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Toward a theory of the boundary-spanning marketing organization and insights from 31 organization theories

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Abstract Now more than ever, marketing is assuming a key boundary-spanning role—a role that has also redefined the composition of the marketing organization. In this paper, the marketing organization's integrative and mutually reinforcing components of marketing activities, customer value–creating processes, networks, and stakeholders are delineated within their boundary-spanning roles as a particular emphasis (labeled MOR theory). Thematic marketing insights from a collection of 31 organization theories are used to advance knowledge on the boundary-spanning marketing organization within four areas—strategic marketing resources, marketing leadership and decision making, network alliances and collaborations, and the domestic and global marketplace.

Keywords Marketing organization · Organization theory · Marketing activities · Networks · Stakeholders · Customer value-creating processes · MOR theory

Introduction

Research on the role of marketing in organizations has typically adopted either a functional or a cross-functional perspective (Moorman and Rust 1999; Workman et al. 1998). "A functional marketing organization refers to the concentration of the responsibility for marketing activities (knowledge and skills) within a group of specialists in the organization" (Moorman and Rust 1999, p. 181). Workman et al. (1998, p. 32) define "cross-functional dispersion of marketing activities as the extent to which functional groups, other than marketing, are involved in traditional marketing activities." While there has been a tendency in the marketing literature in the last two decades to increasingly emphasize the cross-functional perspective over the functional perspective (Moorman and Rust 1999), each perspective and their potential combinative effects (Kogut and Zander 1992) have key implications for the marketing organization (Workman et al. 1998). More importantly, each perspective is rooted in the idea of a set of marketing *activities* being performed by marketing specialists and/or non-specialists.

The boundary-spanning marketing organization is defined as an entity encompassing marketing activities that cross a firm's internal and external customer value–creating business processes and networks for the purposes of satisfying the needs and wants of important stakeholders. This form of a boundary-spanning marketing organization sets it apart from traditional organizations, which have more clearly defined boundaries, markets, and/or hierarchies (cf. Thorelli 1986; Williamson 1975). Boundary-spanning activities, rooted in an organization's capabilities (Day 1994), are implemented within customer value–creating processes (Srivastava et al. 1999), which are embedded in networks (Achrol and Kotler 1999) to benefit stakeholders (Freeman 1984). As such, marketing activities that are tied to a function or department (Moorman and Rust 1999) are as important as those that are cross-functional, or both, within the boundary-spanning marketing organization (Workman et al. 1998).

The success of the boundary-spanning marketing organization depends on how well the marketing activities, customer value–creating business processes, networks, and stakeholder focus are molded together to form an integrated organization. In addition, based on the integration of 31 organization theories, four "strength" characteristics emerge

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as important for the functioning of the organization. Specifically, developing an appropriate-level (a) strength in the organization's strategic marketing resources, (b) strength in the organization's marketing leadership and decision making, (c) strength in the organization's network alliances and collaborations, and (d) strength in the organization's marketplace operations (e.g., segmentation, targeting) are imperative to achieve sustainable superior performance.

I continue the paper by delineating a theory of the boundary-spanning marketing organization (abbreviated MOR theory), followed by elaborating on the knowledge that can be derived from 31 organization theories for this form of organization. The specific purpose of the paper is (1) to theoretically describe and holistically integrate the components of the boundary-spanning marketing organization, (2) to encapsulate the original scope of 31 essential organization theories and describe their marketing scope and insights, and (3) to use the collection of the 31 organization theories to advance knowledge on the boundary-spanning marketing organization. The motivation for the paper stems from three main areas. First, marketing organizations are no longer defined within traditional boundaries (e.g., departments, functions), markets, or hierarchies, and a new conceptualization of the marketing organization is needed to advance knowledge. Second, significant advances can be made by integrating organization theories, beyond a unique (and sometimes narrow focus) on one theory as the theoretical underpinning. Third, in the spirit of the focus of this special issue of the *Journal of the Academy of Marketing Science*, the paper serves as both a new take on organization theory within marketing (via its delineation of the boundary-spanning marketing organization) and an extensive literature integration of potentially valuable organization theories for the study of marketing thought.

Toward a theory of the boundary-spanning marketing organization

The theory of the firm (Coase 1937) provides the theoretical underpinnings for the firm as an integrated and defined unit based on four basic themes: (1) the reason for the existence of the firm, (2) the logical boundaries of the firm, (3) the organization of the firm, and (4) the heterogeneity of the firm's actions. The basic issues regarding the firm's existence include, for example: why do firms emerge, and why are not all transactions mediated by the marketplace? Boundary issues include: why is the boundary between the firm and the marketplace defined as it is (which transactions should reasonably be performed internally and which should be performed externally)? The notion of organizing the firm addresses: why are firms structured in a boundary-defining way, and what are the roles of formal and informal relationships? The heterogeneity of the firm captures questions such as: what drives the actions by the firm and the firm's resulting performance?

An earlier parallel to these boundary-defining themes of a firm can be found in works on "the principles of scientific management" (Taylor 1911) and "administrative theory" (Fayol 1916). Administrative theory, similar to its near-contemporary the "scientific management" approach, is founded on the notion that firms are rational and closed systems. Firms were assumed to have clear objectives and relatively defined structural boundaries. The interactions of the firm with its environment and any other factors which are external to the firm were systematically ignored. Times have changed, and these changes have significant implications for a theory of the boundary-spanning marketing organization (i.e., MOR theory). Marketing is no longer confined to a department or a function (Workman et al. 1998).

Keith (1960, pp. 36–38) introduced this evolution of marketing half a century ago by focusing on the "marketing company … [where] marketing permeates the entire organization … [and] we are moving from a company which has the marketing concept to a marketing company." A marketing organization is unique in that marketing is not attached to a department or function (e.g., Walker and Ruekert 1987) but is instead based on a set of activities (e.g., Day 1994). Emphasizing marketing activities instead of the marketing function allows marketing to permeate the entire organization (Homburg and Pflesser 2000) and serves to fuse together the "network of specialized organizations [that have become] the organizations of the future" (Achrol 1991, p. 78). These marketing activities have specific emphases depending on their internal-external focus. Day (1994) categorizes capabilities-based marketing activities at a coarse-grained level into inside-out (e.g., integrated logistics), outside-in (e.g., market sensing), and boundary spanning (e.g., strategy development). In addition, Vorhies and Morgan (2005) provide a compilation of some key marketing activities at a fine-grained level (e.g., pricing, product development, channel management, marketing communications, selling, marketing planning, marketing implementation).

Contemporary forms of vertically disaggregated marketing organizations, akin to sophisticated supply chain networks (i.e., complex webs of interdependent supply chains involving relatively autonomous organizations; Hult et al. 2004), are quasi entities involved in complex multilateral systems of activities. While traditional firms develop products through markets or hierarchies (Williamson 1975), the marketing organization model of MOR theory not only allows for control in the making of the product (i.e., hierarchy), similar to a vertically integrated firm, but it also allows for the flexibility associated with the buy model (i.e., markets) (cf. Thorelli 1986). As such, MOR theory captures the advantages of both markets and hierarchies while steering clear of many of the risks of each. In alignment with these thoughts, Moorman and Rust (1999) suggest that organizations are shifting away from functional marketing to a "marketing process organization" (i.e., an organization which disperses activities across non-specialists; Workman et al. 1998).

The historical foundation for such a theory of the marketing (process) organization can be partially traced to supply chains and the sales-marketing interface (e.g., Lusch et al. 2010; Malshe and Sohi 2009; Mentzer and Gundlach 2010; Stock et al. 2010). For example, Henry Ford's supply chain was composed of a vertically integrated collection of wholly owned vendors that supplied materials to Ford's production and assembly facilities. Likewise, rooted in the notion of having minimal inventories, Toyota developed its Kanban system in the 1970s. The goal was to reduce waste by reducing inventory-carrying costs. The just-in-time concept of Kanban led many firms to also implement frequent deliveries of quality materials from firms in relative close proximity to the assembly plant. The successive marketing systems adopted by many firms (e.g., Wal-Mart) included the development of integrative systems capabilities, at the point-of-sale and throughout the supply chain system, to have real-time data on what items to reorder (cf. Scheer et al. 2010). More recent examples include outsourcing and offshoring, along with establishing small business federations, as a way to capture the advantages of both markets and hierarchies while reducing the risks associated with each. The contemporary versions of these business models are held together by boundary-spanning marketing activities that facilitate managing the processes within and across the firm's boundaries and supply chain networks.

In support of the centrality of activities holding together the elements of the marketing organization, Webster (1992, 2009) and Day (1994) emphasized the importance of marketing activities as fundamental to cross-functional business processes, as did Vargo and Lusch (2004, p. 10) in their discussion of "process management." Based on Srivastava et al. (1999, p. 169), marketing is composed of three primary customer value–creating processes: product development management (creating solutions the customer wants), supply chain management (acquiring physical and informational inputs and transforming them into customer solutions), and customer relationship management (identifying customers, creating customer knowledge, building customer relationships, and shaping customer perceptions) (cf. Luo 2010). In each of these processes, "marketing … infuses a customer orientation into the subprocesses… through the medium of individual marketing tasks," which are "defined broadly as specific items of work that marketing professionals typically do" (Srivastava et al. 1999, p. 172). The end result is that the core customer value–creating processes of PDM, SCM, and CRM—in a direct or interactive way—affect the financial performance of the firm (Ramaswami et al. 2009).

The three customer value–creating processes are embedded in networks of activity links, actors, and resources ties (e.g., Anderson et al. 1994; Johanson and Vahlne 2011). Early on, "these networks consisted of informal social ties, more a collection of dyadic bonds than a formal network, and functioned in the shadows of the formal organization" (Achrol and Kotler 1999, p. 147). However, the marketplace is increasingly driven by influential and often large-scale networks (Thorelli 1986). No longer are the social structures of networks the main focus for research and practice. Instead, networks are now formal governance structures that embody an alternative to Williamson's (1975) markets and hierarchy choices (Achrol and Kotler 1999). In fact, "the entire economy may be viewed as a network of organizations with a vast hierarchy of subordinate, criss-crossing networks" (Thorelli 1986, p. 38). Importantly, networks are not the same as administered markets (Williamson 1975), since a network may encompass only a small portion of one of several markets.

Based on Achrol and Kotler (1999, p. 148), four primary categories of network organizations can be embedded in MOR theory: "internal networks that are designed to reduce hierarchy and open firms to their environments; vertical networks that maximize the productivity of serially dependent functions by creating partnerships among independent skill-specialized firms; intermarket networks that seek to leverage horizontal synergies across industries; and opportunity networks that are organized around customer needs and market opportunities and designed to search for the best solution to them." Inherent in MOR theory, a marketing organization can be proficient and have experience with each of these four network models. However, the likely scenario is that a truly efficient marketing organization emphasizes one or a small set of network types at any given time to achieve superior performance.

