Internal Factors influencing Effective Marketing Strategy Implementation: a Study of a Sample of Algerian Firms

العوامل الداخلية المؤثرة على التنفيذ الفعلي للإستراتيجية التسويقية: دراسة عينة من المؤسسات

الجزائرية

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Abstract:
This article aims to determine the influence of internal factors on the marketing strategy implementation. The study was carried out on a sample of 160 employees from 04 Algerian companies (Algérie télécom, Sonelgaz, mobilis and Polyma). The application of multiple regression placed strategy formulation at the top of factors that influence the success of marketing strategy implementation, followed by organizational structure. The study also shows that the influence of internal factors varies from one company to another.
keyword: Marketing strategy implementation; Marketing strategy formulation; Organizational structure; Operational process.
JEL classification code : M11

ملخص:

يهدف هذا البحث إلى تحديد تأثير العوامل الداخلية للمؤسسة على تنفيذ الاستراتيجية التسويقية. أجريت الدراسة على عينة من 160 موظفًا من 04 شركة جزائرية (اتصالات الجزائر و سونلغاز و موبيليس و بوليمة). وضع تطبيق الانحدار المتعدد صياغة الإستراتيجية على قمة العوامل المؤثرة على نجاح تنفيذ إستراتيجية التسويق ، متبوعة بالهيكل التنظيمي. كما خلصت الدراسة أيضًا إلى أن تأثير العوامل الداخلية يختلف من شركة إلى أخرى.

الكلمات المفتاحية : تنفيذ استراتيجية التسويق، صياغة استراتيجية التسويق،الهيكل التنظيمي، العملية التشغيلية

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1. Introduction :

It is widely accepted today that a strategy is good for a business only if it is well implemented (Noble, 1999b, Pucko, 2010), and even a well-formulated strategy is not enough, on its own, to ensure the success of the company. This is true every time we want to count the companies that fail today because of the poor implementation of the strategies developed (Judson 1995, Miller 2002, Raps 2005, Harvey 2005).

Several studies explain the failure of corporate strategy by the existence of a gap between the formulation and the implementation of the strategy (Ashkenas & Francis, 2000, Beer & Nohria, 2000, O'Regan & Ghobadian, 2002; Carlopio, 1998, 2003, Jonk & Ungerath, 2006, Raps, 2004, Atkinson, 2006).

After having been considered for a long time as a secondary task, the implementation of the strategy caught the attention of managers and then researchers. The various studies that have been carried out confirm that implementing a strategy requires considerable resources in terms of effort, money and time (Thompson, 2003, Gottschalk, 2010, Bellet et al. strategy in execution is a more difficult task than its formulation (Herbiniak, 2006, Zaribaf and Bayrami (2010).

The look for the implementation of the marketing strategy has evolved over time. in the beginning it was considered as the final phase of the marketing strategy process (Wind and Robertson, 1983), in which marketing plans are transformed into actions (Kotler, 1997).

The first to have studied the implementation of the marketing strategy in an exclusive way is Bonoma (1984) then Bonoma and Crittenden (1988). In 1991, Cespedes stated that the formulation of the marketing strategy and its implementation must be reflected at the same time and in a reflective and iterative way.

Despite the awareness of the vital importance of the implementation of the strategy, the progress made in this area remains below expectations. Much remains to be done to better understand this phenomenon and the factors associated with it.

This research focuses on the internal (and therefore controllable) factors that can influence the process of implementing the marketing strategy, namely: the content of the marketing strategy, the organizational structure and the operational process.

This article is organized in four sections: the first is devoted to the presentation of the theoretical framework of the implementation of the marketing strategy and the factors that influence it. Then we presented the research methodology, then its results and finally the conclusions.

2. Theoretical framework:
1.2. Implementation of the strategy:

Several definitions have been given to the implementation of the marketing strategy. For example, Nutt (1986) defines strategy implementation as an orderly procedure for implementing a planned change in an organization. Wheelen and Hunger (2004) equate it with the sum of the activities and choices required to execute a strategic plan.

