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UNIVERSIDADE DO ALGARVE
FACULDADE DE ECONOMIA

ALGARVE UNIVERSITY

ECONOMICS FACULTY

**DEFINING MARKETING-AS-PRACTICE AND IDENTIFYING
MARKETING TOOLS USED BY PRACTITIONERS IN THE ALGARVE**

DENISE VAN DIJK, 45183

Dissertation
Master Degree in Marketing

Thesis conducted under the guidance of:
Prof. Doctor Carlos Cândido
Prof. Doctor Maria Manuela Guerreiro

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DISSERTATION AUTORSHIP STATEMENT

I declare that I am the author of this dissertation, which is original and unprecedented.
The authors and works consulted are properly cited in the text and are included in the
references list.

Denise van Dijk

_____

To my daugther.

ACKNOWLEDGEMENTS

RESUMO

Com a evolução exponencial do mercado e consequente aumento da concorrência direta e indireta, as empresas cada vez mais procuram utilizar abordagens e ferramentas de marketing inovadoras e adequadas às suas condições empresariais, procurando estar em consonância com a missão e objetivos definidos.

As empresas desde sempre procuram vender os seus produtos/serviços a clientes, utilizando para tal métodos e abordagens comumente associada ao marketing. O que alterou nos anos mais recentes, como resultado de fatores económicos, tecnológicos e científicos, foi a forma como as empresas utilizam as practices e ferramentas de marketing. A adição de uma filosofia de gestão baseada numa pespetiva de marketing poderá influênciar a sobrevivência, prosperidade e crescimento da empresa.

Dada a importância do marketing no contexto da competitividade dos negócios, torna-se assim crucial analisar quais as practices e respetivas ferramentas utilizadas pelos practitioners de marketing no dia-a-dia das organizações, de forma a ser possível comparar com a concorrência, verificar tendências inovadoras e adequadas ao seu setor de atividade.

De acordo com a revisão bibliográfica, foi encontrada uma lacuna nesta área de conhecimento: inexistência de uma abordagem específica capaz de aferir de forma simples e organizada quais as practices e respetivas ferramentas utilizadas pelas empresas. Foi no entanto possível identificar um modelo da área Estratégica, denominado Strategy-as-Practice, cujos atributos poderiam ser interessantes para a construção de uma nova abordagem. O modelo Strategy-as-Practice tem como fundamento base responder às seguintes questões: "Quem pratica?"; "O que fazem?"; "Como fazem?"; "O que utilizam?"; e "Que implicações tem no desenvolvimento da Estratégia?". Este modelo surgiu com o mesmo objetivo para o qual a abordagem do Marketing-as-Practice foi criada, devido à insatisfação das empresas às abordagens convencionais de estratégia existentes. Foi também realizado uma análise dos vários conceitos, para que a abordagem do Marketing-as-Practice detivesse informação simples, atualizadas e inovadoras.

O presente estudo propõe o desenvolvimento de uma nova abordagem para analisar o problema de investigação, aplicando-o às empresas da região do Algarve. Foi então

definido como objetivo geral a determinação das practices e respetivas ferramentas de marketing utilizadas pelas empresas. Para que fosse possível atingir este objetivo geral estabelecido, foram criados alguns passos delineadores do projeto: examinar o modelo Strategy-as-Practice e os seus três eixos; desenvolver a abordagem do Marketing-as-Practice, baseado no modelo Strategy-as-Practice; e por fim aplicar os conceitos incluídos na abordagem Marketing-as-Practice determinando quais são os practices utilizadas pelas empresas da região do Algarve.

Para justificar algumas decisões tomadas ao longo da dissertação, solicitou-se a opinião de dois gestores da região. Estes enfatizaram que as empresas da região do Algarve ainda são um pouco retógradas relativamente ao conceito geral do marketing e utilização das consequentes ferramentas, comparativamente com outras regiões de Portugal, sendo expectável que os resultados obtidos direcionassem para um grau de importância mais elevado respeitante a practices mais antigos, simples e de realização a curto-prazo. Os gestores ainda fizeram notar que muitas das empresas continuam a optar por recorrer a *outsourcing*, no que respeita ao marketing.

O inquérito, com 51 questões distribuídas por duas secções, foi aplicado via internet à amostra definida, referente a empresas do Algarve. Cada questão remetia diretamente a uma ferramenta incluído na abordagem criada, dentro do eixo practices. As duas secções que repartiam as respetivas questões são marketing estratégico e marketing operacional. Dentro do marketing operacional foi ainda considerado pertinente reparti-los consoante os 4P's do marketing mix, produto, preço, distribuição e comunicação.

Os resultados foram analisados com recurso às estatísticas descritiva, nomeadamente a mediana, moda e grau de importância de cada nível; e não paramétrica, inclusive Runs Test e Wilcoxon Test.

No Wilcoxon Test considerou-se interessante averiguar se existem diferenças significativas na avaliação de cada uma das questões colocadas aos inquiridos, consoante duas zonas do Algarve: Barlavento e Sotavento. Foi possível concluir que se obtém resultados similares relativamente ao grau de importância dados por estas empresas, a cada uma da practices.

Por fim, são sugeridas formas de melhorar a abordagem e o inquérito criado e apontadas as limitações do estudo e as oportunidades de desenvolvimento do processo de investigação nesta matéria.

Face aos resultados obtidos foi possível realçar algumas recomendações:

a) Formação de gestores, como ida a seminários/palestras, para que haja um melhor entendimento dos conceitos do marketing moderno;

b) Contratar consultores para introduzir aspetos específicos do marketing adequadas à empresa em questão;

c) Aumentar o investimento de pesquisa do marketing, ou torná-los mais eficientes;

d) Instalar processos formais de definição de orçamentos, associados às despesas de marketing.

Esta dissertação apresentou claramente algumas limitações associadas, prendendo-se a primeira com a análise das practices de marketing utilizadas pelas empresas do Algarve com base na nova abordagem criada, que ainda carece de aprofundamento.

Sugere-se ainda que o inquérito possa ser aplicado a uma realidade maior, nomeadamente a uma amostra com maior dimensão, quer da região do Algarve como outras regiões do país. Serão certamente obtidos dados mais interessantes e que permitam testes estatísticos mais fortes e fidedignos. Neste sentido ainda foi apontado a necessidade de também se obter dados de gestores intermédios e marketing practitioners, e não apenas da direção de topo.

Por fim, é possível concluir que a análise destes resultados com outros testes estatísticos e a par de indicadores que as empresas facultem, nomeadamente referente a rácios de rentabilidade, níveis de satisfação/insatisfação de clientes e orçamentos associados a custos de marketing, seriam certamente enriquecedores para o corpo empresarial Algarvio e de outras regiões e ajudariam a explicar os motivos de utilização de determinadas practices e respetivas ferramentas, em detrimento de outras.

Palavras-chave: Practices, Marketing-as-Practice, Marketing, Algarve.

ABSTRACT

With the exponential evolution of the corporate market and consequent increase in direct competition, companies increasingly pursue to use innovative and appropriate marketing approaches and tools. Given the importance of marketing in competitiveness corporate context, becomes crucial to analyse which are the practices used by practitioners in their daily company life, in order to compare results with the competition, check innovative and appropriate trends to it activity sector.

When developing the literature review, was revealed a gap in this knowledge area: nonexistence of a specific approach capable of assess in a simple and organized way which are the practices and respective tools used by companies. However, it was possible identify an interesting model of the strategic area, denominated Strategy-as-Practice, whose attributes could be relevant for the construction of the new approach. It was also accomplished an analysis of the several concepts included in the approach, so that the Marketing-as-Practice approach held updated information.

The present study proposes the development of a new approach that allows analyses the research problem, applying it to Algarve region companies. To justify the decisions taken along the dissertation, was solicited the opinion of two managers of the region.

The survey, with 51 questions distribute over two sections, was applied via internet to the sample set. The results were postimously analysed, using therefore descriptive and non-parametrical statistics.

Finally, are suggested ways to improve the approach and the survey created and evidenced the study limitations and the opportunities of research development in this area.

Keywords: Practices, Marketing-as-Practice, Marketing, Algarve.

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ABBREVIATIONS LIST

BCG - Boston Consulting Group.

GE - General Electric.

MaP – Marketing-as-Practice.

SaP – Strategy-as-Practice.

SPSS – Statistical Package for Social Sciences.

SWOT - Strengths, Weaknesses, Opportunities and Threats.

1. INTRODUCTION

1.1. Introduction

This section will predominantly focus on the subject to be investigated and determine the objectives that will define the way forward. It is pertinent to explore each objective and indicate its relevance to the research subject.

At the end of the Introduction, will be described the whole structure of the work that will serve as the basis for the entire thesis development process.

1.2. Relevance of the subject to be investigated

Companies have always sought sell their products and services to customers, using methods and approaches commonly associated with marketing. As quoted by Lindon et al (2011), what has changed in recent years, as a result of economic, technological and scientific factors, is the way companies practice and use their tools. The addition of a management philosophy based on a marketing perspective may actually condition the survival, prosperity and growth of a company.

Over the years the concept of marketing has suffered numerous changes due to modifications of the market, where companies seeks to be always one step ahead.

Currently, Kotler et al (2008) defines marketing as the process in which companies search to create value for customers and build strong relationships with them, i.e., retain them. Today, marketing must not only be associated with the act of selling and promoting a product or service, but also to satisfying the needs and wishes of customers and society in general. Marketing is the activity, set of institutions and processes of creating, communicating, delivering and exchanging offerings that have a certain value for customers and their partners (AMA, 2016).

Kotler et al (2008) also provides a model oriented to the marketing process that should serve as support to companies:

a) Comprehend the market, by analysing which are the needs and wishes of the customers;

b) Define a marketing strategy;

c) Build an integrated marketing program, which offers value to customers;

d) Add profitable relationships and create customer satisfaction;

e) Capture customer value, creating income.

Despite the constant evolution of the concept and process of marketing, nowadays companies still need to question:

a) What is marketing?

b) Who practices marketing in organizations?

c) What does a marketing practitioner do?

d) What does a marketing analyst do?

e) How can organizational and social theory form a MaP (Marketing-as-Practice) analysis?

Since the 90's, consumers have become more careful in spending their money, looking for a higher value in the products and services they purchase (Kotler et al, 2008).

Nowadays, companies increasingly seek to be prepared for the challenges of the present and future, due to the growing competition, in constantly changing markets. Companies are also searching to be ready for potential and emerging threats to their markets.

The adoption of a marketing philosophy by companies is crucial. The way that is accepted and implemented by the entire company can dictate the success of the strategies that have been formulated. When companies understand the importance of marketing for the success and prosperity of their organization, it becomes essential to use practices and tools that address the combination of their company, market and customers. Therefore, companies should define an appropriate strategy and provide an integrated and suitable program.

The choice of this subject to be investigated is primarily justified by the importance that marketing has in the survival and prosperity of a company.

But that is not the only reason for the choice of this theme. All my academic and professional development encompasses the areas of Business Management and Marketing. Given the combination of personal, academic and professional factors, the development of this thesis will be based on models and definitions of marketing.

The new approach named Marketing-as-Practice, will enable the identification in an organized and structured manner, of the practices and tools, used by companies, in the marketing area. Also, it will facilitate the identification of who actually practices marketing in a company, that is to say who are the practitioners.

Finally, it will also allow determine if the practices and tools used by the companies are adequate and efficient.

1.3. General and specific objectives

As quoted by Pardal et al (1995), the subject of investigation must be defined through both theoretical and empirical elements, collected during the exploration that helps define the paths and modes of approach.

The starting point of an investigation is always the definition of the subject, formulated with the objective to understand and explain the reality.

The following principal objective for this thesis was defined as:

✓ Determine which marketing practices and respective tools are used by practitioners in companies.

Having set the general objective, it is necessary to consider the following steps:

a) Examine the SaP (Strategy-as-Practice) model and its three aspects:

Figure 1.1 - Strategy-as-Practice model
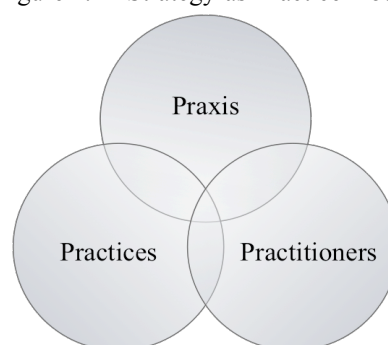
(Source: Whittington, 2006)

b) Develop MaP approach, based on the SaP model;

c) Apply the MaP approach, determine which are the practitioners, praxis and practices of companies.

It becomes possible accomplish the general objective, which is to developed a MaP approach that is based on the SaP model.

1.4. Work structure

This dissertation is structured in six chapters: introduction, literature review, methodology, results, discussion and conclusion.

a) The Introduction chapter illustrates the relevance of the topic to be studied, as well as the principal and specific objectives and the planned work structure;

b) The Literature Review presents what has already been produced scientifically, with regard to the subject in question. It also highlights the concepts, approaches and instruments used in the study of the subject to be investigated. Finally, in the literature review is justified the need of a new approach (MaP), being developed an attempt to create MaP approach. Still allows the development de questionnaire for the research methodology.

c) The Methodology chapter presents the methodological aspects upon which the study is based and the reasons supporting the decisions made;

d) Chapter four presents the Results. The results will be grouped and sorted in a logical sequence, they will be accompanied by tables, graphs or pictures and include interview excerpts and field notes, for better clarity;

e) In the Discussion chapter will interpret the data collected based on the findings of the literature review and the results. Will also be made reference to limitations of results and comparisons with the outcomes found in other studies;

f) In the Conclusion chapter will be highlighted the main issues addressed during this investigation, completed with recommendations for the future developments in this area.

1.5. Conclusion

This point includes the process of definition of the thesis subject, creating therefore the principal objective and guidelines that will orient the whole project.

Finally, was created a synthesis of the dissertation, in which was provided a brief summary of what will be presented in each chapter.

2. LITERATURE REVIEW

2.1. Introduction

This chapter will illustrate the conceptual framework that involves the study of marketing efficiency. The objective is to exemplify the importance of marketing to the survival and prosperity of companies and the fact that the marketing models and tools are not organizes in the best way, justifying in this way the development of the Marketing-as-Practice approach.

Included in this literature review there will be developed an analysis of the numerous issues connected to the subject. This will allow a deeper reflection about the subject of the thesis, enabling implications to be drawn, and help provide evidence and conclusions for the investigation.

Also, by understanding the concepts included in the SaP model, will become possible to determine which theories should or shouldn't be used in the new marketing approach.

2.2. From marketing concept to marketing-as-practice

The marketing concept has been in the centrepiece in management thinking for several decades. It is possible to check the major changes in its definition by authors such as Deming (1953), Drucker (1954) and Kotler (1967) (Allen et al, 1998).

"The marketing concept arose in 1950s, when thinkers like Levitt realized that companies that made what the customer wanted were more successful than those that simply sold what the company made." (Smith, 2005: 336).

Some trends such as the increasingly intense competition, changes in the market environment and the growing demand of consumers led organisations to focus on customers. Therefore Smith (2005) considers it useful to check three major divisions of strategising:

  a) Understanding the Market;
  b) Choosing the Strategy;
  c) Deciding the Action.

The words of Peter Drucker (1954) about marketing involving the whole business is still celebrated and much quoted even today.

In a world of major changes in media and markets, there is a need to take a fresh look at marketing (Wind, 2008). Many leaders have recognized the need to challenge the existing marketing models. A group of marketing thinkers including Philip Kotler, J.Walker Smith, John K. Johanson, Raj Sisodia, Frederick Webster, Jr., Jag Sheth and Elen Urban, have examined the implication of issues such as ethics, changing consumer attitudes, information overload, to the changing role of marketing in companies (Sheth et al, 2006).

These discussions point to modifications that require analysis of the approaches, tools and theories of marketing used by companies (Wind, 2008).

In the 1950s, Peter Drucker famously defined the purposes of the companies as to create a customer (Drucker, 1954). It took many years for the world to adopt this customer-centric view of the companies, and many organizations are still struggling to do more than pay lip service to this concept.

Wind (2008) questions if is actually the customers that create the companies? This challenges the way we look at marketing and the role it takes within the broader companies.

The marketing concept needs to embrace new realities. As quoted by Wind (2008) we need to challenge the role of marketing functions, current concepts and theories. Marketing as an opportunity to lead the way in bridging silos and developing new models and approaches to address these challenges.

Marketing still encompasses the entire business (Drucker, 1954).

The marketing concept argues that achieving the objectives of the companies depends on determining the needs and wishes of the target markets and to contribute their satisfaction more effectively and efficiently than competitors (Kotler et al, 2008).

Kotler et al (2008: 7) debate that if "the marketer understands consumer needs, develops products and services that provide superior customer value, and prices, distributes and promote them effectively, these products will sell easily". According to Peter Drucker (1954), the goal of marketing is to make selling unnecessary. The aim is to know and understand the customer so well that the product or service sells itself.

So marketing is the "process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return" (Kotler et al, 2008: 7). In a business context, marketing involves building profitable, value-laden exchange relationships with customers.

Kotler et al (2008) presents a five-step model of the marketing process. The first four steps refer to companies working to understand consumers, creating customer value and building strong customer relationships. The final step being companies reaping the rewards of creating superior customer value.

Figure 2.1 - Marketing process

| Understand the market place and customer needs and wishes | Design a customer-driven marketing strategy | Construct an integrated marketing program that delivers superior value | Build profitable relationships and create customer delight | Capture value from customers to create profits and customer equity |
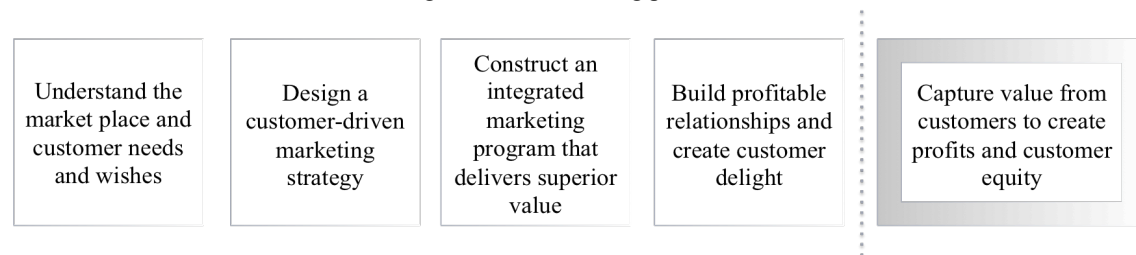
(Source: Kotler et al, 2008)

Ambler (2003) states that all companies in the world follow marketing in a primary way, because otherwise they would all be bankrupt.

Robert Keith (1960) refers that in the future, it will be true that all company activities – from finances to sales – will aim at the satisfaction of customer's needs and wishes. Only when this phase of development is reached, the marketing revolution will be completed.

Kotler et al (2008) also questions if a firm that satisfies the immediate needs and wishes of target markets is always doing what is best for consumers in the long run? "The societal marketing concept holds that marketing strategy should deliver value to customers in a way that maintains or improves both the consumer's and society's well-being" (Kotler et al, 2008: 19).

Figure 2.2 - Considerations underlying the societal marketing concept

Society
(human welfare)

Consumers
(want satisfaction)

Company
(profits)
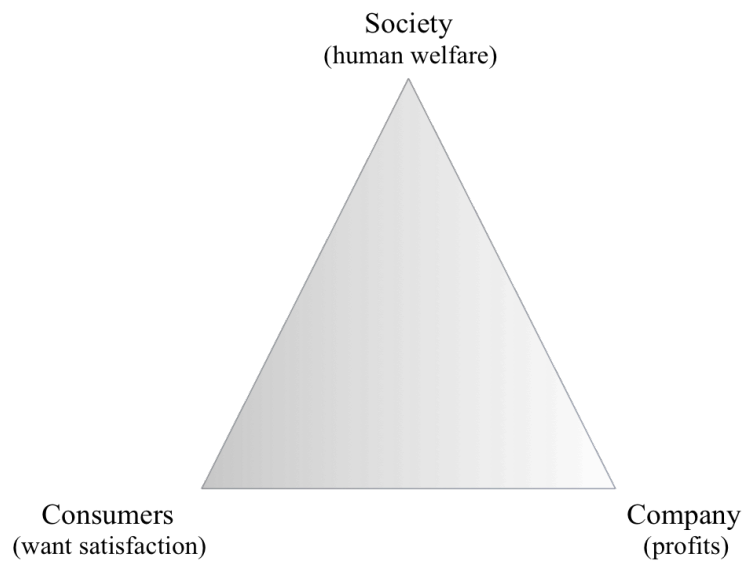
(Source: Kotler et al, 2008)

Kotler et al (2008) defends that the marketing concept takes an outside-in perspective. The marketing concept starts with a well-defined market, focuses on customer needs and integrates all the marketing activities that affect customers.

In turn, companies receive the profits creating lasting relationships with the right customers.

Figure 2.3 - Marketing concept

| Market | Customer needs | Integrated marketing | Profits through customer satisfaction |

(Source: Kotler et al, 2008)

At this level, Nanver et al (1990) gave an important first step to carry out a study that validates the relationship between marketing orientation and organisations performance, which according to the author gives a base beyond mere hunch to recommend the superiority of a market orientation.

Peter Drucker (1954) made it clear that marketing cannot be separated from the business.

Deming (2013) determines an important question that should be always considered "What cannot be measured cannot be improved", so it is essential to implement methods that monitors the process to get a measurement indicator for comparing what is made against what the customer really wants.

The disorganization of the existing models and tools, make it complicated to analyse the potential of marketing in the companies. Thus, the development of the new marketing-as-practice approach allow in addition to organizing the marketing tools and practices, analyse which are effectively used by Algarvian companies, in a structured way.

2.3. Strategy-as-Practice model

The SaP model defines strategy as something that people do rather than something that a firm possesses (Whittington, 2006).

SaP as a research topic refers to the doing of strategy:

a) Who does it?
b) What they do?
c) How they do?
d) What they use?
e) What implications this has for shaping strategy?

The growth of SaP into a field of research arises in large part from an increasing dissatisfaction with conventional strategy research.

The SaP perspective is concerned with the day-to-day activities of those engaged in strategy making, with its political, cultural and interactional aspects, and with how strategizing is embedded in the wider practices of industries, markets and societies.

There is a curious absence of human actors and their actions in most strategy theories (Johnson et al, 2003). Most studies are reduced to a set of demographics such as age, tenure and functional background, which can be examined for statistical regularities in relation to some aspect of company performance. Increasingly, therefore, strategy research has been influenced by wider concerns to humanize management and organization research by bringing the individual back in (Whittington et al, 2002).

The developing field of SaP research has taken this concern seriously, bringing human actors and their actions and interactions to the centre stage of strategy research (Jarzabkowski et al, 2009).

It becomes essential to reflect about the three axes of this model: Practitioners, Praxis and Practices.

2.3.1. Strategy-as-Practice: practitioners, praxis and practices

From a SaP perspective, strategy has been defined "as a situated, socially accomplished activity, while strategizing comprises those actions, interactions and negotiations of multiple actors and the situated practices that they draw upon in accomplishing that activity" (Jarzabkowski et al, 2007: 7).

SaP has defined its broad research parameters as studying three objects of analysis (Jarzabkowski et al, 2007):

- ✓ Practitioners – Those people who do the work of strategy;
- ✓ Practices – The social, symbolic and material tools through which strategy work is done;
- ✓ Praxis – The flow of activity in which strategy is accomplished.

The objective is to analyse these three interrelated concepts and the way they are used in companies. First will be examined the concepts of practitioners and praxis, developing a typology based on the way in which different studies conceptualize the strategy practitioner and the level of strategy praxis that they aim to explain. Then will also be analysed the concept of practices, which has been adopted widely within the SaP literature.

2.3.2. Practitioners and praxis

In this point will be explained how existing papers conceptualize or empirically study the relationship between practitioners and praxis.

SaP research examines strategy as something that people do, indicating an important focus on strategy practitioners.

Strategy practitioners are defined widely, to include both those directly involved in making strategy (most prominently managers and consultants) and those with indirect influence (policy-makers, media, gurus and business schools who shape legitimate praxis and practices) (Jarzabkowski et al, 2008).

Empirical studies indicated that strategy practitioner might refer not only to individual practitioners but also to groups of practitioners, indicating the need for a meaningful

categorization of the different types of practitioners in order to map the field (Jarzabkowski et al, 2009).

Within existing papers, was possible recognise two main ontological dimensions for identifying practitioners:

a) Practitioner as an individual or an aggregate actor.

Some identify strategy practitioners as individuals, examining data for what an individual did and attributing specific activities to that individual.

Others studies identify practitioners as an aggregate actor, a class of actors, such as top management, middle management, engineering and so forth.

So, these studies inspect data, even where they are collected from individuals, to explain what an aggregate actor do and attribute specific activities to that aggregate actor (Jarzabkowski et al, 2009);

b) Practitioner is inside the organization or outside the organization.

A practitioner can be classified as internal, meaning having an allocated hierarchy, line or staff role within the organization's structural and governance arrangements, such as middle manager, CEO or project manager.

Alternatively, a practitioner can also be external, meaning categories of actor that might influence the strategy of a focal organization but do not have an allocated hierarchy, line or staff role within that organization's structural and governance arrangements. While such actors are also inside their own organizations, the literature conceptualizes them as actors outside a focal organization, whose actions and interactions have an impact upon that organization's strategy (Jarzabkowski et al, 2009).

Whittington et al (2003) considers that external actors include consultants, gurus and institutional actor, such as chamber of industry and commerce, regulator, trade unions, media or other interest groups.

Praxis refers to the stream of activity through which strategy is accomplished over time.

As there are different nuances in the way that the term praxis is used, the best explanation of praxis is located in a recent editorial paper by Jarzabkowski et al (2007) and Reckwitz (2002).

These authors define praxis as a stream of activity that interconnects the micro actions of individuals and groups with the wider institutions in which those actions are

located and to which they contribute. They propose that this definition is helpful in linking the macro and micro in SaP research.

Praxis is where operation and action meet, a dialectic synthesis of what is going on in a society and what people are doing. Is possible to distinguish three levels within the literature (Jarzabkowski et al, 2009).

a) Micro refers to those studies that explore and attempt to explain strategy praxis at level of the individual or group's experience of a specific episode, such as decision, meeting or workshop;

b) Meso refers to studies that explore and attempt to explain strategy praxis at the organizational or sub-organizational level, such as a change of programme, or a strategy process, or a pattern of strategic actions;

c) Macro refers to studies that explore and attempt to explain strategy praxis at the institutional level, which is most typically associated with enlightening patterns of action within a specific industry.

SaP is capable of transforming a meso level investigation into strategizing in construction, and beyond, because it provides a set of approaches, concepts and methodologies that seek to understand how strategies are translated beyond senior manager and policy documents into everyday contexts.

For SaP researches, the concept of praxis picks up on the same concern for activity, what people actually do in their strategy work (Whittington, 2006).

The SaP field has to rise to the challenging research agenda it has set in outlining a range of strategy practitioners and levels of strategy praxis. It may do so by drawing upon wider theoretical resources available in other fields to design appropriate empirical studies that can better inform all the domains of our typology (Jarzabkowski et al, 2009).

2.3.3. Practices

Having already delineated the relationship between practitioners and praxis, this chapter looks at strategy practices, which are an essential element of the SaP research agenda (Whittington, 2003).

Identifying a central concept of practice has been a challenging task, because so many different concepts of practices are used within the SaP field. So, first is necessary begin to study some definitions of practices within the wider practice literature and examine how these relate to definitions within the SaP field.

One of the problems with identifying practices is that they are entangled and interrelated elements of activity. It is thus hard to separate one particular practice from the interwoven fabric of practices (Jarzabkowski et al, 2009).

By drawing together some definitions of practices, it is possible to see that practices are a complex bundle involving social, material and embodied ways of doing that are interrelated and not always articulated or conscious to the actor involved in doing them.

The SaP field has attempted to translate this complex set of concepts into the practices involved in doing strategy.

"Practices involve the various routines, discourses, concepts and technologies through which this strategy labour is made possible – not just obvious ones such as strategy reviews and off-sites, but also those embedded in academic and consulting tools" (Jarzabkowski et al, 2008: 101).

Despite numerous definitions and a strongly advocated research agenda into strategy practices, the SaP literature, particularly the empirical literature, reveals no dominant view on the concept of practices (Jarzabkowski et al, 2009).

Practices refer to the various tools, norms, and procedures of strategy work, from analytical frameworks such as Porter's Five Forces to strategic planning routines such as Strategy Workshops (Whittington, 2006).

This chapter outlines various concepts of practices that inform the SaP field, as well as examines the SaP research agenda to study the practices. It was possible note that there has been considerable work on theorizing practices that has, as yet, to be brought to life empirically.

2.3.4. Conclusion

Chapter 2.3. Strategy-as-Practice model, was structured around the interrelated concepts of practices, practitioners and praxis that have been identified as the research parameters of the SaP model.

This chapter allows understanding what is meant by strategy practitioner and how this concept has been realised, respectively, as an individual, an aggregate actor or an extra-organizational actor. Also it emphasises the notion that practitioners do not always mean individuals, but may well extend to classes of practitioners. At that point, it is also possible discover three levels of strategy praxis, micro, meso and macro, which have been espoused in SaP research.

This information allowed examining how practices have been treated in SaP research, finding a lack of consistent use of the term practices. This data is consistent with the analysis conducted about marketing, allowing developing a marketing-as-practice approach based on strategy-as-practice model.

As a nascent and emerging field, there has been tremendous energy in outlining an ambitious research agenda (Jarzabkowski et al, 2009).

2.4. Marketing tools and concepts analysis

In order to organise the marketing models, tools and concepts in a structured way, they will be categorized in the same logic used by Kotler el al (2008), Lindon et al (2011) and Wienclaw (2015): Strategic Marketing and Operational Marketing.

2.4.1. Strategic Marketing

In order for a company's marketing effort to be effective and successful, it needs to be based on a strategic marketing plan to help ensure that the goals and objectives of the effort are appropriate to the needs of the market place.

Kotler et al (2008: 128) defends that "no one strategy is best for all companies. Each company must find the way that makes most sense, given its situation, opportunities, objectives and resources".