Layered together, a focus on marketing activities (e.g., Day 1994) within the structure of the core customer value–creating processes of PDM, CRM, and SCM (Srivastava et al. 1999) at the level of complexity inherent in the four categories of network arrangements (Achrol and Kotler 1999) makes up the main pillars of MOR theory. However, within the depiction of the activities, processes, and networks, the marketing organization also adopts a stakeholder focus as an important component (e.g., Donaldson and Preston 1995; Mitchell et al. 1997). That is, a theory of the boundary-spanning marketing organization places emphasis on multiple “actors” (i.e., stakeholders). Clarkson (1995) identifies these stakeholders as either primary (i.e., those that are crucial for the firm’s survival and continued market success) or secondary (i.e., those that are not vital for the firm’s survival but can still mobilize public opinion in favor of or against a firm). Primary stakeholders include customers, employees, suppliers, shareholders, communities, and regulators, while secondary stakeholders can be groups such as the media and special interest groups. In focus now are actors involved in performing marketing activities in the firm’s customer value–creating processes and those involved in the (multiple) network(s) of the firm. Overall, the boundary-spanning marketing organization encompasses an integrated foundation of (a) marketing activities (inside-out, outside-in, and boundary spanning), (b) customer value–creating processes (PDM, CRM, and SCM), (c) networks (internal, vertical, intermarket, and opportunistic), and (d) stakeholders (primary and secondary).

Figure 1 provides a depiction of the basic elements of MOR theory. Overall, the skeleton for this form of organization is built around a primary objective to develop and implement marketing activities within customer value–creating processes and to be a mechanism that fuses together these activities with the networks (including key actors) in which the firm is embedded in the marketplace. Ultimately, implications of MOR theory span both structural and behavioral marketing organization variables (Olson et al. 2005). Significant overlaps exist in theoretical boundaries across the four elements of the boundary-spanning marketing organization. First, the central focus on marketing *activities* is also central to the behaviors exemplified in the core value-creating processes of product development management, customer relationship management, and supply chain management as well as the activity links within the network focus. Second, a primary/secondary stakeholder focus is, in this case, synonymous with the focus on various “actors” included in the network. The remaining factor across the four elements of the marketing organization is “resource ties.” Resources, in general, are viewed as critical across activities, processes, and networks—with boundary-spanning marketing organizations uniquely integrating their strategic resources to leverage a competitive advantage in the marketplace.

Marketing activities

The fundamental premise for MOR theory rests on the notion that marketing activities represent the central feature of contemporary marketing, rather than a focus on the marketing department or the marketing function. Marketing activities are created and performed as a direct function of an organization’s (superior) capabilities (Day 1994) and take place in customer value–creating processes (Srivastava et al. 1999) and networks (Achrol and Kotler 1999; Anderson et al. 1994; Johanson and Vahlne 2011). For example, “capabilities are manifested in such typical business activities as order fulfillment, new product development, and service delivery” (Day 1994, p. 38). In fact, there are a plethora of marketing activities that stem from marketing-based capabilities (e.g., Vorhies and Morgan 2005). The foundation for the development and implementation of these marketing activities permeates the fabric of boundary-spanning marketing organizations, beyond the marketing department and the marketing function.

Day (1994, p. 40) identified inside-out (internal), outside-in (external), and boundary-spanning marketing activities, derived from marketing capabilities, as the broad categories of relevant activities for market-driven organizations. Examples of inside-out activities encompass technology development and integrated logistics. Outside-in activities are market sensing and customer linking. Boundary-spanning activities encompass customer order fulfillment, pricing, purchasing, customer service delivery, product development, and strategy development. This collection of internal, external, and boundary-spanning

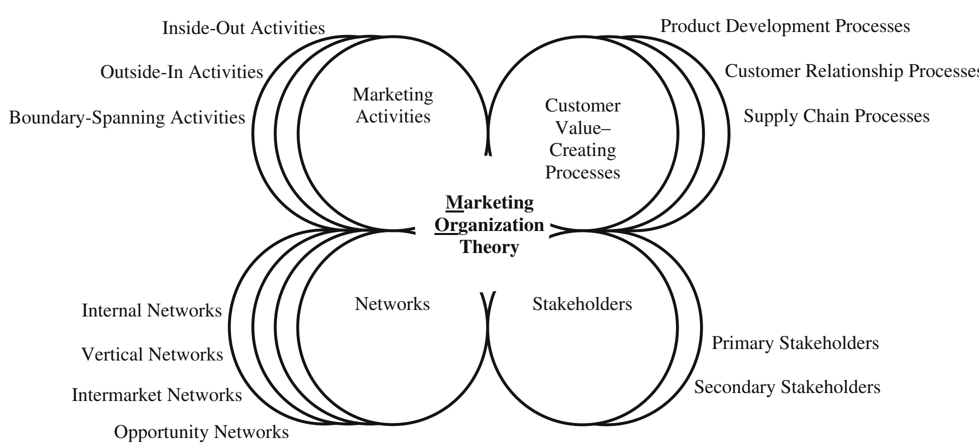

Fig. 1 A depiction of the integrated elements of the boundary-spanning marketing organization

marketing activities makes marketing's role in the organization (Moorman and Rust 1999) and society (Wilkie and Moore 1999) complex, integrative, and critically important. As such, marketing activities define the scope of the boundary-spanning marketing organization, and these activities are derived from inside-out, outside-in, and boundary-spanning marketing capabilities rather than a marketing department or marketing function.

Customer value–creating processes

Srivastava et al. (1999, p. 169) identified a set of three core business processes that specifically "contributes to customer value creation." These processes are: (a) product development management (PDM), (b) customer relationship management (CRM), and (c) supply chain management (SCM). The PDM process is the most internally oriented of the three business processes and refers to creating and developing products that satisfy the wants and/or needs of customers (Brown and Eisenhardt 1995). The CRM process is the most externally-focused business process (cf. Aurier and N'Goala 2010) and "addresses all aspects of identifying customers, creating customer knowledge, building customer relationships, and shaping the perceptions of the organization and its products" (Srivastava et al. 1999, p. 169; cf. Reimann et al. 2010). The SCM process is boundary spanning given the integrated engagement of internal and external actors of the firm. "Supply chain management encompasses the planning and management of all activities involved in sourcing and procurement, conversion, and all logistics management activities" (Mentzer and Gundlach 2010, p. 1; cf. Li et al. 2010).

Each of the three processes is macro oriented and subsumes a number of subprocesses (see Table 1 in Srivastava et al. 1999). Collectively, the three processes are interconnected in terms of (macro and micro) interactions and interrelationships, and are intended to be value creating in the marketing organization (cf. Esper et al. 2010). As such, both complementarity (Richey et al. 2010) and combinative effects (Kogut and Zander 1992) are involved in the dynamics of the knowledge-intensive and customer value–creating processes. A key feature of these processes is also their close "linkages between individual marketing activities" and "those people [i.e., actors] charged with implementing them" (Srivastava et al. 1999, p. 169–170). To synthesize ideas of customer value–creating processes within the scope of MOR theory, activities and actors in the boundary-spanning marketing organization bind together (a) product development processes, (b) supply chain management processes, and (c) customer relationship management processes. Importantly, complementarity (dependence) and combinative effects (synergy) exist among these customer-value creating processes.

Networks

Achrol and Kotler (1999, p. 148) define a network organization as "an independent coalition of task- or skill-specialized economic entities (independent firms or autonomous organizational units) that operates without hierarchical control but is embedded, by dense lateral connections, mutuality, and reciprocity, in a shared value system that defines 'membership' roles and responsibilities." They distinguish among four categories of networks: internal networks, vertical networks, intermarket networks, and opportunity networks (cf. Iacobucci 1996). A boundary-spanning marketing organization adopts one or a subset of these networks based on the adaptability and flexibility required to achieve a competitive advantage (Weick 1976). The connections within each network type involve activity links, actors, and resource ties (Anderson et al. 1994).

Internal networks are developed to reduce hierarchy and open marketing organizations to their environments as layered networks and/or internal market networks. Marketing activities are distributed throughout the internal network, with each involved unit being a customer of inputs and marketer of outputs to other units inside and outside the firm. Vertical networks are constructed to maximize the productivity of serially dependent functions by creating partnerships among independent, skill-specialized firms. Marketing activities are specialized in one or a few of the firms in the vertical network to allow this form of network to derive its competitive advantage from a quasi-organizational design. Intermarket networks seek to leverage horizontal synergies across industries. They are held together by a combination of shared resources, strategic decisions, collective action, and social ties. Marketing activities in the intermarket network are similar to those in the vertical network, but unique opportunities exist for marketing in "brokering complex, nontraditional deals among nations, for example, barer, countertrade, and 'third-country' trade" (Achrol and Kotler 1999, p. 156). Opportunity networks are organized around customer needs and market opportunities and are designed to search for the best solution. Marketing activities in the customer opportunity network largely focus on expert knowledge of the dynamics of the marketplace (industrial products) and efficient processing of transactions (customer products). Overall, marketing activities, actors, and resources serve as the bonding links within networks of the boundary-spanning marketing organization, with each organization adopting a particular network type(s) (internal, vertical, intermarket, and opportunity) based on the knowledge, resources, and flexibility needed to achieve a competitive advantage in the marketplace.

Stakeholders

Freeman (1984, p. 46) defines stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives." Stakeholders are categorized into two core groups: primary and secondary (Clarkson 1995). Primary stakeholders are those on whom the marketing organization depends for its survival (i.e., shareholders, employees, customers, suppliers, regulators, and local communities). Secondary stakeholders (e.g., media, special interest groups) do not have a strong or direct tie to the marketing organization, cannot exercise any legal authority over the organization, and are not vital for its survival (Eesley and Lenox 2006). This also means that the influence of the primary stakeholders is weighted more heavily in developing a marketing organization's strategies.

At a coarse-grained level, resource dependence theory (Pfeffer and Salancik 1978) provides the rationale to designate shareholders, employees, customers, suppliers, regulators, and local communities as primary stakeholders. Accordingly, an organization is dependent on "environmental actors" (i.e., stakeholders) who control resources that are critical for its continued survival. For example, the organization depends on customers for sales revenues, employees for human capital, suppliers for raw materials and other inputs (Porter 2008), shareholders for capital investment (Day and Fahey 1988), communities for natural resources (Porter and Kramer 2006), and regulators for access to markets (Birnbaum 1985).

At a fine-grained level, stakeholders can be identified by their possession of at least one of three attributes: power, legitimacy, and urgency (Mitchell et al. 1997). In this context, power is the extent to which an actor can impose his or her will through coercive, utilitarian, or normative means. Legitimacy is defined as "a generalized perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions" (Suchman 1995, p. 574). Urgency is the degree to which an actor's demands require immediate attention based on time sensitivity (extent to which a delay is unacceptable to the stakeholder) and criticality (importance of the demands to the stakeholder). Given these restrictions, stakeholder theory views the marketing organization as "an organizational entity through which numerous and diverse participants accomplish multiple, and not always entirely congruent, purposes" (Donaldson and Preston 1995, p. 70). Overall, the relative importance of the primary (and secondary) stakeholders in the boundary-spanning marketing organization is directly dependent on the stakeholders' power, legitimacy, and urgency weighted relative to the criticality of the resources controlled by the respective stakeholder.

Organization theories can inform research on the marketing organization

To advance research, the theoretical integration of marketing activities, customer value–creating processes, networks, and stakeholders in the boundary-spanning marketing organization can be informed by a number of organization theories (cf. Wind 2009). Thirty-one theories appear particularly applicable to inform work on the marketing organization as conceptualized within the confines of MOR theory. These 31 theories have emerged as potentially insightful for studying marketing organizations (Workman et al. 1998) and strategic marketing phenomena (Varadarajan 2010). At the outset, it is important to realize that these 31 organization theories have different arguments, units of analysis, assumptions, antecedents, and/or consequences. It is also important to note that the 31 theories can be used within organizational setting, although an argument can be made that some of them are not necessarily "organization theories" by their origin. Importantly, a complete integration of any pair of theories is difficult, an integration of 31 theories is impossible. Instead, what I intend to accomplish with this integration section is to draw out the most applicable aspects of each of the 31 organization theories within the context of MOR theory. The idea is that each theory has a unique ability to explain and predict certain aspects of the boundary-spanning marketing organization which cannot be as effectively or efficiently done by one theory.