The implementation of the strategy is an integral part of the strategic process with the formulation of the strategy and the control. However, the research devoted to it can be divided into three groups. The first is the one who considers it as ordered and planned stages. The second way is implementation as a set of activities that are realized simultaneously on several levels. While the third group includes works adopting an approach that combines the first two.

2.2. Factors influencing the implementation of the marketing strategy

While some researchers have focused their efforts on the classification of factors that influence the implementation of the

strategy (Noble, 1999b, Okumus, 2003, Kazmi, 2008), others have tried to put in place model combining these factors (Higgins, 2005). We believe that the two lines of research are complementary in that one detects the factors affecting the implementation and the other clarifies their interaction. However, the adoption of the first axis makes it possible to better take into account the particularities of the context studied.

Thus, a large number of factors and several classifications were proposed by the researchers, according to the needs of their studies. The classification proposed by Okumus (2003) seems to us to be the most relevant for our study. He grouped the implementation factors into four categories: 1) The content (the formulation of the strategy). 2) The external strategic context (environmental uncertainty) and the internal context (organizational structure, culture and leadership). 3) The business process (operational planning, resource allocation, human resources, communication and control, and 4) the results of the implementation process.

For Okumus, the implementation of the strategy can not be dissociated from its formulation. For it to be effective a strategy must be well thought out and well formulated (Kim and Mauborgne, 1991, Allio, 2005). Also, the implementation must respect the nature of the strategy formulated and the objectives assigned (Noble, 1999b). Thus we emit the following hypothesis:

H1: the formulation of the strategy has a positive effect on the implementation of the marketing strategy.

The quality of the implementation of the strategy depends on the environment. Indeed, as with all strategic decisions, the organizational structure must be taken into account when implementing the marketing strategy (Gupta, 1987). In addition, the corporate culture influences the implementation of the strategy because it determines the behavior of

stakeholders and the style of leadership (Govindarajan, 1990). We therefore formulate the second hypothesis:

H2: The organizational structure has a positive effect on the implementation of the marketing strategy.

The success or failure of the implementation of the marketing strategy also depends on the implementation process itself. Indeed, the operationalization of strategic choices is made through the allocation of resources, the human resources in charge of its implementation (Govindarajan, 1990, Vivendi, 2005, Hrebiniak, 2006). Moreover, for it to be applied, a strategy must be communicated and explained to the persons responsible for its implementation at different levels (Alexander, 1985, Peng and Litteljohn, 2001). We have therefore proposed the following hypothesis:

H3: The implementation process has a positive effect on the implementation of the marketing strategy.

The theoretical model of research is reproduced in the following diagrams.

Fig 1. Research Model
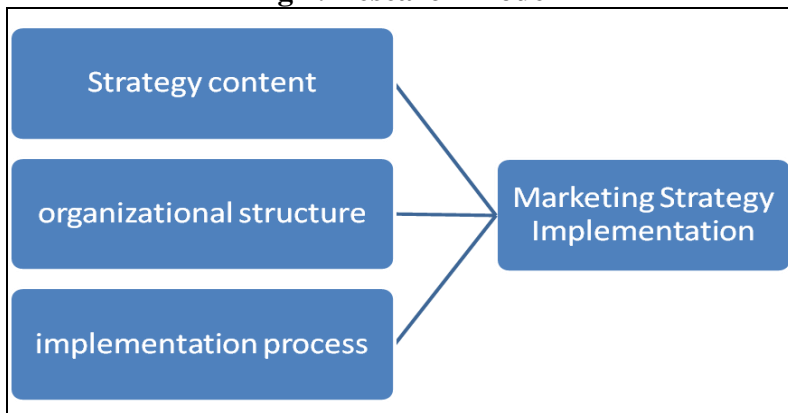
3. Study Methodolgy:
3.1. Sample of research:

The study was conducted on a sample of 180 employees of 4 companies (private and public) of the city of Mascara: Algerietélecom (AT) and SONELGAZ (SG) hold the monopoly of the Algerian market. Broadband Internet and fixed telephony for the first and electricity and gas for the second. these two companies were chosen because of their size and scope. Mobilis (MOB) is a mobile operator that covers the entire Algerian market with a size representing a turnover less than two AT and SG. Polyma (POLY) is a medium-sized company working in the field of plastic packaging. For the four companies selected in the study, the marketing strategy consists of penetrating the market by diversifying the offer and expanding the network (Algerian telecommunications, Sonelgaz) or by differentiation (Mobilis and Polyma).

