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REEXAMINING THE ADOPTION OF THE MARKETING CONCEPT

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Abstract

This article presents an original method of analysis to solve an old yet seldom recognized problem, how organizations adopt the marketing concept. The empirical study was conducted in a representative sample of insurance firms in Belgium. The organizational dimensions of the marketing adoption studied were: 1. marketing organization, 2. marketing responsibilities, and 3. marketing strategies. This research studies those organizational aspects of the adoption of marketing, their association with business performance measures, and the intentionality followed in the adoption process. It was found that firm performance was associated with several organizational factors as well as with the marketing tactics, and the adoption of marketing was not the result of an intentionally planned process. The results show that the adoption of marketing is a multidimensional process that does not prevent the coexistence within a firm of structures and actions belonging to different evolutionary stages. These results contradict the models that consider the adoption of marketing from an environmental deterministic perspective and neglect the related organizational aspects from its adoption.

Key Words:

Insurances sector, services, marketing, organizational adoption

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INTRODUCTION

The growing participation of the services sectors in the GNP of many countries has generated the awareness of its importance in the world economy. Thus, service industries today are in the forefront of economic leadership (Heskett, 1987).

This awareness is also the result of a theoretical re-evaluation because services have had a passive role in the literature on economic development during the past 50 years (Bhagwati, 1989). It has been recently suggested that financial services perform a function as a "lubricant" for the economy (Marconini 1989) and that the tendency towards a globalization of these actions exists (Dunning, 1989).

In the past few decades, it has also been recognized that services require a special marketing treatment, given that marketing has been principally developed for physical goods (Lovelock, 1981).

The literature that supports the development of marketing applied to services is extensive and in diverse areas; however, in spite of this abundance, we see that the empirical studies of the financial services are limited (Edgett and Thwaites, 1990), more concrete in the insurances sector.

Compared with other industries, it is reasonable to think that the firms which operate in this sector have a fundamental necessity of adopting the marketing concept. In the insurances sector, the expectations of the market are very important in the purchase of a service characterized by high intangible components and associated with unwanted risks. In this sector, the sale must precede the production of the service; consequently, the commercialization emerges as a promise that requires a great trust in the entity offering the service (Lambin, 1993). According to Lambin, in an insurance firm, more than in an industrial organization, the marketing perspective must concern all of the members of the organization.

Another reason to hope that the insurance companies have adopted the marketing concept is the competitive environment in which they operate. The development of the common market, the entrance of banks (Philippe, 1991) and other countries outside of the European Union (Randone, 1990), require them to have efficient management of the market variables in order to continue operating successfully (Muth, 1992; Philippe, 1991).

In spite of the recognized importance of marketing for financial services, publications that have analyzed the process which the firms of this sector follow to adopt the marketing concept are few. We consider that a consequence of this absence in literature is the lack of researchers' knowledge about what conditions lead the firms to adopt this business philosophy or about its influence on organizational performance (Lusch and Laczniak, 1987). We also suppose that an increase in this knowledge is required to analyze the various problems related to

the adoption of the marketing concept, such as: Which concept to evaluate?, How to measure its adoption?, and What is its impact on businesses' performance?.

The adoption of the marketing concept has been studied in firms belonging to various sectors: building societies (Thwaites and Lynch, 1992), health care (Hampton, 1992), engineering consultancy (Morgan and Morgan, 1991), incoming tourism (Greenley and Matcham, 1990), law and accounting services (Morgan, 1990), general services (Hooley and Cowell, 1985), manufacture (Piercy 1986), retailing (Piercy and Alexander 1988), financial services (Piercy and Morgan, 1989) and consulting engineering (Morgan and Morgan, 1991). In most of these studies, the marketing concept evaluated has been operationalized in different ways, which generates a confusion as to what orientation to the marketing means (Sharp, 1991).

The tendency to examine and redefine the traditional marketing concept (Grönroos 1989) is applied to the problem regarding the diversity of definitions. Some authors indicate that the changes observed in some countries, and in given firms, suggest that marketing must broaden its role in the organization (Boyd and Walker, 1990; Morgan and Piercy, 1991, Webster, 1992) as far as the limits of its conceptual influence (Lusch and Laczniack, 1987). Other authors recall the birth and development of marketing in the U.S.A. and mark the convenience of studying its applicability and adjustment to other economic realities (Thomas, 1994; Webster, 1994).

In the measurement of the marketing concept, an agreement between authors exists to consider the adoption of this concept as a process (Ferrell and Lucas, 1987) that follows an evolutionary orientation. However, not all the authors agree with the type of models that should be used to study this evolutionary process.