There are a number of factors that should impact the development of a strategic marketing plan (Wienclaw, 2015):

✓ Internal factors. Assets and skills of the company and the organizational culture.

✓ External factors. Various market drivers, market or industry lifestyle, and nature of the competition.

This author defends that no matter how good a company's products or services are, unless their value can be communicated to potential customers, the company will fail in its mission.

Strategic marketing examines the market place to determine the needs and wishes of potential customers and the nature of the competitor in the market and then attempts to develop a strategy that will enable the company to gain or maintain a competitive advantage in the marketplace.

"Many companies operate without formal plans" (Kotler et al, 2008: 128).

✓ Managers of new companies are sometimes too busy for planning;

✓ Managers of small companies may think that only large corporations need planning;

✓ Managers of mature companies may argue that they have done well without formal planning, so it can not be very important.

"Failing to plan means planning to fail" (Kotler et al, 2008: 128). Planning helps the company to anticipate and respond quickly to environmental changes and to prepare better for sudden developments.

Paley (2006) reveals that companies with written plans enable CEOs to manage more critical business functions, grow faster and achieve a higher proportion of revenues from new products and services than those whose plans are unwritten. Additionally, "growth companies with a written strategic plan have increased their revenues 69 per cent faster" than those without written plan (Paley, 2006: 202).

Figure 2.4 - Strategic Marketing

Strategic Marketing		
Annual Plan	Shell	Value Chain
Long-range Plan	Product Market Expansion Grid	Six Sigma
Strategic Plan	Marketing Plan	Relationship Revenues Costs
Mission	Marketing Organisation	The 8Cs Competitive Domain
Strategic Objectives	Microenvironment/Macroenvironment	Segmenting
SWOT Analysis	Neuromarketing	Targeting
Boston Group Consulting	Marketing Information System	Differentiation and Positioning
General Electric	Tracking Customer Satisfaction	Competition Analysis

(Source: Developed by Denise van Dijk)

2.4.1.1. Annual plan, long-range plan and strategic plan

Which are the plan(s) that companies effectively develop? Theoretically there are many advantages for companies in creating annual plan, long-range plan and strategic plan, because as previously stated this enables companies to predict, anticipate and prepare them self for market changes. Paley (2006) emphasises that strategic planning can be used effectively to grow markets, recognize new product innovations and stay alert to new opportunities.

a) Annual plan. A short-term plan that explains the "current situation, company objectives, the strategy for the year, action programmes, budgets and controls" (Kotler et al, 2008: 129);

b) Long-range plan. This plan incorporates the factors and forces affecting the company during the next several years. Kotler et al (2008) highlights that this long-range plan should be updated each year so that the company always has a current long-range plan;

c) Strategic plan. This is the process whereby a company ensures it develops and maintains a strategic fit between its goals, capabilities and the changing market opportunities and challenges.

Regardless of the importance that authors such as Paley (2006), Kotler et al (2008) and Wienclaw (2015) gives to these plans, many companies still do not give enough credit to it.

2.4.1.2. Mission

Following this guideline, the next concept to be considered is the definition of the company Mission. A mission statement mainly "states the purpose of a company." (Kotler et al, 2008: 130).

The American Marketing Association (2016) defines the mission as "an expression of a company's history, managerial preferences, environmental concerns, available resources, and distinctive competencies used to serve their target market segments and to guide a firm's decision-making and strategic planning."

To create an effective mission state, Kotler et al (2008) recommends companies to first answer the following questions:

a) What business are we in?
b) What do consumers value?
c) What are we in business for?
d) What sort of business are we?
e) What makes us special?

"Successful companies continuously raise these questions and answer them." (Kotler et al, 2008: 130). A clear mission statement guides people in the company, so that they can work independently and yet collectively towards the overall organizational goals.

The mission statement has received much less attention in marketing literature, despite its perceived importance in marketing strategy (Amato et al, 2002).

King et al (1979) recommend that companies carefully develop a written mission statement in order to reap the following benefits:

- ✓ Ensure that all employees and managers understand the company's purpose or reason for being;
- ✓ Provide a basis for prioritization of key internal and external factors used to formulate reasonable strategies;

✓ Provide a basis for the allocation of resources;

✓ Deliver a basis for organising work, departments, activities and segments around a common purpose.

Wisely prepared mission statements are widely recognized by marketeers as the first step in strategic marketing, as they are critical to the development of company objectives (Powers, 2012).

Historically, marketeers are most often not involved in the definitions of the mission, partly because the statements lack a customer's perspective.

2.4.1.3. Strategic objectives

The company's mission needs to be turned into strategic objectives to guide management. "The mission states the philosophy and direction of a company, whereas the strategic objectives are measurable goals." (Kotler et al, 2008: 134).

When a marketeer establishes the company objectives and goals, it becomes essential for them to analyse the broad impact that the defined objectives will have on the company.

Objectives should be short enough to be realistic and achievable in an increasingly volatile marketplace, yet long enough to be visionary about the impact of new technologies, changing behavioural patterns, the global market place, emerging competitor and changing demographics (Paley, 2006).

The definition of strategic objectives is directly dependent on the creation of the mission statement. All objectives defined must be consistent with the mission state by the company.

In order to create a cycle of setting the objectives it is necessary to formulate a common list of expectations regarding the way in which the team should work to focus them on the achievement of the objectives (Drucker, 1999).

As a result of the effects of the economic and financial crisis in companies, in recent years there has been a tendency to concentrate functional departments on their own objectives, neglecting the general interests and the mission statement defined by the company, producing inconsistency and deviation in the behaviour and direction of individual function in a company (Schiopoiu, 2008).

Obviously the lack of objectives leads to taking subjective decisions imposed under pressure, which will lead to the sacrifice of the important tasks in support of the strategic objectives.

2.4.1.4. SWOT analysis

After the definition of the mission and strategic objectives, the company needs to become prepared for eventualities arising outside the company, so they must continuously analyse the opportunities and possible threats that the market could bring to their company.

SWOT (Strengths, Weaknesses, Opportunities and Threats) Analysis corresponds to a brief list of critical success factors in the market, and rate the strength and weaknesses against the competition (Kotler et al, 2008).

Figure 2.5 - SWOT analysis

Strengths	Weaknesses
Opportunities	Threats

(Source: Kotler et al, 2008)

SWOT analysis is one of the most popular tools in use for defining a company's strategic action, however it does have its weaknesses (Coman et al, 2009):

✓ No straightforward methodology has been proposed to identify strengths and weaknesses;

✓ Most SWOT analyses lack clear focus by concentrating on an excessive number of companies' strengths and weaknesses, which subsequently makes it difficult to translate the findings into actions;

✓ There is no indication of causality among the strengths and weaknesses, nor are they ranked into any hierarchy;

✓ SWOT analysis is typically a one-time lacking mechanism for action upon and monitoring the changes in strengths and weaknesses over the longer term.

Despite the problems involved in its use, SWOT analysis remains a major strategic tool for listing the strengths and weaknesses of a company, for recording the major strengths and translating them into value (Coman et al, 2009).

Marketeers must identify the main threats and opportunities that their company faces.

Companies should not challenge to list all their strengths and weaknesses but only those relating to critical success factors (Kotler et al, 2008). A failure in identifying its true strengths and weaknesses can be really dangerous for a company and cause it to take inappropriate decisions.

The mutability and instability of the external environment suggests the use of a corresponding system of management (Kolbina, 2015). This appears to be the principal reason why the use of SWOT analysis is spreading.

Currently, SWOT analysis is a model broadly applied in a number of different areas. Any kind of company can use it, so the majority of marketeers consider SWOT analysis as a necessary tool of strategic planning (Kolbina, 2015).

2.4.1.5. BCG, GE and Shell

Following this evaluation of the strategic marketing perspective, it is appropriate to discuss the importance of the development of a Business Portfolio by a company.

The business portfolio relates to the "collection of businesses and products that make up the company" (Kotler et al, 2008: 139). The best business portfolio is the one that fits the company's strengths and weaknesses to opportunities in the environment.

Kotler et al (2008) indicates that to create an effective and reliable business portfolio, the company must:

  a) Analyse its current business portfolio and decide which businesses should receive more, less or no investment at all;
  b) Develop growth strategies for adding new products or businesses to the portfolio.

The best-known portfolio-planning models are Boston Consulting Group, General Electric and Shell.

In the late 1960's the BCG (Boston Consulting Group) offered a new way to look at strategic planning activities (Henderson, 1973).

In order to envision the role played by each company unit, BCG developed the growth-share matrix, in which all businesses in a firm are plotted on a four-quadrant grid (Hax et al, 1983).

Figure 2.6 - BCG growth-share matrix
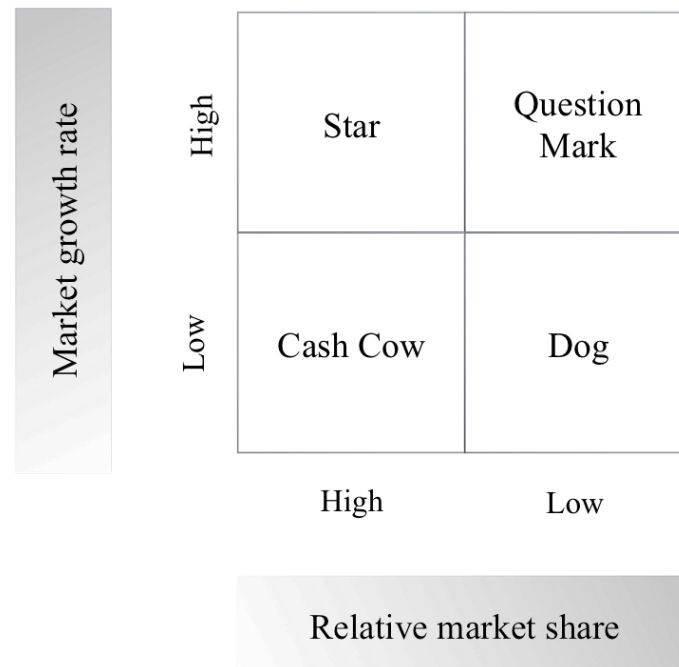
(Source: Kotler et al, 2008)

The horizontal axis refers to the market share enjoyed by a business relative to its major competitor. Corresponds to a way of characterizing the strength of the company in that business (Hax et al, 1983). Relative market share serves as a measure of company strength in the market.

The circles that must be included in the model represents each business, with the area within them proportional to total sales.

Hax et al (1983) state that the BCG growth-share model is helpful in three ways:

✓ Graphic display that offers a powerful and concise picture of the strengths of the businesses in the company's portfolio;

✓ Identifies the capacity of each business to generate cash and also reveals its requirements for cash. Thus it assists in balancing the firm's cash flow.

✓ Shows the distinct characteristics of each business unit. It can also suggest strategic directions for each business.

A striking characteristic of the growth/share matrix is its simplicity. Hax et al (1983) indicates that this model captures the complexities of a company's portfolio in a graphical representation with only two indicators.

Each business has a life cycle. Many business start ups have question marks and move into the star category, if they succeed. They later become cash cows as market growth falls, then finally die off or turn into dogs towards the end of their life cycle.

Planning developed in a period of steady growth, when the past was generally a good indicator of the future, are not appropriate to the unpredictable and fast-changing arena in which management must operate today (Gluck, 1986).

GE (General Electric) is the pioneer in the introduction of strategic planning in the 1960s and the much referred to model of the strategically managed company in the 1970s.

Similarly to BCG, GE's uses a matrix with two dimensions. One representing the industry attractiveness and another demonstrating company strength in the industry. Accordingly Kotler et al (2008), GE approach considers many factors besides market growth rate as part of industry attractiveness:

- ✓ Industry attractiveness index;
- ✓ Market growth rate;
- ✓ Industry profit margin;
- ✓ Amount of competition;
- ✓ Seasonality and cycle of demand;
- ✓ Industry cost structure.

Figure 2.7 - GE's strategic business planning grid
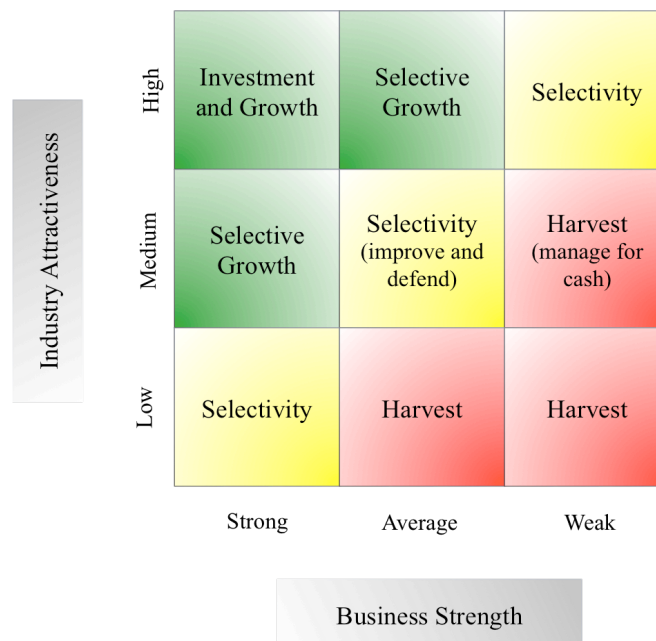
(Source: Brownlie, 1985)

Accordingly to Kotler et al (2008), the green cells refers to the strong businesses in which the company should invest and seek to grow. The yellow diagonal cells contain businesses that are medium in overall attractiveness. The companies in these categories should maintain their level of investment in these businesses. The three red cells indicate businesses that are low in overall attractiveness. In these cases, the company should give serious thought to harvesting or divesting these businesses.

The circles that will be introduced in the matrix, represents the company's businesses and the pie slices within the circles represents each businesses' market share.

The development of this matrix by General Electric was primarily motivated by the immense planning problems it was encountering as a multiproduct, multi-market company (Bownlie, 1985).

The Shell Chemical Company discover that traditional financial measure for guiding the allocation of resources within a diversified business, such as forecasted rate of return on capital employed were, in some respects, becoming inadequate aids to strategic decision making (Wind et al, 1981).

The Shell matrix also uses multivariate dimensions to measure attractiveness and capabilities. The application of Shell matrix involves identifying, firstly, the main criteria by which judge the prospects for a business sector. Secondly, those criteria by which a company's position in a sector may be mediated as strong, average or weak. These criteria are then used to establish the separate ratings of the two principal dimensions (Bownlie, 1985).

Figure 2.8 - Shell directional policy matrix

	Unattractive	Average	Attractive
Weak	Disinvest	Phased Withdrawal	Double or Quit
Average	Phased Withdrawal	Custodial (proceed with care)	Try harder
Strong	Cash generation	Growth	Leader

Company's Competitive Capabilities

Prospect for Sector Profitability

(Source: Brownlie, 1985)

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The dimensions regarding Shell direction policy matrix are thought to be generally representative of the more significant elements of a company's internal and external environment, from which arises the strengths and weaknesses and strategic threats and opportunities (Dhalla et al, 1976).

Since there is no universal means of allowance the importance of strategic variables independently of the specific business context, assigned weighting will tend to be arbitrary in nature, resulting in a need for a considerable qualitative input in the form of specialist management judgement and foresight (Brownlie, 1985).

Brownlie (1985) states that it would be naïve and misleading to argue that the matrices can be applied to all situations without modification. The prudent view is these three matrices provide a way of organising the company's thinking about its marketing strategy.

Such as Brownlie (1985), Kotler et al (2008) also mention the limitations of these matrices. They point out that they can be difficult, time consuming and costly to implement. Additionally, these approaches focus on classifying current businesses, but provide little advice for future planning.

Of course, despite these and other problems, although many companies have dropped formal matrix methods in favour of customised approaches better suited to their situations, most companies remain firmly committed to strategic planning (Kotler et al, 2008).

2.4.1.6. Product/maket expansion grid

Nowadays it is possible to approach the development of growth strategies, via the elaboration of the product/market growth grid.

Growth strategy is one of the most important enterprise strategies, as many companies struggle to grow in a competitive environment, the features of which illustrated by the product/market growth grid (Ansoff, 1965).

According to Ansoff (1965), the product/market growth grid is a widely recognised model that conceptualizes market diversification, which is also a marketing strategy and growth strategy. This model includes market penetration, market development, product development and diversification.

Figure 2.9 - Product/Market growth grid

Market penetration is a "strategy for company growth by increasing sales of current product to current market segments without changing the product." (Kotler et al, 2008: 146).

Accordingly Nagayoshi (2015), there are three major approaches to increase a current product's market share:

a) Encourage current customers to buy more;

b) Attract competitors' customers;

c) Convince non-users to use the product.

Product development corresponds to a "strategy for company growth by offering modified and new products for current market segments." (Kotler et al, 2008: 146).

Correspondingly Nagayoshi (2015) indicates that intensive growth strategies could be to:

a) Developed new features;

b) Develop different quality levels;

c) Improve the technology.

Nagayoshy (2015) considers three approaches to develop the market:

a) Expand distribution channels;

b) Sell in new locations;

c) Identify potential users.

Diversification makes enhanced sense as better opportunities are found outside a company.

Accordingly to Nagayoshy (2015), when a new product is launched in a new market, the diversification strategies are of three types such as:

a) Concentric diversification strategy. Develop new products with an earlier technology for new segments;

b) Conglomerate diversification strategy. Develop new products for new market;

c) Horizontal diversification strategy. Develop new product with new technology for existing customers.

"Companies spend vast amounts of money and time launching new brands, leveraging existing ones and acquiring rivals." (Kotler et al, 2008: 149). But surprisingly, most companies do not analyse their brand portfolios from time to time to check if they might be selling too many brands, to identify weak ones and kill unprofitable ones.

2.4.1.7. Marketing plan

By developing a strategic plan, it is essential to remember the importance of creating marketing plans for each business, product or brand. Why? Accordingly Kotler et al (2008), within a well-focused company product classes can face hugely different circumstances.

Clark (2016) states that a marketing plan is a critical document to have for an organization's future success. It outlines how a company plans to reach its target audiences, communicate its products/services and effectively grow the business.

This author notices that one of the biggest limitations of the marketing plan is that companies in general only give importance to marketing plans in the first months, comparing it to "new year's resolution". It often starts with a high level of determination and commitment in the believe that the plan will somehow automatically maintain a high priority. The reality is that as time goes by management rapidly allows, adherence to the plan to be replaced by action responding to short term demands, influences and pressures. So he propose four tips when executing a marketing plan:

a) Keep a schedule. An effective schedule should be broken down week-by-week. Giving an assignment deadline is one way to put emphasis throughout the

company that these marketing tasks need to be completed and need to be finished on time;

b) Set realistic goals. A marketing plan may end up a failure just because the marketeer did not set realistic objectives at the beginning of the year;

c) Clearly define who is responsible for the successful delivery of the plan. Someone in the company needs to be responsible for the marketing plan. When something does not get done, who is the person you ask "Why?".

d) Celebrate milestones. This author supports the view that people enjoy and are motivated by being responsible for or being part of a successful process or team. A company therefore has much to gain by ensuring success is given recognition whether this is celebrated privately or publicly. It is particularly important in marketing as a means of motivating even higher levels of achievement.

Curnow (2007) considers that a lot of companies are sceptical of the value of marketing in general and marketing plans in particular. Common criticisms are:

✓ It is expensive and a waste of money;

✓ The quality of products/services should speak for themselves and not rely on advertisements and other forms of marketing communication;

✓ Management and employees should focus on the development of products/services and not rely on what is perceived as expensive advertising.

2.4.1.8. Marketing organisation

Kotler et al (2008) states that a company must design a marketing organisation that is capable of creating and implementing effective marketing strategies and plans.

In small companies one person may fulfil all marketing functions for example market research, statistical analysis, selling, advertising, marketing communications, customer service. However, in large companies, marketing departments typically employ many specialists.

The expansion of marketing responsibilities has created greater divisions of labour within the modern marketing unit and greater coordination challenges (Olson et al, 2005).

Walker et al (1987) hypothesize that companies that follow different generic business strategies adopt different structural designs. Therefore Vorhies et al (2003) study the relationships between marketing organization structure, business strategy and performance in a specific industry. Different marketing organization characteristics are more appropriate for different business strategies.

Marketing organisation has become an increasingly important issue in recent years (Kotler et al, 2008). Many companies are finding that today's marketing environment calls for less focus on products and brands, and more focus on customers. Therefore, many companies now organise their marketing operations around customers' needs.

As previously mentioned, companies today have to be alert and responsive to the interests and concerns of various actors in their marketing environment, not just its immediate customers.

2.4.1.9. Microenvironment/macroenvironment

Marketing environment refers to the actors that affect marketing management's ability to develop and maintain successful relationships with its target (Kotler et al, 2008).

Is important to note that the environment is continuously changing, and both consumers and marketers wonder what the future will bring.

According to Kotler et al (2008), in order to achieve marketing success it is necessary build relationships with the departments in other companies which add value to the delivery of a company's products and services; suppliers, marketing intermediaries, customers, competitor and all stakeholders, which may contribute added value to the final delivery and presentation of the product.

Figure 2.10 - Principal actors in company's microenvironment

(Source: Kotler et al, 2008)

28
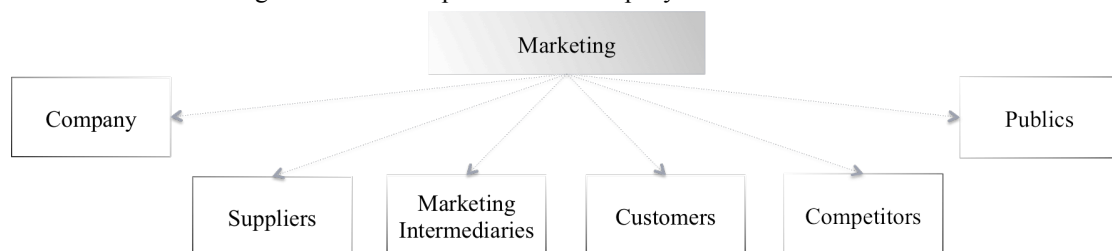
Companies should always involve and analyse all actors that influence the company's microenvironment.

The company and all other actors operate in a larger macroenvironment that influence and shape the opportunities and pose the threats to the company (Kotler et al, 2008).

Figure 2.11 - Six major forces in company's macroenvironment
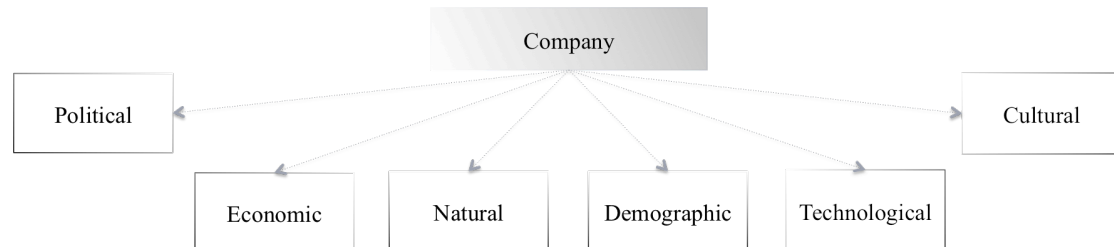
(Source: Kotler et al, 2008)

Companies must study each macroenvironment influence individually, as they impact indirectly the company.

Kotler et al (2008) defends the view that many companies consider the marketing environment as an uncontrollable element to which they must adapt. So they analyse the environment forces and design strategies that will help the company avoid the threats and take advantage of the opportunities that the environment provide. Other companies take a proactive stance towards the marketing environment. These companies take aggressive actions to affect the external factors that influence their marketing environment.

In any of these cases, companies should always analyse the microenvironment and macroenvironment, influences on their business so they can be prepared for the ongoing challenges and opportunities that may present themselves.

2.4.1.10. Neuromarketing

Neuromarketing uses neuro-technology to improve marketing decision-making.

Accordingly Ćosić (2016), neuromarketing is a fairly new concept that combine behavioural psychology, economics and consumer neuroscience.

The term neuromarketing was used in first instance in 2002 by a German professor Ale Smidts. He defined neuromarketing as the study of the cerebral mechanism to understand the consumers' behaviour in order to improve the marketing strategies.

As a science, neuromarketing is rapidly becoming one of the most useful research tools to provide modern business marketers with insight into human thought processes and how they function in different situations (Taher, 2006)

This unprecedented access to consumers' consciousness raises many ethical questions (Ćosić, 2016):

- ✓ Invasive strategies;
- ✓ Preference and choice manipulation, where marketing is trying to influence consumer decisions without consumers being aware of it;
- ✓ Exploitation of emotion with subliminal messages.

Questions of whether neuromarketing is just a benign method to help companies better understand customers' true desires while giving customers the power to influence companies, should be addressed. There is also a question mark as to whether these methods are a way of unconsciously suggesting the purchase of an otherwise unwanted product/service (Ziegenfuss, 2005)

Ćosić (2016) states that neuromarketing can detect the focus of our attention and measure sensory experience. More importantly, it can tap into our emotion and motivation, which arguably are the most important marketing target.

West (2015) emphasises the fact that marketeers today are focused in dealing with the rapid changes in consumer behaviour. Especially those caused by new media technologies that affect where, when and how consumers are exposed to advertising.

So marketeers increasingly are using neuromarketing in order to gain new and valuable insights that help them to improve creative output and provide a better understanding of the role of emotions in marketing.

Neuromarketing provide more direct and detailed information on the important aspect of consumer responses to marketing messages and on consumers' needs and wishes. If best practices are implemented, the methods will provide additional data points and insights that lead to better decision-making processes (West, 2015).

Sequentially, it become important explain why people are driven by particular need at a particular time (Kotler et al, 2008). Maslow described the individual as an integrated and organic whole motivated by needs that are hierarchical, from the most pressing to the least pressing (Gorman, 2010).

Indeed the fulfilment of the basic needs it's considered a perquisite to the pursuit of need further up in the hierarchy (Zalenski et al, 2006).

In order of importance, Maslow's Hierarchy of Need is categorized in: physiological needs, safety needs, social needs, esteem needs, cognitive needs, aesthetic needs and self-actualisation needs.

Figure 2.12 - Maslow's hierarchy of need
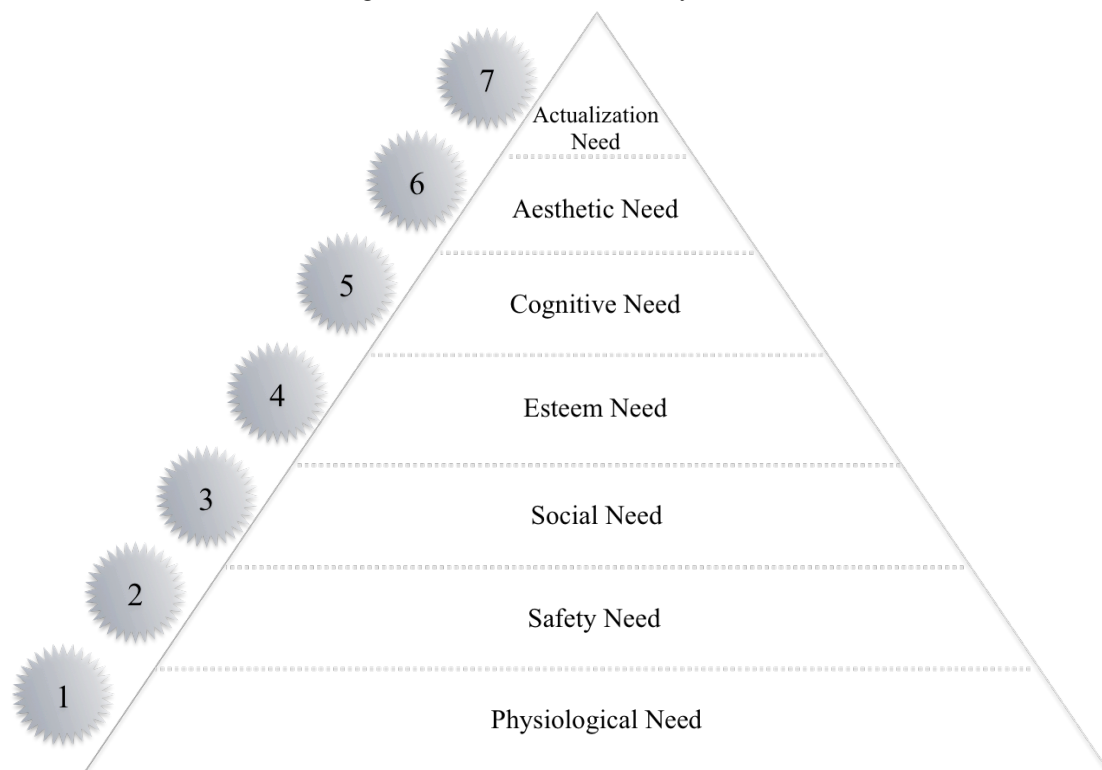
(Source: Kotler et al, 2008)

Brown et al (2006) states that Maslow's hierarchy of needs works up from the most fundamental of human needs. Only when the most basic need, identified as human physiological needs have been encountered can the safety needs be fulfilled. The subsequent fulfilment of need progresses up through the hierarchy.

Since Maslow published his theory of motivation, it has become one of the most popular and often cited theories of human motivation (Brown et al, 2006). However, it is paradoxical that Maslow's theory has become widely accepted despite limited supportive research evidence (Whaba, 1976).

2.4.1.11. Marketing information system

A good Marketing Information System balances the information users would like to have against what they really need and what it is feasible to offer (Kotler et al: 2008).

Figure 2.13 - Marketing information system

Marketing managers and other information users

Analysis   Planning   Implementation   Control

Marketing information system

Developing needed information

Assessing information needs

Internal Databases   Information Analysis

Marketing Intelligence   Marketing Research

Distributing and using information

Marketing environment

Target markets   Marketing channels   Competitors   Publics   Macroenvironment forces

(Source: Kotler et al, 2008)

Accordingly Kotler et al (2008), companies should start by interviewing managers to find out what information they would like to have. The marketing information system monitors the marketing environment in order to provide decision makers with the information they should have to make key marketing decisions.

Of course, we need to consider that sometimes the company cannot provide the needed information, either because it is not available or because of marketing information system limitations.

Also it is essential to weigh carefully the costs of getting more information against the benefits resulting from it.

