MODELING THE PROCESS OF ASSIMILATION AND OPERATIONALIZATION OF THE CONCEPT OF MARKETING BY ROMANIAN LOCAL ORGANIZATIONS

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Abstract
This paper proposes a model that wants to offer some pertinent answers about the process of assimilation and operationalization of the marketing concept in the practice of local organizations in Romania. Considering the reality of organizational practice in Romania, which revealed a lack of consistency in the approach of assimilation and operationalization of the marketing concept, the model tries to capture a range of factors that determine and explain this phenomenon. Reality shows that many Romanian organizations either do not perceive the need and importance of marketing in their activity or assimilate and develop a priori, actions carried out by transnational companies that do not meet the particular context of the Romanian market and/or of internal environment. The model attempts to capture the peculiarities of the process of assimilation and operationalization of the concept of marketing in local organizations and describe the characteristics of each identified organizational structures.

Keywords
organizational structure; marketing department; interoperable teams; endogenous and exogenous factors

JEL Classification
M31

Literature review
After one comprehensive literature and practice review process were identified 7 levels of the process of assimilation and operationalization of the marketing concept as follows:

- Level 1: lack of marketing activities in organizations (King, 1965; Bartels, 1965; Doyle, 1987; McDonald, 1989; Gilbert and Balley, 1990; Kotler, 1993; Hill and O'Sullivan, 1997; Staton, 1999; Lambin, 2000; etc.);
- Level 2: marketing activities located within the traditional departments (King, 1965; Bartels, 1965; Keith 1960; Doyle, 1987; McDonald, 1989; Gilbert and Balley, 1990; Kotler, 1993; Hill and O'Sullivan, 1997; Staton, 1999; Lambin 2000; Balaure et al, 2002; etc.);
- Level 3: localized marketing activities in one traditional department/marketing department, but subordinate to traditional departments (Lewitt, 1960; King, 1965; Bartels, 1965; Bennett and Cooper, 1981; Doyle, 1987; McDonald, 1989; Gilbert and Balley, 1990; Kotler, 1993; Littler and Wilson, 1995; Hill and O'Sullivan, 1997; Staton, 1999; Lambin 2000; Balaure et al, 2002; etc.);
- Level 4: localized marketing activities in the marketing department, on the same level as traditional departments (Kotler, 1972; Drucker, 1973; Kotler, 1980; Haas and Wotruba, 1983; Buell, 1984; Scott, and Taylor Warshaw 1985; Ferrel and Lucas, 1987; Cravens, Hill and Woodruff, 1987; Brown,
1987; Bernard, 1987; McGee and Spiro, 1988; Peter and Donnelly, 1988, Ramon and Barksdale, 1989; Baker 1989; Kotler, 1993; Boyd, Walker and Larreche, 1998; Balaure et al, 2002; etc.);

- Level 5: localized marketing activities in the marketing department, with the strategic role (Doyle, 1987; McDonald, 1989; Rapp and Collins, 1990; Kohli and Jaworschi, 1990; Narver and Slater, 1990; Day, 1990; Piercy, 1991; and Shipp Craven, 1991; Brownlie Saren, 1992; Thomas, 1993; Jaworschi and Kohli, 1993; Deshpande, Farley and Webster, 1993; Wong and Saunders, 1993; George, Freeling and Court, 1994; Webster, 1997; Tadepalli and Avila, 1999; Pettigrew and Turgeon, 2000; Balaure and staff, 2002; Lendrevie and Lindon, 2003; etc.);

- Level 6: localized marketing activities in the marketing department, but with the role to implement organization-wide vision and involve all structures of the organization - interoperable teams (Felton, 1959; Gupta et all, 1986; Ruekert and Walker, 1987; Gordon, 1987; Workman, Homburg and Gruner, 1988; Masiello, 1988; Souder, 1988; Page, 1993; Webster, 1994; George, Freeling and Court, 1994; Cooper, 1996; Griffin and Hauser, 1996; Kahn, 1996; Fisher, Maltz and Jaworschi, 1997; Jassawalla and Sashittal, 1997; Shaw and Shaw, 1998; Xie, Song and Stringfellow, 1998; Song, Xie and Dyer, 2000; Maltz, Souder and Kumar, 2001; Webster, 2002; Lambin, Chumpitaz and Moerloose, 2005; Dawes and Massey, 2005; etc.);

- Level 7: the disappearance of marketing departments and their replacement by labor groups, interoperable teams centered on groups of customers or product categories (George, Freeling and Court, 1994; Piercy and Cravens, 1995; McKinsey, 2005; operationalized by Unilever and Pillsbury).