We chose to retain companies with different statuses (private, public), different sectors of activity (service, industries) and different sizes (large, medium-sized enterprises). with this choice, we hope to see the variations that may appear from one environment to another. However, we always need this reminder that in the behavioural approach adopted in our study, the reopening of the strategy depends above all on people's behavior. business change is about looking at behaviour change from one context to another.

The interviewees are senior executives, executive responsible or in connection with the execution of business strategies in their companies or commercial agencies.

The chosen sampling method is the snowball method. 20 questionnaires were not retrieved, so the sample studied was 160 individuals (60 from Algerie télecom, 45 from SONELGAZ, 30 from Mobilis and 25 from Polyma). participants were contacted informally. They were also informed about the study's purpose and the anonymity of the study. The characteristics of the sample are presented in the table1.

Table I. Respondents'demographic profile

Category	Algerie télécom		SONELGAZ		MOBILIS		POLYMA		TOTAL	
	n_i	(%)	n_i	(%)	n_i	(%)	n_i	(%)	n_i	(%)
Gender										
Male	40	66	30	66	8	26.67	17	68	100	62.5
Female	20	34	15	34	22	73.33	8	32	60	37.5
Experience										
1: less than 5 years	7	12	6	14	9	30	5	20	43	26.88
5: less than 10 years	30	50	9	20	12	40	10	40	60	37.5
10: less than 15 years	15	25	20	44	7	23.33	3	12	40	25
Over 15 years	8	13	10	22	2	6.67	7	28	17	10.62
Position										
Middle management level	5	8	3	7	2	6.67	6	24	8	5
Supervisory level	10	17	20	44	6	20	10	40	32	20
Other	45	75	22	49	22	73.33	9	36	120	75

3.2. Data collection instruments

The questionnaire has been divided into two sections: one devoted to personal information allowing the identification of the characteristics of the respondents, and the other aims to determine the factors influencing the implementation of the marketing strategy selected in the study namely : Marketing strategy formulation, organizational structure and the operational process.

The study participants were asked to express their degree of agreement or disagreement with the items representing the successful implementation of the marketing strategy and the various factors that may influence it. The Likert scale used consists of 5 points ranging from 1 (strongly agree) to 5 (strongly disagree).

Based on the literature review, the questionnaire (written in Arabic and French) was pre-tested with a sample of 25 individuals. This operation allowed us to ensure the clarity of the items in the questionnaire. The reliability test of the measurement scale was satisfactory, because the Cronbach α coefficients were greater than 0.7.

3.3. Data analysis instrument

The data were analyzed using the statistical software package for the social sciences (SPSS version 20). Descriptive analysis to capture

the characteristics of the variables was performed by means and standard deviations. To test the nature and strength of the relationships between the variables, we performed a multiple linear regression analysis. The Pearson (R) product moment coefficient, and ANOVA tests were also used to test the assumptions. The regression model explained the magnitude and direction of the relationship between study variables through the use of coefficients such as correlation, coefficient of determination, and level of significance. The study model is formulated as follows:

$$Y = a + \beta 1 X1 + \beta 2 X2 + \beta 3 X3 + \varepsilon$$

Where:
Y= Marketing Strategy implementation (MSI)
X1= Marketing strategy formulation (MSF)
X2= Organizational Structure (OS)
X3=Operational Process (OP)
ε= Error term
a= constant.