Marketing information systems are a structured, interactive complex of people, machines and procedures designed to generate an orderly flow of pertinent information. "They collected data and information from both internal and external sources, for use as the basis for decision-making in specific areas of marketing management responsibility" (Brien et al, 1968: 326).

They defend contend that many of the proponents of the narrow view of the role of marketing are advocating an approach based on carefully selected data sources to generate a flow of ideas and information which will help executives make better decisions.

Within marketing information systems, is the essential understanding four key points: internal database, information analysis, market research and market intelligence. Companies use the methods they consider most beneficial to them.

The database of a marketing information system "stores data that has been gathered by the internal accounting, market research, and market intelligence sub systems" (McLead et al, 1985: 64).

Accordingly Kotler el al (2008), marketeers can readily access and work with information in the database to identify marketing opportunities and problems, plan programmes and evaluate performance. Internal databases can usually be accessed more quickly and cheaply than other information sources, but this author presents some key problems with this option. Internal information have been collected for a number of different purposes, so it may be incomplete or in the wrong form for making marketing decisions. Also, large companies tend to produce large quantities of information, which must be well integrated and readily accessible so that practitioners can find it easily and use it effectively. The management of large amounts of data requires highly sophisticated equipment and techniques.

Intelligence is "the product of collection, evaluation, analysis, integration, and interpretation of all available information that may affect the survival and success of the company" (Eells et al, 1984:75).

As quoted by Kotler et al (2008), the goal of market intelligence is to improve strategic decision-making, assess and track competitors' actions, and provide early warning of opportunities and threats. In this sense, Blenkhorn (2005) defends that marketing intelligence secures the continuous and systematic flow of market information and the processing of the data for marketing use.

The conceptualization of a systematic and strategic decision-oriented market intelligence process seems to be absent within management strategy. In addition, there is still a need to capitalize on the knowledge and information held within the sales force for market intelligence purposes (Jenster et al, 2009).

Le Meunier-FitzHugh et al (2006) argue that the positive side effect of market intelligence is that with this information source, there is a minimal additional costs for a company.

Lastly, Kotler et al (2008) still evidence that the growing use of market intelligence raises a number of ethical issues. Although most of the preceding techniques are legal, and some are considered to be shrewdly competitive, some may involve questionable ethics.

2.4.1.12. Tracking customer satisfaction

In addition to information about competitors and the marketplace, marketeers often need formal studies of specific situations. Kotler et al (2008) defends that in such situations, market intelligence will not provide the detailed information needed. Marketeers will therefore need marketing research.

Market research is the "systematic design, collection, analysis and reporting of data relevant to a specific marketing situation facing an organisation" (Kotler et al, 2008: 333). Companies usually use marketing research in a wide variety of situations. Marketing research can help marketeers understand customer satisfaction and purchase behaviour. Also it can help them assess market potential and market share or to measure the effectiveness of pricing, product, distribution and promotion activities.

Kotler et al (2008) divides marketing research in four steps:

a) Definition of the problem and research objectives. Marketeers must work together to define the problem and agree on research objectives. Kotler et al (2008) defends that this step is the hardest in all research process. The marketeer may know that something is wrong, without knowing the specific causes;

b) Development of the research plan for collecting information. Once the research problems and objectives have been defined, researchers must determine the

exact information needed, develop a plan for collecting it efficiently, and present the plan to the management;

c) Implementation of the research plan – collecting and analysing the data. Next, the marketeer must put the market research plan into action. This involves collecting, processing and analysing the information;

d) Interpretation and reporting the findings. Lastly, the marketeers must interpret the findings, draw conclusions and report them to management. The practitioner should present important findings that are useful to the major decisions faced by management.

Finally, Kotler et al (2008) states that managers and marketeers must work closely together when interpreting research results, and both must share responsibility for the research process and resulting decisions.

The final key point of marketing information systems is information analysis. Kotler et al (2008) recalls that managers may need help applying the information to their marketing decisions. This help may include advanced statistical analysis to learn more about the relationships within a set of data. Information analysis might also involve a number of individual analytical models that will help marketers make better decisions.

"Marketing information has no value until it is used to make better marketing decisions." (Kotler et al, 2008: 347).

"Successful organisations are aggressive in tracking both customer satisfaction and dissatisfaction." (Kotler et al, 2008: 377).

The issues relating to customer need and motivation, the relationship with them, their retention and impact on business profitability, the key success factors of the market, are numerous and complex. As a result any analysis need to be tailored to specifically to the market sector concerned (Ginevičius et al, 2008)

It is possible group these tool into four methods: complain and suggestion systems; customer satisfaction surveys; ghost shopping; and lost customer analysis.

A customer-centred company makes it easy for customers to make suggestions or complains. In order to be the best, companies needs to know where they have gone wrong and where they can improve. So suggestions or comments regarding customer service, however small, are gratefully received.

Of course complain and suggestion systems may not give the company a full picture of customer satisfaction. "One out of every four purchases results in consumer dissatisfaction, but less than 5 per cent of dissatisfied customers complains." (Kotler et al, 2008: 377).

Responsive companies act directly and regularly conduct customer satisfaction surveys.

Ghost shopping involves practitioners posing as buyers. These ghost shoppers can even present specific problems in order to test whether the company's personnel handle difficult situations well. This is the tool of using trained shoppers to anonymously evaluate customer service, operations, employee integrity, merchandising and product quality (Michelson, 2004)

Kotler et al (2008) defends that managers themselves should leave their offices from time to time and experience first-hand the treatment they receive as customers.

Toptest (2008) argues that the intention of ghost shopping find fault with the way employees perform their duties. It should be seen as a process aimed at improving attitudes towards customers and an opportunity for professional self improvement.

Therefore, for companies in competitive industries where product pricing and product ranges and features are no longer unique selling propositions, customer service is often the key to success or failure (Michelson, 2004).

This author also emphasises that ghost shopping can bring numerous benefits. A well-designed program can help train and motivate front-line employees. It effectively communicates to employees what is most important in serving customers. It can be used to measure customer satisfaction along with other methods. It is an important tool in monitoring price, promotions and product quality. And, finally it can be used to identify potential problems before they develop into major problems.

Lastly, companies should contact customers who have stopped buying or who have switched to a competitor, to learn why this happened. Note that a rising loss rate indicates that the company is failing to satisfy its customers.

2.4.1.13. Value chain

Accordingly Kotler et al (2008), Michael Porter proposed Value Chain as the main model for identifying ways to create more customer value.

Value Chain is a system of independent activities, which are connected by linkages (Popescu et al, 2011). Value Chain analysis enables companies to identify those areas of business that create value, and those that do not create value.

Figure 2.14 - Value chain
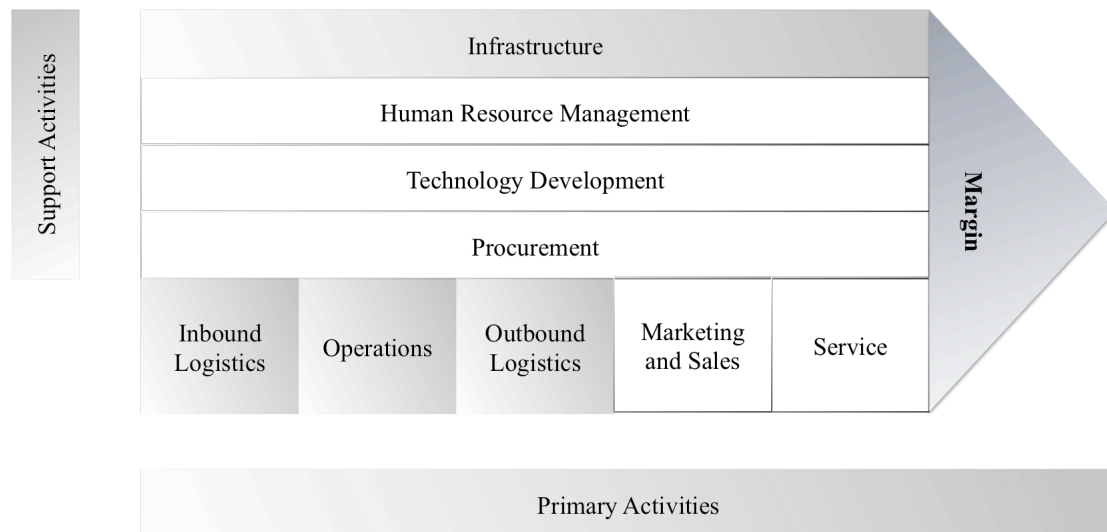
(Source: Popescu et al, 2011)

The value chain model breaks the firm into nine value-creating activities in an effort to understand the behaviour of costs on the specific business and the potential sources of competitive differentiation.

According to Kotler et al (2008) the primary activities involve the sequence of bringing materials into the business (inbound logistics), operating on them (operations), sending them out (outbound logistics), marketing them (marketing and sales) and servicing them (service). The support activities occur within each of these primary activities.

This author argues that the company's success depends not only on how well each department performs its work, but also on how well the activities of various departments are coordinated. Too often, individual departments maximise their own interests rather than those of the whole company and the customers. To overcome this problem, companies should place more emphasis on the smooth management of core

business processes, most of which involve inputs and cooperation from many functional departments.

Successful companies develop superior capabilities in managing these and other core processes. In turn, mastering core business processes gives these companies a substantial competitive edge.

2.4.1.14. Six sigma

Six Sigma is the model that allows systematically improves processes by eliminating defects (Kotler et al, 2008). This model is mostly associated with the act of quality management.

Andersson et al (2006: 286) states that Six Sigma can be described as an improvement program, focused on the constant progress in developments to reduce the variation in products and/or services in order to satisfy customers. Improvement projects are oriented to a diverse range of areas and with different complexity levels, in order to reduce variations.

Six Sigma philosophy aims to achieve results in production, with low rate of defects, ensuring economic processes without waste, requiring teamwork, training and self-discipline and optimized environments where all employees feel included (Oliveira et al, 2004:234)

Relationship marketing is not effective in all situations, although CRM systems are reducing the value threshold at which it becomes appropriate (Kotler et al, 2008).

Zhang et al (2016) defends that understanding and managing customer relationships is fundamental to marketing. Substantial research in the relationship marketing domain also has proposed multiple relational constructs and frameworks to better understand the nature of the buyer-seller relationship (Mullins et al, 2014). Yet much of this literature treats relationships as temporally homogeneous, implying that all relationships respond in similar ways to relationship marketing initiatives, independent of the relationship stages or states.

More recent research has instead suggested the importance of acknowledging the state of customer relationships as a means to understand customer behaviour, such that

certain marketing actions might be more effective in some states than in others (Luo et al, 2013).

Yet very little research has explained how specific relationship marketing strategies vary in their effectiveness for moving customers across different relationship states and enhance performance through state migrations (Zhang et al, 2016).

2.4.1.15. Relation revenues/costs

Figure 2.15 - Comparing customer relationship revenues with relationship costs

(Source: Kotler et al, 2008)

According to Kotler et al (2008), relationship marketing is not the best approach in all situations. For it to be worthwhile, relationship revenue needs to exceed relationship costs.

Some customers are very profitable. They are often denominated as sleeping giants, which generate significant revenue and are highly profitable but relatively undemanding. Much of the relationship marketing activity is taken up with the power traders, which provide significant revenue but are demanding. These are as profitable as the pets, which provide little revenue but have appropriately small relationship costs. Companies must be careful with delinquents, which provide little revenue but are demanding. The question is what can a company do about these? One option is to shift delinquent customers to products that are likely to be less difficult to operate or less complicated.

2.4.1.16. The 8C's competitive domain

When it comes to creating customer value and building strong customer relationships, today's marketers know that they can not do it alone (Kotler el al, 2008). They must work closely with a variety of marketing partners. In addition to being good at customer relationship management, marketeers must also be worthy at partner relationship management.

Kotler et al (2008) defends that major changes are occurring in how marketeers partner with others inside and outside the company to jointly bring more value to customers.

Figure 2.16 – The 8 Cs competitive domain
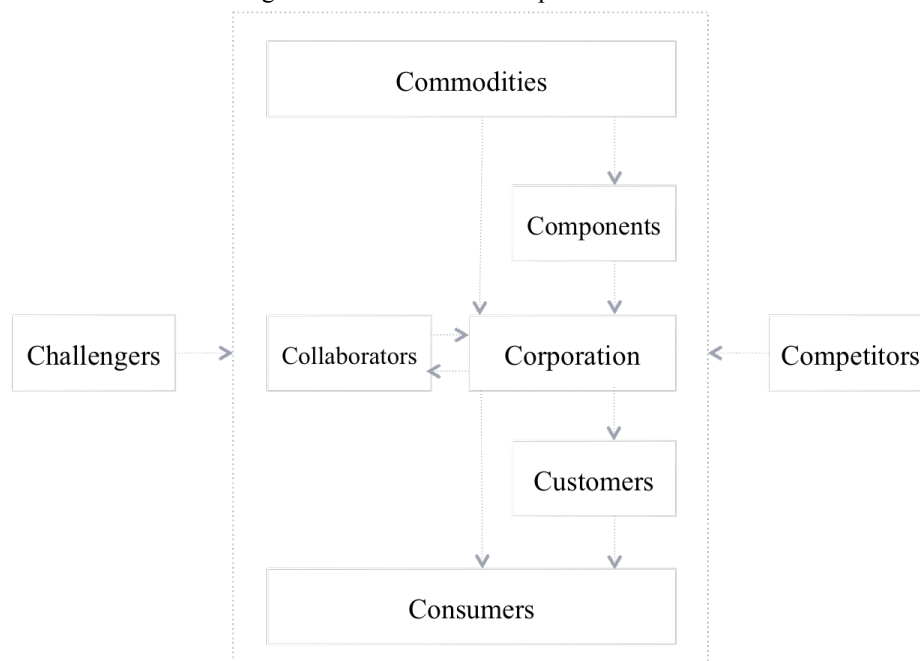
(Source: Kotler et al, 2008)

The 8Cs framework shows how companies can increase their marketing power through relationships. They can develop relations with the following (Kotler et al, 2008):

✓ Competitors. May increase a company's strength in the market and its buying power.
  Acquisitions and mergers between one-time competitors are always occurring as companies try to grow to face global competition.

✓ Challengers. It is common for established companies to grow by acquiring small companies that challenge existing products or bring exciting ideas.

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- ✓ Collaborators. Can be outside the industry but add some marketing strength to an alliance.
- ✓ Commodities. Some companies own major brands but most of their stock market valuation is based upon their reserves.
- ✓ Components. Many companies are vertically integrated, owning the companies that supply them. Some companies have resisted vertical integration believing that it compounds the risk of any downturn in sales.
- ✓ Customers. Some luxury goods markets own their stores and design, market and manufacture their products to keep control of their goods and their customers' experience.
- ✓ Consumers. It is rare that companies have corporate alliances with the final consumer, although there are some creative exceptions.

2.4.1.17. Segmenting

Market Segmentation is one of the most talked about and acted upon concepts in marketing (Green et al, 1991). There is no single way to segment a market. A marketeer has to try different segmentation variables, alone and in combination, to find the best way to view the market structure (Kotler el al, 2008).

Smith (1956: 5) defined market segmentation as "viewing a heterogeneous market as a number of smaller homogeneous markets, in response to differing preferences, attributable to the desires of consumers for more precise satisfaction of their varying wants".

Market segmentation represents the process of dividing a collective whole into a number of homogeneous groups, according to one or more criteria (Claudiu et al, 2016).

The justification for segmenting consumers based on the similarity of their characteristics or segmentation variables is that consumers who share similar characteristics will share similar wants, needs and attitudes towards marketing stimuli (Ahmad, 2003). Accordingly this author, consumers belonging to a particular segment can be expected to react in a similar and predictable manner to a particular stimulus.

The objective of a business, however, is not merely to satisfy consumers' wants but also to provide returns to its shareholders. For a group of consumers to qualify as a market segment, it must satisfy basic qualifying criteria or measures of validity that include elements such as measurability, identifiability, accessibility, substantiality, actionability, stability, responsiveness and profitability (Webster, 1991).

Marketeers continue to use the traditional approach of using demographic, socio-economic and psychographical variables (Ahmad, 2003). Even Kotler et al (2008) segments consumers into four variables: geographic, demographic, psychographic and behavioural variables.

Ahmad (2003) defends that socio-economic and demographical data only explain discriminatory factors at a general level, which largely concern consumer bases. This type of information lacks richness and often has to be supplemented with other data that are able to provide a clearer picture of target groups.

However, this author also supports that with the use of psychographical data, researchers have been able to aggregate consumers into a number of lifecycle and lifestyle groups.

2.4.1.18. Targeting

According to West et al (2016) it is the task of Targeting to define, for the organisation those that promise the kind of returns on investments that will help the organization achieve its objectives. So careful segmentation and accurate targeting keeps a firm close to the market, reduces waste, finds the best customers and helps to keep them satisfied.

This author defends that more than one variable can be used when segmenting markets, and indeed, the more variables the better since it helps to focus on a tighter target market. Tighter targeting means less waste, more relevant offers to appropriate customers and higher customer satisfaction.

To target the users, the financial appeal of all segments should be assessed and segments that have the greatest appeal should be selected for targeting. The selection criteria should take account of the relative financial attractiveness of the segments and the organization's capability to exploit them.

To understand the targeting process, Kotler et al (2008) categorize this tool into two phases. Firstly to evaluate the different segments and secondly to select the target segments.

In evaluating different market segments, a company must look at least three factors: segment size and growth, segment structural attractiveness and company objectives and resources. Doyle (1994) defends that companies should consider five factors to evaluate segment attractiveness: segment size, segment growth, profitability of the segment, current and potential competition and capabilities of the business.

At this point, Kotler et al (2008) makes reference to the fact that the largest, fastest-growing segments are not always the most attractive ones for every company. Smaller companies may lack the skills and resources needed to serve the larger segments, or they may find these segments too competitive.

After evaluating different segments, the company must then decide which and how many segments it will target. A target market consists of a set of buyers who share common needs or characteristics that the company decides to serve.

A target market is the market or market segments which form the focus of the company's marketing efforts. Once segments have been identified, decision about how many and which customer groups to target must be made (West et al, 2016).

2.4.1.19. Differentiation and positioning

Beyond deciding which segments of the market it will target, the company must decide on a value proposition (on how it will create differentiated value for targeted segments and what positions it wants to occupy in those segments). A product's position is the way the product is defined by consumers on important attributes, the place the product occupies in consumers' minds relative to competing products (Kotler et al, 2008).

Positioning represents the most important decision and action that management has to take for the company and its marketing (Davis, 1977), and yet it remains one of the most nebulous and controversial areas for the development of new products (Marken, 1987).

What is it that differentiates one product or service from another, even when they are almost identical? The answer seems to reflect the way in which the marketeer of the product or service position them in the mind of users (West et al, 2016). Positioning refers to the decision and activities intended to create and maintain a firm's product concept in customers' minds. Market positioning amounts to arranging for a product or service to occupy a clear, distinctive and desirable place in the mind of target customers.

2.4.1.20. Competition analysis

To plan effective marketing strategies, the company needs to find out all it can about its competitors. It must constantly compare its marketing strategies, products, prices, channels and promotion with those of close competitors. In this way the company can find areas of potential competitive advantage and disadvantage (Kotler et al, 2008).

According Kotler et al (2008), Competitor Analysis is the process of identifying key competitors, assessing their objectives, strategies, strengths and weaknesses, and reaction patterns, and selecting which competitors to attack or avoid.

The marketing literature has long emphasized the significance of the market and its competitive implications (Day, 1981). However, its focus has been on the brand or individual market level. With a few exceptions (Day, 1981), critical issues of primary interest to strategy researchers, such as overall company strategies and resources, remain unexplored.

Today's companies face their toughest competition ever. So they are looking to prepare for the challenges of the market.

Therefore, accordingly Kotler et al (2008) companies are using competitor analysis tool, to identify competitors, accessing competitors, selecting competitors to attack and avoid and finally designing a competitive intelligence system.

All information must be collected, interpreted, distributed and used. The cost in money and time of gathering competitive intelligence is high, and the company must design its competitive intelligence system in a cost-effective way.

Kotler et al (2008) also gives recognition to the fact that smaller companies cannot afford to set up formal competitive intelligence offices. But a manager that used to

work for a competitor might follow that competitor closely. Any manager needing to know the thinking of a given competitor could contact the assigned in-house expert.

2.4.2. Operational marketing

Operational marketing is built on the foundation set by the strategic marketing function and implements various plans and strategies, including a development of the appropriate marketing mix, to attract customers and foster customer loyalty (Wienclaw, 2015).

The four P's have defined the marketing mix in the United States since the 1960s. The standard model has focused on product, price, place and promotion as the components of the marketing mix and, hence, the marketing plan (English, 2016)

However, accordingly Londhe (2014), marketing mix has under gone a sea change in the last few decades. Every stakeholder involved in the marketing process looks for value. The customer enters into the marketing process to achieve better value for his money. The marketers would like to concentrate on the value customer. The prime objective of any business is to profit from the value proposition identified by the marketer. The new marketing mix model even though is at conceptual level certainly answers many questions of the modern marketers which are not answered by traditional theories of marketing mix.

Marketing mix has been extremely influential in forming the development of both marketing theory and practice (Möller, 2006). The main reasons marketing mix is a powerful is (Grönroos, 1994):

- ✓ It makes marketing seem easy to handle;
- ✓ Allows the separation of marketing from other activities of the firm and the delegation of marketing tasks to specialists;
- ✓ The components of the marketing mix can change a firm's competitive position.

Low et al (1995) defends that the marketing mix concept also has two important benefits. First, it is an important tool used to enable one to see that the marketing manager's job is, in a large part, a matter of trading off the benefits of one's competitive strengths in the marketing mix against the benefits of other. The second benefit of marketing mix is that it helps to reveal another dimension of the marketing

manager's job. All managers have to allocate available resources among conflicting demands, the marketing manager will in turn, allocate these available resources among the various competing practices of the marketing mix. In doing so, this will help to instil the marketing philosophy in the organisation.

"The product is usually the first and most basic marketing consideration." (Kotler et al, 2008: 500). A product is anything that is offered to a market for attention, acquisition, use or consumption that might satisfy a want or need. Services are products that consist of activities, benefits or satisfactions that are offered for sale that are essentially intangible and do not result in the ownership of anything.

Product policy consists in conceiving, organizing and renovating what the company sells – or presents – to its customers, whether it is a product or a service (Lindon et al, 2011). Product policy is perhaps the newest aspect of the marketing policy, in the sense that for a long time, engineers, production teams and research and development exclusively created/designed all company products.

Figure 2.17 – Operational marketing

Product	Price	Promotion	Place
Levels of Product	Customer perception of Value	The Promotion Mix	Marketing Channel Decisions
Product Classifications	Product Cost	Steps Developing Effective Communication	Channel Design Decisions
Individual Product Decisions	Other Internal and External Considerations	Setting Total Promotion Budget and Mix	Channel Management Decisions
Product-line Decisions	New-Product Pricing Strategies	Socially Responsible Marketing Communication	Marketing Logistics and Supply Chain Management
Product-mix Decisions	Product-mix Pricing Strategies	Advertising	
Branding Strategy	Price-adjustment Strategies	Public Relations	
Product life-cycle Strategies	Price changes		

(Source: Developed by Denise van Dijk)

2.4.2.1. Product

2.4.2.1.1. Levels of products

According Kotler et al (2008), marketeers need to think about the product on three levels. Each level adds more customer value.

Figure 2.18 - Levels of product
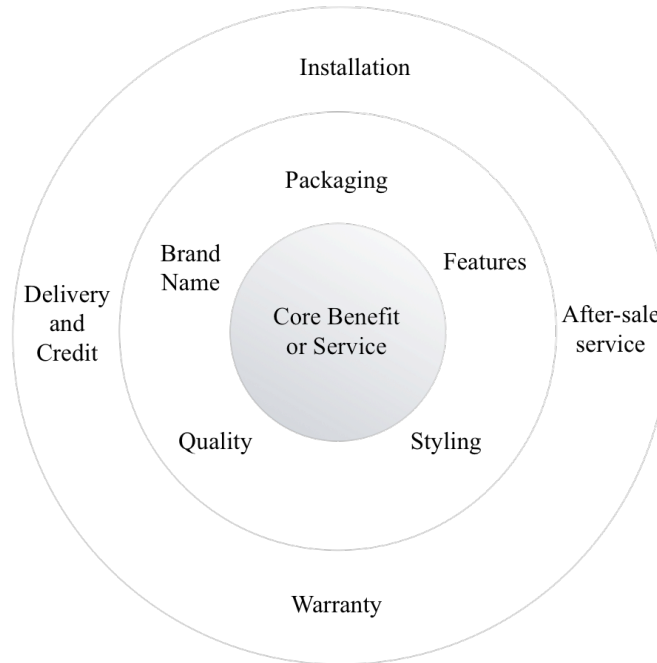
(Source: Kotler et al, 2008)

This author defends that the most basic level is the core product, which addresses the question "What is the buyer really buying?". The core product stands at the centre of the total product. It consists of the core, problem-solving benefits that consumers seek. Thus when designing products, marketeers must first define the core of benefits that the product will provide to consumers.

At the second level, product planners must turn the core benefit into an actual product. They need to develop as many as five characteristics: a quality level, product and service features, styling, a brand name and packaging.

Finally, the product planner must build an augmented product around the core and actual product by offering additional customer services and benefits. To the consumers, all argumentations become an important part of the total product.

Kotler et al (2008) states that a product is more than a simple set of tangible features. Consumers tend to see products as complex bundles of benefits that satisfy their needs. When developing products, marketeers must first identify the core consumer needs that the product will satisfy. They must then design the actual product and finally find ways to augment it in order to create the bundle of benefits that will best satisfy customers.

Lastly, this author also argues that successful companies add benefits to their product offerings that will not only satisfy but also delight the customer.

Unfortunately, this version of the concept of three levels of a product represents some important weaknesses (Prymon, 2016). According to the concept, particular product attributes appear at different product levels, with the passing of time. For instance, quality appears at a second level and which could be interpreted as remaining the same with the passing of time, even if the whole product passed to the next level. Similarly, the brand name is fixed by a company at a specific moment in time, and normally continues to remain in existence irrespective of time. Whereas at the next level new attributes of the product continue to be expected. Thus, the concept reveals a static approach to some important product attributes.

Prymon (2016) defends that marketeers when using this concept need to remember that each product attribute is subject to modification.

2.4.2.1.2. Product classification

Products should be classified according their durability and tangibility. According to Kotler et al (2008), non-durable products are goods that are normally consumed quickly and used on one or a few usage occasions. Durable products are products used over an extended period of time and normally survive for many years.

Marketeers have also divided products and services into two broad classes based on the types of customer that use them – consumer products and industrial products. First, consumer products or services are further classified as convenience, specialty, and luxury goods or services. Second, industrial/business products are further classified as capital items, material and components, supplies and services. The usefulness of these classifications in understanding buying behaviour has been limited (Porter, 1974).

Consumer products are those bought by final customers for personal consumption. Marketeers usually classify consumer products as consumer shopping habits, how consumers go about buying them. These products, accordingly Kotler et al (2008) differ in the way consumers buy them and therefore in how they are marketed. Industrial products are those bought for further processing or for use in conducting a business.

The distinction between consumer products and industrial products is based on the purpose for which the product is purchased (Kotler et al, 2008).

Darby and Karni (1973) classified products and services based on the availability of information to consumers as follows:

- ✓ Goods are classified as search goods when the consumer can find full information before purchase;
- ✓ Experience goods are those which the consumer must try or use before purchase;
- ✓ Credence goods are those that are hard to evaluate or obtain information on both before and after purchase.

The classification used by marketeers should depend on the type of product/service they offer to the market.

2.4.2.1.3. Individual product decisions, product-life decisions and product-mix decisions

Marketeers should make product decisions at three levels: individual product decisions, product-line decisions and product-mix decisions.

Relative to individual product decision, according to Kotler et al (2008) on this point marketeers should look to decisions that address the relationship between product attributes, branding, packaging, labelling and product-support services.

Developing a product involves defining the benefits that the product will offer. "These benefits are communicated and delivered by tangible product attributes, such as quality, features, style and design." (Kotler et al, 2008: 507).

An important decision faced by marketeers is which attributes to link with a product (Ozcan et al, 2015). A specialized product contains a single attribute whereas a multifunctional product contains two or more.

According to this author, although offering specialized products may satisfy increasingly fragmented consumer needs, managing such large product portfolios can be problematic due to increased expenses and potential cannibalization. Therefore, marketers increasingly offer more multifunctional products that have broader appeal at a lower portfolio management cost.

Surprisingly, despite the increased prominence of multifunctional products in both theory and practice, little work has been done to explore this question (Chernev,

2007). Some research suggests that adding new attributes to create a multifunctional product enhances incremental utility and thus overall judgement (Bertini et al, 2009), even when these attributes are less important (Brown et al, 2000).

In contrast, recent work has actually conclude the opposite. Multifunctional products were assessed less positively than specialized alternatives at higher levels of performance (Han et al, 2009).

Common attribute devaluation presents a further challenge to the effectiveness of products. The devaluation is caused by a perception that the differentiating attributes in the multifunctional alternative is superior because it is absent from the specialized alternative (Ozcan et al, 2015).

Some attributes to be considered by marketeers are (Kotler et al, 2008):

- ✓ Product quality. One of the marketer's major positioning tools. Quality has a direct impact on product performance.
  Total Quality Management is an approach in which all the company's people are involved in constantly improving the quality of products, services and business processes. For most top companies, customer-driven quality has become a way of doing business. Today, most companies are making a return to a quality approach, viewing quality as an investment and holding quality efforts accountable for bottom-line results.
- ✓ Product features. Features are a competitive tool for differentiating the company's product from competitors' products.
  The remaining question is how can a company identify new features and decide which one to add to its product?
- ✓ Product style and design. Another way to add customer value is through product style and design.
  At this point in time, many companies still pay enough attention to the style and perceived quality of their products. As a result they lack visual appeal and differentiation.

Kotler et al (2008) defends that perhaps the most distinctive skill of professional marketers is their ability to build and manage brands.