As selection criteria, I opted for the collection of the selected thirty-one theories based on their current use in organization-focused research coupled with their significant application potential for the study of marketing organizations. Obviously other organization and non-organization theories are applicable to marketing organizations. Their omission in this paper is by no means an indication that they are not or could not be valuable in explaining and predicting certain structural and/or behavioral aspects of marketing organizations. Equally important, while 31 organization theories are used in the paper, each is not necessarily equally valid, insightful, and accepted in the marketing and organization literatures and, as such, some theories are used heavier in the development than others.

In Table 1, the theories are introduced in alphabetical order, and each theory is summarized in terms of its original and marketing scopes as well as the main marketing insights that can be derived from its use within MOR theory. For the following discussion, however, the theories are grouped based on similarity and applicability for the

Table 1 Organization theories: original scope, marketing scope, and marketing insights

Theory	Original scope	Marketing scope	Marketing insights
Adjustment-Cost Theory of the Firm	The adjustment-cost theory of the firm (Wernerfelt 1997) "examines ongoing trading relationships and asks by which process the parties should adjust the relationship by accommodating changes" (Wernerfelt 2005, p. 17).	The adjustment-cost theory of the firm examines ongoing marketing relationships and asks by which process the supply chain should adjust the relationship by accommodating changes in individual marketing organizations and their marketing strategies.	The marketing organization's use of strategic marketing resources is correlated with a need for frequent and diverse marketing adaptations. A horizontal expansion should govern the marketing organization's transfer of any excess strategic marketing resource capacity if it entails frequent and diverse marketing adaptations. If the industry places a premium on flexibility in the marketing organization's interactions with its supply chains, the adjustment-cost theory suggests that the marketing organization should expand its vertical scope by bringing in parts of the supply chain(s).
Agency Theory	Agency theory explains firm governance by delineating firm owners as principals that hire agents (managers) to carry out the business of operating the organization (Jensen and Meckling 1976).	Agency theory explains the governance of marketing organizations by delineating firm owners as principals that hire agents (marketing managers) to carry out the business of operating the marketing organization (Jensen and Meckling 1976).	A central element of agency theory is the so-called agency problem; it arises when the interests of the marketing manager and owner(s) of the firm diverge. Due to information asymmetry between marketing managers and owner (s), the possibility exists that the marketing managers will act opportunistically, in their own interests, rather than those of the owners. "Because cross-cultural differences magnify the problems of uncertainty, asymmetric information, and monitoring, efficient agency relationships can be even more difficult to achieve in multinational markets than in domestic markets" (Bergen et al. 1992, p. 18).
Behavioral Theory of the Firm	The behavioral theory of the firm holds that organizations should be viewed as consisting of a number of coalitions and the role of management is to achieve resolution of conflict and uncertainty avoidance within the confines of bounded rationality (Cyert and March 1963).	The behavioral theory of the firm suggest that marketing organizations should be viewed as consisting of a number of marketing coalitions and the role of marketing management is to achieve resolution of conflict and uncertainty avoidance within the confines of bounded rationality (Cyert and March 1963).	The marketing organization operates within the confines of "imperfect environmental matching, the observation that the rules, forms, and practices used by economic [marketing] actors are not uniquely determined by the demands of the environmental setting in which they arise" (Cyert and March 1992, p. 215). The marketing organization operates within the confines of "unresolved conflict, the assumption that economic [marketing] organizations involve multiple [marketing] actors with conflicting interests not entirely resolved by employment contracts" (Cyert and March 1992, p. 215).
Bounded Rationality Theory	Bounded rationality (a.k.a. theory of bounded rationality) recognizes that it is not possible to understand and analyze all information that is potentially relevant in making firm choices; to cope with their complexity, firms develop techniques, habits, and operating	Bounded rationality recognizes that it is not possible to understand and analyze all market and marketing information which is potentially relevant in making choices for the marketing organization and its marketing strategy; to cope with the complexity in which the firm operates, including its marketplace, it	The rationality of marketing managers is limited by the information they have and/or can obtain, the cognitive limitations of their minds and frame of reference, and the time constraint in which they have to make decisions to develop the marketing organization and/or its marketing strategy.

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
	procedures to facilitate decision making (Simon 1945, 1957).	develops marketing techniques, habits, and operating procedures to facilitate decision making.	Marketing managers are "intendedly rational, but only boundedly so" (Simon 1997, p. 88), which means that rational behavior and limits of rationality are the basic premises for marketing managers in developing marketing organizations and forming marketing strategy.
Competence-Based Theory	Competence-based theory is an "internal factors theory of business strategy" (Hunt 2000, p. 80) which traces to Selznick's (1957) work on "distinctive competence." It was used by Andrews (1971) to refer to what the firm could do particularly well in relation to its competition.	Competence-based theory lends itself uniquely to the study of the marketing organization in that it focuses its sole attention on the distinctive competencies that make the marketing organization thrive in a competitive environment.	"It is organizational [marketing] capabilities that make the whole firm more productive than the sum of its operating units" (Chandler 1990, p. 15), such as the marketing organization or marketing function; thus, an effective organization is dependent on marketing capabilities permeating throughout the fabric of the firm, filtering through the marketing organization. The "essence of [marketing] strategy lies in creating tomorrow's competitive advantages faster than competitors mimic the ones you possess today," which implies that marketing organizations should invest in core competencies given that "an organization's capacity to improve existing skills and learn new ones is the most defensible competitive advantage of all" (Hamel and Prahalad 1989, p. 69).
Contingency Theory	Contingency theory is an outgrowth of systems design and "is guided by the general orienting hypothesis that organizations whose internal features best match the demands of their environments will achieve the best adaptation … the best way to organize depends on the nature of the environment to which the organization relates" (Scott 2005, p. 89).	Based on Gailbraith (1973), contingency theory suggests that (1) there is no one best way to organize a marketing organization and (2) each way of organizing a marketing organization is not equally effective.	Different subunits within a marketing organization may face different market demands. To tackle these various market conditions, marketing organizations need to create specialized subunits with differing structural features—for example, different levels of formalization, planning time horizon. With increased variation in the market conditions faced by the marketing organization, the more differentiated its structure needs to be to face all potential challenges in the marketplace.
Eclectic Theory of International Production	The eclectic theory of international production (1988a, b) provides a three-tiered framework for a firm to use in determining if it is beneficial to pursue a foreign direct investment (FDI). It centers on advantages in the areas of ownership (production or firm specific advantages such as comparative advantage), location-specific advantages, and market internalization (i.e., it may be better for the firm itself to exploit an international opportunity than through an agreement with a foreign firm—Buckley and Casson 1976).	The eclectic theory centers on advantages in production for the marketing organization such as comparative advantage, location-specific advantages of being in the right place at the right time internationally, and market internalization (e.g., home country produced products and services versus offshoring production versus outsourcing). As such, Dunning's OLI theory is not a theory of the firm per se; instead it is a theory of a firm's FDI.	The marketing organization's advantage is often intangible and can be transferred within the multinational corporation at a low cost (e.g., technology, brand name, economies of scale). This market and/or marketing advantage gives rise to greater revenues and/or lower costs that may offset the costs of operating at a distance in an international location. The marketing organization must use some foreign factors in connection with its home-country specific advantages in order to earn full rents. The location advantages of different countries are keys in determining which country or

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
			countries will become host countries for the multinational corporation. The multinational corporation has a number of choices of entry mode into international markets, beginning with the market (arm's length transactions) and spanning to the hierarchy (wholly-owned subsidiary). The marketing organization, in this context, selects internalization when the market does not exist or when it functions poorly.
Game Theory	Game theory is rooted in applied mathematics but has been used in a variety of fields, including organizational theory, to capture behavior in strategic situations; the focus in such scenarios has been on an individual's success in making strategic choices relative to other players in the organization and/or marketplace with a goal of finding the equilibrium in the "game" itself, where each player has adopted a strategy that is unlikely to change (von Neumann and Morgenstern 1944).	Game theory is a collection of mathematical models that can be formulated to study market and marketing decision making in situations involving conflict and cooperation (e.g., within a marketing organization or in the marketplace), with the end-goal of developing optimal solutions or stable marketing outcomes when the involved players (e.g., marketing decision-makers) have conflicting marketing objectives in mind (cf. Lucas 1972).	Game theory can be used in the marketing organization or to develop marketing strategy to gain a better theoretical understanding of decision-making choices and potential outcomes in potential give-and-take and/or competitive market situations. The outcomes of possible scenarios can be depicted in game matrices, with optimal solutions being determined based on a variety of different assumptions. Game theory can help indicate the outcomes of different strategic choices for rational marketing organizations in dynamic situations. Due to limitations associated with the theory (e.g., usually less than optimal information available, potential irrational behavioral actions by the players), game theory should not necessarily be expected to result in precise solutions to marketing organization or marketing strategy problems. To overcome such limitations, subjective-probability judgments or risk assessment by decision makers can be employed to reduce uncertainty (di Benedetto 1987).
Industrial Organization	Industrial organization (a.k.a industrial organization economics) is rooted in economics and focuses on the strategic behavior of firms, the structure of markets, and their interactions (Bain 1956, 1959; Chamberlin 1933; Mason 1939), ultimately affecting the performance of firms (Schmalensee 1985).	Industrial organization focuses on the strategic marketing behavior of marketing organizations, the structure of the marketplace in which they operate, and the interactions among marketing strategy and market structure. Synergy between marketing strategy and the market structure serve as the essential scope to leverage market performance.	In line with the structure-conduct-performance approach, the market success of an industry in developing products and/or services for customers depends on the collective actions of the firms in the industry. The market actions of the firms depend on the actors who determine the competitiveness of the market. Tied to the marketing organization, the competitiveness of the market is a function of innovations, technology, and marketing strategy. Following classical logic, marketing organizations within an industry are identical regarding the market resources they control. However, should resource heterogeneity develop, it will likely be temporary, given that market resources are highly mobile. As such, homogeneity of marketing strategies among organizations competing in the

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
			same industry exists since, for example, marketing actions taken by a firm are easily observable and duplicated by other firms.
Information Economics Theory	Information economics (a.k.a. economics of information) is a branch of microeconomic theory focused on how information affects economic decisions of a firm; a key element is that information has economic value (Akerlof 1970; Spence 1974; Stiglitz 1961).	Information economics focuses on how information generation and dissemination affect resource allocation and decisions of a marketing organization; a key element is that information has economic value in the sense of the value to understanding the market, developing products/services to meet the needs of the market, and then responding accordingly to market needs (cf. market orientation).	Two critical aspects of information economics theory, rooted in the notion of information asymmetry, are "signaling" (see also signaling theory in this table) and "screening." Both of these elements provide insights for marketing. Related to signaling in the context of information economics: In a situation of information asymmetry, marketing organizations can signal to the marketplace what type of organization they are (e.g., an organization dedicated to sustainability practices), thus transferring information to the organization's stakeholders (most notably its customers in the marketplace) and resolving the information asymmetry. Related to screening: The underinformed party (e.g., customers) can induce the other party (e.g., marketing organization) to reveal more information (about their products, services, strategy, or organization).
Institutional Theory	"Institutional theory attends to the deeper and more resilient aspects of social structure … it considers the processes by which structures, including schemas, rules, norms, and routines, become established as authoritative guidelines for social behavior … it inquiries into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse" (Scott 2005, p. 461).	Institutional theory focuses on the marketplace (environmental) factors that are experienced by a marketing organization, such as industry or societal norms, regulations, and requirements that an organization must conform to in order to receive legitimacy and marketplace support. Institutional theory depends on the social constructs, informal and formal marketing exchanges to help define the structure and processes of an organization.	To attain legitimacy, a marketing organization tends to be isomorphic to other organizations in its market environment, with organizations resembling each other and behaving similarly over time (e.g., Dacin 1997). As such, the way a particular marketing organization interacts with and treats its customers influences other organizations' interactions with their customers (cf. Webb et al. 2011). Organizations' marketing strategies can converge via three mechanisms—coercive, mimetic, and normative (DiMaggio and Powell 1983). Coercive isomorphism is driven by market legitimacy, where organizations will imitate others that they are dependent on in order to attain legitimacy. Mimetic isomorphism will arise under conditions of market uncertainty, whereby organizations will mimic others in their field, especially those they regard as more successful or those with whom they have boundary-spanning ties. Normative isomorphism stems from the propagation of norms through social networks, where members of an organization will learn which marketing practices are considered appropriate within the field.