Some models are based on a historical analysis of the development of marketing in American firms (Bartels, 1962; Kotler, 1972), and in different countries, such as Great Britain, and Germany (Fullerton, 1988). Other models indicate that the adoption of marketing is a process contingent on the circumstances of the environment (Keith, 1960; Kotler, 1988) and that evolutionary and exclusive stages are developed and completed with the adoption of marketing throughout the whole organization.

The majority of these models present the disadvantage which assumes that the environment determines the adoption of marketing. Also, they do not explain why, in the same time period, firms which use techniques that belong to different historical or evolutionary stages of marketing coexist.

Another common disadvantage of these models is that they do not present an operationalization of the different stages that compose the process that they are suggesting. This is something which hinders the classification of the firms according to the marketing stage which they are developing.

The positive impact of the adoption of marketing on the economic performance of the company is a topic that has been promoted by several authors (Hooley, Lynch and Shepherd, 1990; Lusch, Udell and Laczniack, 1976; Riesz, 1980; Webster, 1988), but is not free of critiques (Bennett and Cooper, 1981; Gillingham, 1980; Hayes and Abernathy, 1980).

Recent empirical validations not belonging to the American experience, have been presented, which indicate a positive relationship between the adoption of marketing and the performance of the company. However, these publications take into account only some aspects of the adoption of marketing, for example: the organization of the marketing function (Ghosh, Schoch, Taylor, Kwan, Kim, Teo, 1994), the preferred market tactics (Speed and Smith, 1993) and the planning for marketing (Baker, Black and Hart, 1988).

The justification to seek a model that evaluates the organizational factors and the tactics realized by the firm is found where the performance in the services is the result of the delivery system of the service (Zeithaml et al, 1990) and where this system reflects the organizational structure as well as the marketing tactics of the company.

Given that the literature on the organizational phenomena associated with the adoption of marketing in services is still not rich enough to provide the conceptual foundation upon which our research can be based, it was necessary to develop an exploratory study. Also, considering the shortage of research on financial services, this article is based on a theoretical model which identifies objectives and measurable criteria in order to evaluate the process of marketing adoption that the Belgian insurance firms follow. This model also presents answers to the various problems associated with the adoption of marketing in firms.

Our article has three objectives. The first, to explore the organizational process that the Belgian insurance firms follow in their adoption of marketing. The second, to associate the various steps of this process with business performance. The third, to identify the premeditation of these firms in their adoption process of marketing.

In the first part of our paper we will introduce the model that guides our proposals on the adoption of marketing. We will present and discuss the obtained results in the final part. This paper will conclude with a discussion of the managerial importance of the results and future research directions.

RESEARCH PROPOSITIONS

The model on the evolution of the marketing presented by Lambin (1993) has been used for our research objectives. This model is based on the strategic marketing goals that the firm follows in each stage and assumes coexistence of the techniques and economic environments belonging to different historical stages.

This model presents the advantage that it incorporates the Production-Sales-Marketing model, this one being fully accepted by the marketing authors (McCarthy and Perreault, 1990). Also, this model addresses the critiques of the models based on the historical development: the determinism of the environment and the coexistence of firms in different stages.

This model assumes that the adoption of marketing follows three evolutionary stages: passive marketing, organizational marketing and active marketing. These are differentiated by the organizational components that the firm uses in each stage: the formalization of the marketing department, the responsibilities allocated to it, and the type of competitive tactics that it develops .

We assumed that these components are independent dimensions of the structures of the organizations (Pugh and Hicson, 1976). These also permit us to explain the coexistence of firms in different stages because the organizational structures are developed from the interplay of the organizations' context and management decisions (Scott, Mitchell and Birnbaum, 1981). This last assumption permits us to overlook the deterministic perspective of the relationship between the firm and its environment, since the individual differences of the managers influence the evaluation and the answers of their firms to their environments (Hambrick and Mason, 1984; Ramaprasad and Mitroff, 1984; Lyles and Thomas, 1988).

Thus, we can establish the following research proposals:

P1 The organization of the marketing function

- In the passive marketing stage, the organization of the marketing function does not exist, it is incipient, or it is reduced to a commercial department.
- In the organizational marketing stage, the marketing function is structured as a sales department or a commercial department.
- In the active marketing stage, the marketing function is organized as a department.