"A brand is a name, term, sign, symbol, design or combination of these, that identifies the marker or seller of the product or service." (Kotler et al, 2008: 511). Consumers

view a brand as an important part of a product, and branding can add value to a product. A brand can provide a guarantee of reliability and quality.

"Branding has become so strong that today hardly anything goes unbranded." (Kotler et al, 2008: 511).

What is frequently forgotten is the brands' operational function. According to Prymon (2016), is possible observe that effective branding allows the company to operate other elements of the marketing mix. For instance, a company that enjoys a strong brand can really make decisions to take advantage of marketing variables like pricing or distribution. However companies that lack strong brands inevitably have to set lower prices and are unable to attract the best available distribution channels. In addition to this function of branding, there are also economic implications. From a marketing perspective, the economic role of brands is contained in the brand equity; the added value that a given brand name gives to a product beyond the functional benefits it provides (Farquhar, 1990).

Building and managing brands are, perhaps, the marketer's most important tasks (Kotler et al, 2008).

"Packaging involves designing and producing the container or wrapper for a product." (Kotler et al, 2008: 512). Increasingly companies are now realising the power of good packaging to create instant consumer recognition of the company or brand.

This author argues that poorly designed packaging can cause difficulties for consumers and lost sales for the company. By contrast, innovative packaging can give a company an advantage over competitors and boost sales.

In recent years, product safety has also become a major packaging concern. In making packaging decisions, the company also must heed growing environmental concerns. More and more companies have gone "green" by reducing their packaging and using environmentally responsible packaging materials. To establish and embed measures and indicators for promoting better packaging, various eco-design tools have been developed (Verghese et al, 2010).

Despite the considerable efforts devoted to making changes in the packaging supply chain, there have been few investigations of sustainable packaging and its relationship to the consumer at both the purchase and near end-of-life stages (Martinho et al, 2015). Rokka et al (2008) discovered that consumers favoured environmentally labelled packaging rating it as one of the most important criterion in their choice of

product. The review of Nordin et al (2010) concluded that consumer perceptions reveal a lack of consumers' knowledge about the concept of sustainability, a significant presence of terminology gaps, and inconsistency in their attitudes towards sustainable packaging.

"Labels perform several functions and may range from simples tags attached to products to complex graphics that are part of the packaging." (Kotler etl al, 2008: 515). The label identifies the product and/or brand. The label might also grade the product, or describe several aspects of the product, its use and features.

Along with the positives, there has been a long history of legal concerns about packaging and labels. Labels can mislead customers, fail to describe important ingredients or fail to include needed safety warnings.

Customer service is another element of product strategy. "A company's offer usually includes some support services, which can be a minor or a major part of the total offer." (Kotler et al, 2008).

Good customer service makes sound business sense. Kotler et al (2008) stresses that it costs less to keep the goodwill of existing customers than it does to attracts new customers or woo back lost customers.

Research has shown repeatedly that service quality influences organization outcome such as performance superiority (Lien et al, 2010), increasing sales profit (Segero, 2013) and market share (Kin, 2014), improving customer relations, enhance corporate image and promote customer patronage (Ehsan et al, 2012). Delivering quality customer service is a must for success and survival in today's competitive environment (Bambale, 2016).

Beyond decisions about individual products, product strategy also calls for building a product line. "A product line is a group of products that are closely related because they function in a similar manner, are sold to the same customer groups, are marketed through the same types of outlet, or fall within given price ranges." (Kotler et al, 2008: 517).

With the continuing diversification of customer needs and fragmentation of mass markets in many industries, companies are increasingly competing on product lines instead of single products (Chen et al, 2014). By offering a large variety of differentiated but closely related products, companies can cover a broad range of market segments without incurring significant cost disadvantages (Kekre et al, 1990).

However, an over extended product line risks muddling the strategic role of each product, undermining brand loyalty, and consequently jeopardise profitability (Quelch et al, 1994).

The question faced by many marketeers is how to optimally adapt a product line to make it most competitive in a crowded marketplace? (Chen et al, 2014).

A company with several product lines has a product mix. A product mix consists "of all the product lines and items that a particular seller offers for sale." (Kotler et al, 2008: 520).

2.4.2.1.4. Branding strategy

"Brands are viewed as the major enduring asset of a company, outlasting the company's specific products and facilities." (Kotler et al, 2008: 521).

John Steward, co-founder of Quaker Oats, once said, "If this business were split up, I would give you the land and bricks and mortar, and I would keep the brands and trademarks, and I would fare better than you". The brand is more valuable than the totality of all these assets.

Thus, according to Kotler et al (2008), brands are powerful assets that must be carefully developed and managed.

The value of a brand has a positive differentiation effect on the recognition of the brand and on the customer reaction to the product or service in question (Todor, 2014).

Brand equity refers to an intangible asset that depends on the association the consumer is making. According Todor (2014), there are three perspectives from which this concept can be analysed:

- ✓ Financial perspective. One way to assess the brand equity is to determine the price premium that a brand has for a generic product.
- ✓ Brand extensions. A brand's success can be used to launch additional brands, related to it. Benefits are related to the extension of the brand awareness enabling the related new product to be launched with reduced advertising costs. Also, it will also contribute to consumer confidence.

✓ From consumer perspective. A brand strongly encourages positive consumer attitudes towards product/service. This attitude is also built by experience with the product/service. Therefore, samples, where practical can be more effective than advertising. Brand awareness leads to the perception of quality, defining attributes and finally to brand loyalty.

Todor (2014) emphasizes that the responsibility of implementing branding strategy has shifted to higher hierarchical levels of many companies.

Conclusively, Kotler et al (2008) states that companies must manage their brands carefully. Major brand marketers often spend huge amounts on advertising to create brand awareness and to build preference and loyalty. Such campaigns can help to create name recognition, brand knowledge and maybe even some brand preference. However, the fact is that brands are not maintained by advertising, but by the brand experience.

At last, Kotler et al (2008) argues that marketers should always consider carefully public policy issues and regulations involving: acquiring or dropping products, patent protection, product quality and safety, packaging and product warranties.

Given the rapid changes in consumer tastes, technology and competition, companies must develop a steady stream of new products and services. According Kotler et al (2008), companies can obtain new products in two ways:

✓ Acquisition. Buying a whole company, a patent or a licence to produce someone else's product. Many large companies have decided to acquire an existing brand rather than to create a new one because of the rising costs of developing and introducing major new products.
✓ New product-development. A company's own R&D activity may include developing new and innovative product as well as improving and modifying existing products.

2.4.2.1.5. Product life-cycle strategies

New-product development success is particularly complex and associated with a variety of uncertainties. To develop new product successfully, different functional departments within a company, including marketing, research and development, and

manufacturing, should be integrated smoothly (Nakata et al, 2010). Numerous researches have demonstrated the benefits of cross-functional integration on new-product development success (Gerwin et al, 2002).

Kotler et al (2008) emphasizes that companies face a problem nowadays, they must develop new products, but the odds weigh heavily against success. To generate successful new products, a company must understand its consumers, market and competitors and develop products that offer superior value to customers. So, the new product development process should be used to find and grow new products.

Figure 2.19 – New-product development process
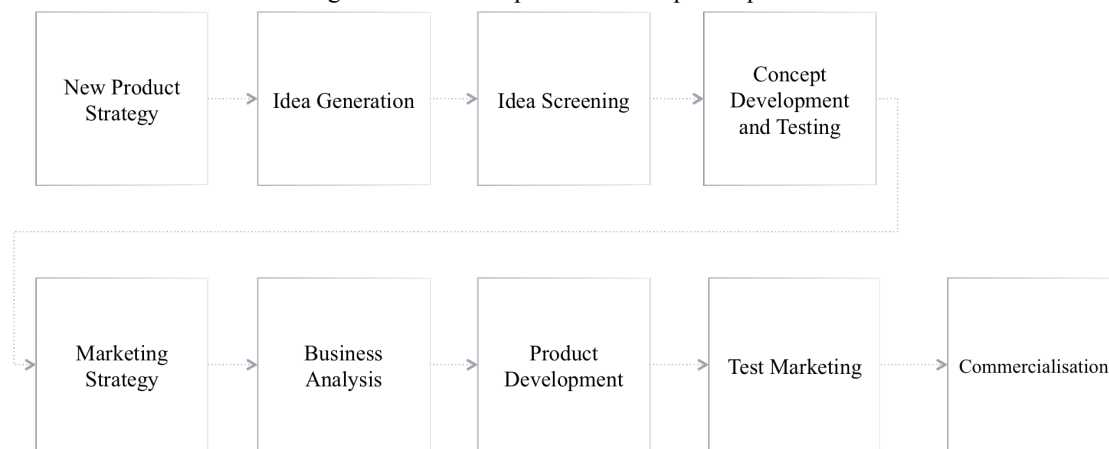
(Source: Kotler et al, 2008)

New-product development refers to "the success of new product development efforts" (Troy et al, 2008: 136). This concept captures the performance of the new-product development process and the new-product and includes three aspects of success: operational, financial and marketing performance.

- ✓ Idea Generation. A company typically has to generate many ideas in order to find a few good ones. To obtain a flow of new-product ideas, the company can tap many sources. Major sources of new-product ideas include internal sources and external sources such as, but not limited to, customers, competitors, distributors and suppliers.

- ✓ Idea Screening. The purpose of idea screening is to reduce the number of ideas, proposed in the previous step. Idea Screening helps identify and prioritise the good ideas and eliminate the poor ones at the earliest opportunity.

- ✓ Concept Developments and Testing. An attractive idea has to be developed into a product concept. A product concept is a detailed version of the idea stated in meaningful consumer terms.

- ✓ Marketing Strategy. Designing an initial marketing strategy for a new product based on the product concept

- ✓ Business Analysis. Once management has decided on its product concept strategy, it can evaluate the business attractiveness of the proposal. Business analysis involves a review of the sales, costs and profit projections for a new product to find out whether they satisfy they satisfy the company's objectives. If they do, the product proceeds to the product development stage.

- ✓ Product Development. If the product concept passes the business test, it moves into product development. A new product must have the required functional features and also convey the intended psychological characteristics. Companies need do remember that when designing a product, it should look beyond simply creating products that satisfy consumer needs and wants. Too often companies produce products without enough concern for how the design will be produced.

- ✓ Test Marketing. If the product passes functional and consumer tests, the next step is test marketing. The stage at which the product and marketing programme are introduced into more realistic market settings. Test marketing gives the marketer experience with marketing the product before going to the great expense of the launch of a new product.

- ✓ Commercialisation. Test Marketing gives management the information needed to make a final decision about whether to launch the new product. If the company goes ahead with commercialisation, it will face high costs.

Customer participation refers to a customer's involvement in the company's new-product development process (Fang, 2008). Customers have long been believed to be able to provide needs and solution related knowledge that the company may lack internally (Poetz et al, 2012)

Kotler et al (2008) emphasizes that the new-product development process highlights the important activities needed to find, develop and introduce new products. However, new-product development involves more than just going through a set of steps. Successful new-product development requires a customer-centred, team-based systematic effort.

This author also defends that after launching the new product, the management challenge lies in making sure that the product enjoys a long and healthy life. The

company will want to generate a level of profit consistent with their corporate target in order to cover all the effort and risk that went into launching it.

- ✓ Stage 1 – Product Development. This stage begins when the company finds and develops a new-product idea. During product development, sales are zero and the company's investment costs progressively increase.
- ✓ Stage 2 – Introduction. Corresponds to a period of slow sales growth as the product is being introduced in the market. This is when a new product is first brought to market, before there is a proven demand for it, and sometimes before it has been fully proved out technically in all respects (Levitt, 1965). Profits are non-existent in this stage because of the heavy expenses of product introduction.
- ✓ Stage 3 – Growth. Period of rapid market acceptance and increasing profits. According Levitt (1965), in this stage demand begins to accelerate by driving increased market share and in the case of highly innovative products by also increasing the total market demand.
- ✓ Stage 4 – Maturity. Period of slowdown in sales growth because the product has achieved acceptance by most potential buyers. Levitt (1965) states that it is at this stage that demand levels off and grows, for the most part, only at the replacement and new family-formation rate.
- ✓ Stage 5 – Decline. Is the period when sales fall off and profits drop. The product begins to lose consumer appeal and sales drift downward (Levitt, 1965).

According to Kotler et al (2008), companies successful at creating customer value with the other marketing mix activities must still capture some of this value in the prices they earn. Yet, despite its importance, many firms do not handle pricing well. Often, companies rely on price cutting to attract customers quickly. This is a poor route to long-term market success, because giving a 10% price reduction to a customer, for example, will cause significantly more than a 10% in margin. The negative impact on profitability will require a larger than 10% increase in sales to offset it. Other common mistake include pricing that is too cost-oriented rather than customer-value oriented and pricing that does not take the rest of the marketing mix into account.

Still according this author, some managers view pricing as a big headache, preferring instead focus on the other marketing mix elements. However smart managers treat pricing as a key strategy tool for creating and capturing customer value.

At first sight, pricing seems like the easiest element of marketing (Polyack, 2003). However it is critical that the price of a product be correctly positioned in order to reap the most benefits for the company.

2.4.2.2. Price

2.4.2.2.1. Customer perception of value, product cost and other internal and external conditions

Polvack (2013) suggests if you ask non-marketers how to set a product's price many will say that the price should cover the cost of doing business plus a profit. True, but there is a lot more to it.

How do marketers know what price to charge? (Grigsby, 2015). Part of it depends on what strategy they are pursuing, but in general, prices that are too high do not necessarily generate sales and may not lead to higher profitability, and prices that are too low also may not lead to increased sales and profitability.

Of the three main approaches to pricing – cost-based, competition-based and value-based – the latter is considered superior by most marketing scholars (Hinterhuber, 2004) and pricing practitioners (Dolan et al, 1996). Yet, paradoxically, few companies have adopted it.

Customer Perception of Value is one of the concepts included in price. At the end, it is the customer that decides whether a product price is right (Kotler et al, 2008). Effective customer-oriented pricing involves understanding how much value consumers place on the benefits they receive from the product and setting a price that captures this value.

Good pricing begins with a complete understanding of the value that a product or service creates for customers. "Value-based pricing uses buyers' perception of value, not the seller's cost, as the key to pricing." (Kotler et al, 2008: 640).

Still according to this author, a company using value-based pricing must find out what value buyers assign to different competitive offers. However, companies often find it hard to measure the value customers will attach to their product or services.

"During the past decade, marketers have noted a fundamental shift in consumer attitudes towards price and quality." (Kotler et al, 2008: 641). Many companies are bringing their approach to pricing into line with changing economic conditions and consumer price perceptions. More and more, marketers are adopting good-value pricing strategies – offering just the right combination of quality and good service at a fair price.

When consumers evaluate the price of a product, they may consider the whole price, as assumed by most marketers and economists, or they may use heuristic method relying on the fact that consumers often ignore the digits on the right hand end of the price and in so doing round the price down, a phenomenon noted in a number of academic studies. Hence prices ending 99 are frequently used. (Stiving et al, 2016).

Whereas customer-value perceptions set the price ceiling, cost sets the floor for the price that the company can charge.

To price wisely, Kotler et al (2008) states that management and marketeers need to know how product costs vary with different levels of production.

The simplest pricing method is cost-plus pricing. Adding a standard mark-up to the cost of the product.

Another cost-oriented pricing approach is break-even pricing. According Kotler et al (2008), with this approach, companies try to determine the price at which it will break even or make the target profit it is seeking.

Lastly, companies can also reflect other internal and external considerations affecting pricing decisions.

"Customer perception of value set the upper limit for prices, and costs set the lower limit." (Kotler et al, 2008: 647). However, in setting prices within these limits, the company must consider a number of other internal and external factors. Internal factors affecting pricing include the company's overall marketing strategy, objectives and marketing mix, as well as other organisational considerations. External factors include the nature of the market and demand, competitors' strategies and prices and various environmental factors.

Price, besides creating income, plays a major role as a strategic factor in developing competitive advantage in the market (Zaribaf, 2008). The amount of income and promotion by a company regarding the positioning and funding of a suitable position

in the minds of consumers are related to the pricing of a product. Decision making for pricing, is not an easy task and many factors are affecting this decision. The reason for some companies not being so active in export pricing, is that they have a high level of sales in their domestic or due to the presence of tariff and non tariff barriers.

According to Zaribaf (2008), any pricing system should address the price floor, the price ceiling and optimum prices in each of national market in which the company operates.

2.4.2.2.2. New-product pricing strategies

According to Kotler et al (2008), pricing strategies usually change as the product passes through its life cycle. The introductory stage is especially challenging. Companies bringing out an innovative product face the challenge of setting prices for the first time. Marketeers may choose between two strategies: market–skimming pricing and market-penetration pricing.

According to Kotler et al (2008), many companies that invent new products initially set high prices to skim revenues layer by layer from the market, a strategy called market-skimming pricing.

The market-skimming pricing strategy is an attempt to reach a market segment that is willing to pay a premium price for a product (Zaribaf , 2008). The goal of this pricing is to maximize revenues on limited volumes to match demand and to reinforce the customers' perception of high product value.

Rather than setting a high initial price to skim off small profitable market segments, some companies use market-penetration pricing (Kotler et al, 2008). They set a low initial price in order to penetrate the market quickly and deeply. The high sales volume results in falling costs, allowing the company to cut its prices even further.

Zaribaf (2008) states that companies that choose penetration pricing use price as a competitive weapon to gain market position. Usually a first-time exporter does not use this type of pricing because it may call for losses for some length of time which the company can not afford it. Some innovative companies, when their product is not patentable, use this strategy to achieve market saturation before the other competitors

can copy. The sales volume produced by this strategy aims to deliver scale economies that can be used to lower costs and keep out new market entrants.

2.4.2.2.3. Product-mix pricing strategies

The strategy for setting a product's price often has to be changed when the product is part of a product mix. In this case, according to Kotler et al (2008), the company looks for a set of prices that maximises the profits on the total product mix. Pricing is difficult because the various products have related demand and costs, and face different degrees of competition. To solve this problem, Kotler et al (2008) suggests five product-mix pricing situations:

- ✓ Product line pricing. Companies usually develop product lines rather than single products. In product line pricing, management must decide on the price steps to set between the various products in the line.
- ✓ Optional-product pricing. Many companies use optional-product pricing, offering to sell optional or accessory products along with their main product. Pricing these options is a sensitive issue.
- ✓ Captive-product pricing. Companies that make products that must be used along with a main product are using captive-product pricing. The fixed amount should be low enough to induce usage of the service; profit can be made on the variable fees.
- ✓ By-product pricing. If the by-products have no value and if getting rid of them is costly, this will affect the pricing of the main product. Using by-product pricing, the manufacturer will seek a market for these by-products and should accept any price that covers more than the cost of storing and delivering them. By-products can even turn out to be profitable.
- ✓ Product-bundle pricing. By using product-bundle pricing, sellers often combine several of their products and offer the bundle at a reduced price. Price bundling can promote the sales of products consumers might not otherwise buy, but the combined price must be low enough to get them to buy the bundle.

2.4.2.2.4. Price-adjustment strategies

Companies usually adjust their basic prices to account for various customer differences and changing situations.

According to Kotler et al (2008), most companies adjust their basic price to reward customers for certain responses, such as early payment of bills, volume purchases and off-season buying.

Other companies often adjust their basic prices to allow for differences in customers, products and locations. In segmented pricing, the company sells a product or service at two or more prices, even though the difference in prices is not based on differences in costs.

Kotler et al (2008) reminds us that price says something about the product. In using psychological pricing, sellers consider the psychology of prices and not simply the economics. Is understanding how consumers process the digits of a price, especially the right-hand digits, important? (Stiving et al, 2016). The simple answer is yes. Every time a manager sets a price for a product it also determines, either implicitly or explicitly, the right-hand digits of that price.

With promotional pricing, companies will temporarily price their products below list price and sometimes even below cost to create buying excitement (Kotler et al, 2008).

Additionally, a company must also decide how to price its products to customer located in different parts of the country or the world. Kotler et al (2008) question if the company should risk losing the business of more distant customers by changing them higher prices to cover the higher shipping costs? Or should the company charge all customers the same prices regardless of location?

Some companies are now reversing the fixed-pricing trend. They are using dynamic pricing – adjusting prices continually to meet the characteristics and needs of individual customers and situations.

Finally, companies that market their products internationally must decide what prices to charge in the different countries in which they operate. In some cases, a company can set a uniform worldwide price. However, most companies adjust their prices to reflect local market conditions and cost considerations.

After the marketer develops their price structures and strategies, companies often face situation in which they must initiate price changes or respond to price changes by competitors.

The dual entitlement principle suggests that price changes are related to price fairness perceptions, and these judgements depend on the motive of price change (Kahneman et al, 1986). A cost-justified price increase is considered fair, but profit-driven price increases are considered unfair. Many studies in the marketing area have looked at the relationship between price changes, price change motives and price fairness perceptions. While the effects of motives and the direction of the price change effect have been supported in many studies, several questions remain unanswered regarding the relationship between these three variables (Tarrahi et al, 2016).

According to Kotler et al (2008) several situation may lead a company to consider cutting its price. One such circumstance is excess capacity. Another is falling demand or falling market share in the face of strong price competition.

A company may also cut prices in a drive to dominate the market through lower costs. Either the company starts with lower costs than its competitors or it cuts prices in the hope of gaining market share that will further cut costs through larger volume.

In contrast, Kotler et al (2008) states that many companies have had to raise prices in recent years. They do this knowing that customers, distributors and even their own sales force may resent the price increase. Yet a successful price increase can greatly increase profits.

It is necessary to remember that customers do not always interpret prices in a straightforward way. They may view a price cut in several ways. Similarly, a price increase, which would normally lower sales, may have some positive meaning for buyers.

2.4.2.2.5. Price changes

Lastly, a company by considering a price change has to worry about the reaction of its competitors as well as its customers. Competitors are most likely to react when the number of companies involved is small, when the product is uniform and when the buyers are well informed about products and prices.

Building good customer relationships calls for more than just developing a good product, it also needs to be priced attractively and made easily available to target customers. Kotler et al (2008) defends that companies must also communicate their value propositions to customers, and what they communicate should not be left to chance. Companies have to communicate with not only consumers, but also its intermediaries and a range of audiences.

2.4.2.3. Promotion

2.4.2.3.1. The promotion-mix

Promotion is actually all about marketing your company and its products (Croft, 2002). In the times when economies have been booming, disposable incomes high and demand has outstepped supply companies would often behave reactively and rely on prospects to call them. It was almost as if companies felt they were helping their clients spend money that appeared to be so readily available.

A company's total promotion mix consist of the specific blend of advertising, sales promotion, public relations and direct marketing tools that the company uses to persuasively communicate customer value and build customer relationships (Kotler et al, 2008).

Over the years, with the maturing of the retailing market, the number of competitors has been growing, and competition in the market environment is becoming more rigorous. Hsu et al (2009), determines there are five major promotion tools often used by companies:

- ✓ Advertising. "Any paid form of non-personal presentation and promotion of ideas, goods or services by an identified sponsor." (Kotler et al, 2008: 692). Hsu et al (2009) defends that advertising should be paid for, show the sponsor's name, and allow for a non-personal presentation of ideas, goods or services. Messages are usually conveyed through television, internet, magazines and a wide range of media channels pertinent to the target market. When a company wants to disseminate new product information or build its own brand name,

television and the internet are the most powerful tools for commanding customer attention through images and sound.

✓ Sales Promotions. "Short-term incentives to encourage the purchase or sale of a product or service." (Kotler et al, 2008: 292).

Sales promotion utilizes diverse techniques to induce customer awareness, with the goal of interesting customers to purchase products or services (Hsu et al, 2009). For the short-term retail market, sales promotion is a powerful tool, tempting customers to make impulse purchases.

✓ Direct Marketing. "Director connections with carefully targeted individual consumers both to obtain an immediate response and to cultivate lasting customers." (Kotler et al, 2008: 292).

According to Hsu et al (2009), in the direct marketing strategy, products/services are launched to the target market directly, to take advantage of seasonal buying patterns, selective contacts, saving of time, and an increase in convenience.

✓ Personal Selling. "Personal presentation by the firm's sales force for the purpose of making sales and building customer relationships." (Kotler et al, 2008: 292).

Personal selling is where the sales people communicate with the customer in the target market (Hsu et al, 2009). It has the advantages of two-way communication, presenting sales benefits directly to the customers to the customers, identifying and overcoming customer resistance. In spite of these merits the expenses involved in the personal selling technique are high. In addition, personal selling is limited in its capacity, compared to other channels of marketing communications, in terms of the potential market. Due to the variation of skills and competence in the sales force there is the risk of delivering inconsistent message.

✓ Public Relations. "Building good relations with the company's various audience by obtaining favourable publicity and through the building up a positive "corporate image" and the managements of unfavourable rumours, stories and events." (Kotler et al, 2008: 292).

Public relations can help a company build a communicable, understandable, acceptable, and cooperative relationship with consumers (Hsu et al, 2009). As a rule a company that is perceived as devoted to protecting the environment,

donating money to charitable organization, obeying the law, or doing something good for the community, or utilizes public relations activities to enhance goodwill, tends to have a brand name that attracts new customers, strengthens customer loyalty and ultimately increasing profits.

According Hsu et al (2009), the use of a combination of promotional tools is usually based on marketing strategy.

"Integrated marketing communication involves identifying the target audience and delivering a well-coordinated promotional programme to achieve the desired audience response."(Kotler et al, 2008: 698). Today, marketers are moving towards viewing communication as managing the customer relationship over time, that is, from the pre-selling and selling, to purchase and post-purchase stages.

Still according to this author, for a message to be effective, the sender's encoding process must mesh with the receiver's decoding process. Thus, the best messages consist of words and other symbols that are familiar to the receiver. To communicate effectively, the marketing communicator must understand the consumer's field of experience.

2.4.2.3.2. Steps developing effective communication

Kotler et al (2008) defends that to develop an effective integrated communication and promotion programme, the marketing communicator must identify the target audience, determine the communication objectives, design a message, choose the media through which to send the message and collect feedback to measure the promotion's results.

- ✓ Identifying the target audience. A marketing communicator starts with a clear target audience in mind. The target audience will heavily affect the communicator's decisions on what will be said, how it will be said, when it will be said, where it will be said and who will say it.
- ✓ Determining the communication objectives. Once the target audience has been defined, the marketing communicator must decide what response is sought. The marketeer needs to know where the target audience now stands and to what stage it need to be moved.

- ✓ Designing a message. Having defined the desired audience response, the communicator turns to developing an effective message. Ideally, the message should attract attention, hold interest, arouse desire and obtain action. In practice, few messages take the consumer all the way from awareness to purchase.

- ✓ Choosing media. The communicator must now select channels of communication relevant to the target customer base.

- ✓ Collecting feedback. After sending the message, the communicator must research its effect on the target audience. This involves asking the target audience members whether they remember the message, how many times they saw it, what points they recall, how they felt about the message, and their past and present attitudes towards the product and company.

2.4.2.3.3. Setting total promotion budget and mix

The next question do be answered is how does the company decide the total promotion budget and its division among the major promotional tools to create the most effective promotion mix?

According to Kotler et al (2008), one of the most difficult marketing decisions facing a company is how much to spend on promotion.

Companies are always looking for ways to improve promotion by replacing one promotion tool with another that will do the same job more economically.

Having set the promotion budget and mix, the company must now take steps to see that all of the promotion mix elements are smoothly integrated: analyse trends, audit the pockets of communications spending throughout the organisations, identify all customer touch points for the company and its brands, team up in communication planning, create compatible themes/tones/quality across all communications media, create performance measures that are shared by all communications elements and appoint a director responsible for the company's persuasive communications effort.

2.4.2.3.4. Social responsible marketin communication

In shaping its promotion mix, a company must be aware of the large body of legal and ethical issues surrounding marketing communications. Kotler et al (2008) states that most marketeers work hard to communicate openly, truthfully and honestly with consumers and resellers. Still, abuses may occur, and public policy makers have developed a substantial body of laws and regulation to govern advertising, personal selling, sales promotion and direct marketing activities.

Companies today try to act beyond their normal course of business towards the society. No longer is the society just a means of earning profit. Socially responsible companies believe that business and society are interwoven rather than being distinct (Pradhan et al, 2010). Such companies try to act in an ethical and responsible manner towards the society.

2.4.2.3.5. Advertising

Companies must do more than simply create customer value (Kotler et al, 2008). They must clearly and persuasively communicate that value to target consumers. They must inform consumers about product or service benefits and carefully position these in consumer's minds.

Advertising "involves communication of the company's or brand's value proposition by using paid media to inform, persuade and remind consumers." (Kotler et al, 2008: 737).

It is obvious that in the future, the definition of advertising needs to be revisited continuously as advertising evolves (Carlson, 2015). The advertising industry need to progress by embracing the new media or die (Dahlen et al, 2016).

Advertising has an ability to move markets, minds, products and perceptions (Kumar et al, 2016). It interests, intrigues, entices, entertains, and creates lifestyles, It builds a relationship between customers and brands (Jaishri et al, 2006).

Marketers are relentlessly seeking your attention and subtly entering your system and touching your senses (Kumar et al, 2016).

Marketing management must make four important decisions when developing an advertising programme (Kotler et al, 2008):

✓ Setting advertising objectives. First step is to set advertising objectives. These objectives should be based on decisions about the target market, positioning and marketing mix, which define the job that advertising must do in the total marketing programme.

✓ Setting the advertising budget. After determining advertising objectives, marketeers need to set its advertising budget for each product.

✓ Developing advertising strategy. Advertising strategy covers two major elements: creating the advertising messages and selecting the advertising media.

✓ Evaluating advertising campaigns. Advertising accountability and return on advertising investment have become important issues for most companies. Advertisers should regularly evaluate two types of advertising results: the communication effects and the sales and profit effects. Measuring the communication effects of advertisements and advertising campaigns identifies whether the advertisements and media are communicating the desired message effectively. After an advertisement is run, the advertiser can measure how the advertisement affected consumer recall, awareness, knowledge and preference.

2.4.2.3.6. Public relations

Public Relations "involves building good relations with various company audiences – from consumers and the general public to the media, investor, donor and government audiences." (Kotler et al, 2008: 737).

Public relations can have a strong impact on public awareness at a much lower cost than advertising. The company does not directly pay for the space or time in the media. Rather, it pays for staff to develop and circulate information and to manage events.

