

NO. 50

**The Influence of Organizational
Environment on Contemporary
Marketing Practices (CMP) in Ghana:
A Test of the Miles and Snow Strategic
Typology**

By
Robert Hinson
and
Kofi Dadzie

August 2009

International Business Economics
Aalborg University
Fibigerstraede 2
9220 Aalborg East
Denmark
Phone + 45 99 40 99 40
Fax + 45 98 15 69 50
<http://www.business.aau.dk/ivo>

WORKING PAPER SERIES

NO. 50

**The Influence of Organizational
Environment on Contemporary
Marketing Practices (CMP) in Ghana:
A Test of the Miles and Snow Strategic
Typology**

By
Robert Hinson
and
Kofi Dadzie

International Business Economics
Aalborg University
Fibigerstraede 2
9220 Aalborg East
Denmark
Phone + 45 99 40 99 40
Fax + 45 98 15 69 50
<http://www.business.aau.dk/ivo>

Robert Hinson & Kofi Dadzie

Design: Joan Vuust
Lay-out: Joan Vuust

ISSN: 0908 1658

The Influence of Organizational Environment on Contemporary Marketing Practices (CMP) in Ghana: A Test of the Miles and Snow Strategic Typology

**Robert Hinson
Kofi Dadzie**

Robert Hinson

Department of Business Studies
Aalborg University
Denmark

Kofi Dadzie

Mack Robinson School of Business
Georgia State University
United States of America

ABSTRACT

Purpose – This study investigates the robustness of the Miles and Snow Strategic Typology as a tool for assessing the contingent effects of organizational environment on the nature of contemporary marketing practices in Ghana, West Africa. In addition, the direct and indirect effects of these conditions on the incidence of various contemporary marketing practices (i.e., transactional, database, interaction, and networking) are examined. **Design/Methodology/Approach** – Unlike previous studies which replicate the Coviello, Brodie, Danaher and Johnston (2002) contemporary marketing practice (CMP) study, this study extends CMP framework by integrating organizational strategy, using the Miles and Snow Strategic Framework (1978) in a West African context. **Findings** - It appears that the incidence of organizational strategy types in Ghana follows the Miles and Snow strategic types (prospector, analyzer, and defender). In addition firms operating under more stable environment (defender firms) make the least use of network marketing, while interaction marketing and to some extent network marketing is more prevalent among firms operating under a dynamic environment (prospector and analyzer firms). These findings suggest evidence in support of Miles and Snow proposition (1978) for Ghanaian managers, suggesting that the framework is appropriate for diagnosing and crafting contemporary marketing strategies in Ghana. **Originality/Value** – This study extends the contemporary marketing practice literature to West African emerging market environment. In addition, by identifying patterns of marketing activities across organizational strategy types, the research suggests how managers may identify the most suitable emphasis within contemporary marketing practices.

Paper Type: Research Paper

Key words: Marketing, strategy, practice, Ghana, typology, organizational, Miles, Snow

Introduction

Research has shown that differences in the marketing environment of developing economies, especially African countries, and that of the industrialized countries of the U.S and Western European countries have significant impact on the nature of managerial marketing practices (Dadzie, Akaah and Riordan 1988; Dadzie 1989; Kaynak, 1982; Samli & Kaynak 1984). However, because much of this research has focused on various aspects of traditional transactional marketing practices, especially market orientation; it is unclear how firms relate to their markets with relationship marketing. Relationship marketing has been accepted as the contemporary marketing paradigm of the future, comprising primarily a long-term approach to serving customers (e.g., Berry 1995; Gronroos 1991; Webster 1992) but it may be unnecessary for all markets (Day 2000). Moreover, more recent research has challenged the accepted normative view of relationship marketing and proposed that contemporary marketing practice is not relationship marketing per se but a combination of both transaction and relationship marketing (data base, interaction and networking) or pluralistic (Coviello et al. 2002). Consequently, it is unclear as to what the nature of managerial marketing practices in actual practice is. We seek to contribute to a clarification of this issue by investigating the nature of managerial marketing practice in an emerging market economy-Ghana, West Africa.

The purpose of this study is to examine the relevance of both the Miles and Snow Strategic framework and CMP framework as useful tools for understanding the nature of managerial marketing practices under typical environmental conditions in Ghana. The environmental management literature contains several frameworks for diagnosing the impact of environmental conditions on organizational actions such as the contemporary marketing practices. One of the most widely used of such frameworks is the Miles and Snow Strategic Typology (1978). However, the robustness of the Miles and Snow Strategic typology for crafting contemporary marketing strategy is yet to be verified, much less in emerging market context. Therefore, we seek to examine the relevance of the Miles and Snow Strategic Typology as a useful tool for crafting contemporary practices in Ghana, West Africa. In addition, we investigate the extent to which firms with

different organizational strategies differ in their contemporary marketing practices in Ghana. The paper begins with a review of the typology and its relevance for crafting contemporary marketing practices in general. Next, we present the study methods and analysis. The paper concludes with a discussion of our findings.