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
Knowledge-Based View of the Firm	"The emerging knowledge-based view of the firm is not a theory of the firm in any formal sense" (Grant 2002, p. 135). However, "given the assumptions about the characteristics of knowledge and the knowledge requirements of production, the firm is conceptualized as an institution for integrating knowledge" (Grant 1996, p. 109).	Given the assumptions about the characteristics of market and marketing knowledge and the knowledge requirements of developing and implementing marketing strategy, the marketing organization is conceptualized as an institution for integrating market and marketing knowledge.	There is an implicit assumption that there is value and that production gains can be realized by having marketing professionals specializing in knowledge acquisition and organizational memory storage. Development of marketing strategy and the accompanying product and service assortment requires the input and coordination of a wide range of specialized market and marketing knowledge. If the primary productive resource of the marketing organization is market and/or marketing knowledge, and if knowledge resides in individual marketing professionals, then it is the marketing professionals (at all levels of hierarchy) who own the bulk of the marketing organization's resources.
Network Theory	Network theory (a.k.a. social network theory, as applied to organizations) involves creation of a blend of strong and weak ties between nodes that match the firm's needs in order to maximize the firm's performance. Network theory describes, explains, and predicts relations among linked entities (e.g., Granovetter 1973; Thorelli 1986).	Network theory views marketing relationships as consisting of actors (i.e., nodes), resource ties, and activity links (Håkansson 1989). Actors control the resources and perform the activities. Activities link resources to each other; an activity occurs when one or several actors combine, develop, exchange, or create resources by using other resources. Resources, in the network context, include input goods, financial capital, technology, personnel, and marketing.	Strong and weak ties are often formed on a case-by-case basis rather than strategically across marketing organizations in a network. Often a blend of strong and weak ties that matches the firm's marketing needs should be created proactively in order to maximize performance for each marketing organization within the network. Actors (e.g., marketing organizations, marketing professionals), activity links (e.g., forming supply chains involving multiple actors), and resource ties (e.g., joint market orientation efforts among marketing organizations) bind the network together.
Organizational Ecology	Organizational ecology (a.k.a. organizational demography, population ecology of organizations) focuses on understanding the environmental conditions under which organizations emerge, grow, and die (Hannan and Freeman 1977).	Organizational ecology focuses on understanding the environmental conditions (e.g., market turbulence, technological turbulence, competitive intensity) under which marketing organizations emerge, grow and change, and die.	New marketing organizations and new organizational forms (e.g., vertically and/or horizontally integrated organizations) will arise that are well suited to contemporary marketing strategy. Marketing organizations that do not adapt their culture, processes, and activities to become appropriately market-oriented may be selected out of the population (i.e., marketplace).
Prospect Theory	Prospect theory (a.k.a. "cumulative prospect theory," as a revised version of the original prospect theory) describes how organizations (or people) make choices between alternatives that involve degrees of risk; the theory focuses on how organizations (or people) evaluate potential losses or gains (Kahneman and Tversky 1979).	Prospect theory describes how marketing organizations make choices between marketing strategy alternatives that involve degrees of marketplace risk, with the evaluation being on the marketplace gains or potential losses that may be incurred by the organization.	Prospect theory leaves it up to the marketing manager to subjectively frame a marketing outcome or transaction in their mind. Such framing affects the marketing utility which can be expected to be obtained by the marketing organization. The issue of "framing," within the confines of prospect theory, is generally considered to be inconsistent with economic rationality but is important for the subjective rationale within the notion of "marketing rationality."

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
			The marketing utility is reference based, in contrast with the additive economic utility functions which serve as a foundation for neo-classical economics. As such, marketing organizations should consider not only the marketing value they receive but also the marketing value received by other marketing organizations in their network.
Real Options Theory	Rooted in techniques developed for valuing financial options (Trigeorgis 1996), real options theory (a.k.a. real options analysis) focuses on risk uncertainty and revolves around creating and then exercising or not exercising certain options (Myers 1977).	Real options theory focuses on market and marketing investments in real marketing assets, as opposed to financial assets, which affords the organization the right (but not the obligation) to undertake specific marketing actions in the future.	Marketing managers should look beyond the net present value of a marketing investment and consider the value of the options offered by such an investment (cf. Homburg et al. 2010a). In this context, a real option has as its underlying marketing asset the total value of the marketing project, with the cost being the investment required to obtain the asset and the time to maturity being reflected in the period in which the marketing manager can defer the investment before it expires.
			Exogenous uncertainty in the marketplace lies beyond the reach of marketing managers' control, although it may be reduced as market events unfold (e.g., product development, research and development activities, target market assessment, market segmentation analysis). A prime example is international marketing, as the international marketplace is often seen as having high levels of uncertainty and heterogeneous opportunities being presented across varied countries.
Resource-Advantage Theory	Resource-advantage theory (a.k.a. "the comparative advantage theory of competition"; Hunt and Morgan 1995; "a general theory of competition"; Hunt 2000) suggests that the basis for a sustainable competitive advantage resides in an organization's resources and in how it structures, bundles, and leverages those resources (Hunt and Morgan 1995).	The original scope of R-A theory was developed in a marketing context. Given its marketing foundation, the resource-advantage theory envisions the marketing organization as a bundle of marketing resources that is rooted in a disequilibrium-seeking process embedded in a marketplace of less than perfect competition.	Strategic marketing practices and operations can provide a competitive advantage for all marketing organizations in the marketplace.
			The resource-advantage theory stresses that marketing productivity and economic growth are furthered through both the efficient allocation of scarce tangible marketing resources and the creation of new intangible and tangible marketing resources.
Resource-Based View of the Firm	The resource-based view of the firm (Wernerfelt 1984) envisions the firm as a collection of strategic resources which are heterogeneously distributed across firms (Barney 1991) to achieve a sustainable competitive advantage.	The resource-based view of the firm envisions the marketing organization as a bundle of strategic marketing resources which are heterogeneously distributed across marketing organizations and are rooted in an equilibrium-seeking process embedded in a marketplace of perfect competition.	"The RBV (Wernerfelt 1984) is based on the premise that firms differ, even within an industry. The differences occur in the firms' resources, and the main theory is that a firm's strategy should depend on its resources—if a firm is good at something, the firm should try to use it" (Wernerfelt 2005, p. 17).
			Strategic marketing resources have only potential value, with the value ultimately being realized (or not) via organizational actions and behaviors; realizing the potential value also

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
			requires alignment with other important marketing organization and/or marketing strategy elements (cf. Ketchen et al. 2007).
Resource Dependence Theory	Resource dependence theory describes the sources and consequences of power of organizations embedded in networks of interdependencies and social networks that revolve around the control of and dependence on vital external resources in the environment (Pfeffer and Salancik 1978).	Resource dependence theory suggests that the sources and consequences of power that marketing organizations have in the marketplace depend on their industry-specific marketing networks and alignment with supply chain partners that revolve around the control and dependence on strategic marketing resources created by interaction with the external environment.	A marketing organization's ability to implement marketing strategy and operational marketing practices may be constrained when they are dependent on other organizations within their supply chains and industrial networks. The external environment contains limited marketing resources, so marketing organizations must learn to hold back at times in developing marketing strategy that is resource dependent and trust each other if they are going to coexist successfully over time.
Service–Dominant Logic	Service-dominant logic "implies that the goal is to customize offerings, to recognize that the consumer is always a coproducer, and to strive to maximize consumer involvement in the customization to better fit his or her needs" (Vargo and Lusch 2004, p. 12). In S-D logic, "*service* is defined as the application of specialized competences (operant resources—knowledge skills), through deeds, processes, and performances for the benefit of another entity or the entity itself" (Vargo and Lusch 2008, p. 2).	The original scope of S-D logic was developed within a marketing context. Given its marketing foundation, "a service-centered view identifies operant [marketing] resources, especially higher-order, core [marketing] competences, as the key to obtaining competitive advantage" for a marketing organization (Vargo and Lusch 2004, p. 12).	Vargo and Lusch (2008, p. 29) provide a number of "marketing theory implications of service" and S-D logic, as do the "foundational premises" offered by Vargo and Lusch (2004, 2008) and the "dialog" in Lusch and Vargo (2006). Their point on knowledge being the fundamental source of competitive advantage has strong and direct implications for the theory of the marketing organization. "The use of knowledge as the basis for competitive advantage can be extended to the entire 'supply chain,' or service-provision chain … we argue that the primary flow [in the supply chain] is information; *service* is the provision of the information to (or use of the information for) a consumer who desires it, with or without an accompanying appliance" (Vargo and Lusch 2004, p. 9). "The move toward a service-dominant logic is grounded in an increased focus on operant resources and specifically process management" (Vargo and Lusch 2004, p. 10). This process focus overlaps the view of the "marketing process organization" by Moorman and Rust (1999) and the business process focus by Srivastava et al. (1999).
Signaling Theory	Signaling theory involves one firm (termed the agent) conveying some meaningful information about itself and/or its products and services to another party (the principal) (Spence 1973).	Signaling theory involves one marketing organization conveying some meaningful market, product, or service information to customers and/or another party in their marketplace.	It is difficult for consumers to know which marketing organizations are genuinely committed to business practices with which they associate and with whom they desire to buy products. In this context, some marketing organizations use costly marketing initiatives to "signal" the type of organization they are and the products