The parameters of behavioral model of assimilation and operationalization of the concept of marketing in organizational practice

Taking as starting points the marketing theory and practice, and direct results of a research conducted in the Bacau County on local organizations were established the behavior model coordinates, as follows:

a. The dependent variable, which reveals the reality of local organizations practices - the degree of assimilation and operationalization of the marketing concept in practices of the local organizations.

Considering the state of knowledge on the process of assimilation and operationalization of the marketing concept in practice of global and national organizations, the proposed model is built according to five levels (Figure 1), namely:

- Level 1: organizational structure in which marketing activities are missing;
- Level 2: organizational structure in which marketing activities are located within the traditional departments;
- Level 3: organizational structure in which marketing activities are located in one traditional department / marketing department, but it is subordinate to traditional departments;
- Level 4: organizational structure in which marketing activities are located in the marketing department, on the same level as traditional departments;
- Level 5: organizational structure in which marketing activities are located in the marketing department, with a strategic role.

Although marketing literature and practice mention the existence of 7 levels in the assimilation and operationalization of the concept of marketing in organizational practice, the last two levels are not included in the proposed model – interoperable
teams and multidisciplinary teams, considering that they are not found the organizational structure of local organizations. These last two levels of the process of assimilation and operationalization of the marketing concept into practice are characteristic of organizations acting in developed economies, with real and long experience in marketing practice.

b. The dependent variables, revealing the level declared by organizations - the importance given to the concept of marketing. The marketing concept will be present in the model through the appreciation of its importance at the 5 organizational structures.

c. The independent variables

Based on independent variables under investigation in the conducted direct research, within the model were considered a range of factors of influence, endogenous and exogenous, as follows:

- exogenous factors: influence of transnational companies, the level of competition in the addressed market / markets and life cycle stage of the target market / markets;
- endogenous factors: organizational profile in the industry, organization size, industry expertise and the nature of interdepartmental relations.

Given the context of action in Romania and organizational culture of the local organizations, the study started from the assumption that the considered factors are decisive in the process of assimilation and operationalization of the marketing concept, having the ability to facilitate or hinder this process.

![Figure 1. Levels of the process of assimilation and operationalization of the concept of marketing in local organizations](image)

To identify the influence of the two categories of factors, both in the process of assimilation and operationalization of the marketing concept in the practices of the
local organizations and the level of the importance given to marketing, we used contingency tables and Cramer association coefficient $\Phi_c$.

To ensure and facilitate the comparability within the model and to highlight the differences between the actual and declared situation regarding the researched issue, we used a five-level interval scale, starting from the assumption that the distances between the five levels are equal. Thus, level 1, for the lack of marketing activities within local organizations, will be placed at the lower end of the scale (-2), while level 5 for the direction of marketing, will be positioned at the upper end of the scale (+2).

The importance given to the concept of marketing, marketing management processes and market orientation

Using the same interval scale, we consider, a priori, the following:

- **V.HIGH**
- **HIGH**
- **AVERAGE**
- **WEAK**
- **V.WEAK**

### Levels of assimilation and operationalization of the marketing concept

**Figure 2.** Levels of importance given to the concept of marketing on the five organizational structures regarding the process of operationalization and assimilation of marketing in practices of local organizations

Using the same interval scale, we consider, a priori, the following:
organizations placed on level 1 (organizational structure that lacks marketing activities) provides a very low significance level to marketing concept;
organizations placed on level 2 (have an organizational structure in which marketing activities are located within the traditional departments) give a low significance level to marketing concept;
organizations placed on the 3rd level (have an organizational structure in which marketing activities are located in one traditional department / marketing department, but it is subordinated to the traditional departments) provide an average level of importance to the marketing concept;
organizations placed on level 4 (have an organizational structure in which marketing activities are located in the marketing department, on the same level as traditional departments) give a high importance level to marketing concept;
organizations placed on level 5 (have an organizational structure in which marketing activities are located in the marketing department, having a strategic) provide a very high level of importance to the marketing concept.

