

Name of students

Maria Korban
Mari Westby Nordstrøm

Name of supervisor

Jon Bingen Sande

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Maria Korban

Mari Westby Nordstrøm

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Abstract

Several empirical findings have emphasized the strategic benefits for organizations that possess strong brands. Frequently mentioned advantages are the positive influence that brands have on evaluations of customers, and investors. Acknowledging the importance of brands and that these intangible resources of a firm are contingent upon adequate recognition and support (M'zungu, Merrilees, and Miller 2010) - recent studies have investigated how the *brand management system* (BMS), i.e., a “basic internal management infrastructure” (Santos-Vijande, Belén, Suárez-Álvarez, and Díaz-Martín 2013, 148) enhances customer performance, which in turn positively impacts business performance (Santos-Vijande et al. 2013; Lee, Park, Baek, and Lee 2008).

Though research has investigated how brands should be managed internally to increase their value, none has examined how antecedents in the external and internal environment of an organization can destruct or facilitate the development of the BMS. This is what the current study contributes to. We believe that more knowledge, and understanding of the possible impediments and facilitators of the BMS can help companies in the process of its development, and ultimately improve their performance.

By the use of path analysis, with 101 decision-makers from the Norwegian food processing industry as participants, this study particularly addresses that significant facilitators of the BMS are: *formalization*, *market orientation*, *reputational assets*, and *short-term orientation*, whereas a significant impediment is *specialization*. Additionally, this study addresses that the key variables of *market orientation*, and *short-term orientation* have a significant and positive impact on a firm's customer performance, whereas *innovativeness*, and *specialization* exert a negative impact on this performance variable. Lastly, this study confirms the important, and positive relationship between the BMS, and *customer performance* – and where *customer performance* in turn has a direct influence on *business performance*.

1.0 Introduction

Strong brands are one of the key elements in achieving competitive advantage (Zablah, Brown, and Donthu 2010). Research points to several advantages for companies that possess high brand equity, where one of them are customers' favorable reactions to marketing efforts of a firm, i.e. customers' subjective and intangible assessment of the brand exceeds its objective and perceived value (Keller 2008). Also, companies representing strong brands can experience customers' inclination to pay price premiums, and an increased likelihood to engage in positive word-of-mouth (Bendixen, Bukasa, and Abratt 2004). Due to the advantages mentioned above, companies experience increased purchase rates, which means that the impact of competitive brands also positively affects decision-makers' and investors' evaluation of performance. Studies show that investors incorporate the value of brands in their stock evaluation, as they are treated as assets that generate future cash flows - which means that improvements in brand equity will have a significant, and positive effect on firm valuation (Srinivasan, and Hanssens 2009, 306). In essence, marketing resources have been shown to be highly important in the contribution of a firm's performance (Hooley, Greenley, Cadogan and Fay 2005, 18).

However, even though a large body of research has established the importance of brand equity, and its positive impact on investors' and customers' evaluations and decisions - few investigate how companies internally should devote and focus their initiatives and investments. Specifically, little attention has been devoted to how organizations *internally* should manage their brands. Keller (2008, 333), the recognized author within the field of *strategic brand management*, stresses the concern that "perhaps one of the biggest threats to brand equity comes from *within* the organization." Kim and Lee (2007, 77) add to the point, stating that a high percentage of firms lack a system, or model for measuring brand equity. The somewhat problematic area in relation to the management of brands can be attributed to intangible nature of the assets. That is, the management of brands is contingent upon sufficient recognition, safeguarding, and support - in line with that of tangible means (M'zungu, Merrilees and Miller 2010).

The importance of *internal factors* are recognized, and treated as key ingredients in the successful management of brands (de Chernatony and Cottam 2006). This

means that companies have a lot to gain by capitalizing on their internal brand-related activities and initiatives. On the subject, a *brand management system* (hereby referred to as BMS) has been proposed as a key factor - defined as a “set of any systems, organizational structure, or culture of a firm supporting brand-building activities” (Santos-Vijande, Belén, Suárez-Álvarez, and Díaz-Martín 2013, 148; Lee, Park, Baek, and Lee 2008, 849). That is, the establishment of a BMS can ensure the necessary internal structures, and procedures that help to grow, and sustain brand equity (Kim and Lee 2007). Among businesses behind successful brands, a common and determining factor has been the holistic, yet integrated approach to branding, and where high brand literacy among employees have contributed to a tacit organizational culture that competitors not easily can copy (de Chernatony and Cottam 2006). The scarce literature within the area of *strategic brand management*, Santos-Vijande et al. (2013) found that possessing a BMS in a service context positively impacts *customer performance*, and *business performance*. Additionally, the study shows that both *innovativeness*, and *market orientation* act as important facilitators to the BMS (Santos-Vijande et al. 2013).

For companies it can be challenging to operate in a highly competitive marketplace with changes in the macro-environments. This implies that firms cannot solely rely on existing practices and capabilities to survive in this environment, but rather adapt adequately to the circumstances. Specifically, the BMS has been regarded as a *dynamic capability*, which is defined as “the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments” (Santos-Vijande et al. 2013, 150; Teece, Pisano, and Shuen 1997, 516). Moreover, we argue that it is also important to evaluate the specific factors in the BMS’s surroundings that could threaten or nurture its development. This study aims to improve the understanding of the facilitators and impediments of the BMS that exist in the internal and external environment of an organization. To our knowledge, no research has fully explored what can positively, or negatively impact the BMS - and this is what our study contributes to. We argue that more knowledge in this area can help companies in the process of its development, and ultimately improve their performance.

For clarity, the research questions of this paper can be defined as follow:

- 1) *What facilitates and prevents firms from developing a BMS, and how does this impact customer performance?*
- 2) *How does the BMS ultimately impact a firm's performance?*

Specifically, the objectives of this study are:

- 1) To test the effects of the facilitators: *innovativeness, market orientation, centralization, formalization, horizontal integration, communication, reputational assets, and competitive intensity* on the BMS.
- 2) To test the effects of the impediments: *specialization, and short-term orientation* on the BMS.
- 3) To test the effects of the key variables: *innovativeness, market orientation, specialization, and short-term orientation* on *customer performance*.
- 4) To test the effect of the BMS on *customer performance*.
- 5) To test the effect of *customer performance* on *business performance*.

Among the interesting relations investigated, this thesis particularly demonstrates the importance of considering the design of *organizational structure*, and its compatibility and impact on the BMS. Also, in the holistic treatment of the external environment to the BMS, we show how *reputational assets* act as a catalyst to its development. The results indicate that management's philosophy, and approach through *market orientation, and short-term orientation* are positive sources to the BMS. Interestingly, this study partially contradicts the previous finding of Santos-Vijande et al. (2013) on the specifics of how *innovativeness* impacts the BMS. We demonstrate, and argue for important managerial differences and characteristics to be aware of in the context of Norwegian manufacturing firms. Finally, the previous established relationships between the BMS, *customer performance, and business performance* are confirmed.

This thesis is organized as follows; first, we provide a literature review with the proposed hypotheses, and where the suggested relationships are summarized in a conceptual model. Next, we outline the method section with our chosen research design, context of study, and measure development. After the section of data examination, and measurement model testing, we outline important decisions regarding our estimations for the measurements models. Next, after a description

of our measurement model, and structural model, we provide the analysis and results of our study. In the last section, we discuss our findings, provide managerial implications, and highlight limitations to our study and suggestions for future research.

2.0 Literature Review

2.1 The Brand Management System (BMS)

Literature from the area of the BMS has originated from the system developed by Procter & Gamble in the 1930s (Katsanis 1999). On a similar term to the BMS, the BEMS (*brand equity management system*) has received high attention by Keller (2008, 333), and functions as a general guideline that entails organizational processes designed to enhance the brand equity concept within a firm. Though not empirically verified, the BEMS includes the elements of: brand equity charters, brand equity report, and brand equity responsibilities. On the other hand, what *has* been empirically tested is the almost similar term called the BMS.

The BMS has received various interpretations, though there are small deviations from what authors and researchers emphasize. Alsop (2004) views the BMS as anything related to brand management. Kim and Lee (2007) explain the BMS as brand management combined with the concept of a system - representing the infrastructure for actual marketing activities. Specifically, this means that companies should have a system to build a brand-driven organization and culture, which in turn will improve education and knowledge among employees (Kim and Lee 2007, 65). Lee et al. (2008, 849), and Santos-Vijande et al. (2013,148) provide the working definition of the BMS that we apply: BMS as a “set of any systems, organizational structure, or culture of a firm supporting brand building activities”.

On the topic of the BMS and its underlying dimensions, Lee et al. (2008, 851) emphasize that BMS is conceptualized as “the degree of infrastructure building activities with respect to brand-related 1) organization and culture, 2) knowledge and education, and 3) implementation and performance evaluation systems”. In a similar manner, M'zungu, Merrilees, and Miller (2010, 605) suggest a three-stage conceptual model to specifically build and sustain the long-term survival of brand

equity, involving: 1) adopting a brand-orientation mindset, 2) developing internal branding capabilities, and 3) consistent delivery of the brand. Expanding on this work, Santos-Vijande et al. (2013) empirically tested the three underlying dimensions of the BMS: *brand orientation*, *internal branding* and *strategic brand management*. In this study we apply and investigate BMS as a three-dimensional construct, in accordance to the work of Santos-Vijande et al. (2013).

Santos-Vijande et al. (2013, 148) specifically emphasize that the BMS is the “basic internal management infrastructure necessary to sustain brand-building activities and brand equity creation”. The system shows the importance of treating BMS as a dynamic capability in relation to the development of brand equity, rather than solely focusing on treating brands as assets (Santos-Vijande et al. 2013; Louro and Cunha 2001). Moreover, the focus of the BMS is on the brand supportive capabilities, and firm-level practices that contribute to the success of a brand (Beverland, Napoli and Lindgreen 2007). Notice, the interest for the three dimensions are not in relation to how they separately contributes to the development of brands, but rather how they together represent a system that helps to enhance brand equity (Santos-Vijande et al. 2013).

2.2 The Dimensions of the BMS

2.2.1 Brand Orientation

Brand orientation is concerned with the degree of recognition that brands receive within organizations, and whether they are treated as important assets - that the marketing strategy, and activities revolve around (Santos-Vijande et al. 2013). For building and sustaining the long-term survival of brand equity, the first stage suggested by M'zungu, Merrilees, and Miller (2010) is the adoption of a brand-orientation mindset that ensures bridging strategy and implementation. Urde (1999, 117-118) was one of the first to stress the importance of brand orientation - defined as “an approach in which the processes of the organization revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers, with the aim of achieving lasting competitive advantages in the form of brands”. Here, a firm recognizes the importance of treating brands as valuable assets, as they carry own expressions and identities (Urde 1999). Wong and Merrilees (2007) find a significant and positive

relationship between brand orientation, and brand performance in terms of brand awareness, customer brand loyalty, and desired brand image. In a study by Baumgarth (2010, 653), brand orientation has a positive influence on market and economic performance, where it is shown that smaller business-to-business companies with lower levels of brand orientation, exhibit strategic disadvantages compared to larger firms. Another study (Baumgarth and Schmidt 2010), identifies a strong and direct influence from brand orientation to internal brand knowledge, internal brand commitment, and internal brand involvement. In this respect, Kim and Lee (2007) stresses the importance of top-management's recognition.

2.2.2 Internal Branding

Internal branding can be seen as the process of aligning employees' behavior with a brand's identity (Vallaster and de Chernatony 2006, 761; Mitchell 2002, 105). There is a general agreement that brand success depends on a retained understanding of its core meaning, and consistent image over the longer term (Michell, King, and Reast 2001; Gardner, and Levy 1955, 36), and where internal branding is an important contributor in how to gain employees' commitment to the brand (Punjaisri, Evanschitzky, and Wilson 2009; Beverland, Napoli, and Lindgreen 2007). Brand commitment is seen as an antecedent of brand-supportive behavior (Vallaster and de Chernatony 2006, 776; Burmann and Zeplin 2005).

Furthermore, de Chernatony and Cottam (2006) find that among businesses with successful brands, there is a high degree of brand literacy among employees, which means that employees are well-informed and educated about the brand. This again, contributes to tacit organizational culture, and more open and observable communication (de Chernatony and Cottam 2006). Evidently, educating and training employees are important aspects of internal branding, which provide employees with knowledge and understanding of the brand's identity- enabling them to fully support it. Thus, one of the objectives of internal branding process seems to be making employees "brand ambassadors", i.e. an internalization where employees integrate core values of a brand into their own value system (Vallaster and de Chernatony 2006, 776; Burmann and Zeplin 2005). Affirmatively, synergy between the brand and organizational culture imply

congruence between the organization's, the employees', and brand's values – and is found to be prominent in successful brands (de Chernatony and Cottam 2006, 622).

Another important objective for internal branding is internal communication about the brand (Santos-Vijande et al. 2013, 150; M'zungu, Merrilees and Miller 2010). This is important in the implementation of a brand strategy as it is essential that the employees have knowledge of what the brand represents, its values, and aspirations (M'zungu, Merrilees and Miller 2010, 611). Further, Webster and Keller (2004, 400-401) emphasize that companies should adopt a top-down (i.e. from managers and directors) and bottom-up (i.e. from the employees) approach, which means that the activities become complementary and mutually reinforcing - thus, enabling a firm to both capture the “big picture” and each individual product. Communicating the brand internally needs to be apposite for the employees to be effective, thus Santos-Vijande et al. (2013, 150) stress that BMS should incorporate monitoring of the internal brand image to align internal perceptions of the brand with the organization's strategic objectives.

All in all, internal branding represents an underlying dimension of the BMS as it contributes to 1) operationalization of the brand orientation culture, 2) implementation of brand-building activities, and 3) assurance of consistent delivery of the brand promise and maintaining consistent brand image (Santos-Vijande et al. 2013, 150; Punjaisri, Evanschitzky and Wilson 2009).