According to some authors, the tendency in the marketing organization is to absorb this function among the other areas of the firm (Ardnt 1979, Webster, 1992). According to the Nordic school, the trend to reduce the size and the importance of the marketing departments exists (Grönroos, 1989). Thus:

P1.1 A trend to decrease the size and use of the organizational marketing function exists in firms

P.2 Organizational responsibilities and tasks of the marketing function

- In the *passive marketing* stage, the management of the market variables (4Ps) is dispersed to other organizational functions. The marketing executive is only responsible for sales administration.

- In *organizational marketing*, the management of the market variables acquires a certain redistribution among the various functions, but the product policies are owned by Production. The Marketing function is responsible for administering publicity and promotion as well as market studies.
- In the *active marketing* stage, the marketing function is accountable for product decisions, including their economic viability. It is also responsible for strategic marketing (here the election of product-markets is included).

P.3 Market tactics

- In the *passive marketing* stage, the marketing tactics do not take into account the satisfaction of the customers, but the needs of the company.
- In *organizational marketing*, the marketing tactics are based on a low segmentation of the market. The needs of the buyers are scarcely taken into account for the design of the marketing tactics.
- In the *active marketing* stage, the tactics are guided by alertness to the competition and the environment. Specific products are developed to satisfy well segmented necessities and a regular innovation of the portfolio of product-markets is maintained. The firm bases its actions on clearly defined marketing plans.

P.4 Tendencies of the marketing concept

The necessity that the marketing concept be expanded and that the multiple publics of the company be taken into account has been referred to several authors (Lusch and Laczniak, 1987; Brown, 1987; Day, 1984). This trend, in the case of the insurance firms, is manifested in tactics directed toward the distributors (Houghton, 1988; Kramer-Kawakami, 1994). Thus:

- The firms of the insurance sector use a marketing concept that is made operational in tactics directed toward several publics.

P.5 The performance of the evolutionary stages

With respect to the performance associated with the adoption of the marketing concept, there are several authors who indicate that a marketing oriented firm obtains high performance (Jaworski and Kholi, 1993; Kappor and Singh, 1981; Hooley and Hoover, 1986; Hooley, Lynch and Shepherd, 1990). As for the researches who associate marketing practices with performance, we have incorporated a system-structural perspective to analyze whether or not the structure of the marketing function can also generate high performance for the companies. Thus, taking into account all of this and the existing relationship between the organization of marketing actions and performance (Ruekert, Walker and Roering, 1985), for our research, we propose that an association between the performance of the firms and:

- the organization of the marketing function exists.
- the responsibility level that the marketing function has in regards to the organizational tasks of the market and the level of use of market studies exists.
- the level of marketing tactics that the firm develops.

P.6 The premeditation of the adoption process

Finally, the operationalization based on this model permits us to analyze whether or not a coherence exists between the organizational design of the function, between the responsibilities allocated, and between the tactics developed toward the markets. This analysis is based on the assumption that the purpose of organizational design is to provide conditions which facilitate one's optimal attainment of objectives (Carzo and Yanoujas, 1967) and that this purpose guides the allocation and the use of organizational resources. It is also assumed that the coherence is synonymous with rationality (Nozick, 1993) and that this coherence shows us the degree of intentionality in the adoption of the marketing concept.

For our research, this intentionality will be evaluated by the degree of positive association between the structural dimensions of the adoption process of the marketing that the companies have developed. Here we assumed that the companies can adopt marketing strategies by their organizational design or differentiation in the tasks as well as by the allocation of resources (Jauch Glueck, 1988; Walker and Ruekert, 1987).

RESEARCH METHODOLOGY

Methodology

The research reported in this article is based on data taken from representative samples of the Belgium insurances sector, including life and non-life insurances.

The survey was conducted to explore if and how insurance societies are adopting the marketing concept to adapt to the changing financial services environment. These institutions were categorized by the size of assets to determine whether or not approaches vary among societies of differing sizes.

The survey was taken between May 1994 and December 1994 and the data was collected using a mail questionnaire. Alternative methods such as an interview or case study approach were deemed inappropriate.

THE EMPIRICAL RESEARCH

The sample

In Belgium, of the 264 companies that appeared in the list of the Office of Control of Insurances, 76 were selected as our target population. We eliminated those that did not operate in the private insurances sector and those with gross incomes of less than 100 million Belgian Francs (which corresponds to a market share inferior to 0.025%). Questionnaires were sent to all 76 firms, and answers were received from 34 of them, which represents 45% of our target population.

The representativeness of the Belgian sample, with respect to the number of firms, was verified by the comparison of the frequency distributions. The χ^2 test indicate to us that meaningful differences to 5% do not exist between the frequency distribution of our sample and those of the target population (using assets as the criteria).