4. Study Results :

This study aims to determine the factors that influence the implementation of the marketing strategy. The data analysis took place in two stages. First, we tried to refine the measurement scale using factor analysis. Then, we are interested in the verification of the hypotheses. To test the hypotheses, we used the multiple regression technique and the analysis of variance (ANOVA). Thus, this approach will allow us to verify the existence of effects of factors considered on the implementation of the marketing strategy and know the factors that have the greatest influence.

4.1. validity of the measurement scale:

Factor analysis has been performed for the whole sample in order to confirm underlying scales in a questionnaire. The Kaiser-Meyer-Olkin

(KMO) measure of sampling adequacy was found to be 0.57 and Bartlett's test of sphericity was significant ($p=0.001 < 0.05$). These results indicate that a satisfactory factor analysis can proceed. There were thirty questions, which were used for the factor analysis. After varimax rotation, four components were extracted: Strategy formulation (04 items), organizational structure (05 items), operational process (04 items) and (marketing strategy implementation (03 items). The table 2 shows a summary of the descriptive statistics of factors and their items.

Table 2. Analytical results of factors

Variables	Components	Average (M)	Standard deviation (SD)	Alpha coefficient
Strategy Formulation				**0,915145**
	SF1	2,6313	1,30129	
	SF2	2,5625	1,26236	
	SF3	2,4438	1,21700	
	SF4	2,2250	1,09860	
Organizational Structure				**0,911082**
	OS1	2,2500	1,04611	
	OS2	2,5938	1,27529	
	OS3	2,1500	1,01064	
	OS4	2,4563	1,20192	
	OS5	2,1250	,96967	
Operational Process				**0,882447**
	OP1	2,3000	1,08622	
	Op2	2,4000	1,14485	
	OP3	2,4688	1,07529	
	OP4	2,2625	1,04302	
Marketing Strategy Implementation				**0,894136**
	MSI1	2,3375	1,25837	
	MSI2	2,4438	1,13130	
	MSI3	2,5063	1,14374	

4.2. Hypothesis testing:

The first step was performing multiple linear regressions that allowed us to statistically test the main null hypothesis. Table 03 shows the results by company:

Table 02: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
AT	,809[a]	,654	,629	,66782	,654	25,966	4	55	,000	1,647
SG	,808[a]	,652	,627	,77751	,652	25,617	3	41	,000	1,534
MOB	,905[a]	,819	,798	,51088	,819	39,183	3	26	,000	1,511
POLY	,835[a]	,697	,653	,50647	,697	16,079	3	21	,000	1,684

a. Predictors: (Constant), Operational process,Marketign Strategy formulation, OrganizationalStructure
b. Dependent Variable: Marketing Strategy implementation

The multiple correlation coefficients it was higher than 0.8 for all the companies. this indicates that there was a strong and positive correlation between independent variables (strategy formulation, organizational culture and operational process) and the dependent variable (the marketing strategy implementation). It proved that the independent variables and dependent variable changed in the same direction.

R-square represents the variability and the value of R^2 indicated the amount of variations in the successful strategy implementation variable that was accounted by the fitted model and was explained by the operational process factors. It also means that higher the applicability of the operational process variables, the higher is the success rate of implementation. Therefore it can be said that more than half of the success of the implementation of the marketing strategy is due to internal factors because the value R² is greater than 0.6 for the four companies studied.

The next step was ANOVA that allowed us to statistically test the main null hypothesis. Following is the ANOVA table 3.

Table 3: ANOVA for Multiple Regression[a]

Model1		Sum of Squares	Df	Mean Square	F	Sig.
AT	Regression	46,321	4	11,580	25,966	,000[b]
	Residual	24,529	55	,446		
	Total	70,850	59			
SG	Regression	46,459	3	15,486	25,617	,000[b]
	Residual	24,786	41	,605		
	Total	71,244	44			
MOB	Regression	30,681	3	10,227	39,183	,000[b]
	Residual	6,786	26	,261		
	Total	37,467	29			
POLY	Regression	12,373	3	4,124	16,079	,000[b]
	Residual	5,387	21	,257		
	Total	17,760	24			

a. Dependent Variable: Marketing Strategy Implementation
b. Predictors: (Constant), Operational process,Marketign Strategy formulation,
OrganizationalStructure

The table 3 shows that the F-ratio for these data was respectively: 25,966, 25,617, 39,183, 16,079 for Algérie télécom, Sonelgaz, Mobilis ans Polyma, which was statistically significant at p0.05 (alpha in this case equals sig0.000). Therefore, we concluded that there is a statistically significant effect of dependent variables factors on the marketing strategy implementation and thus rejected the null hypothesis.