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
			that they sell to reduce information asymmetry. Marketing organizations may go out of their way to "signal" a particular issue, product, or service feature to the market as a form of market positioning and even market segmentation.
Social Capital Theory	Social capital theory's central premise is that networks of relationships constitute a valuable resource for the conduct of social affairs (Nahapiet and Ghoshal 1998, p. 242), providing their members with "the collectivity-owned capital, a 'credential' which entitles them to credit, in the various senses of the word" (Bourdieu 1986, p. 249).	Social capital theory recognizes that marketing organizations and the marketplace are composed of people (e.g., customers, salespeople), and that interpersonal skills and relationships among these people (such as the "credits" and trust they build with each other) shape a marketing organization's activities and outcomes.	A mixture of shared and organization-level goals, values, and experiences drive marketing strategy making, which leads to superior success for a marketing organization in the marketplace. Sensemaking among individuals in and between marketing organizations is a key to trust building in supply chains and market networks.
Stakeholder Theory	Stakeholder theory addresses morals and values in managing a firm that has to deal with a multitude of constituent groups other than shareholders (Freeman 1984); it views the firm as "an organizational entity through which numerous and diverse participants accomplish multiple, and not always entirely congruent, purposes" (Donaldson and Preston 1995, p. 70).	Stakeholder theory focuses the marketing organization's efforts on developing and nurturing exchanges with a multitude of constituent groups other than customers and shareholders. As such, the stakeholder approach seeks to broaden a marketing manager's vision of his/her responsibilities beyond being customer and profit oriented (cf. Mitchell et al. 1997).	Managing primary stakeholder relationships (i.e., customers, employees, suppliers, shareholders, communities, and regulators) is essential for the marketing organization because not doing so can be detrimental to the achievement of marketing objectives. Managing secondary stakeholder relationships (e.g., media, special interest groups) may also be critical as a marketing communications (e.g., advertising, public relations) plan for the marketing organization to succeed in the marketplace.
Strategic Choice Theory	Strategic choice theory contends that managers' decisions play a tremendous role in a firm's success or failure, with the central issue being strategic renewal and repositioning—the foundational assumption is that firms can enact and actively shape their environment (Child 1972).	Strategic choice theory contends that marketing managers' decisions play a tremendous role in a marketing organization's ongoing success or failure in the marketplace, in their product development efforts, and/or in market positioning and segmentation. Strategic choice analysis concerns (1) the relationship between marketing managers and their choices, (2) the dynamics of the marketplace, and (3) the relationship between marketing managers and the marketplace (cf. Child 1997).	Strategic marketing decisions are often made with concern for the marketing organization as the primary driver, rather than marketing channel partners or the marketplace. Marketing organizations are able to adopt and adhere to a specific marketing strategy type which fits their core marketing competencies. Strategic choice articulates a "political process, which brings agency and structure into tension and locates then within a significant context … it regards both the relation of agency to structure and to environment as dynamic in nature … the strategic choice approach not only bridges a number of competing perspectives but also adopts a non-deterministic and potentially evolutionary position … strategic choice … locates 'organizational learning' within the context of organizations as socio-political systems" (Child 1997, p. 44).
Systems Theory	Systems theory proposes that every system, regardless of its nature (e.g., mechanical, biological, social) is composed of multiple elements that are interconnected (von Bertalanffy 1969;	Although some systems are closed (i.e., self-contained), marketing organizations are most appropriately viewed as operating within an open system. The open systems perspective stresses the	"All systems are made up of subsystems and are themselves subsumed in larger systems – an arrangement that creates linkages across systems and confounds the attempt to erect clear boundaries

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
	Kast and Rosenzweig 1972). In this sense, systems theory seeks to understand scientific phenomena by considering the interdependence of networks of firms and other entities within a larger system (Scott 1981).	interdependence of the marketing organization and its market environment (Scott 1981).	around them" (Scott and Davis 2007, p. 96). This systems view lends itself to the study of marketing at multiple levels in the firm. Decisions that marketing managers make in an effort to lead their marketing organizations toward prosperity take place within a complicated and complex milieu that requires fine-tuned theorizing to not under specify marketing strategy modeling.
Theory of Competitive Rationality	The theory of competitive rationality (a.k.a. general theory of oligopolistic competition) "proposes a firm's success depends on the imperfect procedural rationality of its marketing planners … the theory is based on disequilibrium analysis and the marketing skills of economic rivals" to explain how a free market works (Dickson 1992, p. 69).	The original scope of the theory of competitive rationality was developed within a marketing context. Given its marketing foundation, "the basic premise of the theory of competitive rationality is that variation in the response rate of buyers and sellers to changes in supply and demand creates opportunities that can be imperfectly exploited by the motivated, alert, and hustling decision maker (Dickson 1992, p. 69).	Implicit within the theory of competitive rationality is the notion that marketing organizations which adopt a "clan" culture (i.e., emphasizing cohesiveness, participation, and teamwork; Ouchi 1979) are "more competitive over the long term" and also better suited to operate in an environment described within the boundaries of the theory of competitive rationality (Dickson 1992, p. 78). "The ability to react quickly (agility) is paramount when a firm cannot predict and plan for discontinuities in competitor and buyer behavior … responsiveness can compensate for a firm's imperfect knowledge about the market and its bounded rationality" (Dickson 1992, p. 79).
Theory of Multimarket Competition	The theory of multimarket competition (Edwards 1955; Simmel 1950) focuses on interfirm competition and "envisions a firm occupying a potentially unique market domain that is defined by activities in various geographic-product markets … if the market domains of competing firms overlap in multiple geographic-product markets, the firms are engaged in multimarket competition" (Jayachandran et al. 1999, p. 50).	The theory of multimarket competition and its premise of marketing organizations competing against other marketing organizations in multiple domestic and/or international markets (e.g., market segments, countries, regions) envisions the competing marketing organizations occupying unique market positions in the multiple marketplaces, potentially multiple industries, and potentially multiple supply chains.	The interaction between multimarket competition and scope economies, through mutual forbearance, can be a mechanism by which marketing organizations can retain the value created by their marketing strategy and scope economies via the avoidance of loss through price competition (Gimeno and Woo 1999). Mutual forbearance (a form of tacit collusion) may reduce the market-level intensity of competition between two marketing organizations when the multimarket contact between them increases, such as when product markets overlap significantly (Jayachandran et al. 1999).
Theory of the Growth of the Firm	The theory of the growth of the firm was based on a study of industrial firms. "The economic function of such a firm was assumed simply to be that of acquiring and organizing human and other resources in order profitably to supply goods and services to the market …it was defined, therefore, as a collection of resources bound together in an administrative framework, the boundaries of which are determined by the area of administrative	The theory of the growth of the firm, being rooted mainly in industrial firms, has the most logical connection to marketing channels and supply chains. This theory has served as a logical foundation for the resource-based view, and it adddresses acquiring marketing resources (human and others) that can be used by a firm to acquire a position in the marketplace via product and/or service offerings. Interfunctional coordination (administrative coordination) and formal reporting lines among mar-	Within the confines of the theory of the growth of the firm, it is never the resources a firm possesses that serve as inputs in the production process but only the services that the firm's resources can render. As such, human resources in form of marketing professionals along with other marketing resources create a firm's "services" in Penrose's (1959) terminology; these services form the basis for market action, competitive advantage, and performance.

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
	coordination and authoritative communication" (Penrose 1995, p. xi).	keting personnel (authoritative communication) are directly applicable to more contemporary marketing organizations and the formation of marketing strategy.	Through the marketing organization's experiences comes excess capacity in marketing professionals' knowledge (and possibly in marketing resources) that is subject to marketplace frictions. The result is that the marketing organization seeks to expand in directions that allow for the utilization of the excess marketing resources. Marketing managers are then subsequently faced with the conundrum of how to utilize these marketing resources effectively and efficiently.
Theory of the Multinational Enterprise	The (advantages) theory of the multinational enterprise focuses mainly on the control or governance of value-added activities of firms (Hymer 1960, published 1976). "Control is desired in order to fully appropriate the returns of certain skills and abilities" (p. 25); "unequal ability of firms is a sufficient condition for foreign operations" (p. 46) but not a necessary one (Hymer 1976). "The firm is a practical institutional device that substitutes for the market. The firm internalizes or supersedes the market. A fruitful approach to our problem is to ask why the market is an inferior method of exploiting the advantage; that is, we look at imperfections in the market. (Hymer 1976, pp. 47–48).	The theory of the multinational enterprise suggests that the scope of the internationally-oriented marketing organization rests in control mechanisms and explicit coordination of value-added activities. "It is the market impurity which leads the possessor of the advantage to choose to supersede the market for his advantage" (Hymer 1976, p. 49). Hymer centered on "advantages" throughout his dissertation work; thus, marketing advantages are critically important to the success of marketing organizations internationally and the focus of the internalization of markets is not on reducing costs but instead on exploiting the firm's advantages better.	"Hymer's analytical framework involved a focus on the twin advantages that he perceived internalization confers on firms: the ability to reap profits from their advantages, and (including) an increase in market power through the reduction of competition" (Dunning and Pitelis 2008, p. 170). In a marketing sense, the theory of the multinational enterprise "is concerned with the [market] conditions under which an enterprise of one country will be controlled by a firm of another country or enterprises in several countries will be controlled by the same firm … it is a problem of determining the extent of vertical and horizontal integration of firms" (Hymer 1976, p. 27–28), and their involvement and commitment with the global supply chains that make up their operations.
Transaction Cost Economics	Transaction cost economics (a.k.a. transaction cost analysis; Rindfleisch and Heide 1997) views the firm as a governance structure (Coase 1937) that focuses on identifying, based on total costs, the exchanges that should be conducted within and outside the scope of a firm's boundaries (Williamson 1975).	Transaction cost economics is rooted in the notion that firms and markets represent alternative governance structures that have different transaction costs; bounded rationality of the marketing organization and market opportunism along with market transactions involving marketing asset specificity and market uncertainty are what glue the firm together as a governance structure.	Marketing organizations will engage in the implementation of marketing strategy and accompanying marketing activities when the economic rationale for doing so is clear to them. For example, "if adaptation, performance, evaluation, and safeguarding costs are absent or low, economic actors will favor market governance … if these costs are high enough to exceed the production cost advantages of the market, firms will favor internal organization" (Rindfleisch and Heide 1997, p. 32). Technologies and processes that reduce the total cost of the implementation of a designed marketing strategy, via specific marketing activities, will increase the likelihood of their adoption. Such technologies and/or processes can be implemented "without ownership or complete vertical integration" (Rindfleisch and Heide 1997, p. 32), a refined view of the TCE which was not incorporated in the original framework that suggested that governance was a discrete choice

Table 1 (continued)

Theory	Original scope	Marketing scope	Marketing insights
			between market exchanges and internal organization.
Upper Echelons Theory	Upper echelons theory integrates literatures from various fields on characteristics of top managers (Hambrick 2005), and develops a foundation that "organizational outcomes—strategic choices and performance levels—are partially predicted by managerial background characteristics" (Hambrick and Mason 1984, p. 193).	Upper echelons theory centers on the characteristics of top marketing managers, their choices for structuring the marketing organization and developing marketing strategy, and the market performance choices and related decisions. The key premise is that major marketing outcomes are largely a function of the decision making of top marketing executives of the marketing organization.	Decisions about marketing organization properties and marketing strategy issues are shaped by past practices and managerial backgrounds of the top marketing managers of the organization. More diverse top marketing management teams, and integration of top marketing managers within top level teams in the organization in general, can be a fruitful area to achieve higher degrees of creativity and for the organization to be more proactive about marketing efforts. Such efforts have the potential to adopt an efficient mix of focus on being responsive in the marketplace, being proactive in the marketplace, targeting explicit customer needs, and targeting latent customer needs.

boundary-spanning marketing organization (i.e., strategic marketing resources, marketing leadership and decision making, network alliances and collaborations, and domestic and global marketplaces). The focus of the clustered review of the organization theories is on the integration of existing organization theory thoughts as opposed to the interpretation of those thoughts. The intended value of such an approach is to provide a "toolkit" to marketing researchers working in the areas covered in MOR theory (cf. Ketchen and Hult 2007; Connelly et al. 2010).