2.2.3 Strategic Brand Management

Keller (2008, 38-40) regards the strategic brand management as a process that evolves around four activities; 1) identification and establishment of brand positioning, 2) planning and implementation of marketing programs, which is a knowledge-building process that aims to increase customers awareness, and associations to a brand. Next, Keller (2008) argues for; 3) measuring and interpretation of brand performance - which is vital in the evaluation of current status and market performance of the brand. On the subject, Katsanis (1999) emphasizes that one should allow consumer responses to shape the process, and content of the strategic management and planning - as the marketing function and

its closeness to consumers have the potential to create competitive advantage. Lastly, Keller (2008, 41) outline the last component of strategic brand management to contain; 4) growing and sustaining brand equity. This means that companies must define the brand strategy and manage brand equity over time, across geographic boundaries, cultures and market segments.

Similarly, Santos-Vijande et al. (2013, 150) emphasize that if brands are going to function as a potential source for competitive advantage, there are certain elements that the strategic management needs to be founded on; 1) a marketing strategy consistent with the brand image desired by the company; 2) planning with a medium to long-term horizon; 3) evaluation and tracking of the development of the brand image and its value in the marketplace; 4) economic dedication and assignment of human resources. In this thesis, we choose to apply these four fundamental elements (Santos-Vijande et al. 2013) as a description of strategic brand management.

2.3 Hypothesized Relationships: Consequences of the BMS

The BMS, and Performance

Santos-Vijande et al. (2013, 150) emphasize the BMS as a dynamic capability. Specifically, the authors argue that this capability is present when introducing a continuous analysis of market evolution as a key constituent of the BMS. In today's highly competitive and turbulent markets, it is evident that this dynamic component is crucial to achieve a strong brand, and a sustainable competitive advantage. In conjunction with these latter two favorable outcomes, Santos-Vijande et al. (2013, 150) suggest that part of the ultimate objective of the BMS is to permit a permanent renewal of skills and resources, and adapt to the market evolution. Despite the scarce literature of the BMS and its effect on performance, the existing research provides a foundation for the hypotheses in this thesis. Baumgarth (2010) finds empirical evidence of the BMS as vital to market success in a B2B context. Also confirmed by Lee et al. (2008), in both B-B and B-C environments, a well-developed and -organized BMS dramatically enhance brand performance among firms. Following the findings of Santos-Vijande et al. (2013), we propose that a well-developed BMS will lead to development of strong brands, which will improve customer performance, in turn enhancing a firm's business

performance. Specifically, we break down brand performance into two constructs – one that includes customer-related outcomes such as customer satisfaction, loyalty and perceptions of the brand, i.e. *customer performance*, and the other reflecting overall business performance, including growth measures related to sales, market share, and profits, i.e. *business performance*. We therefore hypothesize the following:

H1a: *The BMS has a positive effect on the firm's customer performance*

Previous literature confirms the positive effect of *customer performance* on *financial performance*, where *customer performance* is assumed to be an antecedent of *financial performance* (Santos-Vijande et al. 2013; Lee et al. 2008; Matear, Osborne, Garrett and Gray, 2002, 1070; Homburg and Pflesser 2000). Consistent with these findings we therefore hypothesize:

H1b: *The firm's customer performance has a positive effect on its business performance*

2.4 Hypothesized Relationships: Facilitators, and Impediments to the BMS

2.4.1 The Influence of Management Philosophy, and Orientation

This thesis addresses and investigates the impact of three components that exist in the *internal* environment of an organization. That is, we interpret the factors of *innovativeness*, *market orientation* and *short-term orientation* as under the control and influence of a firm - and can therefore influence the organizational culture. Moreover, these factors can be considered as an expression, and reflection of a firm's overall philosophy and orientation. From previous literature, the impact of *innovativeness* and *market orientation* have been identified. Specifically, these two key variables have been shown to have a direct impact on both the BMS, and *customer performance* (Santos-Vijande et al. 2013).

2.4.1.1 Innovativeness, the BMS, and Performance

Innovativeness has been viewed in relation to an organization's culture, i.e. "the notion of openness to new ideas as an aspect of a firm's culture" (Hurley and Hult 1998, 44). Several antecedents to innovativeness are suggested, reflecting characteristics of a firm's culture, such as emphasis on learning or support, and

collaboration (Hurley and Hult 1998, 44). Rhee, Park, and Lee (2010) find that learning orientation has the potential to boost innovativeness, which in turn improves a firm's performance. Evidently, innovativeness represents an external orientation that can be associated with the dynamic capability of the BMS. Affirmatively, Santos-Vijande et al. (2013, 151) argue that one of the prominent features of innovativeness is the support of external orientation to build competitive innovations. Researchers find a close relationship between innovativeness and market orientation, demonstrating the importance of understanding the market's behavior and potential response (Rhee, Park, and Lee 2010; O'Cass and Ngo 2007). On the subject of the dynamic nature of the BMS, Teece (2007) emphasizes that firms with dynamic capabilities are highly entrepreneurial. Further, the author argues that these capabilities are linked to innovation. Hult, Hurley and Knight (2004) find a strong link between entrepreneurial orientation and innovativeness, and argue that the former function as a key antecedent to the latter.

In today's changing marketplace, innovation can be an important mean in the response to latent and expressed needs among customers, which in turn can lead to the status of a preferred brand. Doyle (1989, 88) pinpoints that possessing first-mover advantage is "the most common means of building an outstanding brand". All in all, due to the strong link to entrepreneurship, and external orientation - one can expect that innovativeness is a facilitator to the dynamic capability of the BMS. Also, as innovativeness is related to strong brands, one can expect that it will positively affect the BMS. In accordance with the previous findings of Santos-Vijande et al. (2013), we expect that innovativeness is a facilitator to the BMS, thus we hypothesize the following:

H2a: *Innovativeness has a positive effect on the BMS*

Research has established a positive effect of *innovativeness* on a firm's performance (Santos- Vijande et al. 2013; Rhee, Park and Lee 2010; Lin, Peng and Kao 2008; Theoharakis and Hooley 2008; O'Cass and Ngo 2007; Hult, Hurley and Knight 2004). A frequently mentioned reason is that with rapidly changing environments firms should adjust to the evolution and embrace innovations (Hult, Hurley and Knight 2004, 431). Innovativeness can also drive

the market - i.e. proactive innovations provide “unique ways of delivering superior value to customers” (O’Cass and Ngo 2007, 873), and results in superior performance. Thus, innovativeness has the ability to provide competitive advantage, and create value in the market that ultimately contributes to positive customer performance. Thus, we hypothesize the following:

H2b: *Innovativeness has a positive effect on the firm’s customer performance*

2.4.1.2 Market Orientation, the BMS, and Performance

Hunt and Morgan (1995, 11) argue that market orientation with its intangible entity “would be a resource, if it provided information that enabled a firm to produce, for example, an offering well tailored to a market segment’s specific tastes and preferences”. This means that market orientation emphasizes that organizations must have insight and knowledge about customers and competitors, and incorporate this into the strategy formulation (Hunt and Morgan 1995). Market orientation can potentially give comparative advantage, but not if all competitors adopt this orientation (Hunt and Morgan 1995). Similarly, Urde (1999, 118) treats market orientation as “an external standpoint with the satisfaction of customers in competition with other companies as its objective”. Hooley et al. (2005) assess market orientation as a part of the market-based resources of a firm, representing tacit experiences, skills and resources, which are not easily transferred to other organizations or copied by competitors. Narver, Slater and MacLachlan (2004, 334) find that possessing a proactive market orientation through the identification of latent needs among customers, exhibit a positive role for new-product success - more than that of responsive market orientation, which only addresses expressed needs among customers. Lee et al. (2008) find a positive and direct impact of market orientation on the BMS. More specifically, Ruekert (1992, 243) finds that market orientation has a significant and positive effect on organizational support processes, and attitudes among managers, e.g. level of training. Lastly, and in accordance with the recent findings of Santos-Vijande et al. (2013), we expect that:

H3a: *Market orientation has a positive effect on the BMS*

Santos-Vijande et al. (2013, 156) find that *market orientation* has a significant impact on both *customer-*, and *business performance*. Morgan, Vorhies, and Mason (2009) find that *market orientation* has a direct impact on firm's return on assets, and can contribute to superior firm performance. Thus, we hypothesize that:

H3b: *Market orientation has a positive effect on the firm's customer performance*

2.4.1.3 Short-Term Orientation, the BMS, and Performance

Short-term orientation and *short-termism* are often used interchangeably (e.g. Lumpkin, Brigham, and Moss 2010, 255). Lavery (1996, 826) characterizes economic short-termism as “decisions and outcomes that pursue a course of action that is best for the short term, but suboptimal over the long run”. The author further relates short-termism to management decisions, where problems involve uncertainty, and intertemporal choice – i.e. maximizing profit or achieving other objectives that is best in the short term, but not in the long run. In addition, *flawed management practice* is emphasized in relation to short-termism among managers, and can inhibit the development of competitive capabilities as it concerns a focus on short-term performance metrics (Lavery 1996, 831- 833).

Affirmatively, Zahra, Hayton, and Salvato (2004, 367) argue that firms scoring high on short-term orientation are likely to prefer financial, rather than strategic controls, and that “financial controls are based on established goals, targets and performance quotas”. Short-term orientation has also been associated to selling orientation - explained as a view that implies aggressive sales and advertising methods making consumers buy more goods and services (Noble, Sinha and Kumar 2002, 25). Lumpkin, Brigham, and Moss (2010, 250) argue that over-aggressiveness can damage a firm's reputation, and future opportunities. Furthermore, Kim and Lee (2007) found several obstacles to brand management, where the “pressures from short-term revenue goals” was shown to be the biggest one. Almost similarly, Kapferer (2012, 47) looks at obstacles to branding where the principle of annual accounting is argued to prevent the implementation of an effective brand policy. The author also stress that people working with or are responsible for brands, are often evaluated on the net contribution of the product, which can lead to decisions providing the fastest and most profitable results –

thus, short-termism (Kapferer 2012, 47). These internal factors seem to indicate a pure focus on financial results with a lack of consideration for the brand image and possible consequences that this will imply.

Brüggen, Krishnan, and Sedatole (2011, 85) indicate that when managers focus on short-term benefits it can potentially harm the brand image. Moreover, short-term orientation can be interpreted as a counterpart to the BMS, as the latter has a long-term focus with emphasis on creating and maintaining strong brands (Santos-Vijande et al. 2013, 148). Essentially, we hypothesize that short-term orientation has a negative effect on both the BMS and the firm's customer performance. Thus, we hypothesize:

H4a: *Short-term orientation has a negative effect on the BMS*

Noble, Sinha, and Kumar (2002, 29) argue that from a value generation perspective, selling orientation (i.e. a similar term to short-term orientation) offers little value to the customer. In addition, from a relationship-building perspective, the authors admit that short-term orientation may stimulate short-term sales, however customer loyalty and repeat business cannot be expected. Lastly, the authors also mention that short-term orientation is associated with high advertising expenditures and costs, but that it does not add greater value to the customers. The research by Lumpkin, Brigham, and Moss (2010, 250) state that aggressiveness, in which short-term orientation is associated with, can be costly and lower a firm's profitability. Lee et al. (2008, 853-854) argue that the BMS takes time to impact financial performance, and that the BMS needs more of a focus on customer orientation, rather than on financial performance. In addition, the authors emphasize that having a hasty goal achieving short-term financial performance, the efforts associated with it are likely to be vain. All in all, short-term orientation seems to provide low performance on various areas such as loyalty, adding value to the customers, and long-term profitability - and we therefore hypothesize that:

H4b: *Short-term orientation has a negative effect on the firm's customer performance*

2.4.2 *The Impact of Organizational Structures*

As the BMS entails a “system, structure or culture” (Santos-Vijande et al. 2013; Lee et al. 2008) that allows for the implementation of brand-related activities, the question arises what kind of organizational structure would help to facilitate or hinder its development? Organizational structures have been established as an important contributor of organizational outcomes (John and Martin 1984; Moch and Morse 1977), as it represents a factor under the control and influence of the firm itself, i.e. how work is coordinated and executed (John and Martin 1984). Therefore, it is highly relevant to evaluate the impact of different organizational structures on the development of the BMS. In the field of marketing strategy, the following organizational structures have been regarded as particularly important; *centralization*, *formalization* and *specialization* (Vorhies and Morgan 2003, 103). Specifically, formalization and centralization tend to be positively related, but they vary inversely with specialization (Ruekert, Walker, and Roering 1985, 20; Hage 1965).

2.4.2.1 *Centralization, and the BMS*

Centralization refers to “the degree to which members participate in decision-making” (Aiken and Hage 1966, 497). Specifically, an important aspect of it is the degree of hierarchy of authority – this means the extent to which employees are assigned to tasks, and thereafter provided with the power to implement them without interruption of superiors (Aiken and Hage, 1966, 498). In highly centralized firms, only one or a few superiors hold most of the decision-making authority, while in the decentralized firms the decision authority is delegated to middle- and lower-level managers (Olson, Slater and Hult 2005, 51; Walker and Ruekert 1987, 27). Ruekert, Walker, and Roering (1985, 15) outline that centralization has the advantage as it leads to greater effectiveness because of the decision maker’s ability to plan, coordinate, and control marketing activities. In addition, the route for final approval of any decision travels quickly, and after the decision is made the implementation of marketing actions can be considered as straightforward in centralized firms (Olson, Slater and Hult 2005, 51).

It can be argued, that *consistency* in a firm’s action may be more prominent in centralized firms than in the decentralized organizations, as the decision-making

authority is centered around only one or a few top managers that possess a broad overview over the firm, instead of a fragmented decision-making structure where the decisions are taken with a standpoint from a narrow area within the company, and not based on the company as a whole. For example, Rust, Moorman, and Bhalla (2010, 98) argue for the necessity of a customer-cultivating organization, where the chief customer officer should report to the chief executive officer, who has the ultimate responsibility for designing and implementing the firm's customer relationship strategy and overseeing all customer-facing functions. In addition, it is also reasonable to assume that in centralized firms the response to changes in the market can be better managed than in decentralized firms. This is due to its nature of fast implementation and decision-making process.

