, & Lucas, 1996), *politicization of the organization* (Ots & Nyilasy, 2017), *market orientation (MO)* (Hult & Ketchen Jr., 2001), and *brand orientation (BO)* (Reid, Luxton, & Mavondo, 2005).

Although *positions* could affect the whole organization's performance, marketing managers cannot fully control them. As they are fundamentally important for organizational integration and processes (Fuchs et.al., 2000), they must be considered as influencing factors in the *dynamic capabilities* management framework, rather than resources under direct control of management, as some has claimed. For example, marketing managers could relatively easily acquire new employees with required skills, or they could change the processes in their department for greater effectiveness and efficiency, even modify linking processes like cross-functional collaboration. However, they cannot singlehandedly control the organization's structure or its culture.

Hence, organizational boundaries from the marketing manager's perspective could be internal for the organization but external for the marketing department. Thus, in comparison with technological and even reputational assets, the marketing manager has limited control over organizational and institutional positions and the latter could be defined as valuable assets only when they contribute to and are aligned with valuable for the competitiveness of the firm capability.

When developing marketing capabilities, the marketing manager must be aware of the *organizational positions* and consider their effect. For example, if the organization is highly centralized and formalized, the marketing manager could consider capabilities that allow

resources and time for coordination and approval of marketing planning and implementation activities.

Organizational structure and culture are not necessarily a valuable organizational asset or resource. Some of the most reputable management consultants profess organizations must strive for agile type of cultures (Armstrong et.al., 2020; Rogers et.al., 2021). As it is debatable on how easy it is to reengineer corporate cultures, the more prudent strategy is to consider the most appropriate skills, processes, and capabilities for the corporate culture in hand, rather than to embark on a risky endeavor to redefine the entire organization's culture. Furthermore, when the speed of capabilities building is of importance, marketing managers should not embark on complex organizational culture or structure reorganization, which are never under their direct control. A more prudent approach would be for marketing managers to understand the cultural and structural characteristics of their organization and find the most appropriate mix of capabilities elements for their organization's context.

Putting it all together – functional, architectural, and generic capabilities

The greater the complexity of organizational processes, the greater the potential for competitive advantage (Teece, Pisano, & Shuen, 1997); the more complex marketing process rendered in capability, the greater the contribution to organizational competitiveness. Such inter-organizational processes are IMC and Strategic Brand Management (SBM). These *architectural capabilities* require multiple complex combinations of functional capabilities, processes, and skills to extract value from different organizational assets.

IMC, for instance, would require a set of *functional marketing capabilities*, such as marketing planning, marketing analytics, internal marketing, or marketing implementation capabilities (Morgan et.al., 2003; Santos-Vijande et.al., 2012; Vorhies, 1998). Additionally, the IMC capability could use *generic capabilities* such as *internal marketing* (M'zungu,

Merrilees, & Miller, 2010; Santos-Vijande et.al., 2012), *learning and knowledge management* (Teece, Pisano, & Shuen, 1997), and *sensemaking capability* (Neill, McKee, & Rose, 2007) that facilitate integration of marketing and the organization. If some of these *generic capabilities* are beyond the boundaries of the marketing department or controlled by other structures in the organization, the marketing manager needs to ensure *linking processes* to them. Therefore, the ones who manage to organize these organizational resources for the purposes of marketing effectiveness and efficiency, will achieve competitive advantage, relative to the other organizations in the industry.

Marketing planning (Beverland, Napoli, & Lindgreen, 2007; Morgan et.al., 2003), *marketing implementation* (Morgan et.al., 2003) and *marketing analytics capability* (Cao, Duan, & Banna, 2019) are functional capabilities which facilitate the marketing communications and the brand management process. *Integrated marketing communications (IMC) capability* is critical structural marketing capability ensuring integrated brand communications (Luxton, Reid, & Mavondo, 2015).

CONCLUSIONS AND FUTURE RESEARCH

To sustain a competitive advantage in perilous and dynamic market environments, a firm's resources and capabilities must be continually changed, developed, and enhanced (Eisenhardt and Martin 2000; Morgan, Slotegraaf, & Vorhies, 2009). This paper addresses a critical managerial question – how to build the marketing capabilities that managers need to sustain the competitiveness of the firm. For that purpose, marketing managers could deploy configurations of *skills, processes, assets, functional and structural capabilities* in the context of their organizational structure, culture, and level of politicization.