Miles and Snow Typology Strategic Types: An Overview

Miles and Snow's strategic orientation typology is a useful theoretical framework for categorizing as well as understanding the processes undertaken in adopting organizational strategies (McDaniel and Kolari, 1987, p. 19). In their typology of organization strategies, firms can be said to exhibit one of these behavioural patterns - reactors, defenders, analyzers or prospectors. According to McDaniel and Kolari (1987, p. 20), Miles and Snow describe the first behavioural type as defenders who have narrow product and market domains and tend not to search outside their domains for new opportunities. On the other hand, prospectors continually search for marketing opportunities and tend to be creators of change in the industry. Analysers are a blend of defenders and prospectors and as such operate in relatively stable and one changing product and marketing domain. Finally, reactors are said to lack a consistent strategy and simply respond to environmental pressures when forced to do so.

Similar to the four strategic behavioural patterns adopted by (McDaniel and Kolari, 1987), Thomas and Ramaswamy (1996), delineate a set of three variable strategic behaviour types as developed from Miles and Snow's strategic orientation typology, in explaining their tripartite alignment theory. Adopting this framework, they highlight prospectors as managers or organizations that emphasize innovation as the corner stone of competitive advantage.

In contrast, the defenders stress cost efficiency as the basis of competition. Accordingly, they focus on creating narrow stable domains through a limited mix of product and customers and aggressive efforts to protect the domain from competitors (Miles and Snow, 1978, p. 39). The analysers on the other hand, pursue

hybrid strategies that exhibit some features of the prospector and defender types. In rapid evolving domains, they operate like prospectors, while in stable segments; they adopt a defender approach (Miles and Snow 1978). In keeping with this posture, they adopt dual core technologies that have both stable and flexible components (Thomas and Ramaswamy, 1996).

Adapting Miles and Snow's typology even further, Panell and Wright (1993), have also explored the use of the typology in the context of a dynamic, growing and highly volatile service industry. This is in contrast with most previous research which has considered the strategy-performance relationship in relatively low degrees of dynamism and volatility.

Mckee et. al (1983) have additionally adopted the Miles and Snow typology, with a focus on strategic adaptability and firm performance. The Miles and Snow typology is therefore stretched to the extent to which firms in the (reactor-defender-analyzer-prospector) categories develop adaptive capability to respond to the market (Mckee et. al 1983).

According to Miles and Snow (1978), the reactor is assumed to lack adaptive capability because, in the absence of a strategic orientation, it fails to develop the mechanisms needed to sense and respond to changes in the market. This could be as a result of lack of clearly articulated strategies, or poor link between strategy and the organization's structure and processes, or maintaining the organizational status quo despite environmental changes. The defender deliberately reduces adaptive capability by selecting a stable and narrowly defined market domain. In such a deliberate act, it is unlikely to notice market change or to be unable to adapt to change if it is noticed (Miles and Snow 1978). The analyzer maintains a stable domain, wherein it can operate with relative efficiency, but also attempts to identify emerging opportunities. Because, it is not first to enter the new product-market, it has the advantage of observing and learning from the new product problems of other firms and as such is able to achieve an above-average new product success rate (Miles and Snow 1978). The prospector focuses on identifying and capitalizing on emerging market

opportunities, thus placing its primary emphasis on researching and communicating with the market and as such bearing the associated inherent costs.

In summation, the Miles and Snow (1978) strategy typology – reactor, defender, analyser, and prospector – captures the business-level strategic trade off between external and internal orientation and its resulting strategy formulation (McDaniel and Kolari 1987). The typology has also been extended to capture the tripartite alignment between managerial characteristics and strategic orientation and its resulting performance implications (Thomas and Ramaswamy 1996). Finally, Mckee et al (1983) extend the typology even further to test the proposition the effectiveness of a particular strategic orientation is contingent upon the dynamics of the market. In this study we extend the Miles and Snow Strategic typology to a developing transitional economy, Ghana, to try and understand the nature of contemporary marketing practices in selected industrial sectors.

Ghana as an Emerging Market Economy and the Incidence of Organizational Strategy

Ghana is a typical emerging African economy with macro-economic conditions similar to other emerging African economies, such as Nigeria, Bostwana and the Ivory Coast. (see Table 1). Ghana has a population of over 23 million and an economy supported by the export of cocoa and natural mineral resources. The country has, since the mid 1980s, undertaken programmes and policies geared at harnessing the full potential of its economy. This has resulted in the economy experiencing a growth of 6.3 percent per annum in the recent years. Although market conditions in emerging Sub-Saharan economies are different with some countries doing seemingly better in certain areas, Ghana has been selected as a basis for this study due to the relative stability in its political and economic environment. Ghana's economy since 2000 has experienced growth rates averaging 5.5 percent per annum, compared to less than 5 percent for the half-decade before (ISSER, 2008). A recent World Bank survey of the nature of business sectors indicates that Ghana has moved into the top 100 countries in its rankings of how easy it is to do business (World Bank, 2007). It also takes a relatively

shorter time (42 days) to start a business in Ghana (World Development Indicators, 2008). The business environment has also enjoyed a tremendous support from the government of Ghana.