Due to the arguments above, centralization has the potential to protect and substantiate some of the central aspects of the BMS; 1- consistent delivery of the brand, 2- implementation and control of brand-related activities in a coordinated way, and 3- a dynamic capability, enabling adaptation to changing market requirements (Santos-Vijande et al. 2013, 149-150). As centralization has the ability to satisfy, and fit well with these aspects of BMS, we expect that centralization will be a positive contributor to the BMS. Thus, we hypothesize as follows:

H5: *Centralization has a positive effect on the BMS*

2.4.2.2 Formalization, and the BMS

The organizational structure of *formalization* has been regarded from the angle of how decisions and working relationships are governed by formal rules and standard policies and procedures (Walker and Ruekert 1987, 27). In other words, it can be viewed as a reflection of leadership style. A commonly used definition of the nature of formalization is the degree to which workers are provided with rules and procedures that deprive, versus encourages creative, autonomous work and learning (Nahm, Vonderembse, and Koufteros 2003, 285; Koufteros and Vonderembse 1998; Damanpour 1991; Ettlie, Bridges, and O'Keefe 1984; Dewar and Werbel 1979; Pierce and Delbecq 1977; Aiken and Hage 1971; Evan and Black 1967; Thompson 1965). Even though formalization can be a prescriber of solutions through an increased amount of written rules, and procedures - it can

also be an important facilitator in how to deal with issues (Nahm, Vonderembse, and Koufteros 2003, 286).

John and Martin (1984) underpin the diversity of organizational structures that can be evident in one single organization - hence there is a necessity to specify the level of analysis to include those activities and workflows of relevance.

Consequently, when dealing with the challenge of how firms should structure the workflow, e.g. through formalization - it is important to focus on the relevant tasks that characterize the marketing department and its corresponding marketing activities - which is the focus of our study.

Marketing planning is an important component of brand-related activities. John and Martin (1984) regard planning as how organizations intend to handle the future, and the changing environment it operates in. This means that planning is the organizational tool that facilitates the investigation and discovery of the desired actions and outcomes, and where environmental changes have been taken into consideration (John and Martin 1984, 170). One of the major responsibilities of the marketing department is the implementation of marketing programs that undergo the process of marketing planning (Andrews and Smith 1996, 17). John and Martin (1984) showed that marketing planning procedures that are formalized, have a positive effect on both credibility, and utilization. Due to the argumentation above, we expect that formalized marketing planning would positively impact the BMS, as the nature of it has the potential to encourage learning (Nahm, Vonderembse and Koufteros 2003, 282). The latter is a crucial component of the BMS, which is reflected through the dimension of *internal branding* - meaning that employees are sufficiently educated, trained and informed about the brand (Santos-Vijande et al. 2013). Also, we expect that formalized marketing planning would positively impact the dynamic capability of the BMS, as it brings important insight into how organizations should plan, and align themselves with a changing marketplace.

H6: *Formalization has a positive effect on the BMS*

2.4.2.3 *Specialization, the BMS, and Performance*

In highly specialized organizations, there are a higher proportion of “specialists” with well-defined set of activities (Olson, Slater, and Hult 2005, 52; Ruekert, Walker, and Roering 1985). According to Vorhies and Morgan (2003, 103), the organizational structure characteristic of specialization refers to “the extent to which marketing activities are narrowly divided into unique elements that are performed by those with specialized knowledge”. Olson, Slater, and Hult (2005, 61) state that in contexts where a firm’s focus is on efficiency-related advantages, reliance on marketing generalists (i.e. the opposite of specialists) is beneficial as they are able to address multiple marketing tasks that in particular help to control costs. Ruekert, Walker, and Roering (1985), cited in Walker and Ruekert (1987, 27), point out that an unspecialized structure is likely to be associated with efficient performance within marketing departments. In contrast, as a specialized structure within a marketing department seems to entail a division of marketing activities, with specialists working independently with these tasks, crucial information may remain exclusively in possession of these specialists. In other words, it is reasonable to believe that the information flow and coordination evolving around the marketing activities are less apparent in specialized structured marketing departments than in unspecialized ones – where the latter entails that the marketing employees works with several and possible even overlapping activities, in which they possess common knowledge. As the BMS involves sharing relevant information, as well as implementing and controlling the brand-building activities in an integrated and coordinated way (Santos-Vijande et al. 2013, 149; Kim and Lee, 2007), we expect that specialization can have a destructive effect on the BMS because of its nature. Thus, we hypothesize that:

H7a: *Specialization has a negative effect on the BMS*

Moreover, with a transaction cost perspective, it is found that market failures are more likely to occur when tasks require highly specialized assets, as the investments or the knowledge are so task specific that it cannot be transferred to other tasks (Ruekert, Walker, and Roering 1985, 17). In addition, creating specialized structures are not likely to be efficient ways to achieve marketing goals such as cost-based advantages (Vorhies and Morgan 2003, 104). Having the above, and the latter findings in mind, specialization seems to be negatively

related to such marketing performance outcomes, and therefore we expect that it specifically has a negative impact on the firm's customer performance.

H7b: *Specialization has a negative effect on the firm's customer performance*

2.4.2.4 Horizontal Integration, and the BMS

Another frequently researched aspect of the realm of organizational structure relates to *the level of horizontal integration*, which has been defined as “the degree to which departments and workers are functionally specialized (i.e. *low* level of horizontal integration) versus integrated in their work, skills, and training (i.e. *high* level of horizontal integration)” (Nahm, Vonderembse and Koufteros 2003, 287; Vonderembse, Ragunathan and Rao 1997; Davenport and Nohria 1994; Doll and Vonderembse 1991). Ghoshal and Gratton (2002) point to a change in management focus which entails moving towards horizontal integration and unity, and away from running an organization consisting of separate divisions with little incentives to knowledge-sharing when performance is measured on individual contributions, instead of benefits to the overall performance of a firm.

Hong, Doll, Revilla and Nahm (2011) find that horizontal integration through the provision of cross-functional teams with common knowledge are better equipped to think strategically, possess adaptive behavior, and get involved in new ideas that achieve satisfactory goals. The structure of horizontal integration has been highlighted as an effective mean in how to deal with a changing environment, and where cross-functional teams are brought together that align employees in how to respond to customers' needs (Nahm, Vonderembse and Koufteros 2003, 287).

Organizations, characterized by horizontal integration, has been found to hold a high focus on organizational learning (Chen, Qiao, Lee 2014). Consequently, we expect a positive contribution from *horizontal integration* on the BMS - as the former functions as a supportive organizational structure that enables a firm to internalize, align and adopt the brand orientated culture across functions.

Additionally, we expect that horizontal integration by the use of cross-functional teams generate more knowledge-sharing among employees, which is a positive antecedent to the education of employees that intend to bring knowledge and understanding of the brand's identity

H8: *Horizontal integration has a positive effect on the BMS*

2.4.2.5 *Communication, and the BMS*

Another structural dimension is the communicational aspect within firms. In line with Nahm, Vonderembse, and Koufteros (2003, 287), this study describes an optimal communication as a vertical and horizontal communication that is fast, easy, and abundant. These are the characteristics of an *organic* organization, whereas a non-communicative and *inorganic* organization can be described as a vertical and horizontal communication that is slow, difficult, and limited (Nahm, Vonderembse, and Koufteros 2003, 287). An optimal communication entails a cross-functional communication where learning and creativity particularly are present as knowledge and information are easily transmitted (Nahm, Vonderembse, and Koufteros 2003, 289). This implies that people from different functional areas within the firm possess a fundamental common knowledge, which again is beneficial as it will be easier for the employees from different departments to understand each other. The importance of communication across functions is emphasized by Webb, and Lambe (2007, 30), stating that in order to integrate multiple channels within a firm, one of the key behaviors to achieve this is effective internal communication. Moreover, faster and easier vertical communication enhances the responsiveness to market changes (Nahm, Vonderembse, and Koufteros 2003, 287).

Sharma, and Kamalanabhan (2012) look specifically at the link between internal corporate communication, and internal branding outcomes. The authors find that these two aspects are closely related, where internal corporate communication can create a strong sense of brand identification, brand loyalty, and brand commitment among the employees in the company. The importance of communication with regards to internal education of the marketing concept is emphasized by Christian (1962). The author states that all employees should have some general idea of the basic elements of the marketing concept, and that this can only be achieved through proper communications and educational techniques which reach throughout the company (Christian 1962, 81). Interestingly, Hughes (2013) suggests that a salesperson's perceived advertising quality influences the salesperson's brand identification, but that this relationship is much stronger when accompanied by internal communications. This means that internal communication is a crucial factor in order to make the employees identify with a brand.

In sum, based on the existing literature, communication seems to promote education and training of the employees, and help them identify with the brand, as well as understand the meaning of the brand across functions – which are central parts of the dimension *internal branding* within the BMS. In addition, communication also facilitates the dynamic capability of the BMS, due to the enhanced responsiveness to market changes. Having this foundation is the reasoning of the following hypothesis:

H9: *Communication has a positive effect on the BMS*

2.4.3 The Influence of the External Environment

The above hypotheses have focused on the *internal* factors of an organization. However, we argue that it is also important to consider aspects from the *external* environment that can impact the development of the BMS. More specifically, we expect that *reputational assets*, and *competitive intensity* can act as catalysts to its development.

2.4.3.1 Reputational Assets, and the BMS

Levitt (1965), cited in Brown (1995, 172), defines company reputation as “buyer’s perception of the extent to which a particular vendor company is well known, good or bad, reliable, trustworthy, reputable and believable”. According to the research within marketing, *reputational assets* have been viewed as an intangible resource highly correlated to a firm’s success (Olavarrieta and Friedman 1999, 218). It represents knowledge in the minds of consumers, which potentially can lead to competitive advantage (Day, and Wensley 1988). Additionally, reputational assets are a market-based resource with the dimension of credibility, and also impact a wider array of stakeholders, e.g. suppliers, distributors, and customers (Hooley et al. 2005).

Reputational assets consist of tacit knowledge built up over time, which makes it idiosyncratic to a firm with the potential to generate superior advantages (Hooley et al. 2005, 19). Keller (1993, 1) suggests that customer-based brand equity is the differential effect of brand knowledge on consumer response to the marketing of the brand. To underpin the importance of reputation, it has been shown that brand

reputation is in fact a separate construct of brand attitudes, and it performs better than brand attitudes in explaining the effect of brand advertising on brand equity outcomes (Chaudhuri 2002, 33). Studies show that corporate reputation has an effect on management decision-making and reputational management actions (Weiss, Anderson, and MacInnis 1999; Bromely 1993; Fombrun and Shanley 1990) - e.g. building the BMS. Consequently, we expect that strong reputational assets will positively impact the BMS – as there will be an existing motivation, and recognition to retain a good reputation. Hence, reputational assets act as an important facilitator to the BMS.

H10: *Reputational assets has a positive effect on the BMS*

2.4.3.2 Competitive Intensity, and the BMS

In line with Auh and Menguc (2007), this study looks at the notion of *competitive intensity* to comprise the following two competitive forces: threat of substitute products, and rivalry among existing firms that are present in the firm's environment. The latter force contains aspects such as promotion wars, price competition, and new competitive moves. Porter (1980) argues that to gain market share in an environment with many players, firms are prone to frequently change their strategies. Conversely, in highly concentrated markets with few players, the management can build discipline on the market with a long-term, and more consistent strategy (Porter 1980). Even though competitive intensity sometimes is evaluated in a negative way, O' Cass, and Weerawardena (2010) oppose these assumptions and find that industry competitive intensity in fact influences marketing learning activity, and marketing capability development - which ultimately lead to higher brand performance.

Day and Wensley (1988, 15) pinpoint that superior skills and resources are revealed in competitive product markets - and where real advantages are only achieved and determined by the market segment. Hunt and Morgan (1996, 109) share this notion, and view competition from the perspective of resource-advantage. They argue that the process of competition itself leads to organizational learning, as relative financial performance among competitors act a feedback loop of current position of resources and market position (Hunt and Morgan 1996).

Some authors even link the competitive intensity to firms' capability building activities by referring to a 'competition leads to competence' - approach (O'Cass, and Weerawardena 2010, 527; Barnett, Greve, and Park 1994; Levinthal, and Myatt 1994). In short, firms can develop valuable resources and capabilities as they learn how to overcome specific competitive challenges, which in turn can provide important competitive advantages in subsequent competitive situations. For those firms that did not have to deal with and respond to these specific competitive challenges, consequently do not possess these competencies as they did not have to develop them (Barney, and Zajac 1994, 6). It is found that competitive intensity improves the results of exploitation-related capabilities, which is considered as part of a dynamic capability (Molina-Castillo, Jimenez-Jimenez, and Munuera-Aleman 2011).