The appropriateness of the sample size was verified. With regards to nonproportional stratified proceeding, we determined that our sample of 34 firms fully satisfies these requirements.

The Questionnaires

In order to enable the marketing tasks assigned to the chief marketing executive (CME) to be explored, the selection of responsibilities often associated with the marketing function were put forward. The respondents were invited to measure CME responsibility on a scale of "full and sole responsibility" (1), through to "no responsibility" (5).

The items were generated through an inspection of the literature and refined after a discussion with managers and with marketing professors. This scale obtained a satisfactory reliability level (alpha cronbach = .7504).

In order to construct the scale to evaluate the use of market studies, a similar procedure was followed as the previous. The questionnaire evaluated the frequency of use on a scale of "never" (1) to "frequently" (5). The reliability level of this questionnaire was also satisfactory (alpha cronbach = .8275).

The market tactics were generated from the theoretical proposals of Lambin's model, complemented with an inspection of the literature and verified through an evaluation by managers and professors. This questionnaire obtained a satisfactory reliability level (alpha cronbach = .8487).

The questionnaire evaluated the degree to which these affirmations reflect the real operation of the company. The first scale was graded from 0 to 10, in which 0 indicated that the firm did not develop that practice "in no degree", 5 indicated that it developed it "more or less" and 10 that it developed it to "an intensive

degree". The second scale permitted the interviewee to state whether or not the proposal was pertinent to the reality of his firm.

The performance was evaluated by records published by the insurance firms in Top Trends 5000 (1994) and in the Rapport of Office of Contrôle Assurances (1994). The 1993 Net Profits and Net Profits Growth (1991-1993) were used as economic performance criterion. The Gross Net Income Growth (1991-1993) and the 1993 Gross Net Income were used as market performance criterion.

RESULTS

The organization of the marketing function

This part deals with the formal acceptance and the modality with which the Belgian insurance companies have organized the marketing function. The results of the inquiry (see Table I) indicate that the majority of the companies (88%) have at least one formal representative in charge of the marketing function and that 53% have organized the marketing function as a department. In this organization, the majority of the firms count on more than 2 full time personnel (see Table II).

This data confirms that the adoption of the marketing concept in service organizations does not necessarily require a formal department, but a coordinator who organizes the marketing actions which the organization undertakes (Grönroos, 1980).

-----insert Table I about here-----

-----insert Table II about here-----

Although meaningful differences do not exist between firm size, the possibility of possessing a marketing department, and the antiquity of the marketing department, meaningful differences with respect to the number of full time marketing employees were found between medium and small firms.

For the responding companies which had marketing departments, it was found that in most of the cases these departments had been formed more than 4 years ago (see Table III).

-----insert Table III about here-----

From an evolutionary perspective, it can be affirmed that 10% of the Belgian insurance sector still remains in a clear passive marketing stage. This affirmation also supports the fact that 12% of the firms still maintain a lower functional report level than the others areas (see Table IV).

-----insert Table IV about here-----

The great majority of the firms are found in the organizational marketing stage, although a wide variety of job titles for the one in charge of this function were found (see Table V). 56% of the firms designate the same status to the marketing function as to the other areas. The remaining 32% would be placed in the active marketing stage since the marketing function belongs to the executive management or reports directly to the top management.

-----insert Table V about here-----

According to these parameters, it can be affirmed that the Belgian sector, with respect to the formalization of the marketing department is, on average, still found in the organizational marketing stage.

Concerning the trend to reduce the size and the importance of the marketing departments, 53% of the companies expressed a tendency toward stabilization and 44 % toward growth (see Table VI). These data do not validate the hypothesis of the progressive disappearance of the marketing function in this sector.

-----insert Table VI about here-----

The responsibilities and tasks

Taking into account the assumption that the principal obligation of the marketing department is the management of the market tasks (Gummesson, 1984), in this section, we analyze the responsibilities of this function within the firm. In this section we also investigate how the marketing concept has been adopted through the organizational tasks that the marketing manager controls (Carson, 1968).

The t-test indicate that by company size meaningful differences of 5% do not exist in the responsibilities assigned to the marketing function and in the use of market studies.

In the case of the firms that do not have a marketing department (10%), the responsibilities of this function are shared between several managers. These results confirm the 'do-it-yourself' syndrome found in prior research done in the services sector (Morgan and Morgan, 1991, Turner, 1969).