The other part of multiple regression analysis was concerned with testing the effect of each predictor included in the model (that is beta) on the dependent variable. By using the value of beta and significance level, we inferred the acceptability of each of the sub-hypothesis and the extent of application of each predictor.

The (standardized beta coefficient) values indicated the individual contribution of each predictor (independent variable) to the model when the other predictors were held constant. As we can see in the table 04, all independents variables have a positive effect on the

marketing strategy implementation except OP which has a negative influence in Sonelgaz and Polyma. Also OP is the only factor that records stasitically insignificant results.

In addition, the level of influence differs according to factors and companies. But the dominance of the SF factor is remarkable in the first three companies cited in the table 04 (0,365 for AT, 0,617 for SG and 0,503 for Mobilis) followed by the OS (0,364 for At, 0,321 for SG and 0,444 for Mobilis). For the case of Polyma, we found that only the SF factor has a significant influence on the successful implementation of the marketing strategy.

The level of influence of factors differ: 0.258 for the marketing strategy formulation, 0.355 for organizational structure, 0.39 for operational process. the significance levels are less than 0.5 for all factors.

Table 04 : Coefficients of Combined Variables[a]

Model1		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95,0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
AT	(Constant)	,241	,221		1,089	,281	-,202	,684
	MSF	,365	,128	,366	2,842	,006	,108	,622
	OS	,364	,135	,357	2,703	,009	,094	,634
	OP	,179	,153	,143	1,167	,248	-,128	,487
SG	(Constant)	,130	,299		,435	,665	-,474	,734
	MSF	,617	,126	,611	4,883	,000	,362	,872
	OS	,321	,145	,291	2,219	,032	,029	,614
	OP	-,016	,171	-,013	-,095	,924	-,362	,329
MOB	(Constant)	,301	,308		,980	,336	-,331	,934
	MSF	,503	,185	,492	2,719	,012	,123	,884
	OS	,444	,181	,419	2,447	,021	,071	,817
	OP	,034	,120	,033	,282	,780	-,213	,280
POLY	(Constant)	1,121	,403		2,778	,011	,282	1,960
	MSF	,634	,145	,709	4,371	,000	,332	,935
	OS	,158	,127	,220	1,243	,227	-,106	,422
	OP	-,065	,115	-,082	-,563	,579	-,304	,175

a. Dependent Variable: MSI

5. Conclusion

The purpose of this research was to determine the factors that influence the implementation of the marketing strategy. The existing literature offers a multitude of factors. In this study, our interest was focused on the controllable factors that managers are responsible for.

This research has shown that the successful implementation of the marketing strategy depends largely on the internal factors that are: the strategy formulation, the organizational structure that determines the type of leadership and the organizational culture and the process of execution.

However, the effect of these factors is not the same. The study shows that the operational process has the greatest influence on the successful implementation of the marketing strategy. Thus the study emphasizes the importance of providing the necessary human and material resources to ensure the proper application of the strategy.

The study also highlights that the formulation of the marketing strategy plays an important role in its implementation. It is always easier to execute a clear and well-founded strategy.

Although the main objective of this research is achieved, there are still some points that deserve more precision such as the interaction between the internal factors themselves. Because the formulation of the marketing strategy also depends on the organizational structure and the operational process. It would therefore be useful to study this interaction. And from there it seems that the question of the implementation of the marketing strategy would be better understood in a global approach of the marketing strategy which includes the formulation of the strategy, strategy implementation and control. Finally, the nature of the marketing strategy must be included in the study of implementation.

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