Graphically, assessing the levels of importance granted to marketing concept, the five organizational structures that reveal the degree of assimilation and operationalization of marketing in organizational practice is shown in Figure 2.

Checking the viability and relevance of the behavioral model

The reality of the practices of local organizations in Romania
As a result of direct research in organizations in Bacau County, it has been observed that 47% of the entities have an independent marketing department, while 53% do not have this structure in their entity.
Regarding the levels of assimilation and operationalization of the marketing concept into practice in the investigated sample, it was obtained the following distribution:

- 10.3% of organizations are placed on level 5, having an organizational structure in which marketing activities are located in the marketing department, with strategic role;
- 32.3% of organizations are placed on level 4, having an organizational structure in which marketing activities are located in the marketing department, on the same level as traditional departments;
- 4.6% of the organizations are located on level 3, having an organizational structure in which marketing activities are located in one traditional / marketing department, but it is subordinate to traditional departments;
- 50.6% of organizations are placed on level 2, having an organizational structure in which marketing activities are located within the traditional departments;
- 2.3% of the organizations are placed on level 1, having an organizational structure that lacks marketing activities.

To identify particularities of the process of assimilation and operationalization of the marketing concept in the practices of local organizations, and to facilitate comparative approach between existing reality on the ground and declared vision on the issues investigated, there is a need for a descriptions of the 5 levels considered in the model through the following variables: the number of existing marketing jobs in the marketing department or in the traditional marketing, the degree of involvement in the activities of the organization and the philosophy of marketing integration.
Organizations placed on Level 5:
- the number of existing marketing jobs in the marketing department: 56% of organizations have between 11 to 16 marketing jobs, while 22% mentioned the existence of marketing positions around 1 to 5, respectively 6 to 10;
- the involvement of marketing in the organization's activities: all organizations mentioned the continued involvement of marketing in the organization's activities;
- the philosophy of marketing integration: most organizations have specified as a philosophy for marketing integration: the competition generated by transnational companies and the desire to improve economic performance;

Organizations placed on Level 4:
- the number of existing marketing jobs in the marketing department: 50% of organizations have between 6-10 marketing positions, while 46% mentioned the existence of marketing positions between 1 and 5. 4% of organizations found on this level, mentioned marketing responsibilities in the job descriptions of staff with economic studies, but not specialized in marketing and not employed on marketing positions;
- involvement of marketing in the organization's activities: 71% of organizations reported a continued involvement of marketing in the organization's activities, while 25% reported an intermittent involvement;
- the philosophy of marketing integration: most organizations have specified as a philosophy for marketing integration: the competition generated by transnational companies and the desire to improve economic performance;

Organizations placed on Level 3:
- the number of existing marketing jobs in the marketing department: 50% of organizations hold marketing positions between 1 and 5, while the remaining 50% said that there are between 6 and 10 marketing positions;
- involvement of marketing in the organization's activities: 50% of the organizations mentioned intermittent marketing involvement in the activities of the organization, while 25% said there is permanently or occasionally;
- the philosophy of marketing integration: most organizations have specified as a philosophy for marketing integration: the desire to improve economic performance and the competition generated by transnational companies, namely changes in the business environment;

Organizations placed on Level 2:
- the number of marketing positions existing in traditional department: 64% of the organizations mentioned marketing activities in the job descriptions of staff with economic studies, but not specialized in marketing and not employed on marketing positions, while 30% mentioned the existence of many marketing positions, from 1 to 5.
- the involvement of marketing in the organization's activities: 50% of the organizations mentioned marketing intermittent involvement in the activities of the organization, while 30% reported an occasional involvement;
- the philosophy of marketing integration: most organizations have specified as a philosophy for marketing integration: the competition generated by transnational companies or local organizations;

Organizations placed on Level 1:
- the number of marketing positions existing in traditional departments: lack of marketing activities;
- the involvement of marketing in the organization's activities: no marketing activities;
- the philosophy of marketing integration: no integrated marketing vision;
The declared vision of the organization regarding the importance given to marketing concept

Placing in the proposed theoretical model the average scores obtained in the direct research conducted to assess the importance given to the concept of marketing, we observe that there are differences between the declared vision and model premises on the 5 levels of assimilation and operationalization of marketing in practice. The graphical representation of the differences between the model premises and declared vision regarding the importance given to marketing concept is shown in Figure 3.