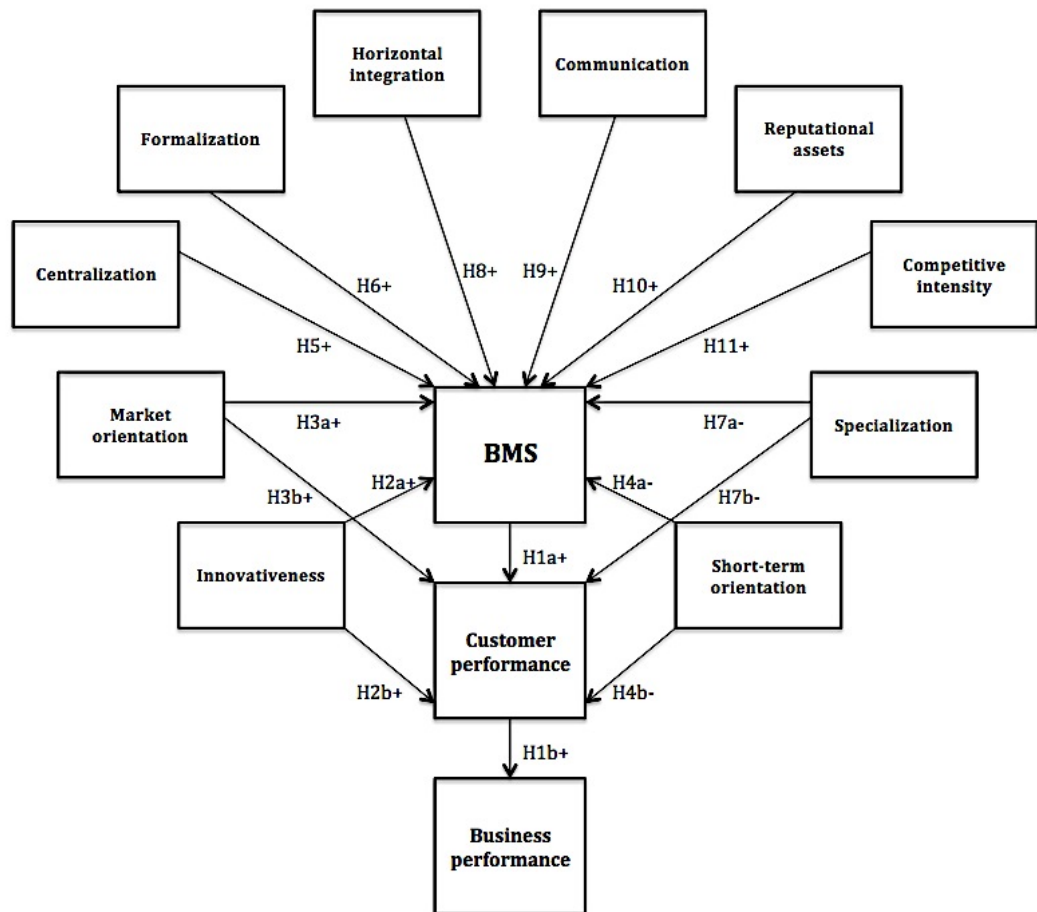
Considering the dynamic capability of BMS, which entails an external driven-dimension with continuous analysis of market evolution - the ultimate objective of the BMS is to allow for permanent renewal of the firm's skills and resources to develop strong brands (Santos-Vijande et al. 2013, 150). Thus, we expect that competitive intensity will in fact act as a catalyst that triggers the firm to reconfigure its resources, and capabilities, in order to select the appropriate course of action in how to build strong brands in a competitive environment. Thus, we hypothesize that:

H11: *Competitive intensity has a positive effect on the BMS*

2.5 Conceptual Model

This study aims to draw conclusions on how factors in the internal, and external environment impact the BMS. Additionally, we aim to investigate how key variables directly influence customer performance, and ultimately how the latter variable impacts business performance. Based on the theories above, and the hypothesized relationships - we present our conceptual model, illustrated in figure 2.1.

Figure 2.1



3.0 Methods

This chapter contains the research design and methods. In the first part, we outline the reasons for the chosen research design. In the second part we define and explain the context of the study, which concerns the Norwegian food processing industry. Next, in the third part we shortly describe, and provide arguments for the chosen key informants. The fourth part outlines the measure development, and pre-tests of the questionnaire by professionals in the field of brand management. The fifth part outlines the data collection, including the identification of the target population, sample size, the online questionnaire, sampling, the recruitment process and its corresponding response rate. Lastly, the sixth part includes the data examination and measurement model testing.

3.1 Research Design

A research design functions as guidance during the research project that outlines important steps to consider, and which information is needed to answer the research problems (Malhotra 2010). In broad terms, research designs can concern the categories of *exploratory*, and *conclusive* research design (Malhotra 2010, 102). As the purpose of this study has been two folded; first, to explore the facilitators and impediments to the BMS, and second, to test previously validated relationships that concern the influence of the BMS - both research designs have been applied. In particular, exploratory research has been appropriate for the development of the hypotheses, which are formed on the basis of our understanding of the relevant literature, and issues within the field (Malhotra 2010, 104). On the other hand, within the broad category of conclusive research, a descriptive research has been applied, as some of the relationships and antecedents in this study are based on previously formulated hypotheses, and where the researchers have much insight about the problem situation (Malhotra 2010, 106). Specifically, within the type of descriptive research as in our instance, a single *cross-sectional design* was applied as information was collected only once from our sample (Malhotra 2010, 108). As we wanted to test our hypotheses, a quantitative approach with the selection of survey data would allow us to determine the relationships between the variables statistically, and to generalize the results to the population of interest (Malhotra 2010, 171). In general, our approach to the research process has been both deductive and inductive, as we

wanted to test our hypotheses that are based on existing theory, but also generate new theories which could emerge from our data (Saunders, Lewis, and Thornhill 2009).

3.2 Context of Study

This study focuses on firms within the Norwegian food processing industry that are manufacturers of Fast-Moving Consumer Goods (FMCG). Hence, these non-durable goods are sold primarily through grocery stores and chains in Norway. A common characteristic for these goods is the low margin and high volume business they represent, and where brand management can be seen as a critical component for the successful delivery of brands that create satisfactory profit margins for both the supplier (grocery stores and chains), and the manufacturer. Considering the purchase- and choice situation from a consumer's point of view; i.e. choice of grocery store, and between a variety of product-alternatives, these low-involvement and fast-paced decisions entail a variety of easily substitutable products and offerings to consumers. Studies underpin the importance of brand awareness, functioning as a choice heuristic in repeat-purchase situations. Additionally, when perceived quality differences exist among brands, consumers with no brand awareness will choose the high-quality brand - reinforcing the importance of how brand awareness function as choice heuristic to economize on time for consumers (Hoyer and Brown 1990, 141).

Based on these characteristics, in order to succeed, effective brand management can be considered highly crucial for firms competing in the food processing industry. Gathering, sharing, and understanding important consumer - and market insights are vital in the creation of effective marketing communications, and tactics that increase awareness, associations and knowledge through brands. Strong brands give less vulnerability to actions of competitors, increased product differentiation, and larger profit margins (Kotler and Keller 2005).

The Norwegian Food Processing Industry

The Norwegian food processing industry is large in Norway. In fact, it has the highest turnover in the Norwegian industry, looking exclusively at the sectors

(AgriAnalyse 2013). Moreover, the structural differences between the sub-industries within this industry are great. For example, the dairy sector is dominated by one company, i.e. Tine SA, whereas the fish industry and the bakery industry are characterized by a large number of small businesses (see table 3.1). Moreover, the meat and fish industries are the largest sub-industries with regard to number of businesses (table 3.1). Another characteristic of the grocery market in Norway is the four dominating grocery chains: *Reitangruppen AS*, *Norgesgruppen*, *Coop Norge*, and *ICA*. The power relations between the chains and the suppliers are often highlighted as problematic as the four grocery chains control the market, and where the food supply chain is highly concentrated both at the retail-link, the wholesale-link and the supply-link (AgriAnalyse 2013). Specifically, the combination of large purchasing volumes and vertical integration in the value chain has created challenges for commodity producers and food companies as the four grocery chains have gained control over both the distribution and the production (Regjeringen 2012). Thus, these grocery chains can also be regarded as producers as they all have their own private label brands - each competing with other independent brands in which the chains offer (Regjeringen 2012). This means that the grocery chains have a dual role - both as a distributor and a producer.

Another trend is the increased campaign pressure in grocery stores, with the purpose of enhancing customers' purchase intentions through increased awareness, and attention to products (Norwegian Agricultural Authority 2012). Additionally, the use of premiums, promotions and marketing campaigns are heavily relied upon in this industry (Norwegian Agricultural Authority 2012).

Table 3.1

Number of businesses in the Norwegian food processing industry in 2011	
Description	2011
Production, processing and preservation of meat and meat products	383
Processing and preservation of fish and fish products	501
Processing and preservation of fruit and vegetables	90
Production of vegetable and animal oils and fats	36
Production of dairy products and ice cream	136
Production of grain mill products, starches and starch products	61
Production of feed	134
Production of other food products	907

3.3 Key Informants

The key informants for this study are Chief Executive Officers (CEOs), Managing Directors (MDs), and General Managers (GMs) - as these people have an overall overview of the company, receive information from various departments, and have knowledge about the operations, culture and business performance of their company (Santos-Vijande et al. 2013, 152). In addition, they have the ultimate responsibility for realizing the objective of implementing marketing strategies effectively (Thorpe, and Morgan 2007).

3.4 Measure development

Bollen (1989) suggests steps in the development of measures. The first step involves theoretical definition, i.e., explaining the meaning of a concept. This further also identifies the dimensions of the concept - which is step two. These two steps were done in the theoretical part of the thesis, by reviewing the literature. The majority of the variables were measured with existing scales that previously have shown high reliability, and validity.

All variables, except the *marketing budget*, and the descriptive variables (i.e., firm size, firm age, industry sector, and work title) - were measured with existing scales. The exceptions were measured with a single item, as they are very simple, distinct, and easily understood - meaning, they could be adequately presented by a single item (Hair, Black, Babin, and Anderson 2010). The next step suggested by Bollen (1989, 181) concerns the operational definition, where the latent variables can be operationalized as the responses to questionnaire items. In our instance, this was done by pretesting the items on several people with different backgrounds. This process helped to establish face validity, and eliminate poorly formulated items. The benefit of pretesting is that it allows us to identify, and remove potential problems that could occur with the survey (Malhotra 2010, 354).

First, our supervisor evaluated the wording of our questionnaire during several stages. Based on this feedback, changes were made to avoid ambiguous wording, double-barreled questions, find the appropriate words in Norwegian, reduce the length of the questions, reduce the amount of information given in instructions, and lastly highlight difficult, and important words in bold to make it more reader-

friendly. Next, two fellow students were asked to pay special attention to the wording, transitional phrases, form and layout of the survey. Based on the feedback changes were made to ensure consistency in wording, and avoid synonyms that potentially could confuse the respondent. After this, three professionals, with one individual responsible for marketing and sales, in addition to two CEOs, were instructed to evaluate their familiarity with the topic, content of the questions, difficulty of questions, and length of the questionnaire (Malhotra 2010, 354). The feedback concerned wording and phrases that should be more consistent, and in line with the custom in their field. Also, we were encouraged to further reduce the amount of information in the transitional phrases. Therefore, amendments were done to reduce unnecessary information, and improve the wording.

In the later section, we present the measures as the original items previously applied by other researchers. In the appendix 3 we present the formulation of items in Norwegian, as they were used in the final questionnaire.

3.4.1 Dependent Variables – Endogenous Variables

Endogenous variables are defined as the latent, multi-item equivalent to dependent variables (Hair et al. 2010, 637). Based on our research model, the visual paths show that the three endogenous variables (BMS, customer performance, and business performance) are dependent - and affected by other exogenous constructs. Specifically, the BMS, and customer performance are dependent explanatory variables, whereas business performance is the dependent variable.

All endogenous variables were anchored on a seven-point Likert scale. Specifically, for the construct of the BMS, the respondents evaluated various statements, and answered to which extent they agreed or disagreed - based on the firm's decisions and practices. The scale ranged from 1 ("strongly disagree") to 7 ("strongly agree"). Concerning the performance measures, these were anchored by 1 ("much worse than competitors"), to 7 ("much better than competitors"), with an additionally midpoint of 4 ("equal as competitors"). Moreover, measuring the constructs of customer performance and business performance, the respondents were asked to evaluate the firm's performance in relation to the firm's major

competitors during the last three years. This approach is well accepted, and in line with previous literature - using competitors as a point of reference (e.g. Santos-Vijande et al. 2013; Theoharakis and Hooley 2008; Vorhies and Morgan 2005; Narver and Slater 1990). A reference point minimizes the subjectivity regarding their firm's performance (Santos-Vijande et al. 2013, 153). In addition, the BMS is expected to have a lagged effect on the performance measures (Lee et al. 2008, 853) - thus, evaluating them during the past three years is appropriate. Lastly, to give an introduction to the next topic, the scales and different constructs were introduced with a short, and relevant transitional phrase.

3.4.1.1 The BMS

We applied the recent work of Santos-Vijande et al. (2013), who developed the multidimensional construct of the BMS to consist of; *brand orientation*, *internal branding* and *strategic brand management*. This more comprehensive, and validated treatment of the BMS is an important contribution in a relatively new area of research, as it encompasses important dimensions that past research has dealt with individually. Similarly to Santos-Vijande et al. (2013), we measured *brand orientation* by four items (table 3.2), *internal branding* by five items (table 3.3), and *strategic brand management* by five items (table 3.4). Item I_B2 was dealt with specifically, due to its double-barreled nature containing the word “and”, e.g. “receive information about the brand *and* the actions involved in its management”. The solution was to reformulate the item, and merge the two words by using “and/or” in the final questionnaire.

Table 3.2 Questionnaire items for brand orientation

Item	Item Statement	Source
B_O1	Building a strong brand is one of the objectives set by the firm's management.	Santos-Vijande et al. (2013);
B_O2	An active and effective brand management is essential for achieving competitive advantages.	Baumgarth (2010); Kim and Lee (2007); Lee et al. (2008); Urde (1994,
B_O3	Brand decisions are a very important element in the firm's business strategy.	1999); Wong and Merrilees (2007).
B_O4	The firm's commercial brand is one of its most valuable assets (employees, management...).	

Table 3.3 Questionnaire items for internal branding

Item	Item Statement	Source
I_B1	The firm's employees attend workshops to learn about the objectives and characteristics of the brand.	Santos-Vijande et al. (2013); Lee et al. (2008); Punjaisri, Evanschitzky, and Wilson (2009); Wong and Merrilees (2007).
I_B2	The firm's employees periodically receive information about the brand and the actions involved in its management.	
I_B3	The firm's employees sufficiently understand the brand objectives and brand-building activities.	
I_B4	The firm analyzes the brand image among its internal publics.	
I_B5	The different areas or departments of the firm share information about the brand.	