In the other firms, according to the responsibilities granted to the marketing function, our results indicate that the majority are found in the organizational marketing stage. The fact that the firms whose sales tasks are included under the responsibility of marketing are few, supports this affirmation. This result makes us think that there exists a functional differentiation between these two departments and that marketing has surpassed the stage of sales administration (characteristic of passive marketing).

Likewise, Table VII indicates that the marketing function is responsible for the market studies (56%) and for the tasks related to advertising and marketing planning (53%). In a lesser percentage (32%), the marketing function is in charge of the public relations tasks.

The responsibilities of product innovation and price policy are out of the domain of the marketing function, which confirms that the managing of the market variables is still not totally under the control of this function (characteristic of organizational marketing).

The firms that grant the responsibilities of strategic planning to their marketing departments are very few (8%), which is a characteristic of passive marketing. Compared with the marketing planning level, it can be seen that the firms have still not adopted a strategic perspective toward marketing planning. This leads us to think of a reactive marketing type (Edgett and Thwaites, 1990), in which the strategic planning process receives little input from its marketing department.

-----insert Table VII about here-----

According to Lambin's model, the process by which the organization is adapted to its environment is based on the use of strategic marketing, and this comes from the analysis of the market. Taking into account this relationship, in this section we will also analyze what resources, in regards to market information, the company provides to the marketing function to support the tasks allocated to it.

In the previous analysis, we found that the marketing function was mainly responsible for the communication tasks (advertising and promotion) and market research. However, this must be contrasted with the high number of companies that rarely use advertising pre-tests and analysis of advertising efficiency (see Table VIII).

The tasks of marketing planning, identified in the previous analysis, are mainly directed toward the study of the distributors (62%) and of the competitors (53%), and they are developed within the firm. However, the importance that the companies grant to the analysis of the final user (motivations and purchase behavior) is low. This fact makes us think that many marketing decisions are not supported in terms of market information, and, therefore, the companies do not continue the analysis-action relationship established by strategic marketing.

This affirmation is also supported by the low analysis of the environment that the companies develop, information that it is vital for strategy selection (Hooley and Saunders, 1993) and for the success of competitive strategy (Porter, 1980).

-----insert Table VIII about here-----

Marketing tactics

This section attempts to analyze the actions that the firms realize to satisfy their markets and to face their competition. It is assumed that the actions will be a result of the adoption of the marketing in the companies, and that at a greater evolutionary stage, the companies will thoroughly take into account the market factors.

The results shown in Table IX indicate that in the Belgian insurances sector the average interest in evaluating the satisfaction of their markets is low. 63% of the firms express little interest in evaluating the satisfaction of the end customer, a surprising result given the theoretical importance of this action. This percentage improves (23%) when the distributors are considered.

Based on this criterion, we can affirm that only 10% of the firms are found to be in the active marketing stage.

Taking into account the analysis of the needs of the markets, we find that only 17% of the firms are found in the active marketing stage, a percentage that is maintained for the distributor. As for this public, 51% of the firms take into account their opinion, a figure that indicates the special interest that the distributor has for the companies.

As for the use of segmentation as a basis of a marketing tactic and according to our research proposal, the firms could be classified in the organizational marketing stage by their low average score (score of 5.01).

Considering that the firms classified in the active marketing stage should base their marketing tactics on the alertness of the competition and of the environment, the results indicate that on average only 30% of the companies fulfill this requirement. However, the high percentage of firms that do not analyze the marketing policy of the competition is worth mentioning (Table IX: 10), which is a theoretical incongruity that needs further analysis.

Concerning the actions intended for developing products for well segmented needs (characteristic of active marketing), we find that on average the companies are classified in the organizational marketing stage (score of 6.30). However, this score improves when we refer to the regular innovation of the products-markets portfolio (Table IX: 4 and 8), which indicates that the analytical part of marketing is still not valued in the firms, given that there is not a mutual correspondence level between analysis and action activities.

Considering the use of well defined plans (Table IX:18), our results indicate that, on average, the companies are found in the organizational marketing stage and that only 36 % are found in active marketing.

The hypothesis on the extension of the marketing concept to other publics (stakeholders) has been validated by the managers interviewed. The low

percentage of rejection expressed by our proposals (less than 0.01 of the sample) indicates that the managers recognize its validity to represent the problems of their firms, in spite of the fact that they only develop some tactics and at a lower level.

Thus, it can be indicated that the managers recognize the need for the marketing concept to be extended from an orientation to the end customer to other publics: the intermediary client, the competition, and the environment. Equally, they recognize the importance of maintaining a coordination of the market tactics.