As shown in Figure 3, it can be seen that:

- the organizations found on Level 1 attaches very poor importance to marketing concept, retaining its position as a priori considered in model configuration;
- the organizations found on Level 2 attaches average importance to the concept of marketing, being similar, according to the configuration considered a priori in the model, to the organizations located on level 3;
- the organizations found on Level 3 attaches average importance to the concept of marketing, retaining the position a priori considered in the model configuration;
- the organizations found on Level 4 attaches very high importance to the concept of marketing, being similar, according to the configuration considered a priori in the model, to the organizations placed on level 5;
- the organizations found on Level 5 attaches very high importance to the marketing concept, retaining the position a priori considered in model configuration.

Thus, it can be seen that organizations engaged in marketing activities within traditional departments (of Level 2), i.e. those that have an independent marketing department, on the same level as traditional ones (Level 4), gives, at least declaratively, a more importance to the marketing concept than was considered a priori in the model.

In this context, there is a need to identify exogenous and endogenous factors that influenced these repositioning in the proposed model.

a. Exogenous factors

Based on the direct research considered variables, there were established as exogenous factors of the model, the following: the influence of transnational companies, the level of competition in the addressed market / markets and life cycle stage of the target market / markets.

We launched the null hypothesis that exogenous factors have influenced the declared vision regarding the valuing of marketing concept in the local organizations.

Testing null hypothesis

1. The influence of the level of competition in the addressed market / markets on the declared vision regarding the valuing of marketing concept in the local organizations.

In this case it has been obtained a 0.429 value of Cramer's association coefficient $\Phi$, evidencing a relatively average association between the level of competition in the addressed market / markets and declared vision on valuing marketing concept within the local organizations. In other words, the influence of the level of competition in the addressed market / markets on the stated vision regarding the importance of marketing concept within local organizations is relatively average.

2. The influence of competition generated by the transnational companies on the stated vision regarding the importance of marketing concept in local organizations

In this case, it has been obtained a 0.405 value of Cramer's association coefficient $\Phi$, evidencing a relatively average association between competition generated by
transnational companies and the declared vision on valuing marketing concept within the local organizations. In other words, the influence of competition generated by transnational companies and the stated vision regarding the importance of marketing concept within local organizations is relatively average.

Figure 3. Differences between the proposed model premises and declared vision regarding the importance given to the concept of marketing, on operational and assimilation levels of marketing in practice within local organizations

3. The influence of the stage of the target lifecycle / markets market on stated vision regarding the valuing of the marketing concept within the local organizations. In this case, it has been obtained a 0.239 value of Cramer's association coefficient $\Phi_c$, evidencing a relatively weak association between the stage of the target market / markets lifecycle and the stated vision regarding the appreciation of the importance of marketing concept within the local organizations. In other words, the influence of the
stage of the target market / markets lifecycle on the stated vision regarding the importance of the marketing concept within local organizations is relatively weak. After this analysis, we can conclude the the null hypothesis has been confirmed: the exogenous factors have influenced the declared vision on the valuing of the marketing concept within the local organizations.

Realizing a hierarchy of exogenous factors, we can see that the greatest influence on the stated vision regarding the importance of the marketing concept within local organizations was generated by the level of competition in the addressed market / markets, followed by the competition generate by transnational companies and by life cycle stage of the target market / markets.

b. Endogenous factors
Based on direct research considered variables, there were established as endogenous factors of the model, the following: the organizational profile in the sector, organization size, industry expertise, interdepartmental relations nature, the location of respondents in the organizational structure, the training and education level of respondents.