Table 3.4 Questionnaire items for strategic brand management

Item	Item Statement	Source
S_B_M1	The firm carries out significant investments to manage its brand.	Santos-Vijande et al. (2013); Beverland, Napoli, and Lindgreen (2007); Lee et al. (2008); Matear, Gray, and Garrett (2004).
S_B_M2	The firm invests more resources in brand management than its competitors.	
S_B_M3	The firm has a well-coordinated, multidisciplinary team to manage its brand.	
S_B_M4	The firm plans its marketing actions taking into account the possible repercussions for the brand image.	
S_B_M5	The firm manages its brand from a medium- and long-term perspective.	

3.4.1.2 Customer Performance

Previous research has measured customer-related outcomes concerning areas such as customer satisfaction, loyalty, and other forms of added value perceptions (Santos-Vijande et al. 2013; Lee et al. 2008; Vorhies and Morgan 2005). To measure customer performance we used scales that had been applied by Santos-Vijande et al. (2013) - which covers these aspects well. However, we adapted and changed the format of the scale to make it more reader-friendly, and more similar to the format of the business performance-scale. This involved treating individual items as a theme rather than using statements. All in all, customer performance was measured with seven items (table 3.5) - capturing the recurring topics of customer-related outcomes.

Table 3.5 Questionnaire items for customer performance

Item	Item Statement	Source
C_Perf1	Customer satisfaction	Santos-Vijande et al.
C_Perf2	Customer loyalty	(2013); Gounaris (2005);
C_Perf3	Added value provided to customers	Hooley et al. (2005);
C_Perf4	Level of communication with customers	Lings (2004); Vorhies
C_Perf5	Client complaints and claims	and Morgan (2005);
C_Perf6	Image among its customers	Zahay and Griffin
C_Perf7	Retains the best customers in the market	(2004).

3.4.1.3 Business Performance

The three items used to measure business performance (table 3.6), was also adopted from Santos-Vijande et al. (2013) without any further changes. These were applied as they are frequently used as market and performance measures, and are fairly straightforward for key informants to answer. Previous literature has also included return on investment (ROI) as a financial indicator of performance (Theoharakis and Hooley 2008). However, frequently mentioned weaknesses of ROI are the lagged effect of investments, and the opportunity to influence the ROI by lowering costs or refrain from investing. Consequently, ROI might not be a good indicator of a firm’s overall performance, and is therefore not included in this research. Next, collecting objective data to calculate return on assets (Vorhies and Morgan 2005) could have further strengthened the measure of business performance, but due to the difficulties in collecting such information, and time-constraints, we choose to focus on the items applied by Santos-Vijande et al. (2013).

Table 3.6 Questionnaire items for business performance

Item	Item Statement	Source
B_perf1	Sales growth	Santos-Vijande et al.
B_perf2	Market share growth	(2013); Theoharakis and
B_perf3	Profits growth	Hooley (2008); Vorhies
		and Morgan (2005);
		Weerawardena, O’Cass,
		and Julian (2006).

3.4.2 Independent Variables – Exogenous Variables

According to Hair et al. (2010, 637) exogenous variables can be regarded as the latent multi-item equivalent of independent variables. In our research model the independent variables, which are not explained by any other variables in the

model (Hair et al. 2010, 637) concern: *innovativeness, market orientation, organizational structures, short-term orientation, competitive intensity, reputational assets*, and the control variable *marketing budget*. As mentioned earlier in this chapter, all of the independent variables were measured with previously validated scales, except the variable of *marketing budget*. All of the independent variables, with the exception of marketing budget, were anchored on a seven-point Likert scale ranging from 1 (“strongly disagree”) to 7 (“strongly agree”). The variable of marketing budget was measured by one question, in which the respondent chose one option among nine alternatives. Finally, in order to control for whether respondents had read the statements, some of the independent variables contained a reverse-scored item.

Notice, we present the measures as the *original items* previously applied by other researchers. In the appendix 3 we present the formulation of items in Norwegian, as they were used in the final questionnaire.

3.4.2.1 Innovativeness

The construct of innovativeness was measured by five items (table 3.7), as in accordance with Santos-Vijande et al. (2013), adapted from Hurley and Hult (1998). The work of Santos-Vijande et al. (2013) focus on knowledge-intensive business services that provide professional services. Consequently, in the final questionnaire the wording for the item *Inno4* was rephrased to contain offerings of products that manufacturers make. However, it is rare to find a manufacturer that purely delivers FMCG, without any services available to the end-consumer (e.g. customer services), therefore we also included this aspect in the item, i.e. “services/products”.

Table 3.7 Questionnaire items for innovativeness

Item	Item Statement	Source
Inno1	The firm willingly accepts innovation proposals.	Santos-Vijande et al. (2013); Hurley and Hult (1998).
Inno2	Management is actively seeking innovative ideas.	
Inno3	Innovation is not perceived in our firm as something too risky and to be avoided.	
Inno4	Our firm does not penalize those employees who promote and develop ideas for new services but which ultimately do not succeed in the market.	
Inno5	The development of innovations is a fundamental part of the culture of our firm.	

3.4.2.2 Market Orientation

The measurement of *market orientation* has previously emphasized the dimension of reactive market orientation. Yet more recently, an additional dimension is highlighted - i.e. proactive market orientation (Narver, Slater, and MacLachlan 2004, 336). In this research, we measure market orientation as a two-dimensional construct that consists of *proactive market orientation*, and *reactive market orientation* - as in accordance with the research of Narver, Slater, and MacLachlan (2004). Santos-Vijande et al. (2013), which refer to the study of Olsen and Sallis (2006), adopt this two-dimensional approach to market orientation.

The *proactive dimension* concerns aspects of industry foresight and customer insight, and where the focus is on exploration to identify *latent* needs of the current and potential customers, and new emerging markets (Santos-Vijande et al. 2013; Olsen and Sallis 2006; Narver, Slater, and MacLachlan 2004). On the other hand, the *reactive dimension* is about understanding and satisfying customers' *expressed* needs (Santos-Vijande et al. 2013; Olsen and Sallis 2006; Narver, Slater, and MacLachlan 2004). In our research, both of these dimensions follow a seven-item scale (table 3.8 and table 3.9). Originally, the scale of proactive market orientation encompassed an eight-item scale (Narver, Slater, and MacLachlan 2004), but as one of the statements was purely applicable to a B2B-setting, it was deleted as our focus was on a B2C-setting. Thus, notice that in table 3.8 only seven items are presented.

Table 3.8 Questionnaire items for proactive market orientation

Item	Item Statement	Source
P_M_O1	We continuously try to discover additional needs of our customers of which they are unaware.	Santos-Vijande et al. (2013); Narver, Slater, and MacLachlan (2004); Olsen and Sallis (2006).
P_M_O2	We incorporate solutions to unarticulated customer needs in our new products and services.	
P_M_O3	We brainstorm on how customers use our products and services.	
P_M_O4	We innovate even at the risk of making our own products obsolete.	
P_M_O5	We search for opportunities in areas where customers have a difficult time expressing their needs.	
P_M_O6	We work closely with lead users who try to recognize customer needs months or even years before the majority of the market may recognize them.	
P_M_O7	We extrapolate key trends to gain insight into what users in a current market will need in the future.	

Table 3.9 Questionnaire items for reactive market orientation

Item	Item Statement	Source
R_M_O1	We constantly monitor our level of commitment and orientation to serving customer needs.	Santos-Vijande et al. (2013); Narver, Slater, and MacLachlan (2004); Olsen and Sallis (2006).
R_M_O2	We freely communicate information about our successful and unsuccessful customer experiences across all business functions.	
R_M_O3	Our strategy for competitive advantage is based on our understanding of customers' needs.	
R_M_O4	We measure customer satisfaction systematically and frequently.	
R_M_O5	We are more customer-focused than our competitors.	
R_M_O6	I believe this business exists primarily to serve customers.	
R_M_O7	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	

3.4.2.3 Short-Term Orientation

In order to measure the construct of *short-term orientation*, we adopted the scale developed by Marginson and McAulay (2008). Building on the highly cited article by Laverty (1996) that specifically discusses short-termism with its implications for management practice, Marginson and McAulay (2008, 279-280) highlight the necessity of incorporating *direct* and *indirect* measures of time in relation to short-term orientation. The *direct* measures of time concerns the intertemporal choice - reflecting the decision makers' reference points in relation to time (Marginson and McAulay 2008, 279). The *indirect* measures involve expectations of short-term goal achievement, and adaptation through innovation and learning (Marginson and McAulay 2008, 280). In total, this study applies the seven-item scale that covers these two aspects of short-term orientation - where the first two items represent the direct measures, and the latter five items represent the indirect measures (table 3.10). Among the items measuring the construct of *short-term orientation*, S_T_O1, and S_T_O3 are reverse-scored.

Table 3.10 Questionnaire items for short-term orientation

Item	Item Statement	Source
S_T_O1	You focus on actions to improve long-run financial effectiveness rather than with actions that produce good short-term budget performance.	Marginson and McAulay (2008).
S_T_O2	You expect your subordinates to focus on action that will produce good short-term budget performance rather than with actions to improve long-term financial effectiveness.	
S_T_O3	You expect your subordinates to revise their responsibilities/commitments as circumstances change over time, rather than seek to attain original targets/milestones.	
S_T_O4	You expect your subordinates to concentrate on actions to achieve specific key performance indicators for their area of responsibility, rather than be concerned with actions that will enhance overall performance in a broader area of the unit/company.	
S_T_O5	You expect your subordinates to concern themselves with maintaining progress toward initial budget targets rather than with negotiating increases to tolerance limits as circumstances change/events unfold over time.	
S_T_O6	You expect initiative and quick adaptation to the local situation from your subordinates, rather than the referral of such decisions upward through the company.	
S_T_O7	You expect your subordinates to take corrective action to reduce variances from budget, but not at the expense of disrupting ongoing programs and projects.	

3.4.2.4 Organizational Structure

With a diversity of sub-dimensions for *organizational structure*, we partially follow and are guided by the research by Nahm, Vonderembse, and Koufteros (2003), as some of the investigated aspects are considered highly relevant for this study, i.e. *formalization*, *horizontal integration*, *centralization*, and *communication*. Even though we follow this framework for organizational structure, other previously validated scales are applied due to its relevance and adaption to the marketing organization, and how marketing activities are organized, and followed. Additionally, *specialization* is included as a construct, due to its high relevance in how to carry out complex marketing tasks (Vorhies and Morgan 2003).

3.4.2.4.1 Centralization

For this study we adopted the scale from Aiken and Hage (1966) as it incorporates the most important aspect of *centralization* that we wanted to measure, i.e. “hierarchy of authority”. This means that after tasks are delegated, employees have the power to put them into effect without being limited by managers. Based

on the purpose for this study, we did not incorporate the other aspect of centralization emphasized by Aiken and Hage (1966, 498), i.e. participation in decision-making. Even though it can be interpreted as a possible weakness, we did not evaluate measures concerning participation in decision-making of overall goals and policies of a firm to be relevant for this study. We applied four out of five items (table 3.11) to measure “hierarchy of authority” (Aiken and Hage 1966). In collaboration with our supervisor, item four was deleted as it was deemed excessive.

Table 3.11 Questionnaire items for centralization

Item	Item Statement	Source
Cent1	There can be little action taken here until a supervisor approves a decision.	Aiken and Hage (1966).
Cent2	A person who wants to make his own decisions would be quickly discouraged here.	
Cent3	Even small matters have to be referred to someone higher up for a final answer.	
Cent4	Any decision I make has to have my boss' approval.	

3.4.2.4.2 Formalization

On the topic of how rules and procedures either “reduce or encourage creative, autonomous work and learning” (Nahm, Vonderembse, and Koufteros 2003, 285), we needed a specific scale that primed the respondent to evaluate the rules and procedures for the marketing work and related activities. Andrews and Smith (1996) highlight the importance of creativity in the development of marketing programs that helps in the process of developing differentiation, and which is highly important in a purchase situation characterized by consumers exposed to competing products. It is evident that also a situational factor, such as formalization during the planning process, contributes to creativity in marketing programs (Andrews and Smith 1996, 183). As marketing programs and planning are some of the major responsibilities and tools for marketers to successfully impact brand awareness and knowledge among consumers - we chose to adopt the scales from Andrews and Smith (1996), and Vorhies and Morgan (2003). More specifically, we adopted three items from Andrews and Smith (1996), and one item (Formaliz3) from Vorhies and Morgan (2003). In collaboration with our supervisor, the latter item was included as it captures the main topic of formalization with its “written rules and procedures”, that we considered essential to cover (table 3.12).

Table 3.12 Questionnaire items for formalization

Item	Item Statement	Source
Formaliz1	In my company, marketing plans have a specific format that is used by everyone.	Andrews and Smith (1996); John and Martin (1984); Vorhies and Morgan (2003).
Formaliz2	We have clearly defined procedures for completing each section of the marketing program.	
Formaliz3	Most people in the marketing organization follow written work rules for their job.	
Formaliz4	We have a precise timetable for completing marketing plans.	

3.4.2.4.3 Specialization

To evaluate the construct of *specialization*, we adopted the four-item scale (table 3.13) from Vorhies and Morgan (2003). These measures are regarded as highly relevant and specific in how marketing activities are divided. More specifically it concerns how marketing activities are delegated among employees based on skills and knowledge. Notice, Spec3 is reverse-scored.

Table 3.13 Questionnaire items for specialization

Item	Item Statement	Source
Spec1	Marketing personnel in this firm have very specific job responsibilities.	Vorhies and Morgan (2003); Doty, Glick, and Huber (1993).
Spec2	Most marketing employees have jobs that require special skills.	
Spec3	Standardized training procedures exist for marketing jobs (r).	
Spec4	Written position descriptions are provided to marketing specialists.	

3.4.2.4.4 Horizontal Integration

Four items from Nahm, Vonderembse, and Koufteros (2003) were adopted (table 3.14). As this construct deals with how different departments and functions are possibly integrated with each other, we wanted to treat this construct on a broad term, and how work-teams are brought together. Originally this construct consisted of six items, but due to very similar wordings we decided to exclude two items - thus four items are presented in table 3.14.