Kotler et al (2008) considers the following steps that public relations managements should effectuate:

a) Setting public relations objectives. The objectives for public relations are usually defined in relation to the types of news story to be communicated, the communication objectives to be achieved and the specific target audience.

b) Choosing public relations messages and vehicles. Notice that message themes for the public relations should always be consistent with the organisation's public relations objectives.

c) Implementing the public relations plan. The public relations campaign must be implemented with care. Well-written and well-produced public relations will more likely get an airing. Moreover, public relations professionals have to acquire a good feel for what media editors will feature in their papers, magazines or websites.

d) Evaluating public relations results. Public relations results are difficult to measure, because it is used with other promotion tools and its impact is often indirect. Ideally, the company should measure the change in products awareness, knowledge and attitude resulting from the publicity campaign.

2.4.2.4. Place

2.4.2.4.1. Marketing channel decisions

Producing a product or service and making it available to buyers requires building relationships not just with customers, but also with key suppliers and resellers in the company's supply chain (Kotler et al, 2008).

Distribution channels, simply stated, are the means used to deliver offerings and those by which citizens access them. In the marketing mix, the place is one of the most critical decisions facing managements, one that profoundly affects citizen response and government costs (Lee et al, 2007). According to this author, a fast, well organised channel brings citizens joy, but a slow, and inefficient one costs them time and effort, resulting in aggravation.

Kotler et al (2008) states that few producers sell their goods directly to the final users. Instead, most use third parties or intermediaries to bring their products to market.

A marketing channel refers to "a set of interdependent organizations involved in the process of making a product or service available for use or consumption" (Palmatier et al, 2014: 3).

A company's channel decisions directly affect every other marketing decision. Distribution channel decisions often involve long-term commitments to other firms. Therefore, management must design its channels carefully. Taking account not only of the current selling environment but also in anticipation of future developments.

Relative to marketing channels decisions, Kotler et al (2008) question why producers give some of the selling activity to intermediaries? After all, doing so means giving up some control over how and to whom the products are sold. Producers use intermediaries because they create greater efficiency in covering and accessing the total potential market. Conclusively, channel members add value by bringing the major time, place and possession gaps that separate goods and services from those who would use them.

With regard to marketing channel decisions, marketeers must determine the number of channel levels ideal for the company in question and the structure of the channel organisations.

2.4.2.4.2. Channel design decisions

Companies can design their marketing channels to make products and services available to customers in different ways. So each layer of marketing intermediaries that fulfil a function in bringing the product and its ownership closer to the final buyer is defined as a channel level.

According to Kotler et al (2008), a marketing channel consists of companies that have partnered to achieve a common goal. Each channel member depends on the others, the success of an individual channel member depends on overall channel success. Distribution channels are like a chain, they are as weak as the weakest link. Channel members should understand and accept their roles, coordinate their activities and cooperate to attain overall channel goals.

Therefore, for a channel as a whole to perform well, each channel member's role must be specified and channel conflict must be managed. The channel will perform better if

it includes an entity that provides strong leadership and has the power to assign roles and manage conflict.

Vertically Integrated Marketing System consist of "producers, wholesalers and retailers acting as unified system" (Kotler et al, 2008). In this structure the leading channel member, normally the producer, owns all levels of the distribution activity. Ownership provides a much higher level of management control of objectives and consistency of market approach compared to independent distribution channels.

According Achrol et al (2014), rather than a loose configuration of independently managed companies acting at arm's length, a vertically integrated marketing system provides for well coordinated action by members of the distribution system. Acting as the "channel captain" the manufacturer selects and trains members of the vertical marketing system, determines the division of functions and marketing strategies, and set the terms upon which trade is conducted amongst them. Manufacturers provided marketing and managerial skills and organise much of the channels' inventory, logistics and promotional systems.

Kotler et al (2008) emphasizes franchise organisation as the most common type of contractual relationship.

In the past several decades, franchising has become an important strategy for business growth, job creation and economic development, and has been an effective method for companies to enter foreign markets to expand internationally (Dant et al, 2014). Indeed, some of the first companies to establish a significant presence in foreign markets have been franchise companies (Hoffman et al, 2016).

Still according to Hoffman et al (2016), it is clear that franchising has spread globally to become an established method of doing business in numerous countries, including many developing countries.

Franchising relies on a strategic and operational relationships that enable participating companies to reap the reward of franchisor's products, services and system (Sié et al, 2015). Its aim is to replicate the franchisor's business model through franchises with local knowledge and entrepreneurial drive (Barthélemy, 2008).

Another channel development is the horizontal marketing system, in which two or more companies at one level join together to follow a new marketing opportunity. By working together, companies can combine their financial, production or marketing resource to accomplish more than any one company could alone.

Kotler et al (2008) defends that in the past, many companies used a single channel to sell to a single market or market segment. These days, with the proliferation of customer segments and channels possibilities, companies, large and small, use multi-channel distribution systems.

Multi-channel distribution systems offer many advantages to companies facing large and complex markets. With each new channel, the company expands its sales and market coverage, and gains opportunities to tailor its products and services to the specific needs of diverse customer segments.

Next concept that will be considered is Channel Design Decisions. In designing marketing channels, manufacturers struggle between what is ideal and what is practical. A new company usually starts by selling in a limited market area.

Distribution channel design reflects a company's long-term commitment to its markets (Rangan, 2016).

At this point, Kotler et al (2008) defends that to get maximum effectiveness, channel analysis and decision making should be more purposeful. Designing a channel system calls for:

- ✓ Analysing customer need. Marketing channel are part of the overall customer value delivery network. Each channel member adds value for the customers.
  Providing the fastest delivery, greatest assortment and most comprehensive services may not be possible or practical. The company and its channel member may not have the resources or skills needed to provide all the desired services.
  The company must balance consumer service needs against feasibility and costs of meeting these needs as well as customer price preferences.
- ✓ Setting channel objectives. Channel objectives should be stated in terms of targeted levels of customer service. The company should decide which segments to serve and the best channels to use in each case.
  The company's channel objectives are also influenced by the nature of the company, its products, its marketing intermediaries, its competitor and the environment.
- ✓ Identifying the major channel alternatives. When the company has defined its channel objectives, it should next identify its major channel alternatives in terms of the types and number of intermediaries to use and the responsibility of each channel member.

Marketeers should first identify the types of channel members available to carry out its channel work.

The producer and its intermediaries need to agree on the terms and responsibilities of each channel member. They should agree on price policies, conditions of sale, territorial rights and specific services to be performed by each party.

✓ Evaluating the channel alternatives. Once a company has identified several channel alternatives, it has to select the one that will best satisfy its long-run objectives. The company must evaluate each alternative against economic, control and adaptive criteria.

2.4.2.4.3. Channel management decisions

Additionally to marketing channel decisions and channel design decisions, another tool to be considered inside place is channel management decisions. According Kotler et al (2008), channel management calls for selecting and motivating individual channel member and evaluating their performance over time.

✓ Selecting channel member. When selecting intermediaries, the company should determine what characteristics distinguish the better ones. It will want to evaluate the channel member's years in business, other line carried, growth and profit record, level of cooperation and reputation.

✓ Managing and motivating channel members. Channel members must be continuously motivated to do their best. The company must sell not only through the intermediaries, but to and with them. Most companies see their intermediaries as first-line customers and partners. They practice strong partner relationship management to forge long-term partnerships with channel members. This creates a marketing system that meets the need of both the company and its partners.

✓ Evaluating channel members. The producer must regularly check channel member performance against standards such as sales quotas, average inventory levels, customer delivery time, treatment of damaged and lost goods, cooperation in company promotion and training programmes, and services to the customers.

Those who are performing poorly should be assisted or, as a last resort, replaced.

Companies often depend on channel influence strategies, such as reward and punishment, to manage their channel partners (Payan et al, 2005). In addition, firms attempt to enlarge the effect of these strategies such that rewarding and punishing some members makes other members ware of the channel policy. In practice, one approach that firm use is to selectively announce their channel decisions. That is, when firms punish or reward all channel members qualified for these channel influence strategies, they choose to announce only some of their decisions on certain channel members. Firms hope that these selective announcements will help encourage or prevent behaviours of other channel partners.

According Wang et al (2012), marketing channel emphasizes the direct effect of power influence strategies in dyadic channel relationships to achieve target channel members' compliance. Using these strategies, however, can have social effect such that not only target channel member but also other members are affected.

2.4.2.4.4. Marketing logistics and supply chain management

Marketing Logistics and Supply Chain Management. According Kotler et al (2008), in today's global marketplace, selling a product is sometimes easier than physically getting it to customers. Companies must decide on the best way to store, handle and move their products and services, so that they are available to customers in the right assortments, at the right time and in the right place. Notice that a poor distribution system can destroy an otherwise good marketing effort.

Marketing logistics involves "planning, implementing and controlling the physical flow of goods, services and related information from point of origin to points of consumption to meet customer requirements at a profit." (Kotler et al, 2008: 911).

This author defends that the goals of the marketing logistics system should be to provide a targeted level of customer service at the least cost. The company must first research the importance of various distribution services that customers require and then set desired service levels for each segments. Given a set of logistics objectives,

the company is ready to design a logistics system that will minimise the cost of attaining these objectives.

Companies manage their supply chain through information. Channel partners often link up to share information and to make better joint logistics decisions. From a logistics perspective, information flows such as customer orders, billing, inventory levels and even customer data are closely linked to channel performance. The company should design a simple, accessible, fast and accurate process for capturing, processing and sharing channel information.

2.5. Marketing-as-Practice approach

Hammond (2001) quotes that companies must adhere to a particular strategy, but should obviously find new ways to improve it constantly.

In this sense, marketing strategy also requires a clear understanding of how the marketing works within a company.

Kotler (2003) states that the marketing department of a company must perform the following practices:

a) Pursue the annual marketing plan. Analyse the level of compliance with marketing objectives;

b) Profitability analysis. Detecting which areas the company obtains and losses profitability;

c) Efficiency analysis. Impact of marketing expenditures on tracking performance of the organization;

d) Strategic control. Qualitative evaluation of marketing practices.

Remind that business performance and marketing performance in particular are both influenced by environment and competition (Rust, 2004).

Following this state, Clark et al (2001) argues that the role of marketing in understanding the market's needs and the development of new product concepts, are key to an organization's innovation process. So the ability of a company to achieve or maintain a competitive advantage in a constantly changing environment is the key to the company's economic value growth (Peter, 2000).

Evidently there is a big difference between a small-medium company and a large company, regarding the approach to an increasingly complex market environment, characterized by dynamism, technological advancement and fierce competition.

Kourakalis (2005) claims that small-medium companies are in the central act of exchange and promoting knowledge and information, thus to be able to face pressure from the competition, they must learn to accept change, to continuously seek competitive advantage and always be in first place.

Carson (1990) notes that in large companies, marketing decision-making tends to be more formal and more structured, while in small-medium companies, processes tends to be simple, informal, instinctive and different from the theoretical paradigms developed in the literature.

At this point it becomes essential to characterize who performs marketing in a company. In the first instance we need to create a conceptualization of what constitutes marketing practice since this critically affect any characterization of those performing marketing. Second, such a characterization also depends on how we define acting entities.

There is a second conceptual issue that need to be addressed before it became possible provide an answer to the question "Who are the marketing practitioners in a company?".

A lot of authors talk about this paradigm, O'Neill (1994) states that the definitions of marketing practitioners depends on how broadly or narrowly we delimit the practices that are being performed.

According Akrich et al (1992), if we employ relatively broad labels to describe marketing practices, this will promote the identification of practitioners that correspond to this level of abstraction. Of course, if we employ more specific labels to describe marketing practices, our identification of marketing practitioners will change accordingly.

But irrespective of how we define a practice, no matter how encompassing or limited, the amount of information we decide to include or exclude from the narrative is always to some extent arbitrary.

Given this character of practices, we need conceptual tools for characterizing acting entities that do not presume a given descriptive level.

Based on the SaP model described previously and this brief overview of the market and the connection between those who practice marketing, the marketing practices and tools and the flow in the existing practices, is possible to start creating a new approach called Marketing-as-Practice.

Figure 2.20 - Marketing-as-Practice base approach

(Source: Developed by Denise van Dijk)

MaP approach, similarly to SaP model, is based on three pillars (Jarzabkowski et al, 2007):

a) Practitioners. People who perform Marketing Practices;

b) Practices. Social, symbolic and material tools through which Marketing work is executed;

c) Praxis. Flow of activity in which Marketing is accomplished.

2.5.1. Marketing practitioners

To capture the practical performance of marketing, it is necessary to understand who are the marketing practitioners behind the scene.

So first will be analysed how to characterize those who perform marketing. Only after this summary about practitioners characterization becomes possible to create axis groups.

The role of marketing practitioner is central to many marketing debates, such as the gap between marketing theory and marketing practice (Madichie, 2009), the status and influence of the marketing function in an organisation (Verhoef et al, 2009), whether marketing is a profession or not (Enright, 2006) and the proper domain of marketing (Brown et al, 2005).

A central tension arises in these debates from diverging understandings of marketing and accompanying ideas about those who engage in it.

The factual question is how can we characterize those who perform marketing?

There are relatively few empirical marketing practice studies addressing the activities of market practitioners (Geiger et al, 2009).

As mentioned previously, by analysing O'Neill's (1994: 39) work, he defends that the definition of a marketing practitioner depends of how broadly or narrowly we delimit the individual practices that are being performed in a company.

a) Let's start looking at a relatively broad label to describe practices, for example a marketing practitioner that "segments the technology market" and/or "plans the spring advertising campaign". In this case it will promote the identification of practitioners that correspond to this level of abstraction, e.g. "the marketing department" or even "the company".

b) By choosing a more specific label to describe practices, like a marketing practitioner that "made a sales-sign" or "priced the lettuce", the identification of marketing practitioners will change correspondingly.

Of course, as referenced formerly and independently, how we define which practices are used in a company, no matter how encompassing or limited, the amount of information we decide to include or exclude from the narrative is always to some extent subjective.

By looking at information about the relationship between marketing practices and who practices marketing in a company, it is possible, perhaps even likely, that some marketing practitioners perform "marketing in the wild" (Callon et al, 2003). Hence, we need to define marketing practitioners in a way that we not exclude the possibility of non-professional marketers (Azimont, 2010).

To make it possible to define who are the Marketing Practitioners in a company, was created two specific analysis dimensions, similar to SaP model. The development of

these two dimensions occurs because of the lack information regarding marketing practitioners and absence of the existence of predesigned practitioners groups.

Figure 2.21 - Marketing-as-Practice approach practitioners
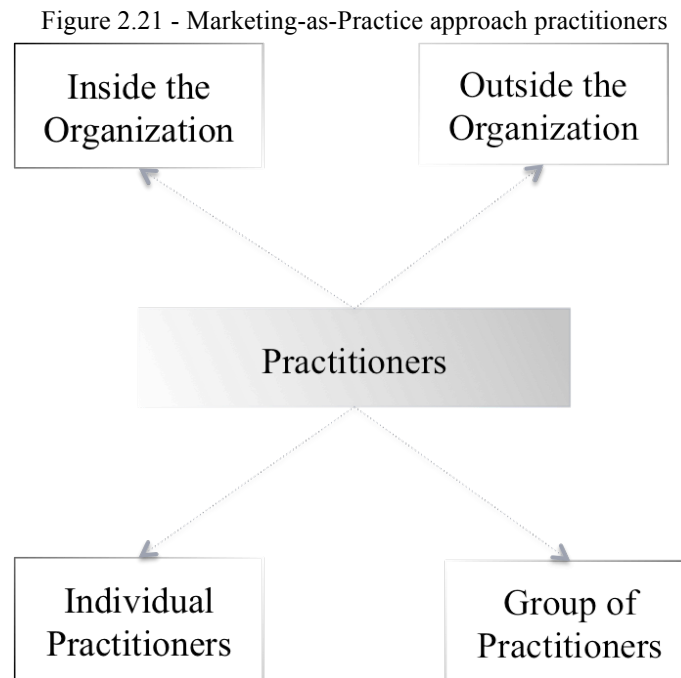
(Source: Developed by Denise van Dijk)

a) Dimension 1.

In this dimension it is possible to categorize a practitioner as an individual or as groups of individuals. One of the authors who exemplified this division of practitioners was Jarzabkowski et al (2009).

We can define a practitioner as an individual, by examining information generated and practices utilised by an individual, attribute specific activities and tools to that individual.

Otherwise is possible describe practitioners as an aggregate group, such as top management, middle management or even a marketing department.

The perfect way to understand who are the marketing practitioners of a company, is to first discover which practices each individual uses and comprehend the workflow. Basically, is necessary answer "What marketing practitioners do in a company?".

Subsequently become viable group all this information about each individual, creating marketing practitioners groups.

The collection of information from individual practitioners will enable them to be analysed as a group to define what they do and specific actions they take (Jarzabkowski et al, 2009);

b) Dimension 2.

This dimension organizes a marketing practitioner as a person that is inside or outside the company hierarchy.

It is difficult for employees to understand where their department fits within the whole organisation and their department relationships, even though such knowledge may well be essential to understand priorities and procedures.

Traditionally, organisation charts are for internal use only. However, there are a lot of other workers that influence the company and are not included in the chart.

Is possible assume that every company has a marketing department? Is this the only department that develops marketing practices? Do some companies recurs to outsourcing for complete marketing functions? Are marketing practitioners always included in the organization chart?

Such as expressed previously, the only correct assumption is that a marketing practitioner could be internal or external. It actually depends on the specific company.

A marketing practitioner is considered internal if is allocated a hierarchy, within the organization's structural organization, assuming a specific role in the company such as middle manager, project manager or CMO.

Otherwise, a marketing practitioner could also be external. This is, groups of individuals that might influence marketing of a focal organization but don't have an allocated hierarchy role within that organization's structure.

The role and position of marketing within companies has received increasing attention in scholarly journals and business magazines in the last decade (Freundt, 2014).

Both academic and professional communities have expressed concerns that the marketing department has become less respected within the company and that as a result the marketing function has been demoted in the organizational hierarchy (Sisodia, 2005). Several marketing tasks, including product development, pricing, marketing research and logistics, have been overtaken by other internal functions or outsourced to external parties.

So to discover who are the marketing practitioners, we should address these three questions:

a) Which marketing practices should we consider?

b) Who realizes these practices?

c) Who are the marketing practitioners?

Marketing practitioners are dependent on practices in order to carry out praxis, but does not reduce them to stereotypes since every individual can enact different practices and can make somewhat different enactments of the same practices.

2.5.2. Marketing praxis

Marketing praxis indicates what people really do in their marketing work. It corresponds to the flow of practices through which marketing is accomplished over time.

By interpreting the sentence formerly presented, from the authors Jarzabkowski et al (2007) and Reckwitz (2002), it is possible conclude that praxis is a stream of practices that interconnects micro actions of marketing practitioners with the wider institutions in which those action are located and to which they contribute.

Be aware that to understand the flow of activities and what a marketing practitioner really does in a company, we first need to discover which are the marketing practitioners and what practices do they accomplish in their daily work as they occur in the SaP model.

Figure 2.22 - Marketing-as-Practice approach praxis
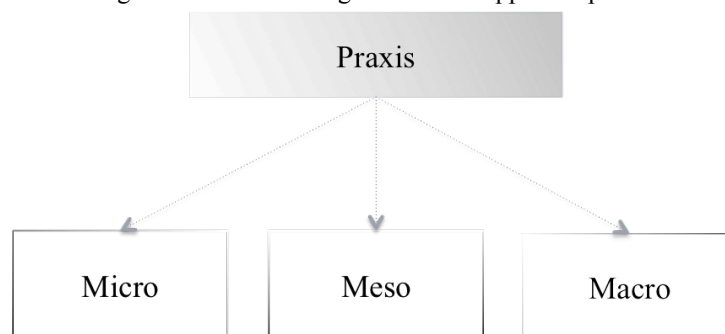
(Source: Developed by Denise van Dijk)

a) Micro illustrates the studies that attempt to describe marketing praxis at levels of individual or group's experience of a specific episode. That is, studies which seek to explain some specific phenomena which are in close proximity to the practitioners constructing it and hence might be considered part of their micro interactions;

b) Meso corresponds to studies that try to explain marketing praxis at the organizational or sub-organizational level;

c) Macro refers to studies that attempt to explain marketing praxis at the institutional level, which is most typically associated with explaining patterns of action within a specific industry.

The concept of marketing praxis refers to what practitioners actually do in their marketing work. It is possible to explain praxis as human action informed by theoretical knowledge and articulates through communication (Reckwitz, 2002).

2.5.3. Relation between practitioners and praxis

Exactly what marketing practices do the part-time marketing practitioners enact in order to carry out marketing praxis?

As mentioned earlier, it is possible to conclude that their exist a direct correlation between Marketing Practitioners and Marketing Praxis. Similarly of the SaP model, there is a need to create a approach that shows the relation between these two dimensions.

Jarzabkowski et al (2009) refers to the existence of a nine domain SaP model that explains in detail all the relationship possibilities between Practitioners and Praxis. So as part of this study, the MaP approach has been adapted to explain the associations between marketing practitioners and marketing praxis.

Has been constructed nine levels of MaP research around three types of practitioners and three levels of praxis.

With regard to practitioners it was decided to capture them in three groups:

a) Individual practitioners inside the organization;

b) Group of practitioners inside the organization;

c) Practitioners outside the organization.

Praxis, as mentioned in the previous chapter, is divided in three groups:

a) Micro;

b) Meso;

c) Macro.

Each of these 9 levels represents a possible area of MaP research, some of which exists more empirical and theoretical research than others.

This useful and organized model facilitates the understanding of those levels of study in which the field is better developed and where gaps remain. Also it assists in finding conclusions in which levels we can frame the marketing practitioners and marketing praxis.

Figure 2.23 - Levels of Marketing-as-Practice research
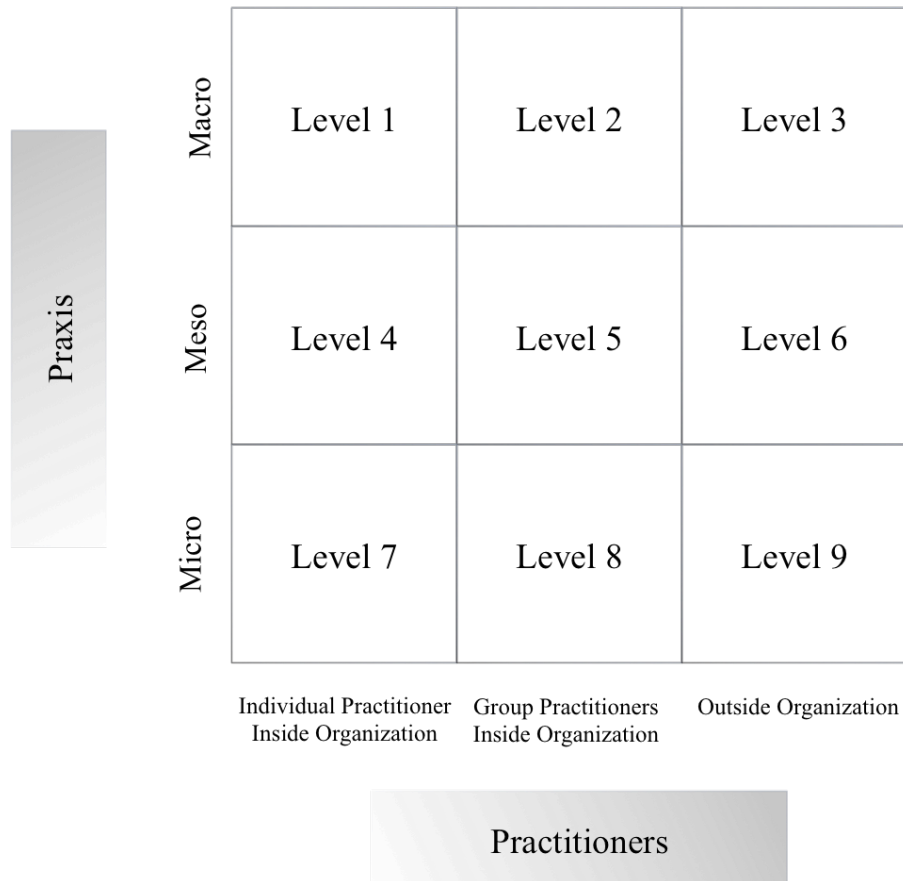
(Source: Developed by Denise van Dijk)

a) Level 1: Individual practitioner inside the organization and macro praxis.

This level refers to the relationship between individual practitioners that are inside the organization and macro praxis.

In this study we are looking to understand institutional, market or industry praxis from the perspective of individual's actions and interactions.

Jarzabkowski et al (2009) indicates that links between individual actions and interaction and the praxis occurring at macro levels may be difficult to establish empirically. However, theoretical resources are offered in recent developments.

A potential, broad question that indicates the nature of research in this domain, included in SaP model is: "How do the actors within the regulatory office interpret and respond to the cues they receive from various industry players, in order to construct a regulatory shift in the market?" (Jarzabkowski et al, 2009: 76).

The individual practitioners within the regulatory office inside an organization depend on the theoretical practices defined, as a means of understanding and interacting with the marketplace.

The level of analysis to be explained is at macro level, indicating the praxis involved in linking what individual practitioners are doing to what is going on at the macro level (Sztompka, 1991)

b) Level 2: Group of practitioners inside the organization and macro praxis.

This level refers to the relationships between the groups of practitioners within the organization and macro praxis.

Relatively little empirical work exists within this level. To understand this level, it is relevant to question "How do actions of marketing practitioners brought in to run a marketing workshop, shape organizational participants' interpretation and acceptance of the point raised within the workshop?". This question examines how an extra-organizational group of practitioners, impact upon the praxis of a marketing workshop and the other participants within the workshop.

c) Level 3: Outside the organization and macro praxis.

This level examines the connection between outside the organization practitioners and macro praxis.

It is possible to inquire whether there has been a growing interest in this domain, with a number of theoretical papers that conceptualize the association between multiple practitioners and the construction of marketing as a field.

Whittington et al (2003) clarifies that practitioners outside the organization include, amongst others, organization, business schools, media and state. Other authors, such as Melin et al (2007), adopt a more specific focus upon the interaction between particular types of practitioners, such as researchers, business and analysts.

It is possible conclude that it is interesting studying this level, particularly in terms of understanding particular types of marketing, as well as how these

practices emerge, evolve and are modified through interaction between multiple practitioners.

d) Level 4: Individual practitioner inside the organization and meso praxis.

Level 4 explains the relation between individual practitioners inside the organization and meso praxis.

In the marketing area there are still very few research studies regarding this level. A potential question that can be included in level 4, is "What are the implication of the interaction between marketing practitioners for implementation of a new marketing direction?" (adapted from Jarzabkowski et al, 2009). This question elucidates the interaction between project members as individual marketing practitioners, at the level of analysis relevant to the implementation of a change in marketing direction, which is a meso praxis phenomenon.

e) Level 5: Group of practitioners inside the organization and meso praxis.

Some studies examine only one class of aggregate participant, such as middle managers (Balogun et al, 2005) or top managers (Jarzabkowski, 2005).

Other studies identified multiple groups of aggregate practitioners, such as top and middle management (Sminia, 2005), comparing and contrasting the different types of marketing praxis of each group.

The key feature of this level is the links between what groups of practitioners do and what organizations or their divisions do. So one question that can be linked to this level is "How does the praxis of different business units react to the influences resulting from a change in a marketing program?". This question creates a connection between the praxis of groups of practitioners and their implication for organizational praxis in terms of a change in the program.

f) Level 6: Outside the organization and meso praxis.

This level focuses on the relationship between outside organization practitioners and marketing meso praxis.

As referred by Whittington et al (2006), the existing studies, in the SaP field, show both direct and indirect involvement of outside the organization practitioners in the praxis of organization, but the evidence is incidental, and this topic has not yet been a central focus of either theoretical or empirical papers within SaP and MaP fields.

The studies around this level should examine the interplay between what external marketing practitioners do and the marketing actions of a company.

g) Level 7: Individual practitioners inside the organization and micro praxis.

This level include studies that have examined practitioners as individual actors, focusing upon micro levels of praxis that are largely proximal to the experiences of those practitioners.

In SaP research, Mantere (2008) studied how individuals interpret their strategy role and which strategy practices enable or disable individuals to go beyond their operational responsibilities in influencing strategic issues. In these studies, Mantere (2008), aimed to understand the association between individuals' experiences and their personal strategy praxis, in terms of their perception of contributing to strategy.

This research provides empirical evidence of the association between individuals and micro praxis and also, through the theoretical approaches taken, indicates useful ways, of conducting research within this level.

In MaP field, there are still few studies in this area, with many opportunities to develop further understandings of what marketing practitioners do within their immediate locales as they engage in marketing activities.

At this level is vital to better understand the skills and activities of each marketing practitioner and how these play out in micro praxis.

h) Level 8: Group of practitioners inside the organization and micro praxis.

This level includes studies that examined the relationship between practitioners as aggregate actors and micro instances of praxis.

Some authors were interested in explaining how groups of practitioners constructed localized, micro levels of praxis, such as shaping specific decision-making incidents by drawing upon the groups previous experiences in similar situations (Whittington, 2005) or through the power relationships within the group (Whittington, 2006).

However, there remain relatively few studies of this type, possibly because studies of groups of practitioners better lend themselves to explaining meso level praxis (Jarzabkowski et al, 2009).

i) Level 9: Outside the Organization and Micro Praxis.

Level 9 explains how outside the organization practitioners shape micro level praxis.

The theoretical background and empirical evidence in this level is limited, particularly given the prevalence of external practitioners, within quite micro incidents of praxis, indicating considerable opportunities for future research (Jarzabkowski et al, 2009).

At this level it should be examined how marketing practitioners outside the organization, impact upon the micro praxis. The focus is on the interplay between external practitioners and internal practitioner's praxis, in constructing marketing actions as an organizational event.

The nine levels of MaP research display the relation between Practitioners and Praxis. However is possible notice a big gap in the lack of research regarding these levels, especially concerning macro praxis.