We launched the null hypothesis that endogenous factors influenced the declared vision on valuing marketing concept within the local organizations.

Testing null hypothesis
1. The influence of organizational profile in industry on reported vision regarding the valuing of the marketing concept
In this case, it has been obtained a 0.296 value of Cramer's association coefficient $\Phi_c$, evidencing a relatively weak association between organizational profile in industry and declared vision regarding the appreciation of the importance of the marketing concept. In other words, the influence of the organizational profile in the sector on declared vision regarding the appreciation of the importance of marketing concept is relatively weak.

2. The influence of organization size on stated vision regarding the valuing of the marketing concept.
In this case, it has been obtained a 0.297 value of Cramer's association coefficient $\Phi_c$, evidencing a relatively weak association between the size of the organization and declared vision on valuing the marketing concept. In other words, the influence of the size of the organization on stated vision regarding the valuing of the marketing concept is relatively weak.

3. The influence of experience in the field of investigated organizations on stated vision regarding the valuing of the marketing concept.
In this case, it has been obtained a 0.319 value of Cramer's association coefficient $\Phi_c$, certifying a relatively average association between industry experience of the investigated organizations and declared vision on the valuing of the marketing concept. In other words, the influence of industry expertise of the investigated organizations on stated vision regarding the valuing of the marketing concept is relatively average.

4. The influence of interdepartmental relationships nature within investigated organizations on stated vision regarding the valuing of the marketing concept.
In this case, it has been obtained a 0.325 value of Cramer's association coefficient $\Phi_c$, evidencing a relatively average association between the interdepartmental relationships nature within investigated organizations and declared vision on the valuing of the marketing concept. In other words, the influence of interdepartmental relationships nature within investigated organizations on the stated vision regarding the valuing of the marketing concept is relatively average.

5. The influence of the location of the respondents within organizational structure on the stated vision regarding the valuing of the marketing concept.
In this case, it has been obtained a 0.371 value of Cramer's association coefficient $\Phi_c$, evidencing a relatively average association between location of the respondents within organizational structure and declared vision on valuing of the marketing concept. In other words, the influence of the location of respondents within organizational structure on the stated vision regarding the valuing of the marketing concept is relatively average.

6. The influence of the training and education level of investigated respondents on declared vision regarding the valuing of the marketing concept.

In this case, it has been obtained a 0.275 value of Cramer's association coefficient $\Phi_c$, evidencing a relatively weak association between the training and education level of investigated respondents and declared vision on the valuing of the marketing concept. In other words, the influence of the training and education level of investigated respondents on declared vision regarding the valuing of the marketing concept is relatively weak.

After this analysis, we can conclude the null hypothesis has been confirmed: the endogenous factors have influenced the declared vision on the valuing of the marketing concept within the local organizations.

Realizing a hierarchy of endogenous factors, we can see that the greatest influence on the stated vision regarding the valuing of the marketing concept within the organizations has been generated by the location of respondents within organizational structure, followed by the nature of interdepartmental relations, industry experience, the size of the organization, the training and the education level of respondents.

Following this analysis, we can appreciate that the declared vision regarding the importance given to the marketing concept was influenced by a number of endogenous and exogenous factors, of which the most important are: the level of competition in the addressed market / markets, competition by the transnational companies, the respondent location within organizational structure, the nature of the interdepartmental relations and the experience of the organizations. These factors explain why, at least declaratively, a greater emphasis is being put on marketing concept than a priori considered.

Thus, it can be seen that in both cases in which was necessary the repositioning to the higher level of the scale, a greater importance is attached to the marketing concept compared to registered premises within the proposed model and to the organizational practice.

**Conclusions**

In the light the researched context (Bacau County market) and considering the investigated variables in the direct research, conducted in the local organizations, the proposed model has certain limitations as follows:

- it is not taking into account all endogenous and exogenous factors that can influence both the assimilation and operationalization of the marketing concept in practice and the weight declarative given to the dependent variables;
- it considers only 5 Levels in modeling the process of the assimilation and operationalization of the marketing concept into practice;
- the model was tested only in the local organizations, medium and large, of eight sectors.
References


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