As capabilities manifest through organizational processes, the greatest potential for competitive improvement can be found within important and complex marketing processes,

such as IMC or strategic brand management. With DMCF marketing managers could better understand how to implement these critically important processes in the organization and in the process realize their often-underachieved potential (Kliatchko & Schultz, 2015).

Using DMCF, marketing managers could better determine what configuration of marketing capabilities and their elements is most appropriate for their marketing strategy and type of organization. DMCF allows marketing managers to better align marketing's objectives and strategies with the abilities of the marketing department and the available to them *assets*. Thus, DMCF helps marketing leaders to expand the notion of marketing value to the organization beyond the achievement of marketing objectives by accounting for the value of the organizational assets deployed for marketing. For instance, they could build capabilities to exploit senior management or brand assets, which would provide them with greater flexibility to pursue more creative marketing communications strategies. Or they could decide to acquire the necessary for their marketing strategy or desired capabilities *assets*.

Marketing managers will be able to use *processes* to create deeper links between the marketing department and other parts of the organization for more complex and value-added marketing strategies. They could also explore processes to link marketing capabilities with generic organizational capabilities. For instance, to deploy parts of the marketing process like marketing analytics for more effective internal marketing. And DMCF will allow marketing managers to better determine which are the critical marketing capabilities and *skills* to be further developed internally and which could be subject to outsourcing through partnerships.

Significantly, as a unifying concept, DMCF allows researchers to consistently measure marketing capabilities. Researchers now have a clearly defined set of marketing capabilities antecedents which they could use to measure marketing capabilities in different types of

organizations and industries. And through DMCF researchers could address long-lasting challenges for conceptualizing marketing approaches like IMC as managerial frameworks.

Of researchers' interest could be to reveal the most appropriate configuration of constructive elements for complex marketing processes such as IMC and Strategic Brand Management. By uncovering the relative importance of *generic and specialized functional capabilities, assets, processes, and skills*, research could better understand what drives IMC in the organization. Furthermore, of research interest could be if there are different IMC or brand management capabilities configuration in different industries.

Finally, as organizational processes and capabilities are subject to *organizational positions*, it would be important to understand how different organizational cultures, such as consensual, authoritative, or innovative, together with organizational structures such as formalized or centralized, interact with and affect the implementation of marketing capabilities and their constructive elements in the organization.

REFERENCES

- Allredge, K., Charm, T., Falardeau, E., & Robinson, K. (2022, May 4). *How US consumers are feeling, shopping, and spending—and what it means for companies*. Retrieved from McKinsey & Company corporate web site: <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/how-us-consumers-are-feeling-shopping-and-spending-and-what-it-means-for-companies>
- Barney, J. (1986). Organizational culture: Can it be a source of sustained competitive advantage? *Academy of Management Review*, 656-665.
- Barney, J. (1991). Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99-120. doi:<https://doi.org/10.1177%2F014920639101700108>
- Beverland, M., Napoli, J., & Lindgreen, A. (2007). Industrial global brand leadership: A capabilities view. *Industrial Marketing Management*, 36(8), 1082-1093. doi:<https://doi.org/10.1016/j.indmarman.2006.08.007>
- Bonoma, T., & Crittenden, V. (1988). Managing Marketing Implementation. *Sloan Management Review*, 7-14.
- Cao, G., Duan, Y., & Banna, A. E. (2019). A dynamic capability view of marketing analytics: Evidence from UK firms. *Industrial Marketing Management*, 76, 72-83. doi:<https://doi.org/10.1016/j.indmarman.2018.08.002>
- Capozzi, M. M., Dietsch, S., Pachtod, D., & Park, M. (2020, November 23). *Rethink capabilities to emerge stronger from COVID-19*. Retrieved from McKinsey & Company Web site: <https://www.mckinsey.com/business-functions/mckinsey-accelerate/our-insights/rethink-capabilities-to-emerge-stronger-from-covid-19>

Charm, T., Coggins, B., Robinson, K., & Wilkie, J. (2020, August 4). *The great consumer shift: Ten charts that show how US shopping behavior is changing*. Retrieved from McKinsey & Company corporate website: <https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/the-great-consumer-shift-ten-charts-that-show-how-us-shopping-behavior-is-changing>