The MaP field has to rise to the challenging research agenda it has set in outlining a range of marketing practitioners and levels of marketing praxis. It may do so by drawing upon wider theoretical resources available in other fields, such as the strategy field, to design appropriate empirical studies that can better inform all the levels of our typology.

2.5.4. Marketing practices

Having delineated the relationship between practitioners and praxis, this chapter is directed to marketing practices, which is one of three essential elements of the MaP approach.

Practices are not simply physical or mental routines, but both. Standardise ways of acting, thinking, knowing and using thing are thus intertwined and independent of practice theory (Giddens, 1984).

In the emerging practices orientated literature in marketing a key focus has been to distinguish between different types of marketing practices for understanding marketing related issued in different social domains.

Schau et al (2009) argue that practices have an "anatomy" consisting of:

a) Procedures. Explicit rules, principles, precepts and instructions, called "discursive knowledge;

b) Understandings. Knowledge of what to say and do, skills and projects or know-how;

c) Engagements. Ends and purposes that are emotionally charged in so far as people are committed to them.

As noticed by Schau et al (2009) there is still little focus devoted to the marketing practices through which marketing practitioners accomplish their daily work.

Aligned with lack of attention to the practices topic, we know little of the marketing practices through which individuals construct and advance themselves as marketing practitioners (Johnson, 2006).

Having regard to the marketing models, tools and concetps presented previously and with the goal to organize effectively all marketing practices, they will be categorized in the same logic as used by Kotler el al (2008), Lindon et al (2011) and Wienclaw (2015): Strategic Marketing and Operational Marketing.

Figure 2.24 - Marketing-as-Practice approach practices
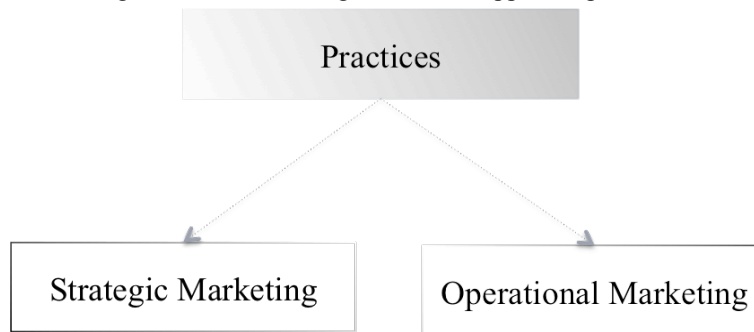
(Source: Developed by Denise van Dijk)

Figure 2.25 - Strategic Marketing

Strategic Marketing		
Annual Plan	Shell	Value Chain
Long-range Plan	Product Market Expansion Grid	Six Sigma
Strategic Plan	Marketing Plan	Relationship Revenues Costs
Mission	Marketing Organisation	The 8Cs Competitive Domain
Strategic Objectives	Microenvironment/Macroenvironment	Segmenting
SWOT Analysis	Neuromarketing	Targeting
Boston Group Consulting	Marketing Information System	Differentiation and Positioning
General Electric	Tracking Customer Satisfaction	Competition Analysis

(Source: Developed by Denise van Dijk)

Figure 2.26 – Operational marketing

Product	Price	Promotion	Place
Levels of Product	Customer perception of Value	The Promotion Mix	Marketing Channel Decisions
Product Classifications	Product Cost	Steps Developing Effective Communication	Channel Design Decisions
Individual Product Decisions	Other Internal and External Considerations	Setting Total Promotion Budget and Mix	Channel Management Decisions
Product-line Decisions	New-Product Pricing Strategies	Socially Responsible Marketing Communication	Marketing Logistics and Supply Chain Management
Product-mix Decisions	Product-mix Pricing Strategies	Advertising	
Branding Strategy	Price-adjustment Strategies	Public Relations	
Product life-cycle Strategies	Price changes		

(Source: Developed by Denise van Dijk)

2.6. Conclusion

In light of what has been debated in this chapter, in first instance was accentuated the importance of marketing in the survival and success of a company.

After a deep analysis of the Strategy-as-Practice model and models, tools and concepts associated with marketing, it was possible to create a new approach that allows in first instance discover who performs marketing practices. Next determine the social, symbolic and material tools through which marketing work is done. Finally, also understand the flow of activity in which marketing is accomplished.

Emphasizing all the literary analysis held previously, it is possible illustrate the Marketing-as-Practice Approach, in the following way:

Figure 2.27 – Marketing-as-Practice approach

(Source: Developed by Denise van Dijk)

3. METHODOLOGY

3.1. Introduction

This chapter will identify and describe the different stages of this investigation.

The sequence of the methodology is as follows:

a) A research description to assist the understanding and interpretation of the collected data;

b) The structure of the new approach that has been created;

c) The methods used to finalise the approach;

d) The definition of the universe of the study and the application of the mode.

With regard to the formulation of the strategy, the research, presented has an exploratory purpose, as mentioned in the first chapter, which could contribute with knowledge to the area under study.

Based on the research stages process described by Veal (1997), preparation and planning; research; analysis and redaction; and presentation of results, it is possible to summarize the process of this investigation in the identified steps.

a) Definition of the general objective of the thesis: "Determine which marketing practices and respective tools are used by practitioners in companies";

b) Analysis of scientific studies concerning practitioners, practices and praxis of a company;

c) Creation of Marketing-as-Practice approach;

d) Development of the survey, based on the approach created;

e) Reading and interpretation of the results, where it is possible to draw the conclusions.

Having identified the principal objective of the thesis and developed a more in-depth bibliographical research, a new approach was created, adapted from the existing model Strategy-as-Practice.

Given that this is a theme that has not yet been applied at a company level, it was considered important to start collecting two types of information sources: secondary and primary.

In first stage a research of secondary sources was developed. This included searches in physical and online libraries, essentially looking at scientific journals (papers), books and dissertations. Also searched were some documents about the concepts applied in the approach, to indentify some perceptions and the potential existing practices and tools used by practitioners. Through the literature review was possible discover that, currently, there is no approach or model that completely responds to the defined principal objective as described previously. The Marketing-as-Practice approach was developed using the Strategy-as-Practice model as a basis of information. Also alongside the literature review, to create Marketing-as-Practice approach, the conceptual logic provided by Kotler was adopted and updated by new scientific reports. Its appropriateness and applicability were demonstrate in the previous chapter.

It was thus determined that the best way to measure the concepts would be through the application of a questionnaire with the CEOs of the Algarvian region companies. To collect the data it was decided to conduct a survey via the internet and by face to face interviews, based on a randomly sample.

The literature review showed that currently there is no approach that responds fully to the principal objective developed. However, it was possible to identify a strategic model that could be adapted to the marketing area, that might respond to the objectives defined. For this purpose some Kotler concepts were used for the creation of the new approach.

The objective of using the Marketing-as-Practice approach as a basis, was to discover who are the marketing practitioners of companies, which are the practices used and what tools do practitioners use.

In the next stage, based on the literature review and questionnaires provided to the Algarvian companies, the results obtained in the surveys were assessed.

The next step, the include a descriptive analysis of the data obtained, leading ultimately to the redaction and presentation of the results in this document.

Finally some of the most relevant points of this process that led to methodological research choices will be analysed.

3.2. Population analysis and sample

According to data provided by PORDATA (2016), the total number of companies in Portugal has been increasing since 2012. In 2014 1.127.317 active companies in Portugal were registered. There has been a growth in the number of active companies from 2012 to 2014 of 8,7%.

The next graphic illustrates the existing companies by region in detail, more specifically the region of Algarve.

Graphic 3.1 - Number of companies by region, 2014

Number of companies by region
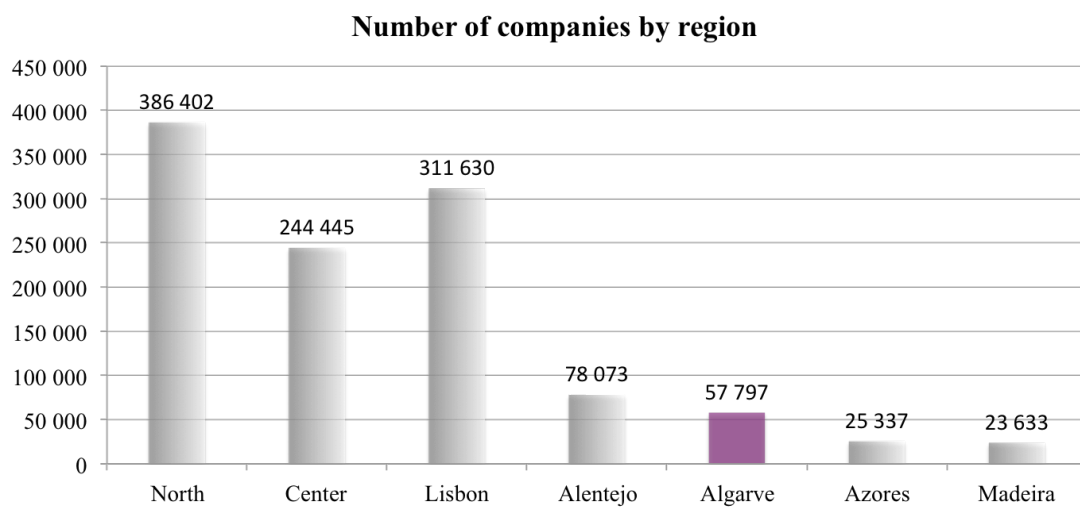
(Source: Developed by Denise van Dijk/Portada, 2016)

The three region with the largest number of companies in Portugal are North, Lisbon and Center.The Algarve ranks as the fifth largest region in Portugal, measured in terms of the number of companies..

Despite having been surpassed by Alentejo, whose corporate sector has developed exponentially in recent years, the Algarve region has also registered an increase in the number of companies, according to data from PORDATA (2016).

The Algarve corporate body represents approximately 5,17% of total Portuguese companies.

Number of companies in Algarve region, by territory
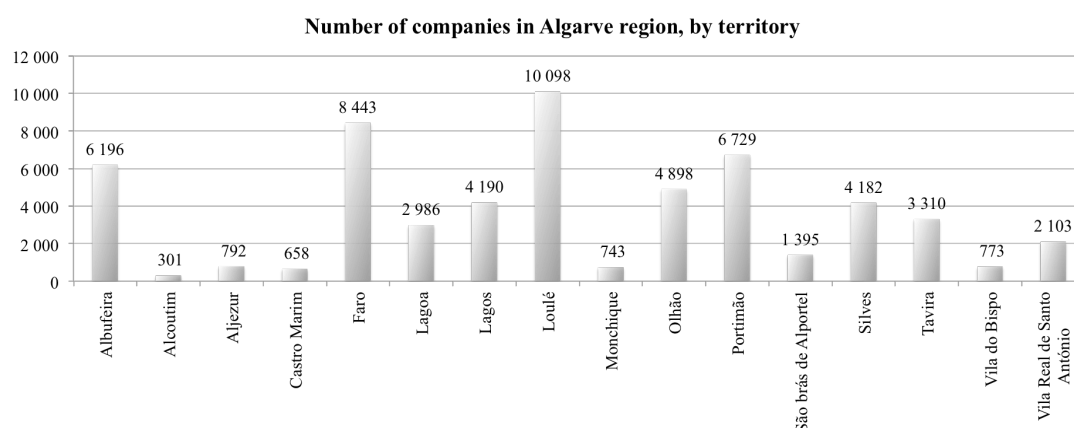
(Source: Developed by Denise van Dijk/Portada, 2016)

According to data provided by INE (2016), the three territories with the most companies in the Algarve region are Loulé, Faro and Portimão, representing approximately 43,71% of the companies.

PORDATA (2016) categorizes the corporate body in seventeen different sectors, discriminated in the following chart.

Graphic 3.3 - Number of companies in Algarve region, by sector

Number of companies in Algarve region, by Sector
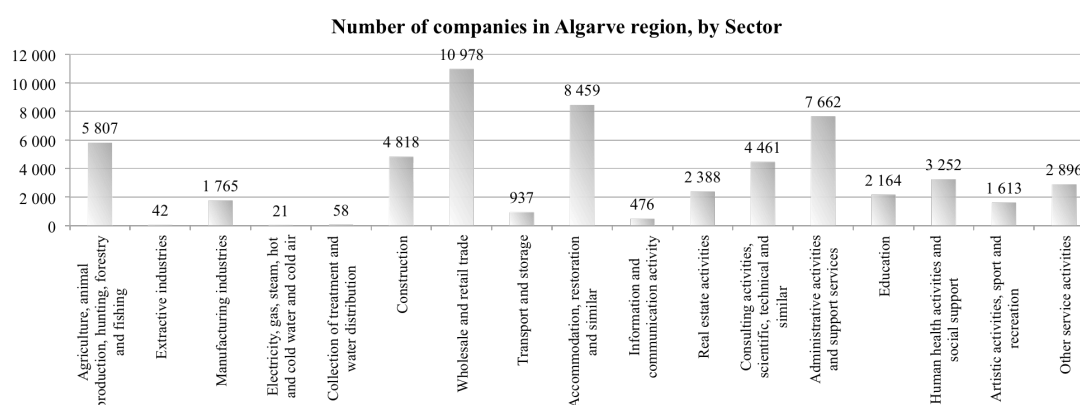
(Source: Developed by Denise van Dijk/Portada, 2016)

In terms of number of companies, it is possible to ascertain that the three sectors with more integrated companies are wholesale and retail trade; accommodation, restoration and similar; and administrative activities and support services, representing together approximately 46,89% of the total companies.

Algarve is only ranks as the fifth region in Portugal in terms of revenue, presenting approximately 2,51%.

Within the Algarve region, the territories whose companies have increased income are Loulé, Faro and Albufeira, representing 53,64% of the revenues.

Graphic 3.4 - Total gross value added in Algarve, by territory

Total gross value added in Algarve region, by Territory (in thousands)
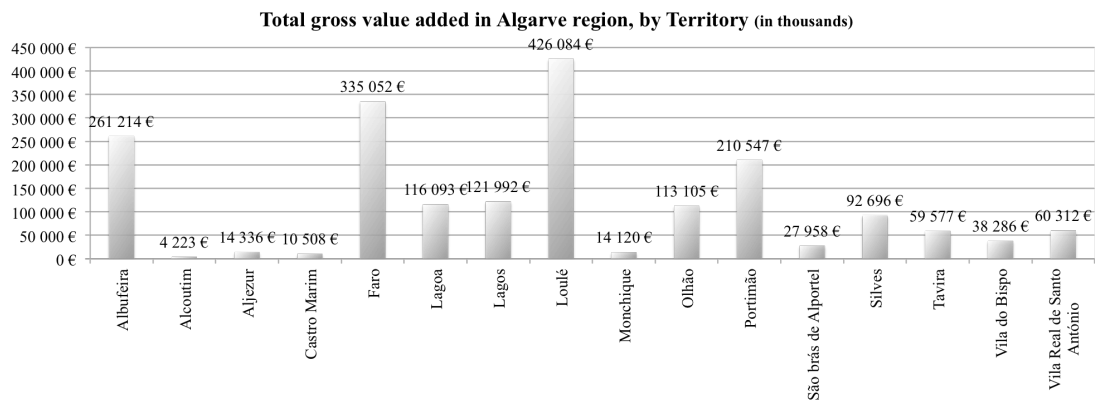
(Source: Developed by Denise van Dijk/Portada, 2016)

According to data provided by PORTADA (2016), Algarve is also only the fifth region with the highest gross value, of the national territory, representing a total of 6.5 billion euros (approximately 2,02%).

Inside the Algarve region, the two territories that stand out in terms of turnover are Loulé and Faro, representing together approximately 40,88% of the Algarve region market.

As it is possible to ascertain in the following graph, the two activity sectors that stand out in terms of turnover are wholesale and retail trade; and accommodation, restoration and similar.

Graphic 3.5 - Total turnover in Algarve region, by sector

Total turnover in Algarve region, by Sector (in thousands)
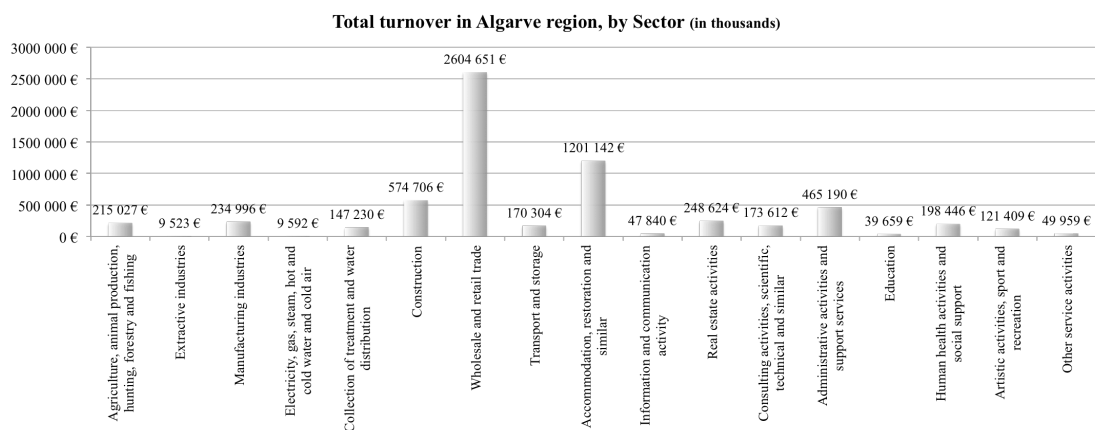
(Source: Developed by Denise van Dijk/Portada, 2016)

Vaz et al (2016) emphasises that the Algarve region is often considered one of the most appealing locations for tourism in the country.

Its attractive position and moderate climate have since the mid-1960s brought increasing economic prosperity. As a result of the developments of mass tourism,

available land-use resources were widely exploited to create an integrated tourist industry. Economic prosperity has led to an increasing population and a significant growth of infrastructures to cope with the demand from the hospitality sector.

The far-reaching land-use changes have, however, led to high pressures on the coastal areas of the Algarve. This region has shown an increasing loss of ecosystems resulting from the expansion of urban areas.

From the analysis made in relation of the Algarve region companies, it was clear that there were a number of very significant companies that needed to be included in the study.

The questionnaire was provided to the managers of twenty companies of Algarve (https://docs.google.com/spreadsheets/d/1rJFC81n1AJ_2p1Q0BgigkwtdFeW7TK_o6 q-QpZQDyw4/edit#gid=843542907), having they been aware of the questionnaire through a custom email (Appendix 1).

It was decided to contact only these elements of the target population. This decision was made based on the following conditions:

- ✓ The answers relatively to the questionnaire were really positive, with no suggestion of improvements in that regard.
- ✓ The managers emphasised that companies in the Algarve are still retrograde, using mostly outsourcing or just implement some old, basic and short-term tools. They argue that the data collected in a bigger sample will not bring any additional more viable and more interesting results.

By analysing the results, it is possible conclude that the sample is diversified regarding to the location and activity sectors of the companies in study.

It is possible to determine that there is a similarity in relation to the Algarve companies universe and the sample of 20 companies, in their respective activity sectors.So, as represented in the following graph, the top 5 activity sectors with the highest response rate are: accommodation, restoration and similar (15%); extractive industries (10%); construction (10%); wholesale and retail trade (10%); and transport and storage (10%).

Graphic 3.6 - Comparison between universe and sample, by Sector

Comparison between universe and sample, by Sector
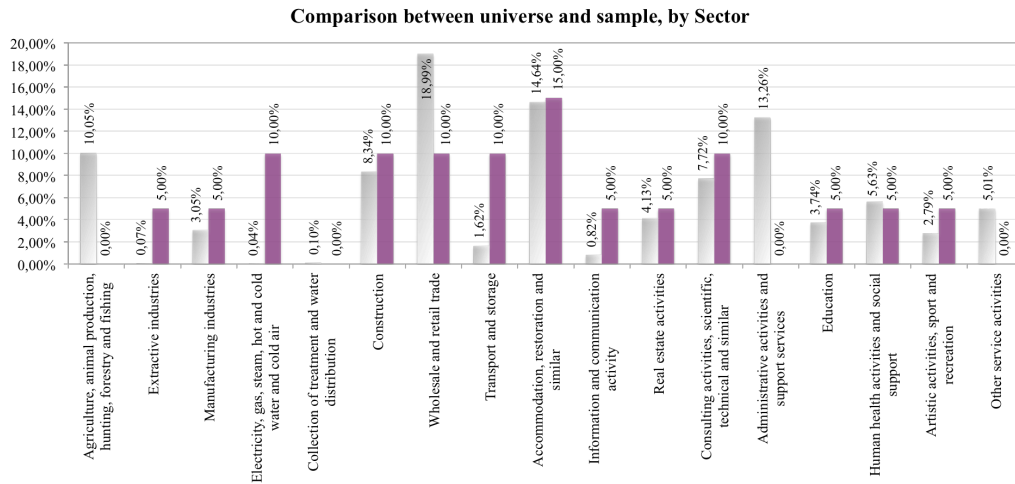
(Source: Developed by Denise van Dijk)

Regarding companies location, it is possible to ascertain that the most representative counties in terms of universe (Loulé, Faro, Portimão and Albufeira) are also the most represented in the sample obtained.

Note that some regions where the percentage is small in relation to the total amount of companies in other region, didn't participate in this sample, as illustrated in the following graph. The grey bars refers to the results of the universe under study and the purple bars refers to the sample results.

Graphic 3.7 - Comparison between universe and sample, by Territory

Comparison between universe and sample, by Territory
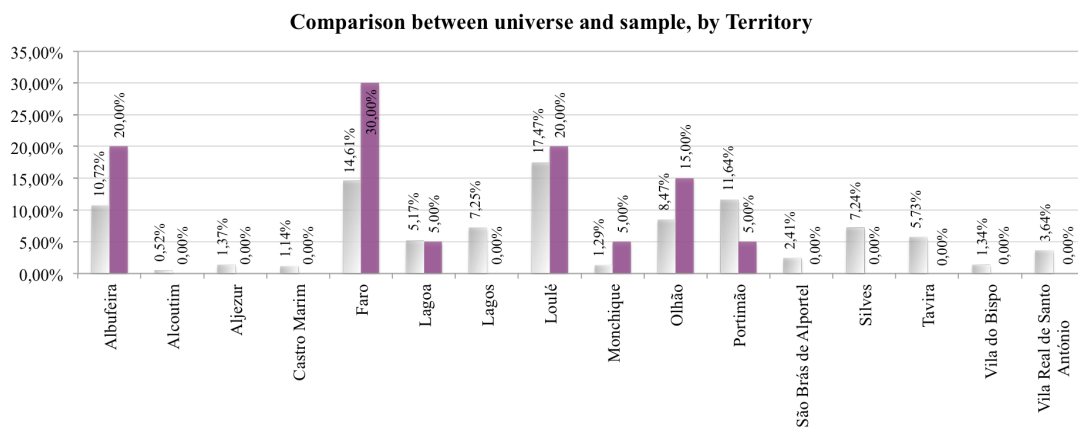
(Source: Developed by Denise van Dijk)

Given the similarities regarding activity sector and location between the universe and the sample, it is possible to conclude that the sample obtained is not very different form a representative sample.

Having indicated the reasons for the choice of the universe and sample in study, it is appropriate to present the final survey.

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3.3. Survey

The research instrument used, as already mentioned, is the survey. Note that the development of the survey was adapted according to the Marketing-as-Practice approach created previously. All the concepts used in the approach were updated according to current reports and scientific articles.

In addition to the weight of the literature review presented earlier, it was considered relevant to make an analysis of the approach created to discover which are the practices and tools used by companies, with the intention of testing these findings with the managers of the Algarve companies.

It is considered appropriate to cite an author that simply emphasizes the importance of a specific approach in this context. Morrison (2002: 44) states that it is expected that in the future many of the contextual differences inside marketing tools will disappear, especially regarding the variances concerning products and services.

A survey was created (Appendix 1 and 2), taking account of the new approach previously referenced, in order to achieve the general objective of the thesis: "Determine which marketing practices and respective tools are used by practitioners in companies".

Table 3.1 – Survey details

Question		Objective	Reference Authors
Strategic Marketing			
1	Development of an Annual Plan that explains the company's objectives, strategy of the year, action programes, budgets and controls.	Analyse the importance level given to Annual Plan practices.	- Paley, 2006 - Kotler et al, 2008 - Wienclaw, 2015
2	Creation of a Long-term Plan that incorporates the forces that will affect the company in comming years.	Analyse the importance level given to Long-range Plan practices.	- Paley, 2006 - Kotler et al, 2008 - Wienclaw, 2015
3	Development of a Strategic Plan in which the company ensures its development and sustainability.	Analyse the importance level given to Strategic Plan practices.	- Paley, 2006 - Kotler et al, 2008 - Wienclaw, 2015

Question		Objective	Reference Authors
4	Definition of the Mission in which the company expresses its distinct competences.	Analyse the importance level given to practices Mission.	- King et al, 1979 - Amato et al, 2002 - Powers, 2012 - AMA, 2016
5	Adoption of strategic objectives that are consistent with the company's mission.	Analyse the importance level given to practices Strategic Objectives.	- Drucker, 1999 - Paley, 2006 - Schiopoiu, 2008 - Powers, 2012
6	Creation of a SWOT Analysis and BCG, citing the company's critical success factors.	Analyse the importance level given to practices SWOT Analysis and BCG.	- Henderson, 1973 - Hax et al, 1983 - Kotler et al, 2008 - Coman et al, 2009 - Kolbina, 2015
7	Use of GE Matrix - analyzing the industry attractiveness and company's strength in the industry.	Analyse the importance level given to practices General Electic Matrix.	- Hax et al, 1983 - Brownlie, 1985 - Gluck, 1986 - Kotler et al, 2008
8	Inclusion of the Shell Model, analysing the attractiveness and capabilities.	Analyse the importance level given to practices Shell Model.	- Dhalla et al, 1976 - Wind et al, 1981 - Bownlie, 1985
9	Seeks to categorize products/markets as penetration, development or diversification.	Analyse the importance level given to practices Product/Market Expansion Grid.	- Ansoff, 1965 - Kotler et al, 2008 - Nagayoshi, 2015
10	Development of the Marketing Organisation Model, allowing the company to create and implement effective marketing plans in the future.	Analyse the importance level given to practices Marketing Plan and Marketing Organisation.	- Walker et al, 1987 - Vorhies et al, 2003 - Olson et al, 2005 - Clark, 2006 - Curnow, 2007
11	Analyse Microenvironment and Macroenvironment factors that influences directly/indirectly the company.	Analyse the importance level given to practices Microenvironment and Macroenvironment.	- Kotler et al, 2008

Question		Objective	Reference Authors
12	Use Neuromarketing concept to obtain information regarding customers processes and how they work in different situations.	Analyse the importance level given to practices Neuromarketing.	- Smidts, 2002 - Ziegenfuss, 2005 - Taher, 2006 - West, 2015 - Ćosić, 2016
13	Definition of Marketing Information Systems to provide the decision makers with key information that they need.	Analyse the importance level given to practices Marketing Information System.	- Brien et al, 1968 - Eells et al, 1984 - McLead et al, 1985 - Blenkhorn, 2005 - Le Meunier-FitzHugh et al, 2006 - Jenster et al, 2009
14	Measurement of Customer Satisfaction.	Analyse the importance level given to practices Tracking Customer Satisfaction.	- Michelson, 2004 - Kotler et al, 2008 - Ginevičius et al, 2008 - Toptest, 2008
15	Analysis of the Value Chain - identifying areas that create and do not create value.	Analyse the importance level given to practices Value Chain.	- Kotler et al, 2008 - Popescu et al, 2011
16	Utilization of Six Sigma program to reduce variation in product/service, in order to satisfy customers.	Analyse the importance level given to practices Six Sigma.	- Oliveira et al, 2004 - Andersson et al, 2006 - Kotler et al, 2008
17	Revenues needs to exceed Costs.	Analyse the importance level given to practices Relationship Revenues/Costs.	- Luo et al, 2013 - Mullins et al, 2014 - Zhang et al, 2016
18	Analysis of the 8C's Competitive Domains.	Analyse the importance level given to practices The 8 C's Competitive Domains.	- Kotler et al, 2008

Question		Objective	Reference Authors
19	Market Segmentation into homogeneous groups, depending on one or more criteria.	Analyse the importance level given to practices Segmenting.	- Smith, 1956 - Green et al, 1991 - Webster, 1991 - Ahmad, 2003 - Claudiu et al, 2016
20	Targeting a specific segment.	Analyse the importance level given to practices Trageting.	- Doyle, 1994 - Kotler et al, 2008 - West et al, 2016
21	Differentiate and position products/services.	Analyse the importance level given to practices Differentiation and Positioning.	- Davis, 1977 - Marken, 1987 - Kotler et al, 2008 - West et al, 2016
22	Development of Competitive Analysis, in order to determine which to attack and which to avoid.	Analyse the importance level given to practices Competitive Analysis.	- Day, 1981 - Kotler et al, 2008
23	Another. Specify.	Identification of other strategic marketing practices.	
Operational Marketing			
Product			
24	Definition of the appropriate Product Levels.	Analyse the importance level given to practices Levels of Product.	- Kotler et al, 2008 - Lindon et al, 2011 - Prymon, 2016
25	Product Classification according durability and tangibility.	Analyse the importance level given to practices Product Classifications.	- Kotler et al, 2008 - Porter, 1974 - Darby et al, 1973
26	Definition of product attributes, branding, packaging, labelling and product-support services.	Analyse the importance level given to practices Individual Product Decisions.	- Kotler et al, 2008 - Ozcan et al, 2015

Question		Objective	Reference Authors
27	Decisions at Product-Line Level.	Analyse the importance level given to practices Product-Line Decisions.	- Brown et al, 2000 - Chernev, 2007 - Kotler et al, 2008 - Han et al, 2009 - Chen et al, 2014
28	Decisions at Product-Mix Level.	Analyse the importance level given to practices Product-Mix Decisions.	- Kekre et al, 1990 - Kotler et al, 2008 - Chen et al, 2014 - Ozcan et al, 2015
29	Development of Branding Strategy.	Analyse the importance level given to practices Branding Strategy.	- Rokka et al, 2008 - Verghese et al, 2010 - Nordin et al, 2010 - Lien et al, 2010 - Ehsan et al, 2012 - Segero, 2013 - Kin, 2014 - Todor, 2014 - Martinho et al, 2015 - Bambale, 2016 - Prymon, 2016
30	Definition of Product Life-Cycle.	Analyse the importance level given to practices Product-Life Cycle Strategies.	- Levitt, 1965 - Kotler et al, 2008 - Troy et al, 2008 - Poetz et al, 2012
31	Another. Specify.	Identification of other product operational marketing practices.	
Price			
32	Value Perception Analysis by the customers.	Analyse the importance level given to practices Customer Perception of Value.	- Polyack, 2003 - Kotler et al, 2008 - Grigsby, 2015 - Stiving et al, 2016

Question		Objective	Reference Authors
33	Knowledge of the product Associated Cost according to different production levels.	Analyse the importance level given to practices Product Cost.	- Kotler et al, 2008 - Stiving et al, 2016
34	Other Internal and External Conditions that affect Pricing.	Analyse the importance level given to practices Other Intenral and External Consideration.	- Kotler et al, 2008 - Zaribaf, 2008
35	Definition of the Price according to market-skimming and market-penetration pricing.	Analyse the importance level given to practices New.Product Pricing Strategies.	- Kotler et al, 2008 - Zaribaf, 2008
36	Development of Price Strategies on product-mix.	Analyse the importance level given to practices Product-Mix Pricing Strategies.	- Kotler et al, 2008 - Stiving et al, 2016
37	Product Price Adjustments according to changes in the market and customers.	Analyse the importance level given to practices Price-Adjustments Strategies.	- Kahneman et al, 1986 - Kotler et al, 2008 - Tarrahi et al, 2016
38	Price Changes according to competition modifications.	Analyse the importance level given to practices Price Changes.	- Kotler et al, 2008
39	Another. Specify.	Identification of other price operational marketing practices.	
Promotion			
40	Integration of advertising, sales promotion, public relations and direct marketing tools, in order to create relationships with the customers.	Analyse the importance level given to practices The Promotion Mix.	- Croft, 2002 - Kotler et al, 2008 - Hsu et al, 2009

Question		Objective	Reference Authors
41	Identify the target audience, determine communication objectives, design a message, choose a media and collect feedback to measure the results.	Analyse the importance level given to practices Steps Developing Effective Communication.	- Kotler et al, 2008
42	Define Promotion Total Budget.	Analyse the importance level given to practices Setting Total Promotion Budget and Mix.	- Kotler et al, 2008
43	Effect Marketing Communication Socially Responsible.	Analyse the importance level given to practices Socially Responsible Marketing Communication.	- Kotler et al, 2008 - Pradhan et al, 2010
44	Advertising. Communicate the proposed value of the company or brand.	Analyse the importance level given to practices Advertising.	- Carlson, 2015 - Dahlen et al, 2016 - Kumar et al, 2016
45	Build good relations with various audiences.	Analyse the importance level given to practices Public Relations.	- Kotler et al, 2008
46	Another. Specify.	Identification of other promotion operational marketing practices.	
Place			
47	Determine ideal number of Channel Levels.	Analyse the importance level given to practices Markeitng Channel Decisions.	- Lee et al, 2007 - Barthélemy, 2008 - Palmatier et al, 2014 - Achrol et al, 2014 - Dant et al, 2014 - Sié et al, 2015 - Hoffman et al, 2016

Question		Objective	Reference Authors
48	Decisions at level of Channel Design.	Analyse the importance level given to practices Channel Design Decisions.	- Kotler et al, 2008 - Rangan, 2016
49	Definition of Channel Management decisions.	Analyse the importance level given to practices Channel Management Decisions.	- Payan et al, 2005 - Kotler et al, 2008 - Wang et al, 2012
50	Decisions relating the best way to store, handle and move products and services, so that they are available to customers at the right time and in the right place.	Analyse the importance level given to practices Marketing Logistics and Supply Chain Managements.	- Kotler et al, 2008
51	Another. Specify.	Identification of other place operational marketing practices.	