Table 3.14 Questionnaire items for horizontal integration

Item	Item Statement	Source
H_i1	Our tasks are done through cross-functional teams.	Nahm, Vonderembse, and Koufteros (2003); Davenport and Nohria (1994); Doll and Vonderembse (1991); Gerwin and Kolodny (1992); MacDuffie (1995); Vonderembse, Rangunathan, and Rao (1997).
H_i2	Our workers are assigned to work in cross-functional teams.	
H_i3	Our workers are trained to work in cross-functional teams	
H_i4	Our managers are assigned to lead various cross-functional teams.	

3.4.2.4.5 Communication

The items from Nahm, Vonderembse, and Koufteros (2003) were also applied for this construct, as it takes the broader scope of how communication flows both in a hierarchical and horizontal manner. For the purpose of this study, it is important to include an overall perspective as the marketing function needs to be effectively coordinated with other departments to ensure that important customer data are communicated and transmitted across functions, e.g. the departments of customer service and sales. The construct originally consisted of five items, but was narrowed down to four (table 3.15). The last two original items were collided into item C4, as they both concern whether employees can easily contact the level above in the hierarchy, i.e. “communicate/meet”.

Table 3.15 Questionnaire items for communication

Item	Item Statement	Source
C1	Lots of communications are carried out among managers.	Nahm, Vonderembse, and Koufteros (2003); Aiken and Hage (1971); Damanpour (1991); Doll and Vonderembse (1991).
C2	Communications are easily carried out among workers.	
C3	Strategic decisions are quickly passed on to relevant work groups.	
C4	It is easy for the different levels in hierarchy to meet/communicate with each other (e.g. between employees and management or between middle managers and senior managers).	

3.4.2.5 Reputational Assets

In order to measure the construct of *corporate reputation*, we applied the scales by Brown (1995) that operationalized the six-item scale from Levitt (1965). In this context, corporate reputation is captured from the buyer’s perception - involving a number of attributes regarding whether the firm is best or worst, reliable, reputable, believable, well-known, and trustworthy (Brown 1995, 172).

Accordingly, respondents evaluated these attributes on a seven-point scale, where the two extremes imply the following; 1 = a poor reputation, and 7 = a good reputation. However, it should be noted that item one, i.e. R_A1, is reverse-scored. In addition, item six was deleted as it was regarded as very similar in nature with the remaining items. Thus, the final scale measuring corporate reputation consists of five items (table 3.16).

Table 3.16 Questionnaire items for reputational assets

Item	Item Statement	Source
R_A1	The very best – The very worst (r)	Brown (1995); Levitt (1965).
R_A2	The least reliable – The most reliable	
R_A3	The least reputable – The most reputable	
R_A4	The least believable – The most believable	
R_A5	Not at all known – The best known	

3.4.2.6 Competitive Intensity

The construct of *competitive intensity* has been measured in various contexts. As we specifically wanted to look at this topic in relation to the BMS, we chose to follow the research by Auh and Menguc (2007) that incorporates the aspect of advertising. The six-item scale (table 3.17) was originally measured with a five-point Likert scale, but was transformed to a seven-point Likert scale in order to be similar with the other constructs in this thesis. This transformation also makes interpretation of the results easier. The competitive intensity scale items assess the competitors' behaviors, resources, and ability to differentiate in the market (Jaworski and Kohli 1993, 60). The last item in the scale, i.e. C_I6, is reverse-scored as it captures a low level of competition.

Table 3.17 Questionnaire items for competitive intensity

Item	Item Statement	Source
C_I1	Competition in our industry is cut-throat.	Auh and Menguc (2007); Jaworski and Kohli (1993).
C_I2	There are many promotion wars in our industry.	
C_I3	Anything that one competitor can offer, others can match easily.	
C_I4	Price competition is a hallmark of our industry.	
C_I5	One hears of a new competitive move almost every day.	
C_I6	Our competitors are relatively weak (r).	

3.4.3 Control Variable

Marketing Budget

In our research model we have included the control variable of *marketing budget*, as it could help explain the BMS. The variable was measured by the following statement: “Please specify the approximate percentage of your firm’s marketing budget relative to the total annual budget”. The respondents could choose among nine alternatives that consisted of the following intervals; 0-5 %, 6-10 %, 11-15 %, 16-20 %, 21-25 %, 26-30 %, 31-35 %, 36-40 %, 41 % or more.

3.5 Data Collection

3.5.1 Target Population

The target population of this study was identified through the online database of Proff Forvalt with its NACE-codification, and description of corporate and financial information about Norwegian enterprises categorized into sectors. Within the sector of *manufacturers*, only two industries were appropriate, and satisfied the criteria of operating within the food processing industry. Consequently, the following two were selected; 1) *production of food and other enjoyable snacks*, and 2) *production of beverages*.

Next, these two industries were further refined into several sub-industries by Proff Forvalt. Manufacturers behind food categories that are frequently purchased and consumed by Norwegians were chosen (Nielsen 2013), and imported into our database in Excel. This can be viewed as the first estimation of our population (NACE sub-industries, table 3.18). This approach can reduce the impact of extraneous sampling variation (Malhotra 2010, 384) that could occur by including food categories *less* frequently purchased and used by Norwegians. More importantly, it ensured that businesses in the population contained and shared common characteristics that encompassed the universe for the purpose of our study (Malhotra 2010, 370). Further, we merged the extracted sub-industries into a manageable number. Hence, the following sub-industries represented the population; Dairies, eggs, eatable oils and fats / Ice cream / Fish, other seafood and canning / Bread, fresh and preserved pastry, cakes, and biscuits / Sugar, confectionery, cocoa, and chocolate / Meat and poultry products / Potatoes / Juice

from fruits and vegetables / Mineral water, soft drinks and other beverages / Fruit and vegetables / Ready-made food / Wide range of food and snacks (table 3.23).

The initial population consisted of 2829 business units, registered with a unique number as for identification of legal entities in Norway (table 3.18). Due to the law and regulations in Norway, most business units will have two (or more) unique numbers attached to their business, such as departments, sub-units, subdivisions and so on (Brønnøysundregisteret 2014). Also, another distinct characteristic for many large manufacturers is that businesses or specifically production is conducted at separate and different geographical locations, consequently registered with separate unit numbers (Brønnøysundregisteret 2014). Hence, the initial number of business units in the population was reduced to remove duplicates, and to further refine the population to consist of enterprises responsible and in charge for running the overall strategic operations of the firm - mainly the headquarter. After removing 369 business units of these instances, we ended up with a total of 2460 enterprises in our database, and as our population.

However, as we were only interested in enterprises that relied upon products with labels and packaging visible to the end-consumer, these companies had to be verified in terms of these criteria. Therefore, another 1031 enterprises were deleted - including those companies that do not deliver goods in the Norwegian market. The final population consisted of 1429 enterprises.

Table 3.18

NACE sub-industries		
NACE code	NACE description	Number of business units
10.110	Bearbeiding og konservering av kjøtt	244
10.120	Bearbeiding og konservering av fjørfekjøtt	24
10.130	Produksjon av kjøtt- og fjørfevarer	228
10.201	Produksjon av saltfisk, tørrfisk og klippfisk	150
10.202	Frysing av fisk, fiskefileter, skalldyr og bløtdyr	85
10.203	Produksjon av fiskehermetikk	9
10.209	Bearbeiding og konservering av fisk og fiskevarer ellers	373
10.310	Bearbeiding og konservering av poteter	30
10.320	Produksjon av juice av frukt og grønnsaker	22
10.510	Produksjon av meierivarer	65
10.390	Bearbeiding og konservering av frukt og grønnsaker ellers	63
10.420	Produksjon av margarin og lignende spiselige fettstoffer	3
10.520	Produksjon av iskrem	20
10.710	Produksjon av brød og ferske konditorvarer	1231
10.720	Produksjon av kavringer, kjeks og konserverte konditorvarer	37
10.730	Produksjon av makaroni, nudler, couscous og lignende pastavarer	8
10.820	Produksjon av kakao, sjokolade og sukkervarer	90
10.850	Produksjon av ferdigmat	73
11.070	Produksjon av mineralvann, leskedrikker og annet vann på flaske	74
Total		2829

3.5.2 Online Questionnaire

To be able to store personal information, or any general information that could possibly be linked to an individual, a permission had to be provided from the NSD - the Data Protection Official for Research in Norway. The survey was distributed after we were granted a permission, after a couple of weeks of evaluation. The questionnaire software of Qualtrics was used due to its high functionality in constructing and customizing online questionnaires. For each main theme of the survey, we created blocks to keep the desired structure constant. However, within each block both variables and its respective items were randomized. This was done as it helps to reduce question order bias (Malhotra 2010). Additionally, we selected the option of force response after each question, consequently we experienced no missing values. An advantage by using online surveys is the ease of transfer, and storage of data that allow for statistical analyzes, and other investigation of responses at any time (Easterby-Smith, Thorpe, and Jackson 2012). Also, from Qualtrics the data was easily transported into SPSS, for cleaning and codification of items. With regard to the open-ended questions in the survey, i.e. work title, firm age, and industry sector, these were categorized and codified in SPSS - where each category were provided with an individual value and label. The various work titles were categorized in such way that those titles with relatively similar responsibilities and level in the organizational hierarchy were assigned to the same group. The firm age was grouped with intervals, considered to be reasonable age spans. Based on the similarities between the products and categories of the industry sectors, they were merged and reduced into twelve categories. Eventually, before transferring the data to Stata, it had to be transported to Excel as the software requires this type of format.

Important to consider, is that this study investigates the relationship and impact of many constructs, consequently the questionnaire is considered to be fairly long. This could have been a potential threat to participation, however, this was not a major concern because respondents had prior to the acceptance been informed about the possible time-length (i.e. 20 minutes) to complete the questionnaire. Additionally, another possible barrier to the response-rate was that the respondents had the opportunity to continue the survey at a later stage if necessary. However, we experienced that the majority of the respondents completed the whole questionnaire at once. In fact, we experienced that it was a

contributor to acceptance as it reassured the respondents of the opportunity to tailor completion to a convenient time.

3.5.3 Probability Sampling Technique

Probability sampling was used to eliminate selection bias. From a statistical point of view, probability sampling is preferred as it allows us to make statistical projections and inferences of the results to a target population (Malhotra 2010, 390). Also, it helps to ensure accuracy about the relationship between a sample, and the population from which it is drawn (Easterby-Smith, Thorpe, and Jackson 226, 2012). Probability sampling through the form of simple random sampling helps to secure a representative sample, and that each sample entity (company) has an equal opportunity to participate (Easterby-Smith, Thorpe, and Jackson 226, 2012). As our database had been transported to Excel, we used the randomization function to ensure this.

3.5.4 The Recruitment Process and Response Rate

The data collection phase lasted during the period 13.05 - 18.06. Telephone calls were the primary focus during the first three weeks. The first reminder was sent after one week if the questionnaire was not completed after acceptance (in total three reminders per person). After three weeks with reminders, a last phone-call was made, and sometimes an additional and final reminder was sent. The potential respondents yielded on average 2-3 callbacks as they were occupied in meetings.

The extraction of business information from Proff Forvalt, conveniently provides information about the name of the MD for each enterprise. Occasionally, and particularly for small firms (<10 employees), we experienced a few instances of where direct contact information was provided. Mainly, we searched the web for the direct number of the MD/CEO or visited the company's website that sometimes provided us with contact details. When it was impossible to locate contact information directly to the MD/CEO, switchboards or personal assistants provided us with information.

The first contact was always initiated by the phone, as it was important to speak directly with the person to verify whether the person was still in charge, and had the right profile. Also, we wanted to clarify the purpose of the study, ensure confidentiality, and gain oral acceptance. Participants were offered a final report, as a thank-you gesture for participation. After oral acceptance, we collected the email address, and shortly after sent an individual link to the survey, and a cover letter (see appendix 2).

In a few instances, the MD/CEO referred us to the Head of Marketing or Sales. Also, if several unsuccessful attempts to contact the MD/CEO had been made, we decided to reach the person responsible for the marketing function. In total, we were able to contact 270 companies. Out of these, oral acceptances to participate were given from 208 individuals. The response rate was 47 %, hence out of the 270 companies that were contacted, 126 respondents fully completed the questionnaire.

3.6 Data Examination, and Measurement Model Testing

A path analysis was chosen in this research as it allowed to investigate a large number of relationships - exploring all probable linkages of the constructs in our research model. In addition, path analysis gives the opportunity to pinpoint the most significant paths in predicting the BMS, customer performance, and business performance. Even though a large number of relationships can be examined, this approach forces us to focus on well-specified hypotheses that must be developed from sound theory in order to successfully predict the outcome-variables (Hair et al. 2010). According to Hair et al. (2010, 634), a path analysis “is the general term for an approach that employs simple bivariate correlations to estimate relationships in a SEM model.” As a path analysis follows the same underlying logic as Structural Equation Modeling (SEM) the data examination and measurement model testing was performed in a similar fashion as the requirements of SEM.

3.6.1 Sample Characteristics

The final sample consisted of 101 businesses that had a wide distribution with regard to both size and age (table 3.19, table 3.20, and table 3.21). The sample

ranges from small companies (11-20 employees) to large companies (1001 employees or more). In Norway, companies with up to 20 employees are considered small, medium sized with between 20 and 100 employees, and large with above 100 employees (Regjeringen 2014). In fact, Norwegian food processing companies are smaller than similar ones abroad (Regjeringen 2014). Due to the wording of the questions in the survey, in which quite small companies seemed to find hard to answer, we wanted the minimum company size to consist of more than 10 employees in order to achieve the most appropriate answers to both the questions and the applied theory of this research. Consequently, respondents who represented companies less than this size were excluded, which explains the minimum size of value 3 in table 3.21. As can be noted with the three measures of central tendency, the average size of the firms in our sample is between 61-100 and 101-150 employees. However, the median and mode values show that the middle value, as well as the most common number of employees, is located around 21-60 employees - i.e. medium sized companies.

The various businesses' age ranges from relatively newly established firms of 1-5 years old, to mature firms of 151-200 years old. Moreover, the average age of the firms, and also the middle value (i.e. median), are 31 - 60 years old. However, the most common age in our sample (i.e. the mode value) is 61 - 100 years old - indicating that our sample consists of a relatively large number of mature firms.