This pattern of high growth rate suggests that Ghanaian managers will have less incentive to practice core relationship marketing activities and perhaps emphasize traditional transactional marketing activities. However, like most emerging African economies, the Ghanaian business environment has been characterized by persistent uncertainty. For example, rising energy cost throughout the last two years had adverse effects on most sectors of the economy. Historically, such shortages have led to the persistence of a sellers' marketing environment and an emphasis on de-marketing (Dadzie 1989). This variety of environmental conditions suggests managers in Ghana are likely to pursue different organizational strategies in part because of environmental differences as well as internal organization differences (size, mission, capabilities, etc). Hence we propose that Ghanaian managers' perception of prevailing business environment will influence their perception of how their organizations interact with their environment as proposed under the Miles and Snow Strategic Typology (1978).

Table 1: Micro economic indicators of business environment

Indicator (2007)	Ghana	Nigeria	Ivory Coast	Botswana
Population (in millions)	23.46	147.98	19.27	1.88
Gross domestic product (in US\$ billions)	15.25	165.69	19.57	11.78
GDP growth (annual %)	6.3	6.3	1.8	3.8
GNI per capita Atlas method (US\$)	590	930	910	5,840
Industry (%)	25	39	26	55
Services (%)	38	28	51	43
Agriculture (%)	36	33	23	2

Time required to start a business (days)	42	34	40	108
Market capitalization of listed companies (% of GDI	15.6	52.1	42.7	50.0
Number of internet users (per 100)	2.8	6.8	..	4.3

Source: World Development Indicators database, September 2008

Based on the above profile of the Ghanaian economy we predict that managers will emphasize modern transactional marketing over the more costly relationship marketing until the economic conditions in Ghana make it profitable to engage in relationship marketing practices alone. We therefore hypothesize as follows:

H1: Organizations in Ghana differ in their strategic orientation as a function of environmental conditions

The Influence of Organizational Strategy on Contemporary Marketing Practices

Implicit in the preceding discussion is the assumption that different organizations emphasize different aspects of contemporary marketing activities as a rational response to the nature of their environmental conditions. We propose that these differences are less pronounced for transactional marketing and more pronounced for core relationship marketing practices, especially interaction marketing and network for reasons related to the environmental conditions in Ghana.

Transactional Marketing (TM) Emphasis-Transactional marketing is broadly defined as managing the traditional marketing mix elements (price, promotion, distribution and place) to attract and satisfy current and potential customers. Miles and Snow (1978) examine the link between organizational strategy and individual elements of the marketing mix. They propose that organizational types emphasize different aspects of various marketing mix activities because of the different perception of environmental demands. In the product domain, for example, Miles and Snow predict that “Product development in a defender is usually a simple extension into clearly related areas” (p. 37), while “... For a prospector, “maintaining a reputation as an innovator in product and market development may be as important, perhaps even more important, than high profitability” (p. 56). Analyzers are like prospectors in that they pursue “the well-conceived addition of new

products development...” (p. 77) and at the same time pursue “... steady growth through market penetration and product development” (p.79). With respect to pricing practices, the authors suggest that all organizational types share similar emphasis on pricing for different reasons. Price may not always be practiced to any degree by defender firms can focus on reducing manufacturing and distribution cost and remain competitive on price or product quality basis because of its emphasis on stable environment. Similarly, by its approach to interacting with its based on “...finding and exploiting new product and marketing opportunities” (p.55) means that price may not always be important as compared to other marketing mix elements. These views overall suggests that all strategic types share more similarities than differences in transactional marketing practices. Accordingly, we predict that:

H2: When Ghanaian managers evaluate their organizations as being prospector, analyzer, and defender, they place similar emphasis on transactional marketing practices

Database Marketing (DM) Emphasis - refers to marketing practices with a transactional focus through information technology to enhance one-to-one exchanges (Peppers and Rogers, 1995). Miles and Snow (1978) argue that a defender seeks to minimize “...manufacturing and distribution costs” in order to be competitive. Accordingly, we propose that defenders practice database marketing as a critical cost reduction and competitive weapon. Database marketing practice will also be critical for prospector firms as it facilitates “...finding and exploiting new product and market opportunities” (p. 55) as it will analyze who can be characterized as “...avid followers of change” (p. 71). Based on this argument, we predict that

H3: When Ghanaian managers evaluate their organizations as a defender, prospector, and analyzer they practice database marketing with similar degree of emphasis.