Strategic marketing resources

Seven of the organization theories in Table 1 have an intellectual cluster centered on "strategic marketing resources" as they apply to a boundary-spanning marketing organization (i.e., adjustment cost theory of the firm, competence based theory, knowledge-based view of the firm, resource-advantage theory, resource-based view of the firm, service-dominant logic, and theory of the growth of the firm). As such, developing, nurturing, and maintaining an advantage in the marketplace is directly tied to strategic (marketing) resources for a marketing organization based on the central elements of the seven "resource theories." Albeit somewhat differently applied in each theory, resources permeate the fabric of each of the seven theories and serve as a focal point for integration and knowledge insights for MOR theory.

The classical point of origination for resource-based theories is the theory of the growth of the firm. "The economic function of such a [growth] firm was assumed simply to be that of acquiring and organizing human and other resources in order profitably to supply goods and services to the market … it was defined, therefore, as a collection of resources bound together in an administrative framework, the boundaries of which are determined by the area of administrative coordination and authoritative communication" (Penrose 1995, p. xi). Connected to marketing organizations, the theory of the growth of the firm, being rooted mainly in industrial firms, has the most logical connection to marketing channels and supply chains. This theory served as a rational foundation for the resource-based view, and it addresses acquisition of marketing resources (human and others) that can be used by a firm to establish a position in the marketplace via product and/or service offerings. In addition, interfunctional coordination (administrative coordination) and formal reporting lines among marketing personnel (authoritative communication) are often used when defining aspects of resource-centered marketing organizations and their formation of marketing strategy.

Building on the theory of the growth of the firm, the resource-based view of the firm (Wernerfelt 1984) envisions the firm as a collection of strategic resources which are heterogeneously distributed across firms (Barney 1991) to achieve a sustainable competitive advantage. A key premise of the resource-based view is its direct connection to the performance of the firm via strategic action and competitive advantage (Ketchen et al. 2007). As such, the resource-based view envisions the marketing organization as a bundle of strategic marketing resources that are heterogeneously distributed across organizations and are rooted in an equilibrium-seeking process embedded in a marketplace of perfect competition. A broader but close ally to the resource-based view, within the field of marketing, is resource-advantage theory. R-A theory suggests that the basis for a sustainable competitive advantage resides in the marketing organization's resources and how it structures, bundles, and leverages those marketing resources (Hunt and Morgan 1995). A key difference between the RBV and R-A theory is that R-A theory is rooted in a disequilibrium-seeking process (i.e., the marketing organization is a bundle of marketing resources which is rooted in a disequilibrium-seeking process embedded in a marketplace of less than perfect competition).

One of the theories underlying R-A theory is competence-based theory. In Hunt's view (2000, p. 80), competence-based theory is an "internal factors theory of business strategy" with classical origination in Selznick's (1957) work on "distinctive competence." Competence-based theory was used by Andrews (1971) to refer to what the firm could do particularly well in relation to its competition. It lends itself uniquely to the study of the marketing organization in that it focuses its sole attention on the distinctive competences that make the organization thrive in a competitive environment. Another narrowly defined resource theory is the knowledge-based view of the firm. The KBV is mainly a spinoff from the RBV. While competence-based theory focused on what the firm could do particularly well, KBV suggests that such competencies and market leadership stem solely from "strategic knowledge"—"the firm is conceptualized as an institution for integrating knowledge" (Grant 1996, p. 109) based on certain learning endeavors (Bell et al. 2010). This knowledge focus is a prerequisite for the adjustment-cost theory of the firm. Within the adjustment-cost theory of the firm (Wernerfelt 1997), an organization continually "examines ongoing trading relationships and asks by which process the parties should adjust the relationship by accommodating changes" (Wernerfelt 2005, p. 17).

The most recent addition to these "resource" theories—service-dominant logic (Vargo and Lusch 2004)—both builds on previous resource theories and uniquely departs from them. In fact, service-dominant logic is not inherently resource-focused per se. Rather, service-dominant logic "implies that the goal is to customize offerings, to recognize that the consumer is always a coproducer, and to strive to maximize consumer involvement in the customization to better fit his or her needs" (Vargo and Lusch 2004, p. 12). What ties S-D logic to resource theories is its discussion of specialized competences. Specifically, within service-dominant logic, "*service* is defined as the application of specialized competences (operant resources—knowledge skills), through deeds, processes, and performances for the benefit of another entity or the entity itself" (Vargo and Lusch 2008, p. 2). Based on the theories on strategic marketing resources, the marketing organization is a bundle of marketing resources, created by the strategically unique application of specialized marketing competences, which is rooted in a disequilibrium-seeking process embedded in a marketplace of less than perfect competition.

Marketing leadership and decision making

Eight of the organization theories in Table 1 have an intellectual cluster centered on "leadership and decision making" as they apply to a boundary-spanning marketing organization (i.e., agency theory, bounded rationality, game theory, prospect theory, real options theory, strategic choice theory, theory of competitive rationality, and upper echelons theory). In particular, marketing leaders are central to the effective and efficient operations of the marketing organization. Marketing outcomes of the organization are directly tied to the strategic decision-making choices made by top-level marketing leaders, as rooted in strategic choice theory (Child 1972) and upper echelons theory (Hambrick and Mason 1984). The characteristics of these marketing managers along with their managerial backgrounds set the tone for what type of marketing decisions will be made (Hambrick 2005), depending on the ingrained operating procedures the marketing organization has adopted that are boundedly rational (Simon 1945, 1957). In essence, the marketing organization develops techniques, habits, and operating procedures to cope with the often overwhelming amount of information available to marketing leaders—both internal and external. The premise is that marketing leaders have an opportunity to shape both marketing strategy and the external environment in which the firm operates (Child 1972).

In making strategic choices, prospect theory suggests that marketing leaders evaluate alternatives that involve degrees of risk (Kahneman and Tversky 1979), a premise also addressed by real options theory in the form of risk uncertainty (Myers 1977). An astute marketing leader evaluates potential gains and losses relative to the possibility of exercising available options for implementation. Clearly some marketing leaders are better at the "game" of making strategic choices relative to other organizations in the marketplace (von Neumann and Morgenstern 1944). According to agency theory, such decisions also include employing marketing managers to lead the organization's marketing efforts instead of the owners or even top-level management being responsible for marketing leadership (Jensen and Meckling 1976). In these cases, the marketing organization opts to hire marketing specialists who are better suited for and capable of carrying out the marketing activities of the organization. In effect, according to the theory of competitive rationality, the owners of the organization assume that their hiring of a uniquely capable leader creates variation in supply and demand to allow for the development of opportunities that can be imperfectly exploited by their marketing organization (Dickson 1992). Based on the delineation of thought on marketing leadership and decision making, a top marketing leader in a marketing organization (a) is structurally a part of an involved firm's top management, (b) has authority to make marketing decisions across firm boundaries, and (c) has the capability and capacity to operate throughout the internal-external network.

Network alliances and collaborations

As applicable to a boundary-spanning marketing organization, eight of the organization theories in Table 1 have an intellectual cluster centered on "network alliances and collaborations" (i.e., behavioral theory of the firm, information economics theory, network theory, resource dependence theory, signaling theory, social capital theory, theory of multimarket competition, and transaction cost economics). Broadly, as a summary of the earlier discussion, network theory involves creation of a blend of strong and weak ties between nodes that matches the firm's needs in order to maximize its performance. Network theory describes, explains, and predicts relations among linked entities (e.g., Granovetter 1973; Thorelli 1986). These linked entities consist of actors (i.e., nodes), resource ties, and activity links (Håkansson 1989). Actors control the resources and perform the activities. Activities link resources to each other; an activity occurs when one or several actors combine, develop, exchange, or create resources by using other resources. Resources, in the network context, include input goods, financial capital, technology, personnel, and marketing.

Networks are important to effective and efficient operations of the marketing organization. However, networks do not align themselves to just one marketing organization. In fact, the theory of multimarket competition (Edwards 1955; Simmel 1950) stresses this notion by envisioning "a firm occupying a potentially unique market domain that is defined by activities in various geographic-product markets … if the market domains of competing firms overlap in multiple geographic-product markets, the firms are engaged in multimarket competition" (Jayachandran et al. 1999, p. 50). As such, marketing organizations collaborate with and also compete against other marketing organizations in multiple marketplaces, industries, and supply chains. Social capital theory serves as a good foundation for these potentially dual roles of collaboration and competition. Social capital theory's central premise is that networks of relationships constitute a valuable resource for the conduct of social affairs (Nahapiet and Ghoshal 1998, p. 242; Homburg et al. 2010b), providing their members with "the collectivity-owned capital, a 'credential' which entitles them to credit, in the various senses of the word" (Bourdieu 1986, p. 249). Socially, marketing organizations and the marketplace are also composed of people, and the interpersonal behaviors among these people (such as the "credits" and trust they build with each other—cf. Gundlach and Cannon 2010) shape the organization's activities and outcomes. This is where the behavioral theory of the firm provides helpful guidance.

The behavioral theory of the firm holds that organizations should be viewed as consisting of coalitions, and the role of management is to achieve resolution of conflict and uncertainty avoidance within the confines of bounded rationality (Cyert and March 1963). The reasons why the coalitions are created in the network exemplify much of what resource dependence theory encompasses. A significant portion of resource dependence theory is describing the sources and consequences of power of marketing organizations embedded in networks of interdependencies and social networks that revolve around the control of and dependence on vital external resources in the environment (Pfeffer and Salancik 1978). Similar to the discussion of strategic resources, information (or knowledge in terms of the KBV) serves as the glue that holds together the network and collaborations. By extension, information economics theory can serve to crystallize how information generation and dissemination affect resource allocation and marketing decisions.

A key element is that information has economic value in understanding the network and any individual collaboration between firms (Akerlof 1970; Spence 1974; Stiglitz 1961). Given that information is used, certain firm-level "signals" may play a role as well. Even within internal networks but certainly networks external to the firm, some firms use signaling, rooted in signaling theory, to convey meaningful information about themselves and/or their products and services to another party (Spence 1973). Such signaling can create a more advantageous position for a firm in the network, one that leads to advantages in future transactions. For example, it may cost the firm less to engage with another firm in the future if certain signals are sent through the network. As an extension, transaction cost economics can be used to identify, based on total costs, the exchanges that should be conducted within and outside the firm's boundaries (Williamson 1975), i.e., should the internal network and/or collaborations be used to solve a particular need or should the external network and/or collaborations be invoked to solve the need? Based on the delineation of thought on networks and collaboration, collaboration and competition exist in a marketing organization's networks, both internal and external, and the nature of the collaboration and competition is a function of the power position of the organizations within the network and the information utility which they possess about the core competencies most valuable to the network.

Domestic and global marketplace

As applicable to a boundary-spanning marketing organization, eight of the organization theories in Table 1 have an intellectual cluster centered on the "domestic and global marketplace" (i.e., contingency theory, eclectic theory of international production, industrial organization, institutional theory, organizational ecology, stakeholder theory, systems theory, and theory of the multinational enterprise). As such, within the boundaries of the marketing organization, the "domestic and global marketplace" permeates the fabric (cf. Webster and White 2010) of these eight theories and serves as a focal point for integration and knowledge insight. The clearest starting point is the eclectic theory of international production (Dunning 1980, 1988a, b). It provides a three-tiered framework that can be used to determine whether it is beneficial to pursue a foreign direct investment. This so-called "eclectic theory" centers on advantages in the areas of (a) ownership (production or firm specific advantages such as comparative advantage), (b) location-specific advantages, and (c) market internalization. Regarding the latter (market internalization), the logic is to continually evaluate whether it is better for the firm itself to exploit an international opportunity than to sign an agreement with a foreign firm (Buckley and Casson 1976, 2011). A parallel can be drawn to the internal-external network focus of the marketing organization (i.e., when should the marketing organization use internal resources, external network resources, or a combination of the two?).