(Source: Developed by Denise van Dijk)

3.4. Survey pre test and results

The defined attributes and questions of the survey were applied to the managers of companies in the Algarve region. However it was recognised that the mere inclusion of these questions based only on the literature review could lead to skewed vision. Therefore, the new approach was tested along with those with daily professional experience, the managers of the companies.

A random selection of company managers in Algarve were asked to answer each survey questions using a Likert scale, based on five levels. Ranging from level 1, meaning "Not Important" through to level 5 meaning "Very Important", based on their experience. The questions were aimed at evaluating the relevance of different practices and tools used for marketing development in their companies.

A simple random sample of 25 companies, represented by different activity sectors, in Algarve region was selected.

The form of contact used for the survey to be answered was the internet and face to face interviews. Cobanoglu et al (2001) compares the results of surveys sent by mail, fax or internet.

Internet surveys can result in low coverage due to a high number of wrong addresses and the high level of expertise needed in their construction. These issues were overcome by developing also some surveys personally with the companies' managers and the choice of Google Docs to elaborate the survey. This is a well-known Google tool which includes a package of online application, containing editors and sharing of documents, which can be accessed online by more than one user.

This tool includes a feature that allows the managers to alter their answers based on further considerations. The structure of the survey required respondants to provide answer all the questions.

Table 3.2 - Comparison of sent surveys by post, fax and internet

Variables	Post	Fax	Internet
Coverage	High	Low	Low
Speed	Low	High	High
Cost of Return	Pre-addressed/sealed	Fax number	Without Cost
Incentives	Financial or not	Coupons	Coupons
Wrong Addresses	Low	Low	High
Work Required	High	Middle	Low
Specific Knowledge in Construction	High	Middle	High

(Source: Cobanoglu et al, 2001: 444)

These forms of contact were chosen because in addition to the above mentioned strengths, they give a large amount of autonomy to the respondent and deliver more reliable results.

In the case of internet, the respondent may reply to the survey at the time that best suits them and ensures confidentiality, something that was considered from the outset as a very important attribute.

A disadvantage of this method is that it does not allow for the physical presence of the author. To overcome this email contact details were provided to enable respondents to seek clarification where required.

However, in as much that these surveys were designed to be answered by the top managers of the companies, it was considered that there would be no doubt about the deep matters addressed in the inquiry. Just the fact of being a top manager of a company is an indicator that they have the theoretical and/or practical knowledge adequate to the function. The pre-test confirmed idea view.

To make the answers more reliable and complete, it was decided to develop some questionnaires at personal level.

Cobanoglu et al (2001) emphasizes still a higher response rates to questionnaires conducted by the internet (42% versus 26% by post and 17% by fax). Another study accomplished by Kaplowitz (2004) states that the application of a questionnaire on the internet reaches response rates similar to sent by post, if preceded by a notification (about 30%).

The investigation was then built online, and was available on the following link: https://docs.google.com/forms/d/e/1FAIpQLSdKUF3pH2RosrMlRGCPWZtF2OnnrT SqO87t-FwugRiQULfqtQ/viewform.

The first contact with the companies managers was through a personalized email, where the reason for the contact, the study objective, the benefits of collaborating in order to achieve the best outcome of the investigation were presented. The email also provided the link to participate in the study. By following the link, they would find the survey presented in Appendix 2.

As the survey objective was to determine the best practices and tools used by companies in the Algarve respondants were asked to fill in a field marked "Another. Specify." in order to capture any tools and practices, not included in the survey and which respondents felt were relevant.

The responses received led to the results summarily presented in the following table: https://docs.google.com/spreadsheets/d/1rJFC81n1AJ_2p1Q0BgigkwtdFeW7TK_o6q -QpZQDyw4/edit#gid=843542907.

Table 3.3 - Importance level given to the practices

Variable	Median	Mode	Importance Levels					
			1	2	3	4	5	Total
1. Annual Plan	4	4	0%	5%	5%	55%	35%	100%
2. Long-range Plan	3	3	0%	15%	55%	30%	0%	100%
3. Strategic Plan	3	3	0%	20%	55%	25%	0%	100%
4. Mission	3	3	0%	5%	55%	40%	0%	100%
5. Strategic Objectives	4	4	0%	0%	0%	80%	20%	100%
6. SWOT Analysis and BCG	4	4	0%	0%	10%	70%	20%	100%
7. General Electric Matrix	3	3	0%	15%	70%	15%	0%	100%
8. Shell Model	3	3	0%	15%	65%	20%	0%	100%
9. Product/Market Expansion Grid	4	4	0%	5%	35%	60%	0%	100%
10. Marketing Plan and Marketing Organisation	3	3	0%	40%	55%	5%	0%	100%
11. Microenvironment and Macroenvironment	4	4	0%	0%	35%	65%	0%	100%
12. Neuromarketing	3	3	10%	25%	35%	25%	5%	100%
13. Marketing Information System	2.5	2	0%	50%	45%	5%	0%	100%
14. Tracking Customer Satisfaction	4	4	0%	5%	0%	55%	40%	100%
15. Value Chain	2	2	0%	55%	45%	0%	0%	100%
16. Six Sigma	2	2	15%	45%	40%	0%	0%	100%
17. Relationship Revenues/Costs	4	4	0%	0%	10%	65%	25%	100%
18. The 8C's Competitive Domains	2	2	0%	60%	40%	0%	0%	100%
19. Segmenting	4	4	0%	0%	30%	70%	0%	100%
20. Targeting	4	4	0%	0%	45%	55%	0%	100%

Variable	Median	Mode	Importance Levels					
			1	2	3	4	5	Total
21. Differentiation and Positioning	3	3	0%	5%	75%	20%	0%	100%
22. Competitive Analysis	3	3	0%	35%	50%	15%	0%	100%
23. Other								
24. Levels of Product	3	3	0%	15%	45%	40%	0%	100%
25. Product Classifications	4	4	0%	10%	35%	45%	10%	100%
26. Individual Product Decisions	3.5	4	0%	20%	30%	45%	5%	100%
27. Product-Line Decisions	3	3	0%	40%	55%	5%	0%	100%
28. Product-Mix Decisions	3	3	0%	45%	50%	5%	0%	100%
29. Branding Strategy	3	3	0%	15%	50%	35%	0%	100%
30. Product Life-Cycle Strategies	4	4	0%	5%	20%	70%	5%	100%
31. Other								
32. Customer Perception of Value	3	3	0%	30%	60%	10%	0%	100%
33. Product Cost	3	3	0%	40%	50%	10%	0%	100%
34. Other Internal and External Consideration	2	2	5%	75%	20%	0%	0%	100%
35. New-Product Pricing Strategies	4	4	0%	10%	35%	55%	0%	100%
36. Product-Mix Pricing Strategies	3	3	0%	20%	65%	15%	0%	100%
37. Price-Adjustments Strategies	4	4	0%	15%	15%	60%	10%	100%
38. Price Changes	4	4	0%	10%	20%	60%	10%	100%
39. Other								
40. The Promotion Mix	4	4	0%	0%	35%	60%	5%	100%

Variable	Median	Mode	Importance Levels					
			1	2	3	4	5	Total
41. Steps Developing Effective Communication	3	3	0%	15%	50%	35%	0%	100%
42. Setting Total Promotion Budget and Mix	3	3	0%	5%	55%	40%	0%	100%
43. Socially Responsible Marketing Communication	4	4	0%	5%	0%	80%	15%	100%
44. Advertising	4	4	0%	10%	5%	75%	10%	100%
45. Public Relations	4	4	0%	5%	20%	70%	5%	100%
46. Other								
47. Marketing Channel Decisions	3	3	0%	15%	70%	15%	0%	100%
48. Channel Design Decisions	3	3	0%	40%	60%	0%	0%	100%
49. Channel Management Decisions	2	2	0%	55%	45%	0%	0%	100%
50. Marketing Logistics and Supply Chain Management	4	4	0%	5%	30%	55%	10%	100%
51. Other								

(Source: Developed by Denise van Dijk)

It is possible to notice that the importance level regarding the different practices are generally intermediate (between 2 and 4), so it is conceivable to conclude that the tools associated with importance level 2 are practices little used by companies. Tools associated with importance level 3 are practices used by companies and tools associated with importance level 4 correspond to practices that are important for companies in the Algarve. As the median margin between 2 and 4 are extremely low, was decided not to eliminate any question of the survey,

None of the respondents suggested new practices/tools, so the sequential numbering of questions needs to be considered.

The response range was specifically chosen so that it could be used in all questions with the objective of making the survey friendlier and to encourage and facilitate its filling. The scale used was from 1 – "Not Important" until 5 – "Very Important". This

is a Likert scale, which Pereira (2004) referred to as balanced, with an odd number of categories and a neutral point, which in this case is level 3 – "More or Less Important".

So according to the criteria of median/mode analysis, inclusion or not of other practices/tools and the size of Likert scale used in the pre-survey, will not be proceeded to any changes in the questionnaire.

Note that the survey underwent a pre-test with two managers. They were requested to complete the survey taking into consideration a critical vision of the same, examining the ease of filling, concept perception and suitability of the scale.

It was considered that the concepts used were simple and recognised at the corporate level. Positive mention was made in the assessment of the distinction made between "Strategic Marketing" and "Operational Marketing" in existing marketing tools.

Something referenced by both managers was that although the study has great interest to their companies, since it enables it to compare the exiting practices in the market and to see which tools were being used by competitors. They consider that the Algarve market is still very retrograde when comparing it to other markets, as it believed the companies were using outsourcing in this region.

Also they reported that the few companies in the Algarve that currently practice Marketing, only use antique models/tools and short-term plans. They don't take full advantage of the whole existing marketing practices package.

They have recommended first to perform a deep analysis of the results of the pre-test, to estimate the current situation of the companies in Algarve. This advice was given in a way that they believe that the data collected in a bigger sample will not bring viable and more interesting results to the study in question.

3.5. Data collection process

As already described in this chapter, the questionnaire was developed in Google Docs. This tool has the capability to place answered data in a spreadsheet that easily interface with other programs, such as the Statistical Package of Social Sciences (SPSS), without the risk of data corruption.

As a result this programme only defines and incorporates those variables included in the questionnaire and encodes the answers. Pereira (2004: 229) enhances the facility that the internet can have on survey data collection, because the introduction of data is one of the most sensitive moments of the traditional data collection, enhancing that is still a time-consuming and exhausting task, and it requires great concentration to avoid misrepresentation of information.

Formerly, the data from the answers were imported. Firstly the results were analysed by each question individually, inside of each variable. In the next phase, the results of each questionnaire were summed up and the total framed in a scale, which gave the reading of Algarve companies, in terms of marketing practices/tools used.

3.6. Conclusion

In this chapter the methodological aspects of the research are evidenced in order to obtain an effective and rigorous result. Also justified are the choices made during the thesis, in particular:

- ✓ Sending the survey by email, in a quick way, that guarantee the confidentiality of the data obtained.

It finishes with a description relative to the preparation and organisation of data that led to the work presented in the next chapter – the presentation of the obtained results in this research.

4. RESULTS AND DISCUSSION

4.1. Introduction

In this chapter the results of the survey to assess which are the practices and respective tools used by practitioners in companies in the Algarve.

We begin by make an analysis of the results obtained for each variable in the questionnaire. As previously mentioned a Likert scale based on five levels was employed. The questionnaire was based on the new approach created Marketing-as-Practice.

The results are analysed in a discussion format, complete with enhancing comments and observations relatively the presentation of data, in order to make the analysis more rich and constructive.

4.2. Sample characterization

Here the results obtained will be analysed in relation to the companies characteristics. The two first issues – activity sector and location – have already been addressed in chapter 3.6. Survey, to demonstrate the degree of representation of the sample employed, by comparing the sample data with that of the total population of the region.

Most of the collected responses were from companies included in the sector "accommodation, restoration and similar" (15%); "extractive industries" (10%); "construction" (10%); "wholesale and retail trade" (10%); and "transport and storage" (10%).

Graphic 4.1- Companies distribution by activity sector

Companies distribution by activity sector
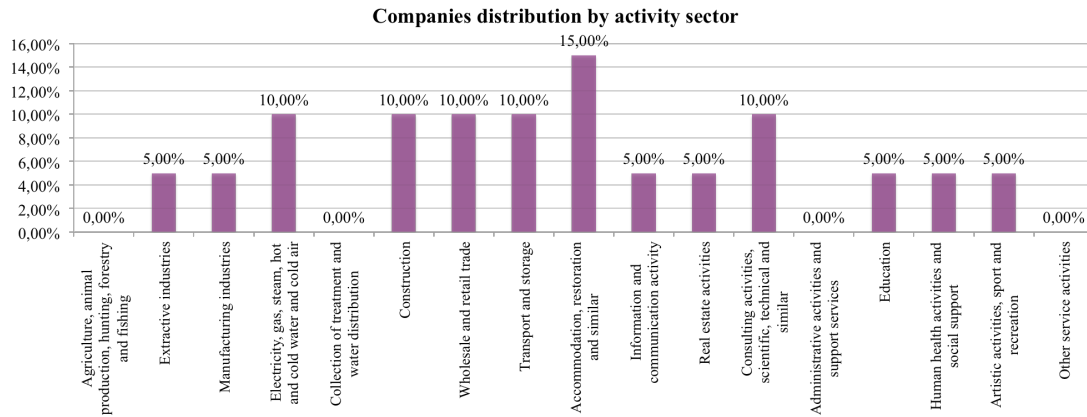
(Source: Developed by Denise van Dijk)

In terms of location, the counties most represented are Faro (30%), Loulé (20%) and Albufeira (20%), representing 70% of the total sample.

Graphic 4.2 - Companies distribution by territory

Companies distribution by territory
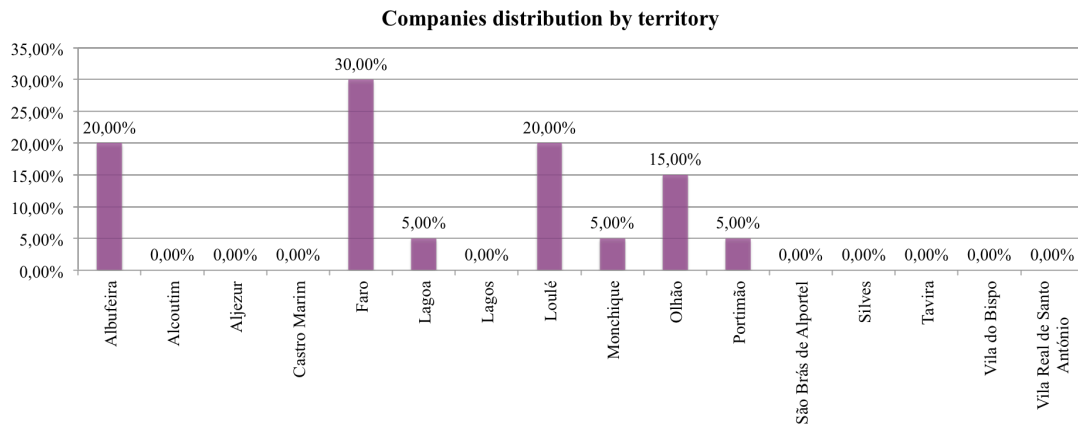
(Source: Developed by Denise van Dijk)

4.2.1. Characterization of the practices used by practitioners

This section analyses the responses obtained in relation to the importance of the practices included in the questionnaire by the managers of the companies.

Each practice was evaluated on a scale of five levels of importance, from 1 – "Not Important" to 5 – "Very Important".

With regard to the practices used by companies in the Algarve, concerning strategic marketing, the questions obtained an answer whose median and mode provrd to be between 2 and 4.

The first three questions refer to the plans that a practitioner must develop in their company, including objectives, strategies, action programmes and budget planning.

In the first question, concerning the development of an annual plan, the majority of the answers fell in grade 4 – "Important", with 55% of the responses, the significance of this measure should be seen in the context of the 35% of responses in grade 5 - "Very Important". This confirms the managers' recognise the importance of the annual planning tool.

By comparing the responses to questions 2 and 3 with those of question 1, there is a clear evidence that these practices are perceived to be of lower importance.compared to the annual plan.

Question 2 regarding the creation of a long-range plan and question 3 concerning the development of a strategic plan, fit mostly at grade 3 – "More or Less Important", with 55% of the responses in this grade.

The importance that managers give to these three plans, is in line with the observation made by the executives previously referenced, emphasizing the importance that companies of the Algarve gives to short-term tools.

Question 4 concerns the definition of the mission in "which the company expresses its distinctive competences" and question 5 regarding the adoption of "strategic objectives that are consistent with the company's mission" are interrelated. The mission must be transformed in strategic objectives, in order to guide the decisions taken by company's top managers.

The results obtained relatively to these two questions are in line with the observation made previously by the two interviewed managers. A greater importance is assigned to the delimitation of strategic objectives, when comparing it to the definition of the mission statemetns.

Regarding question 5, associated to the definition of strategic objectives, 80% of the responses were at level 4 – "Important" and the remaining 20% of the responses are included in level 5 – "Very Important".

Already in question 4, regarding the establishment of the company mission, 55% of the responses are included in level 3 – "More or Less Important".

Questions 6, 7 and 8 refers respectively to SWOT analysis and BCG matrix; GE matrix and Shell model.

The data collected from the survey regarding these questions are in line with the observation transcribed earlier in the literature review, highlighting the recognition and popularity of the SWOT analysis and BCG matrix.

It is possible to directly compare the answers given by the respondents in question 6, 7 and 8, by analysing the median and mode of each practices. The median and mode obtained relatively to the GE matrix and the Shell model, links to importance level 3 – "More or Less Important", this value being inferior to the median and mode of the SWOT Analysis and the BCG matrix, which were reated at in level 4 – "Important".

By analysing in particular the question 6, concerning the creation of "a SWOT analysis and BCG matrix", it is possible to conclude that 90% of respondents attributed importance level 4 – "Important"and 5 – "Very Important" to these models.

Question 9, concerning the development of a Product/Market expansion grid, the majority of the responses focused on level 4 – "Important", corresponding to 60% of the answers. As mentioned in the literature review, growth strategy is one of the most important strategies of companies, given that many organisation struggle to grow in a highly competitive environment.

The Marketing Organisation concept is becoming an increasingly relevant question, in recent years. Many companies discover that the current marketing demands a smaller focus on products and brands, and superior analysis and concentration in relation to customers. For these reason, many companies organise their daily marketing operations around the needs and wishes of customers. However, contrary to the trend regarding the importance given by companies to the need of customers, 55% of the surveyed companies assigned an importance level 3 – "More or Less Important" to this practices.

Question 11 refers to "Microenvironment and Macroenvironment factors that influences directly/indirectly" companies' workflow. Note that 100% of the answers given included in level 3 – "More or Less Important" and level 4 – "Important", revealing the importance of this specific tool given by companies of Algarve region. These answers are in line with the literature review presented previously, in which it was emphasised that companies should always analyse the microenvironment and macroenvironment factors that influence their business, so they can be prepared for the future challenges and opportunities that may arise.

Neuromarketing is a recent and innovative concept that combines behavioural psychology, economic and consumer neuroscience, allowing managers take more informed decisions in their daily work. Being a new tool, the answer given are quite disparate, being divided by importance level 2 – "Little Importance", 3 – "More or Less Important" and 4 – "Important".

Considering the recent and innovative aspects inherent in this tool, the disparate results obtained by this question are not surprising. Some pioneering and advanced companies have already adopted these practices, while others are waiting for further analysis highlighting the advantages of its use.

Question 13 refers to the definition of "Marketing Information Systems", which is associated to median 2,5 importance level points and mode 2 importance level points, 50% of the responses being at level 2 – "Little Importance".

The Marketing Information System gives the decision makers the information they need to make a more conscious and informed decision regarding marketing aspects.

This rating given to question 13 by the interviewed companies reflects the limitation regarding this model and reveals that companies still do not have enough information available.

As highlighted previously, successful companies should be aggressive in measuring the satisfaction/dissatisfaction of customers. Question 14 refers to the measurement of client satisfaction regarding the company. A very high rating with 95% of the answers at level 4 – "Important" and level 5 – "Very Important". This high level of importance given by the interviewed companies, are in line with the literature review, emphasising the importance of delivering a quality service to customers, which can lead to the success or failure of a business where sercive levels fall short of customer expectations.

Both question 15 concerning "Value Chain" as question 16 regarding "Six Sigma", are associated to median and mode level 2 – "Little Importance". These two tools continue to be rarely used by companies in the Algarve, regardless of the advantages listed in the literature review regarding each of these models.

The basic relationship between cost and revenues continues to have a high importance to companies in the Algarve. Question 17 relating to "Revenues/Costs" concentrates 90% of the answers in importance level 4. - "Important" and 5 – "Very Important".

Regarding question 18 "The 8Cs Competitive Domains", the answer given reveal the lesser importance given by managers in relation to the practices of revenues/costs, concentrating 60% of the responses in level 3 – "More or Less Important.

Contrarily, in the literature review the importance of "The 8Cs Competitive Domain" was emphasised, demonstrating how companies can increase their marketing power through these relationships, in addition to revenues/costs relations. It was also possible to note an evolution in this sense, with the remaining 40% of the companies in the Algarve giving an importance level 4 – "Important" to this tool.

Responses to question 19 concerning practices "Segmenting" and question 20 regarding the tool "Targeting" concentrate 100% of the answers in level 4 – "Important" and 5 – "Very Important". This response rate is not surprising given the importance given to these practices in the literature review. A careful well conceptualised segmentation and a proper targeting implies less waste, more relevant offerings to the prospective customers and major clients' satisfaction.

With regard to the differentiation and positioning tools, 75% of the answers were concentrate in level 3 – "More or Less Important". This response rate confirms the data provided in the literature review, where it was emphasised that despite the importance given to positioning by managers, it continues to be one of the most controversial area relative to new product development.

Finally, the development of a Competitive Analysis was question, in order to determine which competitor to attack and which competitor to avoid. Note that 50% of the answers were concentrated on the importance level 4 – "Important". As mentioned previously, companies currently face their toughest competition ever and as a consequence are searching for ways to be prepared for the market.

Bearing in mind the relatively small scale of the number and size of companies in the Algarve region compared to other regions, it should be highlighted that Kotler et al (2008) recognize that smaller companies cannot afford to develop competitive intelligence office.

Table 4.1 - Importance level of strategic marketing practices

Variable	Median	Mode	Importance Levels					
			1	2	3	4	5	Total
1. Annual Plan	4	4	0%	5%	5%	55%	35%	100%
2. Long-range Plan	3	3	0%	15%	55%	30%	0%	100%
3. Strategic Plan	3	3	0%	20%	55%	25%	0%	100%
4. Mission	3	3	0%	5%	55%	40%	0%	100%
5. Strategic Objectives	4	4	0%	0%	0%	80%	20%	100%
6. SWOT Analysis and BCG	4	4	0%	0%	10%	70%	20%	100%
7. General Electric Matrix	3	3	0%	15%	70%	15%	0%	100%
8. Shell Model	3	3	0%	15%	65%	20%	0%	100%
9. Product/Market Expansion Grid	4	4	0%	5%	35%	60%	0%	100%
10. Marketing Plan and Marketing Organisation	3	3	0%	40%	55%	5%	0%	100%
11. Microenvironment and Macroenvironment	4	4	0%	0%	35%	65%	0%	100%
12. Neuromarketing	3	3	10%	25%	35%	25%	5%	100%
13. Marketing Information System	2.5	2	0%	50%	45%	5%	0%	100%
14. Tracking Customer Satisfaction	4	4	0%	5%	0%	55%	40%	100%
15. Value Chain	2	2	0%	55%	45%	0%	0%	100%
16. Six Sigma	2	2	15%	45%	40%	0%	0%	100%
17. Relationship Revenues/Costs	4	4	0%	0%	10%	65%	25%	100%
18. The 8C's Competitive Domains	2	2	0%	60%	40%	0%	0%	100%
19. Segmenting	4	4	0%	0%	30%	70%	0%	100%
20. Targeting	4	4	0%	0%	45%	55%	0%	100%

Variable	Median	Mode	Importance Levels					
			1	2	3	4	5	Total
21. Differentiation and Positioning	3	3	0%	5%	75%	20%	0%	100%
22. Competitive Analysis	3	3	0%	35%	50%	15%	0%	100%

(Source: Developed by Denise van Dijk)

During the literature review was decided to categorise operational marketing practices according to the 4P's of the marketing-mix: product, price, promotion and place. Therefore, the questions posed in the survey followed the same logic applied in the literature review.

The questions concerning product, led to a median and mode between 3 – "More or Less Important" and 4 – "Important", revealing the importance of this P to companies.

By comparing data collected from question 24 regarding "Levels of Product" and question 25 concerning "Product Classification", a higher importance level is given to product classification by durability and tangibility.

By examining each of these questions particularly, the question regarding the definition "of the appropriate Product Levels" it can be seen that 45% of the replies focused on level 3 – "More or Less Important". Already question 25 concerning "Product Classification according to durability and tangibility", results in 45% of the responses being at level 4 – "Important". The difference in the importance given to each of these two practices is justified in the literature review, from the effect of achieving the appropriate product leves and the importance given by the companies to the classification of the products offered.

As mentioned in the literature review, the practitioners must make decision at three levels: individual product decisions, product-line decisions and product-mix decisions, corresponding respectively to question 26, 27 and 28.

By comparing directly the importance that companies in the Algarve region give to these three practice it can be seen that they provide higher relevance to the decisions regarding product attributes, branding, packaging, labelling and product support services.

This categorisation of importance given is in line with the observation made by the interview managers, where they indicated that companies in the Algarve mainly look to make decisions with short-term impact and that require immediate decision.

Relative to question 29 "Development of Branding Strategy", it is possible to analyse that 85% of the responses focus on level 3 – "More or Less Important" and level 4 – "Important". The importance given to these practices is in line with the information provided in the literature review. The importance given to these practices is highlighted by Kotler et al (2008: 511), where he states that "branding has become so strong that today hardly anything goes unbranded".

Finally, regarding Product Life-Cycle Strategies, 79% of the responses are associated with level 4 – "Important", revealing the high importance given by companies of the Algarve region to this tool. This result is due mainly to the belief the challenge in creating a new product is to make surem the product has a long and healthy life.