-----insert Table IX about here-----

The adoption of marketing and performance

In this section, we will analyze whether or not a relationship exists between the organizational components of the adoption of the marketing concept and the various economic and market performance criteria. An attempt will be made to evaluate whether or not a greater evolution of the stages brings a greater performance and to identify which are the components associated positively with this performance.

In Table X, the existence of a positive association between the quantity of resources allocated to the marketing function (number of persons) and the performance indicators for the short (GPI 93 and NP 93) and long terms (GPI Growth and NP Growth) is shown. These results would sustain, in a certain way, the argument that the quality of the services is related to the greater participation of the personnel in the marketing tasks or part time-marketers (Gummesson, 1991).

-----insert Table X about here-----

The specialization, or the organization of marketing in a formal department, is found to be associated with short term indicators (GPI 93). However, the formalization years, which would indicate the organizational experience in the knowledge of the market, were not found to be associated with any indicator of performance¹.

The level of control over the marketing tasks was found to be associated only with the indicators of short term performance. However, the level of use of market

¹ These results require greater study since these contradict the benefits of the organizational learning. As a possible explication, we could suppose that our knowledge about markets is highly changing, difficult to standardize and difficult to formalize. As a consequence, the nature of the market knowledge is implicit and is more associated with the individual than with the organization.

studies was found to be associated with indicators of the short and long terms in economic performance and market performance.

The market tactics have also been found to be associated with market indicators in the short term (Premium Income 93), but not for the growth in premium income in the long term. The tactics were found to be poorly associated with economic indicators in the short (.2986*) and long terms (.3006*).

These results suggest that the performance of the firms is not only associated with the competitive tactics that are realized, but also with the manner in which the marketing function is organized, as well as the resources allocated (personal, market information). The positive relationship between the market studies and performance confirms the theoretical proposals that suggest that these are the basis for successful planning.

The Intentionality of adoption process

Here we analyze whether or not a planned adoption of the marketing concept exists through the degree of association between the structural dimensions and the marketing tactics that the firm develops.

The null relationship between the interest level of the companies for formally organizing the marketing function and the level of power that is granted in order to control the market tasks, suggests the weak tendency to recognize the formal importance² of the marketing function (see Table XI).

-----insert Table XI about here-----

The weak association found between the specialization of the marketing function and the level of use of market studies (.3320 *), confirms the companies' low premeditation for taking advantage of the benefits that the marketing function can offer. According to what is previously shown (see Table VIII), in most of these, the role of the marketing departments is restricted to develop only limited types of market studies.

Likewise, the degree of interest in specializing the marketing function is not reflected in the level in which the marketing tactics are performed. This manifests an incoherence, since these tactics do not benefit from the advantages that the specialization offers. This specialization is recommended for adapting to uncertain environments and for developing complex tasks (Hage, 1965), such as those that the insurance firms should perform in order to maintain their competitiveness.

² This is confirmed when we see that the variable Price and the variable Product are still not responsibilities of the marketing function and that this rarely participates in strategic planning (data shown in table VII).

It is assumed that the intentional adoption of marketing would have to be reflected in a greater association between the specialization, the market studies and the tactics, since specialization leads to a better analysis of the market, and this is the raw material of successful marketing tactics (Cravens, 1987).

The null association between the operation years, the degree of power on the market tasks and the marketing tactics also indicate the lack of relationship between what is organizationally designed and the resources allocated, and as a consequence of a low premeditation in the adoption of marketing.

Also, this null association shows in the insurance firms that what is indicated by some authors is not fulfilled: that the functional experience influences the choice of organizational strategies (Hambrick and Mason, 1984) and that the greater experience in marketing will lead to a greater preoccupation for adapting the organizational actions to the market (Miles and Snow, 1978).

The quantity of workers in the marketing function is poorly associated with the market tasks (.3873*). This implies that a logical relationship in the allocation of resources does not exist, which shows that the number of persons scarcely predicts the level of formal power that the firm allots to the marketing function. However, the personnel is more associated with market studies (.5422 ***) since most of the firms develop these studies with the members of the firm (data shown in Table VIII).

Another lack of coherence is found in the null association between the responsibility level of marketing tasks and the level of use of the market studies. This indicates that the firms do not consider the market studies as the raw material of the tasks of the marketing function.

In summary, our results suggest that in the Belgian sector a laissez-faire attitude towards marketing exists, more than just an conscious orientation. A similar phenomenon is reported by Hooley, Lynch and Shepherd (1990) in some of the English firms of their research.