An important issue in this respect can be gleaned from the theory of the multinational enterprise (Hymer 1960, published 1976). Hymer's theory focuses mainly on the control or governance of value-added activities of firms but helps answer questions regarding when value-added activities should be considered for development relative to the control/governance of such activities (cf. Gilliland et al. 2010). "Control is desired in order to fully appropriate the returns of certain skills and abilities" (p. 25); "unequal ability of firms is a sufficient condition for foreign operations" (p. 46) but not a necessary one (Hymer 1976). "The firm is a practical institutional device that substitutes for the market. [In some sense,] the firm internalizes or supersedes the market. An approach to our problem is to ask why the market is an inferior method of exploiting the advantage; that is, we look at imperfections in the market" (Hymer 1976, pp. 47–48). Hymer centered on "advantages" as the main thesis; thus, marketing advantages are critically important to the success of marketing organizations internationally, and the focus of the internalization of markets is not on reducing costs but instead on better exploiting the firm's advantages. This is very similar to the notion of networks in the marketing organization. The focus on networks is not on reducing costs but instead on gaining a positional advantage for the boundary-spanning marketing organization (cf. Day and Wensley 1988).

The cost and other complexities of the organization in the global marketplace can best be portrayed by institutional theory and systems theory. These form the components for the "global identity" of the firm (e.g., Westjohn et al. 2009). "Institutional theory attends to the deeper and more resilient aspects of social structure … it considers the processes by which structures, including schemas, rules, norms, and routines, become established as authoritative guidelines for social behavior … it inquires into how these elements are created, diffused, adopted, and adapted over space and time; and how they fall into decline and disuse" (Scott 2005, p. 461). Systems theory proposes that every system, regardless of its nature (e.g., mechanical, biological, social) is composed of multiple elements that are interconnected (von Bertalanffy 1969; Kast and Rosenzweig 1972). In this sense, systems theory seeks to understand scientific phenomena by considering the interdependence of networks of firms and other entities within a larger system (Scott 1981).

While the environmental and marketplace complexities foundationally rest well in institutional theory and systems theory, stakeholder theory is needed to explain the scope of the "actors" connected to the marketing organization in the marketplace. Stakeholder theory addresses morals and values in managing a firm that has to deal with a multitude of constituent groups other than shareholders (Freeman 1984). As stated earlier, it views the firm as "an organizational entity through which numerous and diverse participants accomplish multiple, and not always entirely congruent, purposes" (Donaldson and Preston 1995, p. 70). Stakeholder theory focuses the marketing organization's efforts on developing and nurturing exchanges with a multitude of constituent groups other than customers and shareholders. As such, the stakeholder approach seeks to broaden a marketing manager's vision of his/her responsibilities beyond being customer and profit oriented (cf. Mitchell et al. 1997).

As soon as the multiple layers of the marketplace are engaged in the scope of what the marketplace entails for the marketing organization, a number of theories become applicable (e.g., industrial organization economics, organizational ecology, contingency theory). Industrial organization theory is rooted in economics and focuses on the strategic behavior of firms, the structure of markets, and their interactions (Bain 1956, 1959; Chamberlin 1933; Mason 1939), ultimately affecting the performance of firms (Schmalensee 1985). For the marketing organization this means that the synergy between the organization's marketing strategy and market structure serves as the essential scope to leverage market performance. The context for such synergy is the marketplace as the environment of business operations. This brings in organizational ecology and contingency theory.

Organizational ecology focuses on understanding the environmental conditions (e.g., market turbulence, technological turbulence, and competitive intensity) under which marketing organizations emerge, grow and change, and die (Hannan and Freeman 1977). Based on Gailbraith (1973), contingency theory suggests that there is no one best way to organize a marketing organization, and each way of organizing is not equally effective. Contingency theory is an outgrowth of systems design and "is guided by the general orienting hypothesis that organizations whose internal features best match the demands of their environments will achieve the best adaptation … [as such], the best way to organize depends on the nature of the environment to which the organization relates" (Scott 2005, p. 89). Thus, contingency theory coupled with IO economics and organizational ecology gives rise to the notion that marketing organizations both influence and are influenced by the marketplace in which they operate. Based on these integrated thoughts on the domestic and global marketplace, marketing organizations, partially due to their internal-external network collaborations and internal-external resource activities, have to operate in internal-external domestic and global networks and attend to the needs and wants of multiple stakeholders and multiple levels of marketplace influences.

Discussion and insights

The delineation of a theory of the boundary-spanning marketing organization—MOR theory—and the insights gleaned from 31 organization theories for its existence, activities, and viability offer a broad understanding of the boundaries of marketing at the organizational level. With a few exceptions (e.g., resource-based view, network theory), each theory was given a relatively equal importance weighting. Future studies on marketing organization should consider developing a weighted schema of relevant theories (cf. Miner 2003). For the purpose of this article, the cross-fertilization of organization theories clustered into four logical themes creates unique implications that can help advance work on the marketing organization. In elaborating on these implications, a focus on the intellectual clusters of strategic marketing resources, marketing leadership and decision making, network alliances and collaborations, and the domestic and global marketplace continues to be the structural roadmap for the discussion of the paper.

Strategic marketing resources

Several insights for the marketing organization can be advanced by examining the seven organization theories in Table 1 that are centered on "strategic marketing resources" (i.e., adjustment cost theory of the firm, competence based theory, knowledge-based view of the firm, resource-advantage theory, resource-based view of the firm, service-dominant logic, and theory of the growth of the firm). In some sense, the study of strategic resources is coming full circle with the beginning focused on the theory of the growth of the firm (Penrose 1959) and the most recent advancements being the notion of a service-dominant logic in marketing (Vargo and Lusch 2004).

Within the confines of the theory of the growth of the firm, it is never the resources a firm possesses that serve as inputs in the production process but only the services that the firm's resources can render. Marketing professionals along with other marketing resources create a firm's "services" in Penrose's (1959) terminology; these services form the basis for market action, competitive advantage, and performance. In parallel, Vargo and Lusch (2004, p. 9) state that "the use of knowledge as the basis for competitive advantage can be extended to the entire 'supply chain,' or service-provision chain … we argue that the primary flow [in the supply chain] is information; *service* is the provision of the information to (or use of the information for) a consumer who desires it, with or without an accompanying xappliance." The focus is on the "co-creation of value, process orientation, and relationships" (Merz et al. (2009, p. 329). This "service" focus is supported also within the resource-based view. Marketing resources have only potential value, with the value ultimately being realized (or not) via organizational actions and behaviors (Ketchen et al. 2007). As such, strategic resources need to be converted into action before affecting an organization's performance.

However, certain action leads to excess capacity. Sometimes through the marketing organization's experiences comes excess capacity in professionals' knowledge (and possibly in marketing resources) that is subject to marketplace frictions. The result is that the marketing organization seeks to expand in directions that allow for the utilization of these excess resources. Marketing managers are then subsequently faced with the conundrum of how to utilize the resources effectively and efficiently. To achieve effectiveness and efficiency, the service-dominant logic argues for "an increased focus on operant resources and specifically process management" (Vargo and Lusch 2004, p. 10). This process focus overlaps the view of the "marketing process organization" by Moorman and Rust (1999) and the business process focus by Srivastava et al. (1999). At the same time, at the foundational level, it is important to realize that firms differ even within an industry (Wernerfelt 1984). "The differences occur in the firms' resources, and the main theory is that a firm's strategy should depend on its resources—if a firm is good at something, the firm should try to use it" (Wernerfelt 2005, p. 17). The assumption is that what a marketing organization is good at is readily identifiable and that the organization can adapt as needed. This may or may not be true.

The marketing organization's use of strategic marketing resources is correlated with a need for frequent and diverse marketing adaptations. A horizontal expansion should govern the marketing organization's transfer of any excess strategic marketing resource capacity if it entails frequent and diverse marketing adaptations. However, such a generic strategy is not necessarily the right strategic fit for all marketing organizations. If the industry places a premium on flexibility in the marketing organization's interactions with its supply chains, the adjustment-cost theory suggests that the organization should expand its vertical scope by bringing in parts of the supply chain(s). Whether the expansion is horizontal or vertical, resource-advantage theory stresses that marketing productivity and economic growth are furthered through both the efficient allocation of scarce tangible marketing resources and the creation of new intangible and tangible marketing resources. The key is that strategic marketing practices and operations can provide a competitive advantage for all marketing organizations in the marketplace. R-A theory implies that this is not a zero sum game. Instead, there are net gains that can be realized in strategic resources and the accompanying outputs.

One such example is in strategic knowledge development and use (e.g., Hurley and Hult 1998). For example, there is an implicit assumption that there is value in and that production gains can be realized by having marketing professionals specializing in knowledge acquisition and organizational memory storage. Development of marketing strategy and the accompanying product and service assortment require the input and coordination of a wide range of specialized market and marketing knowledge. If the primary productive resource of the marketing organization is market and/or marketing knowledge, and if knowledge resides in individual marketing professionals, then it is the marketing professionals (at all levels of hierarchy) who own the bulk of the marketing organization's resources. However, one person possessing the knowledge does not prevent another marketing manager from possessing the same knowledge. In fact, it is critically important, at times, that marketing capabilities permeate the fabric of the marketing organization. The "essence of [marketing] strategy lies in creating tomorrow's competitive advantages faster than competitors mimic the ones you possess today," which implies that marketing organizations should invest in core competencies given that "an organization's capacity to improve existing skills and learn new ones is the most defensible competitive advantage of all" (Hamel and Prahalad 1989, p. 69).

Marketing leadership and decision making

Marketing leadership and decision making by marketing leaders are often studied within, for example, a sales management context but more seldom within the confines of marketing organizations that span firm boundaries. Given the composition of the marketing organization, studying marketing leadership and decision making that are beyond the scope of the marketing department or function is critical to better understanding the management of a marketing organization. Eight organization theories in Table 1 are centered on "leadership and decision making" as they apply to the theory of the boundary-spanning marketing organization (i.e., agency theory, bounded rationality, game theory, prospect theory, real options theory, strategic choice theory, theory of competitive rationality, and upper echelons theory). Certain aspects of these theories have implications for the marketing organization, leadership, and decision making.

The clearest implication is tied to upper echelons theory. Decisions about the marketing organization's properties (and marketing strategy issues) are shaped by past practices and managerial backgrounds of top marketing managers. More diverse top marketing management teams and integration of marketing managers within top level teams can be a fruitful area to achieve higher degrees of creativity and for the organization to be more proactive about marketing efforts. Such efforts have the potential to result in an efficient mix of focus on being responsive in the marketplace, being proactive in the marketplace, targeting explicit customer needs, and targeting latent customer needs. The assumption is that marketing organizations are able to adopt and adhere to a specific marketing strategy type which fits their core marketing competencies and makes them competitive in the marketplace. On the other hand, a limitation of having a strategic choice is that decisions are often made with concern for the firm as the primary driver, rather than marketing channel partners or the marketplace. To be effective, such decision making needs to change when the unit of analysis shifts to the marketing organization since it spans the boundaries of traditional firms.