Christensen, L. T., Firat, A. F., & Torp, S. (2008). The organisation of integrated communications: toward flexible integration. *European Journal of Marketing*, 42(3/4), 423-452. doi:<https://doi.org/10.1108/03090560810853002>

Cornelissen, J. P., & Thorpe, R. (2001). The Organisation of External Communication Disciplines in UK Companies: A Conceptual and Empirical Analysis of Dimensions and Determinants. *Journal of Business Communication*, 413-438. doi:<https://doi.org/10.1177%2F002194360103800402>

Daft, R. (1983). *Organization Theory and Design*. New York: West.

Day, G. S. (1994). The Capabilities of Market-Driven Organizations. *Journal of Marketing*, 37-52.

Dierkx, I., & Cool, K. (1989). Asset Stock Accumulation and Sustainability of Competitive Advantage. *Management Science*, 1504-1511. doi:<https://doi.org/10.1287/mnsc.35.12.1504>

Duncan, T. R., & Moriarty, S. E. (1997). *Drivng brand value using integrated marketing to manage profitable stakeholder relationships*. New York: McGraw-Hill.

Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*, 1105-1121.

- Fang, E. E., & Zou, S. (2009). Antecedents and consequences of marketing dynamic capabilities in international joint ventures. *Journal of International Business Studies*, 40(5), 742-761. doi:<https://doi.org/10.1057/jibs.2008.96>
- Fuchs, P. H., Mifflin, K. E., Miller, D., & Whitney, J. O. (2000). Strategic integration: competing in the age of capabilities. *California Management Review*, 118-147. doi:<https://doi.org/10.2307/2F41166045>
- Glaser, S. R. (1994). Teamwork and communications: A 3-year case study of change. *Management Communication Quarterly*, 282-296.
- Gronstedt, A. (1996). Integrated communications at America's leading total quality management corporations. *Public Relations Review*.
- Hult, G. T., & Ketchen Jr., D. J. (2001). Does market orientation matter?: A test of the relationship between positional advantage and performance. *Strategic Management Journal*, 899-906.
- Jaworski, B. J., & Lurie, R. S. (2019). Building marketing capabilities: principles from the field. *AMS Review*, 372-380.
- Keller, K. L., & Lehmann, D. R. (2006). Brands and Branding: Research Findings and Priorities. *Marketing Science*, 740-759. doi:<http://dx.doi.org/10.1287/mksc.1050.0153>
- Kohli, A. K., & Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing*, 1-18.
- Konwar, Z., Papageorgiadis, N., Ahammad, M. F., Tian, Y., McDonald, F., & Wang, C. (2017). Dynamic marketing capabilities, foreign ownership modes, sub-national locations and the performance of foreign affiliates in developing economies.

International Marketing Review, 34(5), 674-704. doi:<https://doi.org/10.1108/IMR-01-2016-0004>

Laurie, S., & Mortimer, K. (2019). How to achieve true integration: the impact of integrated marketing communication on the client/agency relationship. *Journal of Marketing Management*, 231-252. doi:<https://doi.org/10.1080/0267257X.2019.1576755>

Luxton, S., Reid, M., & Mavondo, F. (2015). Integrated Marketing Communication Capability and Brand Performance. *Journal of Advertising*, 37-46. doi:<https://doi.org/10.1080/00913367.2014.934938>

M'zungu, S. D., Merrilees, B., & Miller, D. (2010). Brand management to protect brand equity: a conceptual model. *Journal of Brand Management*, 605-617. doi:<https://doi.org/10.1057/bm.2010.15>

Makadok, R. (2001). Toward a synthesis of the resource-based and dynamic-capability views of rent creation. *Strategic Management Journal*, 387-401.

Menguc, B., & Barker, T. (2005). Re-examining field sales unit and performance: insights from the resource-based view and dynamic capabilities perspective. *European Journal of Marketing*, 885-909.

Morgan, A. N., Feng, H., & Whitler, K. A. (2018). Marketing Capabilities in International Marketing. *Journal of International Marketing*, 61-95.

Morgan, N. A. (2019). Researching marketing capabilities: reflections from academia. *AMS Review*, 381-385.