Interaction Marketing (IM) Emphasis - involves managing face-to-face relationship (Berry 1983) and complex interpersonal interactions (Dwyer et al. 1987). Miles and Snow propose that defenders in a defender firm, marketing “...normally does not include activities such as research and promotion,” and “ranks well below the controller and production manager in terms of influences...” (p. 42). We

deduce from this argument that defenders practice little interactive marketing because they will not invest in the training of sales force necessary to interact with customers. Prospectors, on the other hand, can be expected to practice face-to-face interaction with customers because a prospector tends to be keen on "...finding and exploiting new product and market opportunities" (p. 55). Analyzers similarly, will practice interaction marketing because analyzers tend to imitate prospectors successful marketing practices (Snow and Hrebiniak 1980). Hence, we predict that:

H4: When Ghanaian managers evaluate their organizations as being a prospector and analyzer they practice interaction marketing with greater emphasis than when they view their organizations as a defender.

Network Marketing (NM) Emphasis- involves the development of inter-firm relationships through coordination of activities among multiple parties in the entire value chain (Anderson et al. 1994; Coviello et al. 2002). Compared to other relationship marketing practices, it requires the largest amount of investment resources justifiable under extreme competitive environment. Deducing from Miles and Snow proposition that defenders tend to follow a niche strategy in relatively stable environment and with a narrow product line, we propose that defenders will find it relatively easier to coordinate activities among its multiple parties and provide higher value in the value chain than will prospectors who tend to have a broad product market domain. Because analyzers tend to imitate successful practices of prospectors, they will place minimum emphasis on network marketing. Accordingly, we hypothesize that:

H5: When Ghanaian managers evaluate their organizations as a defender they place greater emphasis on network marketing practice than when they view their organizations as a prospector or analyzer.

Data Collection and Sample

The data used in this study was collected based on a standard questionnaire and data collection procedures used in previous CMP research in advanced economies (Coviello *et al.* 20020, Russia (Wagner 2005), and Argentina (Pels *et al.*, 2004). This approach involved the use of Executive and Working MBA students at a local University. Although this data collection approach used a convenient sampling design, it has been found to be an effective way to collect data about company practices (Neelankavil et al 2000). To minimize potential bias from the use of a single informant approach, we used students who are currently working with a company. In a few cases students were assigned to companies they previously worked for. In addition, informants were instructed to talk to other managers in their companies before completing the questionnaire. The data for this study was collected in 2008. These steps helped to reduce single source bias.

The 2000 survey consisted of 180 managers in Ghanaian-based firms located in Accra, while the 2008 survey consisted of 120 Ghanaian managers also based in Accra. The typical manager (70 %) was aged between 27 and 50 years and had spent over three years with their current employer. A little over 25% of the respondents' firms were consumer firms, 35 % were business firms and the remaining 40% were both consumer and business firms. The break down of the firms by type of market offer was 45 % goods firms, 25 % service firms and the remaining 30 % were hybrid goods and service firms. The typical managers held positions as marketing/sales manager (35%), administrative manager (20%), customer managers (20%), and other positions, including logistics and planning (15%).

Measurement and Validation of Study Constructs

Contemporary Marketing Practice

Following (Brodie, et al 2007), we measured contemporary marketing practices as a formative construct, using the 36 indexes items created from the classification scheme outlined in Coviello et

al. (2002). Because e-marketing is more of a marketing tool than a marketing practice, we did not include it in this study. Thus 36 individual indexes were derived by dividing the means of each of the nine dimensions of the four CMP constructs by 5 (a five point scale). The indexes ranged from 0.0-1.0, meaning that high indexes indicate stronger agreement with each of the four CMP constructs (TM, DM, IM, and NM). Given that the construct were originally developed in the U.S. and other Western industrialized nations, we took steps to validate them in Ghana before administering them in the study. These steps included conventional procedures for validating formative constructs (Diamantopoulos and Siguaw 2006; Diamantopoulos and Winklhofer 2001; Jarvis, et al 2003).

A convenient sample of working MBA students in a local university examined the questionnaire for (1) content specification and (2) indicator specification. Content specification requires that the measures capture “the scope of the latent construct or the domain of content that the index is intended to capture” (Diamantopoulos and Winklhofer, 2001, p. 271). Indicator specifications, on the other hand, require that the measures be comprehensive enough to represent the scope of marketing. In both cases, our local collaborating faculty and MBA students were satisfied that the questionnaire represented the scope of the construct domain and the measures were comprehensive enough to capture CMP in Ghana. We verified *Indicator Collinearity* by examining the variance-inflation factors and all our regression results yielded variance-inflation factors that were well below the 10.0 benchmark (Hair et al 2006).

Respondents were given Miles and Snow descriptions of the three strategic types (prospector, analyzer, and defender) and asked to identify which type most describes their firm’s organization. To verify convergent validity of the strategic types, respondents were further asked to rate their firms on three specific strategies (low cost provider, differentiation and niche strategies). An examination of the construct means across the three strategic types revealed significant differences on differentiation strategies consistent with the orientation of the three strategic types towards their environment.

Common Method Bias: As in any study involving a single respondent for both the dependent measures (TM, DM, IM and NM) and predictor measures (strategic type and control variables), potential common method bias could be a problem. Accordingly, we took steps to minimize such bias in several ways. First, to ensure that respondents were knowledgeable about the subject and therefore minimize single source bias (Mitchell 1994), we restricted the study to respondents who worked in their respective organizations and also asked them to research their firm's marketing practices before answering the questionnaire. Second, we placed the predictor variable (strategic type) and criterion variable (CMP) at different parts of the questionnaire and (2) assured anonymity to participants in order to minimize method potential for context effects (Lindell and Whitney 2001) and method bias.