This shift in unit of analysis (i.e., from the marketing department or the traditional firm to the marketing organization) has bounded rationality implications. Historically, the rationality of marketing managers is limited by the information they have and/or can obtain, the cognitive limitations of their minds and frames of reference, and the time constraint in which they have to make decisions to develop the marketing organization and/or its marketing strategy. Marketing managers are "intendedly rational, but only boundedly so" (Simon 1997, p. 88), which means that rational behavior and limits of rationality are the basic premises for marketing managers in developing marketing organizations and forming marketing strategy. However, rational thoughts would not necessarily lend credence to the boundaries of a marketing organization that includes both internal and external dimensions of traditional firms. This is where prospect theory can be helpful. Prospect theory leaves it up to the marketing manager to subjectively frame a marketing outcome or transaction. Such framing affects the marketing utility that can be expected to be obtained by the marketing organization. The issue of "framing," within the confines of prospect theory, is generally considered to be inconsistent with economic rationality but is important for the subjective rationale within the notion of "marketing rationality" as a part of the theory of the boundary-spanning marketing organization.

Rationality also stresses that value is "at the end of the tunnel." Marketing managers should look beyond the net present value of a marketing investment and consider the value of the options offered by such an investment. In this context, a real option has as its underlying marketing asset the total value of the marketing project, with the cost being the investment required to obtain the asset and the time to maturity being reflected in the period in which the marketing manager can defer the investment before it expires. The decision making created by the notion of real options is in essence a marketing game (i.e., a best guess, based on available information, that the net present value of a project will be high enough to warrant an investment). More traditionally, game theory can be used in the marketing organization or to develop marketing strategy to gain a better theoretical understanding of decision-making choices and possible outcomes in potential give-and-take and/or competitive market situations. The outcomes of possible scenarios can be depicted in game matrices, with optimal solutions being determined based on a variety of different assumptions.

An important limitation of game theory, however, is the lack of rational behavior and/or intentions on the part of some marketing leaders. In concert, a central element of agency theory is the so-called agency problem. It arises when the interests of the marketing leader and owner(s) of the firm diverge. Due to information asymmetry between marketing leaders and owner(s), the possibility exists that the leaders will act opportunistically, in their own interests, rather than in the owners' interests. Such differences are often more significant in the global marketplace. "Because cross-cultural differences magnify the problems of uncertainty, asymmetric information, and monitoring, efficient agency relationships can be even more difficult to achieve in multinational markets than in domestic markets" (Bergen et al. 1992, p. 18). The theory of competitive rationality would suggest that a solution to such problems is agility. "The ability to react quickly (agility) is paramount when a firm cannot predict and plan for discontinuities in competitor and buyer behavior…responsiveness can compensate for a firm's imperfect knowledge about the market and its bounded rationality" (Dickson 1992, p. 79).

Network alliances and collaborations

Internal and external network alliances and collaborations make marketing organizations complex but also unique in terms of the strategic resources that can be developed and utilized. As applied within the context of marketing organizations, eight organization theories in Table 1 focus on "network alliances and collaborations" (i.e., behavioral theory of the firm, information economics theory, network theory, resource dependence theory, signaling theory, social capital theory, theory of multimarket competition, and transaction cost economics). An integrative examination of the eight theories gives rise to a number of insights and research implications. The logical starting point is network theory. At its most basic level, actors (e.g., marketing organizations, marketing professionals), activity links (e.g., forming supply chains involving multiple actors), and resource ties (e.g., joint market orientation efforts among marketing organizations) bind the network together. In these networks, strong and weak ties are formed on a case-by-case basis rather than strategically across marketing organizations. Importantly, often a blend of strong and weak ties that matches the firm's marketing needs should be created proactively in order to maximize performance for each organization within the network.

These strong and weak network ties could be resource dependent or transaction dependent. Marketing organizations will engage in the implementation of marketing strategy and accompanying marketing activities within a network when the economic rationale for doing so is clear to them. For example, "if adaptation, performance, evaluation, and safeguarding costs are absent or low, economic actors will favor market governance… if these costs are high enough to exceed the production cost advantages of the market, firms will favor internal organization" (Rindfleisch and Heide 1997, p. 32). Technologies and processes that reduce the total cost of the implementation of a designed marketing strategy, via specific marketing activities, will increase the likelihood of their adoption. Such technologies and/or processes can be implemented "without ownership or complete vertical integration" (Rindfleisch and Heide 1997, p. 32). This is a refined view of the TCE that was not incorporated in the original framework, which suggested that governance was a discrete choice between market exchanges and internal organization. On the other hand, a marketing organization's ability to implement marketing strategy may be constrained when it is dependent on other organizations within its networks.

Specifically, the external environment contains limited resources, so marketing organizations must learn to hold back at times in developing marketing strategy that is resource dependent and trust each other if they are going to coexist successfully over time (or develop new intangible and/or tangible resources; Hunt and Morgan 1995).

To work, creating new, as opposed to simply using existing, marketing resources has to be an ingrained value and belief in the fabric of the organization. The marketing organization operates within the confines of "imperfect environmental matching, the observation that the rules, forms, and practices used by economic actors are not uniquely determined by the demands of the environmental setting in which they arise" (Cyert and March 1992, p. 215). In some sense, then, the marketing organization operates within the confines of "unresolved conflict, the assumption that economic organizations involve multiple actors with conflicting interests not entirely resolved by employment contracts" (Cyert and March 1992, p. 215). Such a behavioral theory of the firm inherently places a marketing organization at a disadvantage in the marketplace in terms of creating a net gain of marketing resources for all players in the industry. The dynamics of the network are also likely to be skewed toward being competitive instead of collaborative in creating new resources. This is not to say that the network actors are not collaborative, but the sophisticated level to which marketing organizations have to elevate their strategic thinking to create new marketing resources for the sake of the network and industry, and not just their own firm, needs additional research.

The interaction between multimarket competition and scope economies, through mutual forbearance, can be a mechanism by which marketing organizations can retain the value created by their marketing resources (Gimeno and Woo 1999). Mutual forbearance (a form of tacit collusion) may reduce the market-level intensity of competition between two marketing organizations when the multimarket contact between them increases, such as when product markets overlap significantly (Jayachandran et al. 1999). The idea, though, is that mutual forbearance could present an opportunity even within a marketing organization's network (especially in the global marketplace). In essence, a mixture of shared and organization-level goals, values, and experiences across firms (even competitors) drive marketing strategy making, which leads to superior success. Sensemaking, as a form of positive social capital (cf. De Clercq et al. 2009), among individuals in and between organizations is a key to building trust in these competitive and collaborative networks.

While collaborative networks typically work out their arrangements via commitment and trust (Morgan and Hunt 1994), competitive networks which thrive off each other need different mechanisms. Information economics theory and signaling theory provide such a platform. In a situation of information asymmetry (which is typically the case between competitors), marketing organizations can signal to the marketplace important aspects of their organization, such as new product announcements (Homburg et al. 2009), thus transferring information to the organization's stakeholders (most notably its customers) and competitors and resolving the information asymmetry. At the same time, it is difficult for competitors to know which marketing organizations are genuinely committed to business practices with which they associate. In this context, some organizations use costly marketing initiatives to "signal" the type of organization they are to others who would benefit from such knowledge or whom the organization would benefit from being closer linked to in the marketplace.

Domestic and global marketplace

The nuances that differentiate the "domestic and global marketplace" are a matter of scale, scope, and complexities. Marketing organizations scan the opportunities in the marketplace, relative to what the organization can offer, to find a customer segment match. This match may be domestic or global and involve one or multiple customer segments. Eight of the organization theories in Table 1 focus on issues that are relevant for the marketplace (i.e., contingency theory, eclectic theory of international production, industrial organization, institutional theory, organizational ecology, stakeholder theory, systems theory, and theory of the multinational enterprise). A component of the marketplace focus is Hymer's theory of the multinational enterprise. "Hymer's analytical framework focused on the twin advantages internalization confers on firms: the ability to reap profits from their advantages, and (including) an increase in market power through the reduction of competition" (Dunning and Pitelis 2008, p. 170). In a marketing sense, Hymer's theory "is concerned with the [market] conditions under which an enterprise of one country will be controlled by a firm of another country or enterprises in several countries will be controlled by the same firm … it is a problem of determining the extent of vertical and horizontal integration of firms" (Hymer 1976, p. 27–28).

The marketing organization's advantage is often intangible but can usually be transferred within the organization at a relatively low cost (e.g., technology, brand name, economies of scale). This market and/or marketing advantage gives rise to greater revenues and/or lower costs that can offset the costs of operating at a distance in a global location. To be successful, the marketing organization should use select foreign factors in connection with its home-country specific advantages in order to earn full rents. Specifically, the location advantages of different countries are keys to determining which country or countries will become host countries for the multinational marketing organization. Overall, the marketing organization has a number of choices of entry mode into global markets, beginning with the market (arm's length transactions) and spanning to the hierarchy (wholly owned subsidiary). As such, the marketing organization, in this context, selects internalization when the market does not exist or when it functions poorly.

In fact, often the marketing organization operates within a framework of continual contingency planning when engaging globally. For example, different subunits within a marketing organization may face different market demands. To tackle these different market conditions, organizations need to create specialized subunits with differing structural features—for example, different levels of formalization and planning time horizon. With increased variation in global market conditions, the more differentiated an organization's structure needs to be to face all potential challenges in the marketplace. Differentiation is a way to operate effectively and efficiently within the global marketplace system, which includes numerous domestic markets and submarkets. "All systems are made up of subsystems and are themselves subsumed in larger systems—an arrangement that creates linkages across systems and confounds the attempt to erect clear boundaries around them" (Scott and Davis 2007, p. 96). As such, decisions that marketing managers make in an effort to lead their marketing organizations toward prosperity, especially globally, take place within a complicated and complex milieu that requires fine-tuned theorizing to not under-specify marketing strategy making.

In fact, to attain legitimacy, an organization tends to be isomorphic to other organizations in its market environment, with organizations resembling each other and behaving similarly over time (e.g., Dacin 1997). As such, the way a particular marketing organization interacts with and treats its customers influences other organizations' interactions with their customers. These influences are important both for the evolution of the marketplace and the evolution of each marketing organization. In particular, new marketing organizations and new organizational forms (e.g., vertically and/or horizontally integrated) will arise that are well suited to contemporary marketing strategy, networks, and marketplaces. Marketing organizations that do not adapt their culture, processes, and activities to become appropriately market-oriented may be selected out of the marketplace. In fact, even IO economics supports this collective nature of market and organizational development.

Specifically, in line with the structure-conduct-performance approach, the success of an industry in developing products for customers depends on the collective actions of the organizations in the industry. In turn, the market actions of the marketing organizations depend on the actors who determine the competitiveness of the market. Importantly, per IO economics, marketing organizations within an industry are identical regarding the market resources they control. However, should resource heterogeneity develop, it will likely be temporary, given that market resources are highly mobile. As such, homogeneity of marketing strategies among organizations competing in the same industry exists since, for example, marketing actions taken by an organization are easily observable and duplicated by other organizations. As such, we can speculate that perhaps this also means that a theory of the boundary-spanning marketing organization, with its primary stakeholders (i.e., customers, employees, suppliers, shareholders, communities, and regulators) and secondary stakeholders (e.g., media, special interest groups), ultimately will include each other as stakeholders (i.e., competitors internal and external to the marketing organization's primary industry).

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