Table 3.19 - Size

Firm size												
Value	1	2	3	4	5	6	7	8	9	10	11	12
Label - N of employees	0 - 5	6 - 10	11 - 20	21 - 60	61 - 100	101 - 150	151 - 200	201 - 300	301 - 450	451 - 600	601 - 1000	1001 or more

Table 3.20 – Age

Firm age							
Value	1	2	3	4	5	6	7
Label - years	1 - 5	6 - 15	16 - 30	31 - 60	61 - 100	101 - 150	151 - 200

Table 3.21 – Minimum, Maximum, Mean, Median, and Mode

	N	Minimum	Maximum	Mean	Median	Mode
Firm size	101	3	12	5.49	4	4
Firm age	101	1	7	4.01	4	5

In order to obtain information, and ensure that the right person in the company answered the survey, questions concerning the respondent's job title were provided. As previously explained, the key informants were CEOs, MDs and GMs. Indeed, the vast majority of the participants were CEOs, MDs and GMs (71.3%), followed by titles of Head of Marketing and/or Sales (21.8%), Brand Managers, Product Managers, Category Directors and Project Managers (5.9%), and Chairman and/or owner positions (1%) (table 3.22). Even though the three latter groups of work titles involved other positions in the company than the key informants, they were still employed in a position that could provide appropriate, and valuable information to our study. There were even instances where the CEO, MD or GM stated that other positions were more suitable to answer the questions in the survey, and thus referred to positions such as Head of Marketing and/or Sales. All in all, these remaining respondents represent only a minor percentage of the total sample, thus we consider the degree of consistency in the sample as satisfactory.

Table 3.22

Work title	Frequency Percent	
	Frequency	Percent
Chairman and/or owner	1	1
CEO/ Managing Director/ General Manager	72	71.3
Head of marketing and/or sales	22	21.8
Brand Manager/ Product Manager / Category Director/ Project Manager	6	5.9
Total	101	100

As the respondents of the sample originate from various sectors within the food processing industry, a question was asked to secure their affiliation. This was also done in order to ensure that the distribution of companies in our sample was similar to the distribution of sectors in our population, but also similar to the general tendency of the food processing industry in Norway. Regarding the distribution of our sample, we collided and reduced the number of sectors into twelve categories based on the similarities between food products and categories. As table 3.23 shows, the fish sector, the bakery sector and the meat sector are the largest ones (22.8%, 20.8% and 18.8% respectively), whereas sectors involving potatoes, juice from fruits and vegetables, ready-made food, ice cream and sugar, confectionery, cocoa, and chocolate are the smallest ones (1%, 1%, 2%, 2%, and

3% respectively). This distribution is in line with the general tendency of the population, and also with the food processing industry in Norway (table 3.1).

Table 3.23

Industry sector	Frequency	Percent
Dairies, eggs, eatable oils and fats	8	7.9
Ice cream	2	2
Fish, other seafood, and canning	23	22.8
Bread, fresh and preserved pastry, cakes, and biscuits	21	20.8
Sugar, confectionery, cocoa, and chocolate	3	3
Meat and poultry products	19	18.8
Potatoes	1	1
Juice from fruits and vegetables	1	1
Mineral water, soft drinks and other beverages	6	5.9
Fruits and vegetables	5	5
Ready-made food	2	2
Wide range of food and snacks	10	9.9
Total	101	100

The NACE- codifications do not provide purely production companies, neither exclusively business-to-consumer-firms, which means that some of the listed firms operate in-between. That is, some of the firms have a dual role operating both as a producer and a wholesaler. In addition, other companies offer their products *both* through grocery chains and/or shops to end-consumer (i.e. B2C), but also to other companies for further processing (i.e. B2B). As mentioned earlier, we wanted companies that heavily relied upon products with labels and packaging, which are visible to the end-consumer. Thus, two questions were included in the survey in order to ensure that the majority of the respondents matched these criteria. As can be noted in table 3.24 and table 3.25, the majority of the respondents operate mainly as production firms, i.e. 66.4%, whereas only 17.80% of the respondents derive their revenues mainly from wholesale. Furthermore, the majority sell their products primarily to end-consumers, i.e. 41.5%, and a smaller percentage of the sample sell their products for further processing, i.e. 26.7%. Even though the two latter percentages do not deviate significantly, the distribution of the percentages in table 3.25 show that they are highly skewed towards revenues largely derived from B2C sales. In conclusion, the majority of our respondents operate as production-firms, selling their products mainly to end-consumers.

Table 3.24

Operational characteristic			
	Frequency	Percent	
Revenues largely from production	42	41.6	66.4%
2	25	24.8	
3	5	5	
4	5	5	
5	6	5.9	
6	6	5.9	
Revenues largely from wholesale	12	11.9	17.8%
Total	101	100	

Table 3.25

Target segment			
	Frequency	Percent	
Revenues largely from B2B sales	19	18.8	26.7%
2	8	7.9	
3	11	10.9	
4	7	6.9	
5	14	13.9	
6	16	15.8	
Revenues largely from B2C sales	26	25.7	41.5%
Total	101	100	

3.6.2 Requirements for Multivariate Analysis

Before using the data for path analysis, we considered the requirements of; *outliers, multivariate normality, and univariate normality* (Kline 2004).

3.6.2.1 Outliers

Out of the 126 respondents, 25 were eliminated due to the size of the enterprise (employees < 10). Consequently, our sample size consisted of 101 enterprises. Including these small firms in our data would not have been consistent with the present theory we wanted to test, e.g. the questions concerning organizational structure would not have been appropriate for small firms.

3.6.2.2 Multivariate Normality

The assumption of multivariate normal distribution is that the joint effect of two variables is normally distributed (Hair et al. 2010, 460). Multivariate normality implies univariate normality, however the latter does not guarantee the former (Hair et al. 2010). For the purpose of testing for multivariate normality, Stata gives the opportunity of the Mardia's tests of multivariate skewness and kurtosis (Mardia 1970), with the null hypothesis assuming multivariate normality. The

tests of multivariate skewness ($p= 0.0005$), and kurtosis ($p= 0.0000$) show that the assumption of multivariate normality is rejected (appendix 4).

3.6.2.3 Univariate Normality – Skewness and Kurtosis

From the table 3.26 (appendix 4), we display the statistics for skewness and kurtosis derived from Stata. Skewness represents the balance of the distribution, in comparison to kurtosis that gives the height of the distribution. More specifically, with regards to kurtosis, taller distributions are called leptokurtic, and more flat distributions are named platykurtic (Hair 2010, 71). In relation to skewness, a normal distribution would hold the value of zero. A positively skewed distribution has values greater than zero, in contrast to a negatively skewed distribution with values less than zero (Acock 2012, 259).

Kurtosis is also given the value of zero for a normal distribution (Hair et al. 2010). It should be noted that other statistical softwares, such as SAS and IBM SPSS Statistics, report a value for kurtosis that is the actual value of kurtosis minus three - i.e. a normal distribution in these circumstances has a value of zero (Acock 2012, 259). Stata on the other hand, does not report this type of value for kurtosis, thus the correct value for normal distribution in our case is 3.00 (Acock 2012, 259). A negative value of kurtosis (i.e. in our case less than 3.00) would suggest a platykurtic distribution, in contrast to a positive value (i.e. above 3.00) as an indication of a leptokurtic distribution (Hair et al. 2010, 71). Inspecting table 3.26 (appendix 4), we are guided by Kline's (2004) definition of high values for kurtosis (values above 10), and high values for skewness (values above 3). Only the variable of Mark_budg holds severe values of kurtosis and skewness, i.e. values of 16.98 and 3.199 respectively. As can be noted in table 3.26 (appendix 4), most of the variables do not satisfy the exact and desired values for normal distribution, however they do not deviate far from them. Specifically, regarding the skewness, very few variables exceed values greater than 1 or less than -1, thus the distribution does not deviate substantially from a symmetric distribution. The few exceptions are; I_B4 (1.168), Inno3 (-1.385), Inno4 (-1.256), C_I4 (-1.142), C_I6 (1.610), C4 (-1.190), Cent2 (1.509), Cent3 (1.192), and R_A2 (-1.264). Evaluating the values of kurtosis, 27 variables have a positive, and peaked distribution. The remaining variables, with values below 3, are considered relatively flat.

As discussed under the chapter of measure development, all variables were measured on a 1-7 point Likert-scale, with the exception of the variable “Mark_budg” measured on a 9-point scale. This should be taken into account when interpreting the results. From table 3.26 (appendix 4), it is illustrated that for some of the variables, the minimum value of 1 has not been selected, but instead the values of 2 and 3.

3.6.3 Decisions, and Estimations of the Measurement Models

The combination of many constructs, with fewer respondents, and two second-order constructs (i.e. BMS and market orientation) makes the measurements complex. Thus, when setting up a measurement model, several decisions regarding the estimation strategy had to be made.

A single-factor analysis was conducted for each individual construct, and we determined their *validity* and *reliability*. Specifically, in terms of reliability, we have evaluated internal consistency through the Cronbach’s alpha - that should hold the lowest agreed limit of 0.7 and composite reliability (CR) that should be between the acceptable range of 0.6 and 0.7 (Hair et al. 2010). Average variance extracted (AVE), which is also a reliability measure, has followed the rule of thumb of having a value of 0.5 or higher as an indication of adequate convergence (Hair et al. 2010). We have outlined other reliability tests of item-test, item-rest, and inter-item correlation. The item-to-total correlation and the inter-item correlation should exceed 0.50, and 0.30 respectively (Hair et al. 2010, 125). Even though reliability is a necessary condition for validity, it is not sufficient (Hair et al. 2010). Thus, various tests of measurement model validity have been performed.

With regard to convergent validity, the factor loadings were assessed based on the rule of thumb (Hair et al. 2010, 117) that a loading of 0.5, or greater, is considered practically significant. A more rigorous evaluation of the factor loadings based on the sample size (N=101), would imply that the factor loadings should be 0.55 (Hair et al. 2010). However, when evaluating the measurement models and the factor loadings, we follow the guideline of keeping factor loadings above 0.5 when we have a good model fit, and when the items are established measures

through previously adopted scales (Hair et al. 2010). Moreover, the AVE, and the CR were also used to establish convergent validity.

As validity of a measurement model also depends on goodness-of-fit (GOF) results (Malhotra 2010) we have evaluated the Chi-square, degrees of freedom (df), p-value, the root mean square error of approximation (RMSEA), the standardized root mean residual (SRMR) - as well as the incremental fit indices of comparative fit index (CFI), and the Tucker-Lewis index (TLI) - as these are the most widely used incremental fit measures (Hair et al. 2010, 668). The Chi-square statistic and the corresponding df should be close, and the p-value should be larger than 0.05 (Malhotra 2010, 732). However, what should be noticed with the Chi-square is its tendency to increase with the number of observed variables, and its sensitivity to sample size - thus, it is important to evaluate other model fit indexes as well (Malhotra 2010). Overall, lower values of RMSEA indicate better fit, and are frequently emphasized to have a cut-off value of 0.05 or 0.08 (Hair et al. 2010, 667). Also, for the values of SRMR, it is desired to have values of 0.08, or less (Malhotra 2010). One should notice that both CFI and RMSEA are the least impacted by sample size, and are therefore quite strong and important measures in our study. The CFI should hold a value of 0.90 or higher as an indication of good model fit, and the TLI should approach the value of 1 (Malhotra 2010, 733).

Notice, appendix 5 summarizes the measurement model tests described above. These tests are provided to us by using the appropriate commands in Stata, whereas calculations for CR and AVE have been conducted in a separate Excel-sheet, provided by our supervisor.

3.6.3.1 Single-Factor Confirmatory Factor Analysis (CFA)

To closer investigate the constructs' item measurements, we ran single-factor confirmatory factor analysis (CFA) for each individual construct (appendix 5). This was done as it allows for testing the internal consistency in each construct (Hair et al. 2010).

3.6.3.1.1.1 Single-Factor CFA – BMS

Concerning the construct of BMS, the three sub-dimensions were first evaluated (see table 3.27 in appendix 5). The construct of *brand orientation* showed all satisfactory results from the tests of reliability, validity, and GOF. When running the construct of *internal branding*, I_B4 had a factor loading below the acceptable threshold (i.e. I_B4 = 0.48), and was therefore excluded. As this statement concerns the company's analysis of employees' assessment of the brand image, the exclusion was not considered as a threat to the main theme of the construct. In addition, the final four items showed good results for all of the measurement model tests. Evaluating the construct of *strategic brand management*, all the measurement model tests were acceptable, thus no changes were made (table 3.27 in appendix 5).

3.6.3.1.1.2 The First Three-Factor First-Order Model – BMS

Next, we evaluated the correlations between the sub-dimensions (*brand orientation*, *internal branding*, and *strategic brand management*) of the BMS by the use of CFA. This analysis showed satisfactory fit in terms of RMSEA (0.064), SRMR (0.042), CFI (0.970), and TLI (0.962) (table 3.28 a) in appendix 5). However, there are relatively high correlations between *internal branding* and *strategic brand management* (0.89), as well as between *brand orientation* and *strategic brand management* (0.86). A noticeable smaller correlation is found between *brand orientation* and *internal branding* (0.68) (see figure 3.1 in appendix 5).