CONCLUSIONS

This study has confirmed the proposals formulated on the organizational problems related to the adoption of marketing. The results show that the adoption of marketing is a multidimensional process which does not exclude the coexistence within a firm of structures and tactics belonging to different evolutionary stages. These results contradict the deterministic models that evaluate the adoption of marketing, neglecting its organizational problems.

Although agreement exists among the interviewed firms as to the consideration of marketing as an accepted formal managerial function; this does not imply that the "marketing substance" (Ames, 1970) has been adopted.

It is also found that the firms share the tendency to maintain and increase its use, as well as agree to the necessity of extending the marketing concept so that it includes other publics, in addition to the final user (distributor, environment and competition).

Although in the majority of the firms total premeditation in the adoption of this concept is not found, it can be affirmed that, on average, the firms are found in the organizational marketing stage.

The Chief Marketing Executive has been identified as the one responsible for the tasks related to communication. However, this does not indicate a mature functional position, since he is excluded from the strategic decisions. In practice, only publicity and promotion are accepted as the principal responsibilities of marketing, since he is excluded from price policy and product development (contrary to what is taught by professors about the responsibility of marketing according to the 4Ps). Also, the use of the marketing information was found to be limited; most of the firms do not use market studies to support the internal tasks of the marketing function.

Not all of the marketing tactics are performed at the same level, although the importance granted to the distributors is emphasized. This result is coherent with the recommendations formulated for the insurance firms for their successful adaptation to a new competitive environment.

The tactics developed more regularly are related to the coordination of the organizational actions directed to the market. These results confirm the high level of coordination necessary for the unstructured tasks, like those of the services.

The results also show that a positive association exists between the evolutionary stages of marketing and the various performance criteria of the short and long terms, which confirms that in the service sector, business performance depends as much on organizational components as on marketing tactics. Likewise, an intentional adoption of the active marketing stage can provide competitiveness to the firms in the short and long terms.

IMPLICATIONS

Further research on the insurance services' marketing is obviously necessary and this exploratory research has attempted to establish some foundation for future studies.

One of the relevant areas for future research constitutes the complex organizational process and cognitive problems that are likely to block the adoption of active marketing. It is convenient to study why in spite of the theoretical

importance of the marketing function, it still doesn't have the responsibility of the market tasks, nor does it participate in strategic planning.

Another area of study is related to the use of organizational marketing knowledge. Future research should analyze how to generate, store and use the experience of the market to increase the competitiveness of the firm. Within this area, how to use the market research to support the tasks of the marketing function and the competitive market tactics should be investigated.

The relationship between business performance and the delivery system of the services should also be investigated. This would be an analysis of the delivery systems which correspond to the different evolutionary stages, the organizational components that intervene with them and their impact on business performance.

The topic of premeditation or coherence between the design and the adoption process of marketing is another topic which deserves further research. Hopefully, a better operationalization of the stages will facilitate the identification of controllable variables that will provide a planned adoption of the marketing concept for managers.

TABLE I **Organization of the Marketing Function**

RESPONDENT SIZE	ONE DEPARTMENT	ONE PERSON	DEPARTMENT IN PROCESS	NONE OF THE PREVIOUS
SMALL	3	5	0	2
MEDIUM	4	4	1	1
LARGE	11	3	0	0
ALL (n)	18	12	1	3
(%)	(53%)	(35%)	(3%)	(10%)

TABLE II **Number of Marketing Personnel**

RESPONDENT SIZE	Number of Employees			
	1(n)	2(n)	3(n)	4 or more (n)
SMALL	5	2	1	1
MEDIUM	4	3	1	0
LARGE	3	1	2	8
ALL (n)	12	6	4	9

TABLE III **Age of Marketing Function**

RESPONDENT SIZE	LESS THAN 2 YEARS	BETWEEN 2 AND 3 YEARS	BETWEEN 4 AND 5 YEARS	MORE THAN 5 YEARS	IN PROCESS
SMALL	2	0	4	2	0
MEDIUM	2	2	2	3	1
LARGE	1	2	3	7	0
ALL	5	4	9	12	1

TABLE IV **Marketing Reporting Level**

CME reports to	(n)	(%)
• Senior management/ Executive committee	11	32%
• Managing partner/ chief executive	19	56%
• Others	4	12%

TABLE V **Responsible Marketing Job Title**

Job title	(n)
• Marketing manager	4
• Commercial Director	7
• Commercial and Marketing Director	1
• Marketing and Publicity Director	1
• Marketing Director	3
• Responsible for Marketing	6
• Responsible for Communication	1
• Responsible for Market Studies	5
• Others	6