An examination of all the inter-correlations among pairs of constructs revealed none to be over 0.70, thus suggesting that the constructs had less than half of their variance in common (Mackenzie, et al 2005). Also, a factor analysis on the study variables indicated that the first factor accounted for less than 30 % of the common variance. Overall, the results of these tests suggest that common method bias was not a serious problem.

Presentation and Discussion of Findings

Overview of 2002 and 2008 Data

A comparison of the 2002 and 2008 data in Table 2 reveals no significant differences in the incidence of our contemporary marketing activities. Therefore, we pooled the data for both years for variables which were common in both surveys. We then first examined the relevance of the Miles and Snow Strategic Typology in Ghanaian context by examining the extent to which managers perceptions of their organizational strategies vary with their CMP orientations.

Second, we examined variation in the incidence of transactional and relationship marketing practices across the three strategic types as predicted by the Miles and Snow Typology (1978). The analysis was conducted with a MANOVA/ANOVA. This type of analysis enabled us to control for the effects of market served and market offer. The results for both the single factor design and the Duncan multiple range pared comparisons are presented in Table 4. Third, we partitioned the data into CMP clusters through the use of clusters analysis as a means of verifying the pluralistic nature of CMP as proposed by Coviello et al. (2002) and the convergence with the ANOVA/MANOVA results. The number of clusters was limited to three, based on the interpretability and structure of the clusters.

The Incidence of Organizational Strategy Types in Ghana

The distribution of the data by organizational strategy type is presented in Table 3. Looking at the environmental profiles of the strategic types, we see that managers who evaluated their firms as pursuing defender strategies also evaluated their environment as being less dynamic on all three environmental conditions: market dynamism, technological dynamism and government control. By contrast, managers who evaluated their organizations as pursuing prospector strategies also rated their firms as being high on all three environmental conditions. Analyzer firms were somewhat in between the two. This finding suggest evidence in support of the Miles and Snow (1978) proposal that firms pursue strategies based on managers perception of how much change is occurring in their environment. Thus, H1 is supported.

The data in Table 3 also presents another set of results for verifying the relevance of the Miles and Snow Strategic Typology in Ghana. Looking at the detail strategic profiles of the three organizational strategy types, we see two significant differences among the strategic types in the expected direction. With respect to emphasis on new product development strategies, managers in prospector firms also rated their firms higher than managers in defender firms. This is consistent with Miles and Snow assumption that prospector firms seek innovation even at the risk of market share.

Variation in CMP Emphasis

Having established validity of the Miles and Snow Strategic Typology for environmental conditions in Ghana, we now evaluate its predictive validity for CMP practices. Given that Ghana's economy is a typical emerging market economy, we predicted that managers will practice transactional marketing with greater emphasis than they will relationship marketing, because the high cost of the latter and relative mild level of competitive free market environment in Ghana would reduce the relevance of relationship marketing. However, our results in Table 4 suggest that this hypothesis was only partially true. The mean index for TM (.66) is slightly below the mean index for IM (.73) and NM (.67). Thus H2 is not supported.

Variation in Contemporary Marketing Practices Across Strategic Types

Table 4 also shows the MANOVA/ANOVA` results for variation in CMP across all three strategic types after controlling for the effects of market type (consumer versus business) and market offer (goods versus service). The table indicates that two out of the four MANOVA effects were significant. Looking at the Univariate results for the two significant MANOVA effects (IM and NM); we see that there are no significant differences for the effects of strategic type on TM practices (H3) and DM practices. This finding lends support to H3 and H4 which predict that TM and DM are practiced with similar level of emphasis across all strategic types because of the commonality of these marketing activities.

Looking at the Univariate results for the two significant MANOVA effects (IM and NM) we see that the construct mean for IM is higher for Prospector firms (.77) and Analyzer firms (.78) than for defender firms (.64). Similarly, the mean for NM is higher for Prospector firms (.73) and analyzer firms (.68) than for defender firms. Thus H4 and H5 are supported. This finding supports the Miles and Snow assertion that perceptual differences in the organization's environment account for systematic differences in managerial practices, including marketing (McDaniel and Kolari, 1987) The

similarities between Prospector and Analyzer is however restricted to core relationship marketing practices, especially interaction marketing.

Environmental profiles of CMP within Organizations

The cluster analysis results intended to provide an alternative check on the ANOVA results are presented in Table 5. The results indicate three common clusters of CMP: The largest cluster accounted for 40% of the sample is loaded highly on all four prospector firms and most CMP activities. The CMP, strategic and environmental profiles of this huge cluster indicate that this pluralistic cluster is also loaded highly on prospector firms and market dynamism, suggesting that pluralistic marketing practices is practices more heavily by firms operating in dynamic marketing environment as would be predicted by Miles and Snow (1978).