Table 4.2 - Importance level of operational marketing practices product

Variable	Median	Mode	Importance Levels					
			1	2	3	4	5	Total
24. Levels of Product	3	3	0%	15%	45%	40%	0%	100%
25. Product Classifications	4	4	0%	10%	35%	45%	10%	100%
26. Individual Product Decisions	3.5	4	0%	20%	30%	45%	5%	100%
27. Product-Line Decisions	3	3	0%	40%	55%	5%	0%	100%
28. Product-Mix Decisions	3	3	0%	45%	50%	5%	0%	100%
29. Branding Strategy	3	3	0%	15%	50%	35%	0%	100%
30. Product Life-Cycle Strategies	4	4	0%	5%	20%	70%	5%	100%

(Source: Developed by Denise van Dijk)

With regard to the marketing-mix price, of all P's this is the one where the median/mode minimum and maximum is more disparate. This conclusion concerning the test developed is consistent with the information provided in the literature review. Despite the importance given to this P, many companies still don't know how to deal with this variable. Many managers see the rubric as a headache, preferring to focus on

other elements of the marketing-mix. However, smart managers treat price has one of the crucial elements for the creation of customer value.

The first question included in rubric price is "Value Perception Analysis by the customers", evidencing 60% of answers in level 3 – "More or Less Important". Note that in the end it is the customer who decides which is the correct price of a product, highlighting what value customers gives to the benefits associated with the product/service offered.

In addition to the value perceived by customers, companies must also take into account the costs associated with the development of the product. So, concerning "Product Costs", 50% of the sample defined these practices with importance level 3 – "More or Less Important".

Companies must also set the price according to other internal and external considerations. This question revealed a lower importance level associated, in which 75% answered importance level 2 – "Little Importance".

By comparing these three practices, when assigning the price of a product/service, the companies in the Algarve region give higher relevance to the perception of value given by customers than the costs inherent its development.

The companies that bring innovative products to the market face the challenge of setting prices for the first time, leaving the practitioners with more than one strategic option. This practices is revealed important for the inquired sample, where 55% of the managers associate it with an importance level 4 – "Important". The correct definition of the price in the initial process of the creation of an innovative product is extremely important to the growth of the respective product, in the market.

The strategy for the definition of a product/service price often changes when the product belongs to a product-mix. Within question 36, regarding variable "Product-Mix Pricing Strategies", 65% of responsdents give an importance level 3 – "More or Less Important".

This is a lower importance level given in relation to the practices new-product pricing strategies, because as revealed in the literature review, many companies provide a starting price to the new product individually, not looking to frame the price depending on the product mix in which it is included.

The practitioner may also choose during the life-cycle of the product to include price adjustment strategies. Note that 70% of the managers rate this tool with an importance level 4 – "Important" and level 5 – "Very Important".

Finally, the practitioner have still to consider modifications to the price according to changes made by the competition. Question 38 reflects the tool "Price Changes", revealing similarly to the previous practices, 70% of the answers concentrated in level 4 – "Important" and level 5 – "Very Important".

The significant importance given to these two practices, according to the literature review developed, can be justified due to numerous reasons. Many companies change the price according to price modifications of the competition, in order to follow market price trends.

Table 4.3 - Importance level of operation marketing practices price

| Variable | Median | Mode | Importance Levels | | | | | |
			1	2	3	4	5	Total
32. Customer Perception of Value	3	3	0%	30%	60%	10%	0%	100%
33. Product Cost	3	3	0%	40%	50%	10%	0%	100%
34. Other Internal and External Consideration	2	2	5%	75%	20%	0%	0%	100%
35. New-Product Pricing Strategies	4	4	0%	10%	35%	55%	0%	100%
36. Product-Mix Pricing Strategies	3	3	0%	20%	65%	15%	0%	100%
37. Price-Adjustments Strategies	4	4	0%	15%	15%	60%	10%	100%
38. Price Changes	4	4	0%	10%	20%	60%	10%	100%

(Source: Developed by Denise van Dijk)

Regarding product-mix promotion, this is the P with higher importance level associated.

The first tool associated with product-mix promotion is "The Promotion-Mix". The promotion-mix consists of the blending of advertising, sales promotion, public relations and direct marketing tools that a company uses to communicate customer value. Question 40 relatively to practices "The Promotion-Mix", reveals that 60% of

the interviewed managers associated an importance level 4 – "Important", revealing the importance given to promotion in order to create relationships with customers.

According to data provided in the literature review, to develop an effective communication, the practitioners must follow the steps included in Steps Developing Effective Communication. Relatively to this tool, 85% of the respondents associated an importance level 3 – "More or Less Important" and 4 – "Important".

One of the most difficult marketing decisions to make refers to the definition of the ideal inverstment to make in promotion. This corresponds to a high level importance decision, being 95% of the responses focus on importance level 3 – "More or Less Important" and 4 – "Important".

Companies are looking to act beyond the normal, in order to benefit society, acting in a more ethical and responsible way. It's no big surprise when analysing the results obtained from this question, to find that 80% of the managers associate this practices with importance level 5 – "Very Important".

Finally, still within the P Promotion, is possible highlight as practices Advertising and Public Relations, being both associated to level 4 – "Important". Companies need to clearly communicate the product/brand to the defined target and create good relations with the various audiences.

Table 4.4 - Importance level of operational marketing practices promotion

| Variable | Median | Mode | Importance Levels | | | | | |
			1	2	3	4	5	Total
40. The Promotion Mix	4	4	0%	0%	35%	60%	5%	100%
41. Steps Developing Effective Communication	3	3	0%	15%	50%	35%	0%	100%
42. Setting Total Promotion Budget and Mix	3	3	0%	5%	55%	40%	0%	100%
43. Socially Responsible Marketing Communication	4	4	0%	5%	0%	80%	15%	100%
44. Advertising	4	4	0%	10%	5%	75%	10%	100%
45. Public Relations	4	4	0%	5%	20%	70%	5%	100%

(Source: Developed by Denise van Dijk)

Concerning the product-mix Place, this item obtainedquite disparate median/mode values, revealing some discrepancy in relation to the importance level of the associated tools.

Management need tot develop their distribution channels carefully, as these decisions have long-term implications.

Regarding the Marketing Channel Decisions tool, according the literature review presented earlier, the marketing practitioners should determine the ideal channel numbers for the company in question and determine the structure of the organisation of the channels. According to this study, 70% of the respondents associated an importance level 3 – "More or Less Important" to this practices.

The Channel Design Decision tool also reflect long-term commitment to markets. This similarly to the practices referred previously, presents higher answers number in level 3 – "More or Less Important".

Another tool to be considered within the marketing-mix place is Channel Management Decisions. This is a tool associated with importance level median and mode 2 – "Littler Important", in which 100% of the respondents assessed degree importance 2 – "Little Importance" and 3 – "More or Less Important".

Finally, marketing practitioners should also consider decisions regarding the best way to store, handle and move products and services, so that they are available to customers at the right time and in the right place. 55% of managers have attributed an importance level 5 – "Important" to this tool.

Table 4.5 - Importance level of operation marketing practices place

Variable	Median	Mode	Importance Levels					
			1	2	3	4	5	Total
47. Marketing Channel Decisions	3	3	0%	15%	70%	15%	0%	100%
48. Channel Design Decisions	3	3	0%	40%	60%	0%	0%	100%
49. Channel Management Decisions	2	2	0%	55%	45%	0%	0%	100%
50. Marketing Logistics and Supply Chain Management	4	4	0%	5%	30%	55%	10%	100%

(Source: Developed by Denise van Dijk)

4.3. Statistical tests

4.3.1. Runs test

One of the assumptions of nonparametric tests is the randomness of the samples, that is, towards a sequence of values, it is intended to establish whether they are distributed in and random way, or contrarily, they present some trend.

It was considered important to test the 46 questions in terms of randomness of the samples, using the Runs Test. The Runs Test is a nonparametric test that tests the null hypothesis that a sequence of values is random.

After running the test in the SPSS program, is presented the following tables.

Table 4.6 - Runs Test strategic marketing

Runs Test

	Q1	Q2	Q3	Q4	Q5	Q6
Test Value[a]	4	3	3	3	4[b]	4
Cases < Test Value	2	3	4	1	0	2
Cases >= Test Value	18	17	16	19	20	18
Total Cases	20	20	20	20	20	20
Number of Runs	5	6	4	3	1[c]	5
Z	,000	,000	-2,150	,000		,000
Asymp. Sig. (2-tailed)	1,000	1,000	,032	1,000		1,000

Runs Test

	Q7	Q8	Q9	Q10	Q11	Q12
Test Value[a]	3	3	4	3	4	3
Cases < Test Value	3	3	8	8	7	7
Cases >= Test Value	17	17	12	12	13	13
Total Cases	20	20	20	20	20	20
Number of Runs	4	4	12	8	8	6
Z	-1,525	-1,525	,432	-1,007	-,812	-1,828
Asymp. Sig. (2-tailed)	,127	,127	,666	,314	,417	,068

Runs Test

	Q13	Q14	Q15	Q16	Q17	Q18
Test Value[a]	3	4	2[b]	2	4	2[b]
Cases < Test Value	10	1	0	3	2	0
Cases >= Test Value	10	19	20	17	18	20
Total Cases	20	20	20	20	20	20
Number of Runs	9	3	1[c]	4	5	1[c]
Z	-,689	,000		-1,525	,000	
Asymp. Sig. (2-tailed)	,491	1,000		,127	1,000	

Runs Test

	Q19	Q20	Q21	Q22
Test Value[a]	4	4	3	3
Cases < Test Value	6	9	1	7
Cases >= Test Value	14	11	19	13
Total Cases	20	20	20	20
Number of Runs	10	12	3	9
Z	,055	,279	,000	-,305
Asymp. Sig. (2-tailed)	,956	,781	1,000	,761

a. Median

b. All values are greater than or less than the cutoff. Runs Test cannot be performed.

c. Only one run occurs. Runs Test cannot be performed.

(Source: Developed by Denise van Dijk/SPSS)

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Table 4.7 - Runs Test operational marketing product

Runs Test

	Q24	Q25	Q26	Q27	Q28	Q29
Test Value[a]	3	4	4	3	3	3
Cases < Test Value	3	9	10	8	9	3
Cases >= Test Value	17	11	10	12	11	17
Total Cases	20	20	20	20	20	20
Number of Runs	5	6	8	6	6	2
Z	-,572	-2,043	-1,149	-1,967	-2,043	-3,432
Asymp. Sig. (2-tailed)	,567	,041	,251	,049	,041	,001

	Q30
Test Value[a]	4
Cases < Test Value	5
Cases >= Test Value	15
Total Cases	20
Number of Runs	9
Z	,000
Asymp. Sig. (2-tailed)	1,000

a. Median

(Source: Developed by Denise van Dijk/SPSS)

Table 4.8 - Runs Test operational marketing price

Runs Test

	Q32	Q33	Q34	Q35	Q36	Q37
Test Value[a]	3	3	2	4	3	4
Cases < Test Value	6	8	1	9	4	6
Cases >= Test Value	14	12	19	11	16	14
Total Cases	20	20	20	20	20	20
Number of Runs	9	9	3	9	4	4
Z	,000	-,528	,000	-,650	-2,150	-2,709
Asymp. Sig. (2-tailed)	1,000	,598	1,000	,516	,032	,007

Runs Test

	Q38
Test Value[a]	4
Cases < Test Value	6
Cases >= Test Value	14
Total Cases	20
Number of Runs	4
Z	-2,709
Asymp. Sig. (2-tailed)	,007

a. Median

(Source: Developed by Denise van Dijk/SPSS)

Table 4.9 - Runs Test operational marketing promotion

Runs Test

	Q40	Q41	Q42	Q43	Q44	Q45
Test Value[a]	4	3	3	4	4	4
Cases < Test Value	7	3	1	1	3	5
Cases >= Test Value	13	17	19	19	17	15
Total Cases	20	20	20	20	20	20
Number of Runs	11	6	3	2	6	11
Z	,203	,000	,000	-1,333	,000	1,249
Asymp. Sig. (2-tailed)	,839	1,000	1,000	,182	1,000	,212

a. Median

(Source: Developed by Denise van Dijk/SPSS)

Table 4.10 - Runs Test operational marketing place

Runs Test

	Q47	Q48	Q49	Q50
Test Value[a]	3	3	2[b]	4
Cases < Test Value	3	8	0	7
Cases >= Test Value	17	12	20	13
Total Cases	20	20	20	20
Number of Runs	7	10	1[c]	5
Z	,381	-,048		-2,335
Asymp. Sig. (2-tailed)	,703	,962		,020

a. Median

b. All values are greater than or less than the cutoff. Runs Test cannot be performed.

c. Only one run occurs. Runs Test cannot be performed.

(Source: Developed by Denise van Dijk/SPSS)

The results analysis leads to the acceptance of the null hypothesis: i.e. the absence of trend in the distribution of the data, since the significance levels obtained mostly are superior to 5%, and high in their overall.

There are two exception regarding this statement. In the first place, the question 5, 15, 18 and 49 do not present an associated p-value associated, given that the observed values are all above the median of the respective question. In the second place, the questions 25, 27, 28, 29, 36, 37 and 50 exhibit p-value lower than 5%. This means that these question may not check with the randomness of the sample. However, it should be highlighted that question 25, 27, 28, 36 and 50 presents a p-value higher than 1%, making it possible question the randomness of the samples due to these significance level.

These questions are relevant because nonparametric tests have the assumption of the randomness of the sample. Therefore, extra caution will be taken when considering the above referrenced question, in subsequent nonparametric tests.

4.3.2. Wilcoxon Test

It was considered interesting to examine whether there are statistically significant differences in the evaluation of each question that constitute the analysis of the practices and respective tools used by companies in the Algarve, conforming to the location of each reporting company. Therefore, the Wilcoxon Test was applied and by verifying the conditions for its application, is possible obtain the following conclusions presented.

The Wilcoxon Test is applicable to this case because it is intended to compare the distribution of a significantly small sample, where it is possible to confirm whether the results obtained on the windwardside is identical to the results obtained in the easternside. This grouping of territories was developed with the goal to obtain more reliable and relevant results for further analysis.

The regions included in the windwardside are: Vila do Bispo, Aljezur, Monchqiue, Lagos, Portimão, Lagoa, Silves and Albufeira. Therefore, the regions incorporated in the easternside are Loulé, Faro, São Brás de Alportel, Tavira, Alcoutim, Casto Marim and Vila Real of Santo António.

Table 4.11 - Wilcoxon Test

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Q1 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	485,000 [1]	Retain the null hypothesis.
2	The distribution of Q2 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	485,000 [1]	Retain the null hypothesis.
3	The distribution of Q3 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	817,000 [1]	Retain the null hypothesis.
4	The distribution of Q4 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	699,000 [1]	Retain the null hypothesis.
5	The distribution of Q5 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	275,000 [1]	Retain the null hypothesis.
6	The distribution of Q6 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	67,000 [1]	Retain the null hypothesis.
7	The distribution of Q7 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	536,000 [1]	Retain the null hypothesis.
8	The distribution of Q8 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	393,000 [1]	Retain the null hypothesis.
9	The distribution of Q9 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	275,000 [1]	Retain the null hypothesis.
10	The distribution of Q10 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	311,000 [1]	Retain the null hypothesis.
11	The distribution of Q11 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	241,000 [1]	Retain the null hypothesis.

	Null Hypothesis	Test	Sig.	Decision
12	The distribution of Q12 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	1.000,000 [1]	Retain the null hypothesis.
13	The distribution of Q13 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	393,000 [1]	Retain the null hypothesis.
14	The distribution of Q14 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	588,000 [1]	Retain the null hypothesis.
15	The distribution of Q15 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	393,000 [1]	Retain the null hypothesis.
16	The distribution of Q16 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	351,000 [1]	Retain the null hypothesis.
17	The distribution of Q17 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	938,000 [1]	Retain the null hypothesis.
18	The distribution of Q18 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	877,000 [1]	Retain the null hypothesis.
19	The distribution of Q19 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	393,000 [1]	Retain the null hypothesis.
20	The distribution of Q20 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	938,000 [1]	Retain the null hypothesis.
21	The distribution of Q21 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	438,000 [1]	Retain the null hypothesis.

	Null Hypothesis	Test	Sig.	Decision
22	The distribution of Q22 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	115,000 [1]	Retain the null hypothesis.
23	The distribution of Q24 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	1.000,000 [1]	Retain the null hypothesis.
24	The distribution of Q25 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	643,000 [1]	Retain the null hypothesis.
25	The distribution of Q26 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	485,000 [1]	Retain the null hypothesis.
26	The distribution of Q27 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	699,000 [1]	Retain the null hypothesis.
27	The distribution of Q28 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	485,000 [1]	Retain the null hypothesis.
28	The distribution of Q29 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	699,000 [1]	Retain the null hypothesis.
29	The distribution of Q30 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	757,000 [1]	Retain the null hypothesis.
30	The distribution of Q32 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	817,000 [1]	Retain the null hypothesis.
31	The distribution of Q33 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	485,000 [1]	Retain the null hypothesis.

	Null Hypothesis	Test	Sig.	Decision
32	The distribution of Q34 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	938,000 [1]	Retain the null hypothesis.
33	The distribution of Q35 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	757,000 [1]	Retain the null hypothesis.
34	The distribution of Q36 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	311,000 [1]	Retain the null hypothesis.
35	The distribution of Q37 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	938,000 [1]	Retain the null hypothesis.
36	The distribution of Q38 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	438,000 [1]	Retain the null hypothesis.
37	The distribution of Q40 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	588,000 [1]	Retain the null hypothesis.
38	The distribution of Q41 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	351,000 [1]	Retain the null hypothesis.
39	The distribution of Q42 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	757,000 [1]	Retain the null hypothesis.
40	The distribution of Q43 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	877,000 [1]	Retain the null hypothesis.
41	The distribution of Q44 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	877,000 [1]	Retain the null hypothesis.

	Null Hypothesis	Test	Sig.	Decision
42	The distribution of Q45 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	938,000 [1]	Retain the null hypothesis.
43	The distribution of Q47 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	1.000,000 [1]	Retain the null hypothesis.
44	The distribution of Q48 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	877,000 [1]	Retain the null hypothesis.
45	The distribution of Q49 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	536,000 [1]	Retain the null hypothesis.
46	The distribution of Q50 is the same across categories of Group.	Independent-Samples Mann-Whitney U Test	1.000,000 [1]	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is ,05.

[1] Exact significance is displayed for this test.

(Source: Developed by Denise van Dijk/SPSS)

By analysing the results obtained in the Wilcoxon Test, is possible conclude that there are no significant differences in the distribution between the defined zones of Algarve region. That is to say when undertaking the same survey to companies located in the windwardside and easternside, they obtained similar results in terms of importance level given to each of the practices.

4.4. Conclusion

In respect of the results presented in this chapter, it is worth here recalling the main lines that guided it.

It started by a characterization of the sample obtained, having regard to the activity sector and location of the companies surveyed. This was followed by an analysis of the variables of each attribute, presented in tables and graphics, where were highlighted percentages, medians and modes, giving they were original variables.

To deepen the analysis non parametric tests were used in recognition og the small size of the samples obtained as well as the classification of the variables.

5. CONCLUSION

Having reached the final chapter, all the work developed durintg the dissertation, as well as the steps which led to the consequent development, will be summarised.

The introductory chapter begun with the contextualisation of the research the definition of the general objective and the respective steps to be taken to progress the thesis. It also highlithted the importance that this subject assumes, nowadays, for companies.

In chapter two, the conceptual framework that conveys the theories included in the new marketing approach to be created was presented. Therefore, in the first instance the importance of marketing in the daily life of companies was highlighted. This chapter explaine how the subject has been analysed, discussed and studied by highly respected authors. This is an essential step because the analysis of the concepts and models used by the companies helps enrich the the subject and serves as a base and orientation for the subsequent phase. Note that in this chapter the Strategy-as-Practice model, upon which the Marketing-as-Practice approach is based. All marketing concepts from several different authors perspective were also studied, to ensure that the ideas included in the newly created approach were relevant, updated and innovative.

The description of the investigation methodology was developed in chapter three, which included a summary analysis of the newly created approach. The chapter included the definition of methods used for the definition of the final approach, an analysis of the universe used in the study and completed the application of the survey.

Based on the literature review a new approach was created and named Marketing-as-Practice grounded on three axes, practitioners, praxis and practices. The questionnaire was constructed around the framework developed in the literature review, being the practices in first level divided into strategic marketing and operational marketing. Subsequently, the tools included in the operational marketing section were divided according to the 4P's of the marketing-mix, presented by Kotler et al (2008), in order to compare which are the practices most relevant to companies.

Based on the general objective of the thesis in determining the practices used by companies in the Algarve, 51 questions were creating revealing the importance

assigned by the interviewed managers to each marketing tool presented. The defined Likert scale of 5 importance levels proved to be appropriate to the questionnaire.

The motives for the definition of the universe of study: the growth of the business sector in Algarve and the progress of the business body regarding marketing concepts was also presented.

In the fifth chapter there is the critical assessment of the results of the field work, which lead to the presentation of specific conclusions.

Starting with the characterization of the sample, it is possible to highlight that the majority of the obtained responses refer to companies whose activity sector encompass: accommodation, restoration and similar (15%); extractive industries (10%); construction (10%); wholesale and retail trade (10%); and transport and storage (10%). It was also evidenced that the territories most represented in the sample are Loulé, Faro, Portimão and Albufeira, similarly to the distribution of the population of Portugal. These two pieces of information lead to the affirmation that the obtained sample is representative of the population, enabling the data being extrapolated to the population.

It is critical to highlight the responses obtained regarding the importance level attached to each of the sections, based on the questions that constitute the survey and that were assessed on a five levels scale of importance: 1 – "Not Important"; 2 – "Little Importance"; 3 – "More or Less Important"; 4 – "Important"; and 5 – "More Important". It was interesting to discover the consistency of responses between some topics, which although are not alike, are based on the same assumptions.

In relation to the issues included in the section strategic marketing, all 22 questions obtained medians and modes between level 2 – "Little Importance" and 4 – "Important". This disparity in results is in line with the observations of the managers, where they highlighted that the companies in Algarve region continue to maintain a retrograde mentality regarding the marketing tools they use, and their focus on short-term practices.

The second section concerning operational marketing, was divided according 4P's suggested by Kotler et al (2008). The P whose responses presented disparity results in their results were Price and Place. Despite the importance given to price tools, many managers still do not know how to treat this variable, preferring to focus on other elements of the marketing-mix. Relatively to the variable place, companies still

consider that this element is only applicable to distribution companies, not giving due importance to this P.

The variable whose median/mode indicated a higher importance level was associated is promotion. Many companies in Algarve region still relate marketing to communication, giving higher value to these tools. In addition, the practices associated wirh promotion mostly mostly reflect decisions made for the short-term and immediate term.

Despite the evolution of companies in the Algarve they continue to appear to be quite retrograde when compared to other regions in Portugal in terms of their use of marketing tools. With much of their focus being on the short term and in reaction to current problems ans opportunities. This came out in the survey an the literature review.

According to the nonparametric tests conducted (Wilcoxon Test), it was established there was identical distributions in relation to all questions, regarding the two defined groups: easternside and windwardside.

The results reflect the information provided in the literature review and the observation held by the managers of companies in Algarve.

In making suggestions as how to increase the importance level of the tools and practices that registered lower levels reference has to be made to the reaction of the surveyed managers. Here there was the fact they gave little importance to marketing, often resorting to outsourcing or use of the most basic tools to address short term issues.

A deep analysis of the results was developed case-by-case and included in a detailed report with the practices used by companies in the Algarve. Each company that participate in this study can compare their results with the results of their competition.

It is possible to emphasize some recommendations made by Kotler et al (2008), suitable for this subject:

    a) Training managers, with their participation in seminars and conferences, to create a better understanding of the concepts of modern marketing.

    b) Hire consultants to introduce specific marketing aspects appropriate to the company.

    c) Increase research investment in marketing, or make the function more efficient.

d) Install formal processes of definition of budgets associated with the marketing expenses.

Companies should constantly seek to improve their workflow, by researching the available tools used and their relevance to ensure a greater complicity in range of the objectives that each company propose.

It is also appropriate to emphasize that the general objective initially proposed was reached. The general objective defined referred to the analysis of the practices used by practitioners in companies of Algarve region.

Finally, it is important to highlight that this is an interesting theme and which would benefit form a more consensualised approach, so that companies can compare the tools they use with those of the their competitors, in order to be one step ahead.

This investigation contains some limitations, as it relates to an analysis of the marketing and strategic management tools used by companies using a new marketing approach as base and which still needs further study.

It is accepted that the small size of the study may lead to a lower impact than expected, suggesting that the survey could be applied to a greater reality, notably a larger sample of companies in the Algarve or other region of Portugal or indeed other countires. This could possibly provide more encompassing data and may prove to be statistically more representative and reliable. This is bothe a quantitative and qualitative issue as it could enable the collection of data at multiples levels in an organisation.

The obtained results lead to suggest that it might be interesting to analyse who practice marketing in companies and which are the praxis associated to this function. In addition, the analysis of these results with other statistical tests and with other data provided by companies, in particular regarding profitability ratios, levels of customers' satisfaction and budgets associated to marketing costs, would certainly be enriching to the corporate body in the Algarve regions and would help explain the motives of use of certain tools in detriment of others.

APPENDICES

Appendix 1

Dear Director,

Mr Dr. XXXXX

As part of my master's thesis at Economics Faculty of Algarve University, I am conducting a study about which practices and respective tools are used by practitioners in Algarve companies. This is based on a methodology and on the new approach created by Denise van Dijk, which is intended to adapt to the region specificities.

The study will be developed in two phases, having as communication means the internet and personal inquiry. The first step consists in analysing the developed inquiry, requesting some companies to rank the importance of each of the tools presented. The information collected in each company is confidential, meaning that in this study won't be referred any data of the companies that have participated. At the end of the study, if it is of your interest, I will be happy to provide a copy of the results obtained.

Thank you in advance for your attention. For any clarification you feel it's necessary, please contact me through this email (denise.van.dijk@hotmail.com).

If you wish to participate, please fill out the survey available on the following link: https://docs.google.com/forms/d/e/1FAIpQLSdKUF3pH2RosrMlRGCPWZtF2OnnrT SqO87t-FwugRiQULfqtQ/viewform, where should be indicated the importance degree that you give in each of the referenced areas in relation to the marketing in Algarve companies.

Best regards,

Denise van Dijk

Appendix 2

https://docs.google.com/forms/d/e/1FAIpQLSdKUF3pH2RosrMlRGCPWZtF2OnnrT
SqO87t-FwugRiQULfqtQ/viewform.

"Determine which marketing practices and respective tools are used by practitioners in Algarve companies"

Answer the following questions, indicating the importance degree that gives to each of the practices used or not by your company.

Strategic Marketing

1. Development of an Annual Plan that explains the company's objectives, strategy of the year, action programes, budgets and controls. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

2. Creation of a Long-term Plan that incorporates the forces that will affect the company in comming years. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

3. Development of a Strategic Plan in which the company ensures its development and sustainability. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

4. Definition of the Mission in which the company expresses its distinct competences. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

5. Adoption of strategic objectives that are consistent with the company's mission. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

6 . Creation of a SWOT Analysis and BCG, citing the company's critical success factors. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

7. Use of GE Matrix - analyzing the industry attractiveness and company's strength in the industry. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

8. Inclusion of the Shell Model, analysing the attractiveness and capabilities. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

9. Seeks to categorize products/markets as penetration, development or diversification. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

10. Development of the Marketing Organisation Model, allowing the company cto reate and implement effective marketing plans in the future. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

11. Analyse Microenvironment and Macroenvironment factors that influences directly/indirectly the company. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

12. Use Neuromarketing concept to obtain information regarding customers processes and how they work in different situations. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

13. Definition of Marketing Information Systems to provide the decision makers with key information that they need. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

14. Measurement of Customer Satisfaction. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

15. Analysis of the Value Chain - identifying areas that create and do not create value. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

16. Utilization of Six Sigma program to reduce variation in product/service, in order to satisfy customers. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

17. Revenues needs to exceed Costs. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

18. Analysis of the 8C's Competitive Domains. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

19. Market Segmentation into homogeneous groups, depending on one or more criteria. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

20. Targeting a specific segment. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

21. Differentiate and position products/services. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

22. Development of Competitive Analysis, in order to determine which to attack and which to avoid. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

23. Another. Specify.

Sua resposta

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Product

24. Definition of the appropriate Product Levels. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

25. Product Classification according durability and tangibility. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

26. Definition of product attributes, branding, packaging, labelling and product-support services. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

27. Decisions at Product-Line Level. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

28. Decisions at Product-Mix Level. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

29. Development of Branding Strategy. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

30. Definition of Product Life-Cycle. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

31. Another. Specify.

Sua resposta

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Price

32. Value Perception Analysis by the customers. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

33. Knowledge of the product Associated Cost according to different production levels. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

34. Other Internal and External Conditions that affect Pricing. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

35. Definition of the Price according to market-skimming and market-penetration pricing. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

36. Development of Price Strategies on product-mix. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

37. Product Price Adjustments according to changes in the market and customers. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

38. Price Changes according to competition modifications. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

39. Another. Specify.

Sua resposta

Promotion

40. Integration of advertising, sales promotion, public relations and direct marketing tools, in order to create relationships with the customers. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

41. Identify the target audience, determine communication objectives, design a message, choose a media and collect feedback to measure the results. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

42. Define Promotion Total Budget. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

43. Effect Marketing Communication Socially Responsible. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

44. Advertising. Communicate the proposed value of the company or brand. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

45. Build good relations with various audiences. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

46. Another. Specify.

Sua resposta

Place

47. Determine ideal number of Channel Levels. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

48. Decisions at level of Channel Design. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

49. Definition of Channel Management decisions. *

	1	2	3	4	5	
Not Important	○	○	○	○	○	Very Important

50. Decisions relating the best way to store, handle and move products and services, so that they are available to customers at the right time and in the right place. *

	1	2	3	4	5	
Not Important	◯	◯	◯	◯	◯	Very Important

51. Another. Specify.

Sua resposta

Appendix 3

Partial view of the record sheet of the responses given in the survey, of Google Docs:
https://docs.google.com/spreadsheets/d/1rJFC81n1AJ_2p1Q0BgigkwtdFeW7TK_o6q
-QpZQDyw4/edit?usp=sharing.

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