TABLE VI Marketing Employee Trend

RESPONDENT SIZE	DECREASING	STABLE	INCREASING
SMALL	0	8	4
MEDIUM	0	4	5
LARGE	1	6	6
ALL	1 (3%)	18 (53%)	15 (44%)

TABLE VII The Responsibility of the Marketing Function

Marketing task:	Total formal responsibility (n)	Average (mean) responsibility Score
• Selection of personal of sale and of marketing	7	2.64
• Management of sellers net and/or resellers	6	2.10
• Advertising	18	3.91
• Promotional campaigns	17	3.87
• Marketing planning	18	3.91
• Market research	19	3.91
• Public relations	11	3.26
• Commercial training	4	2.43
• Development of concepts for new services	11	3.41
• Strategic planning	8	2.83
• Pricing policy and tariffs	5	2.74

TABLE VIII Use of Marketing Tools

	Frequency of use			Internal Service	External Service
	Never	Sometimes	Frequently		
	(n)	(n)	(n)		
• Quantitative measurement of potential market	13	11	10	15	6
• Analysis of market share	10	11	13	16	8
• Analysis of environmental opportunities and threats	23	7	4	9	2
• Analysis of consumer's behavior	17	10	7	8	9
• Analysis of buyer's motivations	15	12	7	9	10
• Analysis of distribution channels	6	7	21	25	3
• Analysis of competition	5	11	18	26	3
• Advertising pre-tests	25	8	1	4	5
• Analysis of advertising efficiency	20	9	5	4	10
• Study of price elasticity	29	4	1	4	1
• Quantitative sale forecasts	7	5	22	25	2
• Quantitative analysis of each product-market trend	15	10	9	18	1
• Testing of new product concepts	18	10	6	13	3

TABLE IX

The Marketing Tactics

The Marketing Tactics	% DE SCORES			MEAN SCORES	STD DEV
	SCALE				
	1-4	4-7	7-10		
FINAL CLIENT					
1. Analyze level of satisfaction	63	26	11	3.71	2.53
2. Analyze the appearance of segments	38	45	17	5.01	2.61
3. Commercialize solutions for segments	17	52	31	6.30	2.22
4. Commercialize new products	10	38	52	7.18	2.25
DISTRIBUTOR					
5. Analyze level of satisfaction	23	51	26	5.81	2.75
6. Analyze necessities	40	40	20	4.90	2.69
7. Take into account his opinion	14	35	51	6.75	2.36
8. Adopt products to necessities	27	51	22	5.73	2.18
COMPETITION					
9. Analyze their strategy	16	55	29	6.32	1.88
10. Analyze their marketing policy	61	31	8	3.58	2.57
11. Act to protect the final client	21	43	36	6.11	2.39
12. Act to protect distributors	21	34	45	6.28	2.64
ENVIRONMENT					
13. Analyze changes in the final client's environ.	41	28	31	5.50	2.70
14. Analyze changes in the distributor's environ.	38	32	30	5.60	2.59
15. Act to influence pressure groups	48	36	16	4.37	2.80
16. Act to show social utility	38	41	21	5.07	2.96
COORDINATION					
17. Coordinated elaboration of tactics	15	35	50	6.67	2.20
18. Definition of the marketing plan	26	38	36	6.05	2.58
19. Commitment to serve the market	27	42	31	5.90	2.38
20. Coordination based on market information	20	44	36	6.20	1.93

TABLE X Association between Organizational Components and Performance

Organizational Components	Premium Income		Net Profits	
	GPI 93	GPI Growth	NP 93	NP Growth
ORGANIZATION				
.Number of workers	.6128 ***	.6118***	.5896 *	.4851*
.Specialization	.3106*	ns	ns	ns
.Years of functioning	ns	ns	ns	ns
RESPONSIBILITIES				
.Market tasks	.3441*	ns	ns	ns
.Market studies	.3579*	.3899 *	.5246**	.5993**
TACTICS				
.Tactics	.3790*	ns	.2986*	.3006*

1-tailed Signif: *-.05 **-.01 ***-.001

TABLE XI Association between Organizational Components

Organization of the function of marketing	Responsibilities		Tactics
	Tasks	Market Studies	
• Specialization	ns	.3320*	ns
• Years of functioning	ns	ns	ns
• Number of workers	.3873 *	.5422***	.4759***
Responsibilities			
• Tasks			.4737*
• Market Studies	ns		.5324***

1-tailed Signif: *-.05 **-.01 ***-.001

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