Morgan, N. A., & Slotegraaf, R. J. (2012). Marketing capabilities for B2B firms. In G. L. Lilien, & R. Grewal, *Handbook of Business-to-Business Marketing* (pp. 90-108). Glos: Edward Elgar Publishing Limited.

- Morgan, N. A., Slotegraaf, R. J., & Vorhies, D. W. (2009). Linking marketing capabilities with profit growth. *Intern. J. of Research in Marketing*, 284-293.
- Morgan, N. A., Zou, S., Vorhies, D. W., & Katsikeas, C. S. (2003). Experiential and Informational Knowledge, Architectural Marketing Capabilities, and the Adaptive Performance of Export Ventures: A Cross-National Study. *Decision Sciences*, 287-322. doi:<https://doi.org/10.1111/1540-5915.02375>
- Neill, S., McKee, D., & Rose, G. M. (2007). Developing the organization's sensemaking capability: Precursor to an adaptive strategic marketing response. *Industrial Marketing Management*, 731-744. doi:<https://doi.org/10.1016/j.indmarman.2006.05.008>
- Orr, L. M., Bush, V. D., & Vorhies, D. W. (2011). Leveraging firm-level marketing capabilities with marketing employee development. *Journal of Business Research*, 1074-1081.
- Ots, M., & Nyilasy, G. (2017). Just doing it: theorising integrated marketing communications (IMC) practices. *European Journal of Marketing*, 490-510.
- Prensky, D., McCarty, J. A., & Lucas, J. (1996). Integrated marketing communication: an organizational perspective. In E. Thorson, & J. Moore, *Integrated Communication: Synergy of Persuasive Voices (Advertising and Consumer Psychology)* (pp. 167-183). Mahwah, NJ: Lawrence Erlbaum Associates.
- Reid, M., Luxton, S., & Mavondo, F. (2005). The relationship between integrated marketing communication, market orientation, and brand orientation. *Journal of Advertising*, 11-23.

Santos-Vijande, L., Sanzo-Perez, M. J., Gutierrez, J. A., & Rodriguez, N. G. (2012).

Marketing capabilities development in small and medium enterprises: implications for performance. *Journal of CENTRUM Cathedra*, 24-42.

Schultz, D. E. (1997). Integrating information resources to develop strategies. *Marketing News*, 10-10.

Sriramesh, K., Grunig, J. E., & Dozier, D. M. (1996). Observation and Measurement of Two Dimensions of Organizational Culture and Their Relationship to Public Relations. *Journal of Public Relations Research*, 229-261.

Srivastava, R. K., Fahey, L., & Christensen, H. K. (2001). The Resource-Based View and Marketing: The Role of Market-Based Assets in Gaining Competitive Advantage. *Journal of Management*, 777-802.

Teece, D. J. (2007). Explicating Dynamic Capabilities: The Nature and Microfoundations of (Sustainable) Enterprise Performance. *Strategic Management Journal*, 1319-1350.

Teece, D. J. (2009). *Dynamic Capabilities and Strategic Management*. Oxford: Oxford University Press.

Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 509-533. doi:[https://doi.org/10.1002/\(SICI\)1097-0266\(199708\)18:7%3C509::AID-SMJ882%3E3.0.CO;2-Z](https://doi.org/10.1002/(SICI)1097-0266(199708)18:7%3C509::AID-SMJ882%3E3.0.CO;2-Z)

Vorhies, D. W., & Morgan, N. A. (2005). Benchmarking Marketing Capabilities for Sustainable Competitive Advantage. *Journal of Marketing*, 80-94.
doi:<https://doi.org/10.1509%2Fjmk.69.1.80.55505>

- Vukasovič, T. (2014). A Comparative Study of Important Knowledge and Skills of Marketing Professionals. *Human capital without borders : knowledge and learning for quality of life*, (pp. 69-76). Portorož, Slovenia.
- Wernerfelt, B. (1984). A resource based view of the firm. *Strategic Management Journal*, 171-180. doi:<https://doi.org/10.1002/smj.4250050207>
- Wernerfelt, B. (1989). From critical resources to corporate strategy. *Journal of General Management*, 4-12. <https://doi.org/10.1177%2F030630708901400301>.
doi:<https://doi.org/10.1177%2F030630708901400301>