The second cluster accounted for 30% of the sample and is loaded highly prospector and analyzer firms, as well as on transaction and interaction marketing activities and strong government control. Thus, we infer that analyzer firms view transaction and interaction marketing as being more suitable when state control is strong.

The third and final cluster also constitutes nearly a third of the sample. It is loaded high on defender strategy but low on most CMP activities except TM. Also, it has the largest proportion of firms reporting strong government control and weak market dynamism, suggesting that when firms pursuing defender strategies practice the least marketing and more within the status quo of transaction marketing.

Summation of Key Findings

First, our findings, suggest that the incidence of organizational strategy types is consistent with the nature of environmental conditions in Ghana as predicted by Miles and Snow (1978). We found that

managers who perceived their organization's environment as being less dynamic and less state controlled also categorized their organizations as pursuing a defender strategy, while those who perceived their organizational environment as being more dynamic also categorized their organizations as being prospector and analyzer organizations.

A second finding is that the three types of strategy showed detail strategic profiles that are consistent with expectations. Specifically, managers in prospector firms reported the highest ratings for innovation orientation, while managers in defender firms reported the highest construct means for cost efficiency and niche marketing goals.

A third finding affirming the validity of the Miles and Snow Typology for Ghanaian organizational environment is that prospector and analyzer firms were fairly similar in their emphasis on contemporary marketing practices and quite different from defender firms as predicted by Miles and Snow (1978). Our results suggest that although firms in Ghana still emphasize transactional marketing, defenders emphasize transactional marketing more than network marketing and interaction marketing. By contrast, prospector and analyzer firms emphasize interaction and network marketing more than transactional marketing.

Theoretical Implications

From a theoretical perspective, our results provide insight into Coviello et al. (2002) conceptual framework and proposition that contemporary is pluralistic. Our results provide a more elaborate explanation of why some firms are more pluralistic or relational and others are more transaction. First, our results suggest that the organizational environmental contexts vary so do their impact on the role of various aspects of contemporary marketing activities in the organization of the marketing function. However, such variations only apply to the more core relationship marketing activities, such as interaction marketing and network marketing. That is database marketing and transaction

marketing still play a fundamental role in all firms while for firms in more dynamic environment, interaction marketing and network marketing are increasingly the norm.

Managerial Implications

A major implication of our study is that managers in emerging market economy such as Ghana can address the dilemma of how to integrate traditional transactional marketing practices with the more modern relationship marketing practices by using the Miles and Snow Strategic Typology as a diagnostic tool by following the steps outlined in this paper to determine the unique needs of their environments and organizational strategies

Another implication pertains to the relative roles of various marketing activities in a given organization. It appears that regardless of the environmental context, transactional marketing must be integrated with database marketing. This means that managers still have to emphasize producing the best product, offer the best price, and use reliable promotional and communication channels and distribution channels in Ghana.

From a strategic marketing standpoint therefore, marketing managers in emerging economies in more dynamic organizational environments might achieve better marketing results by more actively defining their contemporary marketing practices on the basis of how much change occurs in their business context within the limitations of their operating organizational culture. In cases where there is a need to enter new markets, marketing propositions should be based on the exigencies of the new market in relation to market factors like industry structure and size, competitor profiles and targeted customer segments. Marketing managers need to complete new external analysis for the changed market definition and align internal marketing competencies to take the best strategic advantage of the external market nuances.

Limitations and Future Research

To control the scope of the study, we did not include the internal environmental context, such as corporate culture or the financial performance implications of each CMP activity. Therefore, future research will consider these other variables to offer a broader understanding of CMP practices in an emerging African market context. Also, application of this study in other African context, especially comparisons with other African countries like Uganda and Ivory Coast using the Miles and Snow Typology will be useful.

References

- Anderson, J.C., Hakansson, H. and Johnanson, J. (1994), "Dyadic business relationships within a business network context" *Journal of Marketing*, Vol. 58, No. 4, pp. 1-15.
- Berry, L.L. (1983), "Relationship Marketing", in Berry, L.L Shostack, G.L., Upah, G. D. (Eds), *Emerging Perspective of Service Marketing*, American Marketing Association, Chicago, IL, Proceedings Series,.
- Berry, L.L. (1995), "Relationship Marketing of Service – Growing Interest, Emerging Perspective" *Journal of the Academy of Marketing Science*, Vol. 23 No. 4, pp .236-245.
- Brodie, R.; Winklhofer, H.; Coviello, N. and Johnston, W. (2007), "Assessing e-Marketing Adoption, the Role of IT and Firm Performance", *Journal of Interactive Marketing*, Vol.21 (1), pp. 2-21
- Coviello, N., Brodie, R., Danaher, P. and Johnston, W. (2002), "How firms relate to their market: an empirical examination of contemporary marketing practices" *Journal of Marketing*, Vol. 66 No. 3 pp. 33-46.
- Dadzie, K.Q., Akaah, I.P. and Riordan, E. (1988), "Incidence of market typologies and pattern of marketing activity performance in selected African countries" countries", *Journal of Global Marketing*, Vol. 1 No. 3, pp. 87-107
- Dadzie, K.Q. (1989), "De-marketing strategies in shortage market environments", *Journal of the Academy of Marketing Science*, Vol. 17 No.2, pp.157-65
- Day, G. (2000), "Managing market relationships" *Journal of the Academy of Marketing Science*, Vol. 28 No.1, pp.24-30.
- Diamantopoulos, A. and Sigauw, J. (2006), "Formative vs. Reflective Indicators in Measure Development: Does the Choice of Indicators Matter?" *British Journal of Management*, 17, 263-282
- Diamantopoulos, A. and Winklhofer, H. (2001), "Index Construction with Formative Indicators: An Alternative to Scale Development", *Journal of Marketing Research*, Vol.38 (2), pp.269-277.

- Dwyer, F.R., Schurr, P.J. and Oh, S. (1987), "Developing Buyer – Seller Relationships" *Journal of Marketing*, Vol. 51 No. 2, pp. 11-27.
- Gronroos, C. (1991), "The Marketing Strategy Continuum: Towards a Marketing Concept for the 1990s" *Management Decision*, Vol. 29 No. 1, pp. 7 – 13.
- Hair, J., Black, B. Babin, B., Anderson, R. and Tatham, R. (2006). *Multivariate Data Analysis* (6th edition). Upper Saddle River, NJ: Prentice-Hall
- Institute of Statistical, Social and Economic Research (ISSER) (2008) 'The State of The Ghanaian Economy in 2007', Institute of Statistical, Social and Economic Research, Ghana: University of Ghana
- Jarvis, C. MacKenzie, S. and Podsakoff, P. (2003), "A Critical Review of Construct Indicators and Measurement Model Misspecification in Marketing and Consumer Research," *Journal of Consumer Research*, 30(2), 199-218.
- Kaynak, E. (1982), *Marketing in the Third World*, Praeger, New York, NY.
- Lindell, M.K. and Whitney, D.J. (2001). Accounting for common method variance in cross-sectional research designs. *Journal of Applied Psychology*, 86, 114-121
- MacKenzie, S. Podsakoff, P. and Jarvis, C. (2005), "The Problem of Measurement Model Misspecification in Behavioral and Organizational Research and Some Recommended Solutions," *Journal of Applied Psychology*, 90(4), 710-730
- McDaniel, S.W. and Kolari (1987) "Marketing Strategy Implications of the Miles and Snow Strategic Typology" *Journal of Marketing*, Vol.51 No.4, pp. 19-30.
- Mckee, Daryl O., Varadarajan R., and Pride W. (1983). Strategic Adaptability and Firm Performance: A Market-Contingent Perspective. *Journal of Marketing*, 53 (July), 21-35.
- Miles, R. and Snow, C. (1978), *Organizational Strategy, Structure, and Process*. New York: McGraw – Hill Book Company
- Mitchell, V., (1994), "Using industrial key informants: some guidelines", *Journal of the Market Research Society* 36 (2), 139–144.
- Neelankavil, J.P., Mathur, A. and Zhang Y. (2000), "Determinants of Managerial Performance: A cross cultural comparison of the Perceptions of Middle Level managers in Four Countries" *Journal of International Business Studies*, Vol. 31 No. 1, pp. 121-140
- Panell, J. A. and Wright P. (1993). Generic Strategy and Performance: an Empirical Test of the Miles and Snow Typology. *British Journal of Management*, 4, 29-36.
- Pels, J., Brodie R.J. and Johnston W.J. (2004), "Benchmarking business-to-business practices in emerging and developing economies: Argentina compared to USA and New Zealand" *Journal of Business and Industrial Marketing*, Vol. 19 No.6, pp. 386-96.
- Peppers, D. and Rogers M. (1995), "A new marketing paradigm: Share of Customer, not Market Share" *Managing Service Quality*, Vol. 5 No.3, pp48-51

Samli, A. and Kaynak, E. (1984), "Marketing practices in less developed countries", Journal of Business Research, Vol. 12 No.1, pp.5-18

Snow, C.C., and Hrebiniak L. "Strategy, Distinctive Competence, and Organizational Performance." Administrative Science Quarterly 25 (1980): 317-35

Thomas, A. and Ramaswamy K. (1996). "Matching Managers to Strategy: Further Tests of the Miles and Snow Typology". British Journal of Management, 7, 247-261.

Wagner, R. (2005) "Contemporary marketing practices in Russia" European Journal of Marketing, Vol.39 Issue 1/2 pp. 199-215

Webster, F.E. (1992) "The changing role of marketing in the corporation", Journal of Marketing, Vol. 56, No. 10, pp.1-17

World Bank (2007), "Doing business report 2007", available at:<http://web.worldbank.org/>

World Development Indicators (2008) "Key Development Data & Statistics", available at: <http://web.worldbank.org/WBSITE/EXTERNAL/DATASTATISTICS/0,,contentMDK:20535285~menuPK:1192694~pagePK:64133150~piPK:64133175~theSitePK:239419,00.html>

Table 1
Correlation Matrix and Descriptive Statistics: 2008 Data

	Mean	Std. Dev.	1	2	3	4	5	6	7	8	9	10	11
A. China Sample													
1) TM	.61	.13	1.0										
2) DM	.61	.31	.51	1.0									
3) IM	.63	.15	.44	.58	1.0								
4) NM	.72	.16	.45	-.57	.71	1.0							
5) CONS	.66	1.01	.23	.28	.29	.32	1.0						
6) BTB	.61	1.00	.25	.29	.32	.29	.19	1.0					
7) GOODS	.65	.92	.21	.21	.25	.27	.21	.15	1.0				
8) SVC	.54	1.08	.27	.19	.30	.31	.26*	-.14	.16	1.0			
9) TECH	2.84	.99	-.02*	-.03*	-.08*	-.14	.05*	.01*	.09*	.02*	1.0		
10) MKTP	2.63	1.09	-.24	-.23	.17	-.19	-.18	.20	.16	.12	.46	1.0	
11) GOVTR	3.96	0.98	.17	.23	.26	.25	.27	.31	.23	.20	-.05*	-.04*	1.0

*Not significant at p<0.05 level. Statistics are provided for multi-item scales only.

TM = Transactional Marketing, DM = Database Marketing, IM = Interaction Marketing, NM = Network Marketing, CONS = Consumer Markets, BTB = Business-to-Business Markets, GOODS = Goods offer, SVC =Service offer Competitive Culture, TECH = Technological Pressure, MKTP = Market Pressure, and GOVTR = Government regulation.

Table 2
Trends in Contemporary Marketing Practice Emphasis: 2000-2008

	2002 Study	2008 Study	Change in Index	P<t
Transaction Marketing	.70	.66	-.04	.05
Data Base Marketing	.56	.63	+.07	.05
Interaction Marketing	.70	.73	+.03	.10
Network Marketing	.63	.67	+.04	.11

Table 3
Characteristic of Strategic Types: 2008 Study

	F-Value	Prospector	Analyzer	Defender	Sample Mean
Overall Strategic Characteristics					
Product Development Strategy	2.70	3.40	3.11	2.60	3.03
Cost leadership Strategy	3.40	3.60	3.00	2.76	3.12
Market share strategy	4.70	3.10	2.90	2.46	2.82
Environmental Conditions					
Market Dynamism	3.90	3.60	3.58	2.20	3.12
Consumer Demand	3.40	3.50	3.10	2.70	3.10
State Control	3.50	3.20	3.10	1.90	2.73

Table 4**Construct Means Across Strategic Types: Pooled 2002 and 2008 Data**

	Prospector	Analyzer	Defender	Sample Mean	F-values
MARKETING PRACTICES +					
TM index	.71 ^a	.69 ^b	.66 ^c	.66	1.74
DM Index	.65 ^a	.66 ^a	.59 ^b	.63	.88
IM Index	.77 ^a	.78 ^a	.64 ^b	.73	2.47*
NM Index	.73 ^a	.68 ^b	.60 ^c	.67	2.40*
MODEL SUMMARY					
Multivariate Test					
Wilks' Criterion	.			2.25*	
Pillai's trace	.			1.90	
Hotelling _Lawley- trace				2.50*	

+ Measured on a five point scale with 1= weakest and 5= strongest. Index derived by dividing mean ratings by five. Values with the same letters are not significantly different at p<.05 level.

* Note: by international benchmarks (Coviello et al. 2002) scores higher than .81 are considered to be higher than average; score from .61-.80 are moderate; and scores below .61 are low average index of CMP.

Table 5

Organizational and contemporary marketing clusters

Cluster	Mean (all firms)		TM/NM	TM	Low
Organizational Type					
Defender firms (%)			25	40	
35					
Prospector firms (%)			50	40	
10					
Analyzer (%)			40	40	
20					
CMP Variables					
Transaction			.75	.68	
.47	.63				
Database			.55	.50	
.40	.48				
Interaction			.48	.41	
.30	.40				
Network			.72	.50	
.47	.56				
					Environmental Variables
Perceived competitive pressures		3.5		3.4	2.0
2.97					
Perceived demand pressures		3.6		2.0	2.2
2.60					
Perceived technological change		3.4		1.0	1.5
1.97					
Perceived government control		3.4		1.9	1.8
2.37					
Percent of firms			35	44	
21					

TABLE 6
International Comparison

	Cluster I	Cluster II	Cluster III	Russia	Argentina	Canada	Ghana
TM	16.7	53.3	55.6	38.9	74.0	75.0	
DM	0.0	0.0	59.3	22.2	57.3	79.8	
IM	46.7	6.7	77.8	50.0	75.0	91.5	
NM	6.7	0.0	63.0	26.4	61.4	79.8	

Sources: other than the Ghana data. The values in this table were taken from Wagner (2005).