To further investigate these correlations, discriminant validity was assessed (table 3.28 b) in appendix 5). We follow the recommendation by comparing the value of AVE for any two constructs with the square of the correlation between these two, and where the AVE values should be greater than the squared correlation to conclude with discriminant validity (Hair et al. 2010, 710). Even though there are several tests for discriminant validity, this test is considered a more rigorous test, providing good evidence of discriminant validity (Hair et al 2010, 710). This test reveals that discriminant validity exists between *brand orientation* and *internal branding* ($0.68^2 < 0.71$, and $0.68^2 < 0.6$). However, no discriminant validity is present with the correlations that involve *strategic brand management*. This means that *strategic brand management* is not distinct from the other two

constructs, and the individual items do not represent only one latent construct (Hair et al. 2010, 710). In addition, this is a strong indication that measuring the BMS as a three-dimensional second-order construct might not be appropriate. This problematic situation is also evident by the convergence problem we experienced when trying to run the measurement model of the BMS as a second-order construct with three dimensions in Stata. Apparently, there is a problem with the dimension of *strategic brand management*, as it shows a coefficient value of 1. Even though inspecting the correlations of the dimensions, they do not reveal the underlying factors that can explain the correlations between the constructs. Thus, to detect the underlying structure of the data, an exploratory factor analysis (EFA) is performed for the three underlying dimensions (Malhotra 2010, 739). Even though EFA is often used in situations where no detailed model is specified in advance, the distinction between EFA and CFA is somewhat blurred in practice - i.e. researchers modify poorly fitting models in a CFA in an exploratory way, to improve fit (Bollen 1989, 228). This is also supported by Farrell (2010), as he suggests a five-step procedure as a solution to discriminant validity problems - where performing an EFA is the first step.

3.6.3.1.1.3 Performing Exploratory Factor Analysis (EFA)

The first step is to determine whether an EFA is appropriate to conduct, based on the correlation between the variables (Janssens, Wijnen, De Pelsmacker, and Van Kenhove 2008). Assessing the correlation matrix, and the calculation of 'Pearson' correlation coefficient for each pair of variables, the requirement is correlations above 0.3 in order for a factor analysis to make sense (Janssens et al. 2008, 247). This requirement is satisfied, as all of the correlations are above this criteria (table 3.29 in appendix 5). Another indication of the appropriateness of EFA, is provided through "Bartlett's test of sphericity", and "Kaiser-Meyer-Olkin measure of sampling adequacy" (MSA) (Janssens et al. 2008). The Bartlett's Test has a significant value (p-value= 0.000) (table 3.31 in appendix 5), and we therefore reject the null hypothesis of uncorrelated variables. In addition, before interpreting the global MSA, we inspect each individual variable by looking at the values in the main diagonal, and choose to keep all variables as none have values less than 0.50 (Janssens et al. 2008, 256). In our case, the lowest value of MSA is of 0.882 (table 3.30 in appendix 5). The global MSA (0.919 > 0.50) underpins the appropriateness of an EFA to our data (table 3.31 in appendix 5).

The method chosen to extract factors is maximum likelihood (ML). We did not limit the number of factors to be extracted, and was guided by the ‘Kaiser criterion’ keeping factors with Eigenvalues higher than one (Janssens et al. 2008, 248). Also, the type of rotation selected is “varimax”, within the orthogonal domain of rotation type, which means that factors are uncorrelated after rotation (Janssens et al. 2008, 248). Table 3.32 in appendix 5, which outlines the total variance, show that the ‘Kaiser criterion’ has defined two factors with Eigenvalues greater than one. By closer inspection, one find that the first factor explains a high proportion, i.e. 56.7% of the total variance in the thirteen variables, whereas the second explains 9.75 %. The first two factors together explain 66.45% of the total variance. As a possible third or fourth factor would have increased the total variance only by 5.5% and 4.99% respectively, we conclude that two factors are considered relevant, and sufficient enough to cover the most important sub-dimensions of the BMS.

Further, we investigate the Rotated Factor Matrix (table 3.33 in appendix 5), which gives a good frame for the underlying structure between the factors and variables. We follow the rule of thumb that variables should at least hold the value of 0.50, before it can be assigned to a factor (Janssens et al. 2008, 260).

Interpreting factor 1, we see clearly that all the variables that originally belonged to the construct of *brand orientation* show high factor loadings on this factor, with the lowest loading of 0.805 (B_O2). Additionally, the variable of S_B_M1 belongs to factor 1, with a loading of 0.601. The variables that originally belonged to the construct of *internal branding* hold high loadings on factor 2, with the lowest of I_B3 (0.655). Also the variables of S_B_M3 and S_B_M4, with factor loadings respectively of 0.658 and 0.614, belong to factor 2. The variables of S_B_M2 and S_B_M5 are not assigned to any of the two factors, as they do not meet the criteria of holding a factor loading of 0.50 or above.

Lastly, in order to verify the two-dimensional construct of the BMS, we chose to run an EFA again with 11 variables, where S_B_2, and S_B_M5 had been removed. Table 3.34, table 3.35, table 3.36, table 3.37, and table 3.38 in appendix 5, show that in comparison to first EFA we get similar results, which confirm the appropriate underlying structure.

3.6.3.1.1.4 Interpretation of the EFA – Proposing a Two-Dimensional BMS

In the following we outline possible reasons for why the construct of the BMS seems to lack the dimension of *strategic brand management*. First, S_B_M1 was assigned to factor 1. By looking at the wording of this question “The firm carries out significant investments to manage its brand” - it is not surprising that this variable holds a high loading onto this factor. As the construct of *brand orientation* is thought of as the extent to which top management attributes critical importance to brands (Santos-Vijande et al. 2013), the investment into them reflects its recognized importance. Also, by assessing the wording of the other variables on Factor 1 (B_O1, B_O2, B_O3, and B_O4), they all entail the assessment of how brands are anchored within the company. Thus, a variable that reflects financial dedication to brands would naturally belong to this factor.

Brand orientation was initially thought to represent an appropriate mind-set, or culture that assures a dominant role of brands in the company’s strategy, whereas *strategic brand management* was meant to represent the necessary management of relevant activities that can help to ascertain that brands become a source of competitive advantage (Santos-Vijande et al. 2013, 150). On the surface, they seem distinct, but as the problematic underlying structure shows, the activities in *strategic brand management* are too closely intervened with *brand orientation*, and becomes an expression of the activities derived from the appropriate mind-set.

A similar issue arises between the dimension of *strategic brand management*, and *internal branding* - where the latter generally builds on the workers’ understanding and knowledge of the brand, internalization of its importance, internal communication, and the assurance of perfect alignment between the internal perception of the brand and the organization’s strategic objectives (Santos-Vijande et al. 2013, 150). Thus, the inclusion of the S_B_M3 item is appropriate, as it involves the cross-functional management and development of the brand, which require a thorough understanding of it, and that could only be achieved through a satisfactory internal branding and education among the employees. When looking at the wording of other variables in factor 2, they all capitulate on the importance of alignment, planning, collaboration, and communication around brand-related activities - consequently both S_B_M3, and S_B_M4 are considered relevant here.

All in all, by looking at the scarce literature of measuring the BMS, the three-dimensional construct has only been empirically confirmed once (Santos-Vijande et al. 2013). To our knowledge, only one article (Lee et al. 2008) has specifically measured the BMS as a one-dimensional construct that entails many of the similar themes highlighted by Santos-Vijande et al. (2013). Taking this into consideration, our treatment of the BMS does not conflict with solid or well-established theory, and therefore our research can contribute to the scarce literature of this measurement. However, we are aware of that the CFA of these new models should have been tested out on a new sample - yet, time and resources have constrained us from collecting such new data.

3.6.3.1.1.5 Single-Factor CFA – The New BMS

As the results from the EFA provided new constructs, with other item-combinations than the initial constructs, a new single-factor CFA was performed for each of the constructs. The new construct of *brand orientation* still satisfied all the measurement model validity tests, where all the items had factor loadings above 0.7 (table 3.39 in appendix 5). With regard to the new construct of *internal branding*, all the factor loadings were above 0.7, but the model had a poor fit. In these instances, the use of modification indices are helpful as it is an index that displays possible model fit improvements, and is calculated for every possible relationship that is not estimated in the model (Hair et al. 2010, 712). By inspecting this index, the output showed that if we allowed for a correlation between the measurement errors of the S_B_M3- item with I_B1 and I_B2, the model fit would be significantly improved. However, these items are not interpreted to be more similar than the other items in this scale, in addition to the lack of the necessary theoretical substantiation to correlate S_B_M3 with I_B1 and I_B2 - thus, S_B_M3 was removed. This decision improved the model fit, and where the validity-, reliability-, and the GOF-tests showed satisfactory results - showing that the hypothesis of close fit could not be rejected.

3.6.3.1.1.6 The Two-Factor First-Order Model – the New BMS

Based on the good model fit of the two constructs *brand orientation* and *internal branding*, the final two-factor first-order measurement model of the new BMS was evaluated (figure 3.2 in appendix 5). This final model satisfied all the criteria of the validity, reliability and GOF indexes - in particular, showing that

discriminant validity is present within these two constructs (table 3.40 a), and b) in appendix 5). As the BMS is proposed to function as a second-order model, this model was tested within a larger measurement model, because a second-order model with only two dimensions can be considered underidentified, and cannot be identified on its own (Hair et al. 2010, 699).

3.6.3.1.2 Single-Factor CFA – Customer Performance

Originally, the construct of *customer performance* was measured with seven items, but due to poor model fit we chose to investigate the modification indices - where a correlation between C_Perf1 and C_Perf2 was suggested. We allowed for this correlation as the items were assessed to be very similar in nature, as C_Perf1 deals with “customer satisfaction”, whereas item C_Perf2 concerns “customer loyalty”. The positive and intertwined relationship between these two is well-established in the literature. Moreover, C_Perf5 was removed from the construct as it had a too low factor loading. Thus, the final construct consisted of six items, with a correlation between C_Perf1 and C_Perf2. Allowing for this correlation and the exclusion of one item, significantly improved the model fit, and values for reliability and validity. Note that the calculation of CR corrects for this correlation (table 3.41 in appendix 5).

3.6.3.1.3 Single-Factor CFA – Business Performance

Next, we assessed the measurement model for the construct of *business performance*. The construct with three items showed satisfactory high factor loadings, with good values for validity and reliability, and a perfect model fit as it can be considered as just-identified (Hair et al. 2010) (table 3.41 in appendix 5).

3.6.3.1.4 Single-Factor CFA – Innovativeness

The original construct of *innovativeness* consisted of five items, but one item (Inno4) was excluded due to its low factor loading. In addition, we experienced poor fit measures, e.g. RMSEA (0.212), CFI (0.837), TLI (0.675). By removing this item we achieved good fit measures, in addition to acceptable values for the tests of reliability, and validity (table 3.45 in appendix 5). The exclusion of this item did not reduce the quality of the construct.

3.6.3.1.5.1 Single-Factor CFA – Market Orientation

We first assessed the dimension of *proactive market orientation* that contained seven items, and which showed satisfactory results for the tests of reliability, validity, and fit measures (table 3.42 in appendix 5). Next, evaluating the dimension of *reactive market orientation*, we chose to exclude the following items; R_M_O2, 3, 5, and 6. This was due to factor loadings below the acceptable threshold (< 0.5), in addition to low values of CFI (0.884) and TLI (0.827). After this exclusion, particularly the AVE improved to an acceptable level (i.e., > 0.5) from 0.37 to 0.62 (table 3.42 in appendix 5). The remaining items can be considered to sufficiently cover the important aspects of reactive market orientation, that involve close monitoring of customers' needs, and the satisfaction of them. Thus, the exclusion of the four items was not considered as a threat to the main theme of the construct. The dimension of *reactive market orientation* is described as just-identified, which means that this model has a perfect fit (Hair et al 2010, 699).

3.6.3.1.5.2 The Two-Factor First-Order Model – Market Orientation

With these sufficient results, we conducted a two-factor first-order measurement model of *market orientation* (figure 3.3 in appendix 5). Table 3.43 (a and b) in appendix 5 shows a very good model fit, and that discriminant validity exists between the two dimensions of *proactive* and *reactive market orientation*, thus no further changes were made. The evaluation and testing of the second-order construct of market orientation, was done within a larger measurement model, as this construct is considered underidentified (Hair et al. 2010).

3.6.3.1.6 Single-Factor CFA – Short-Term Orientation

We experienced several problems with the construct of *short-term orientation* that contained seven items. First, many of the items showed unsatisfactory factor loadings. Moreover, the test statistics for reliability, validity, and fit measures showed unsatisfactory results. By removing five items (i.e., S_T_O1, S_T_O3, S_T_O5, S_T_O6, and S_T_O7), the final model consisted of two items. However, as this is an underidentified model, it cannot be identified on its own, thus it requires to be tested within a larger measurement model (Hair et al. 2010). In collaboration with our supervisor, we decided to keep the construct, as the remaining two items (S_T_O2 and S_T_O4) consisted of a *direct*, and *indirect*

measure of *time* in relation to short-term orientation - which is considered as an important aspect of the subject.

3.6.3.1.7 Single-Factor CFA – Centralization

Assessing the construct of *centralization*, item two (Cent2) was removed as the factor loading was below the desired threshold. This decision did not weaken the quality of the construct as the remaining items sufficiently cover the main theme of the subject; the extent to which employees' decisions require approval from a manager. With the remaining three items, the construct is characterized as just-identified and therefore has a perfect model fit (Hair et al. 2010). Also, the construct shows satisfactory factor loadings, and values for AVE and CR (table 3.44 in appendix 5).

3.6.3.1.8 Single-Factor CFA – Formalization

Similar to the construct above, we chose to exclude one item when measuring the construct of *formalization*, due to unsatisfactory factor loading (Formaliz3). Thus, also this model is just-identified (Hair et al. 2010) - showing perfect model fit, in addition to good validity and reliability results (table 3.44 in appendix 5).

3.6.3.1.9 Single-Factor CFA – Specialization

Evaluating the measurement model for *specialization* that contained four items, we initially experienced a poor model fit. Consequently, we assessed the modification indices, which suggested a correlation between item one (Spec1), and two (Spec 2). Inspecting these two items, the first item deals with the degree to which specialization follows the responsibilities of marketers, while item two, reflects whether the job of a marketer requires specific skills. As these two items are regarded as very similar in nature, we opened up for a correlation between them. By allowing for this correlation, the model fit improved significantly, and the values for reliability and validity showed satisfactory results (table 3.44 in appendix 5).

Moreover, Spec3 was originally thought of as a reverse-scored item, as it involves standardized procedures for training in relation to the work of a marketer - or stated otherwise; that those being trained will not develop or apply their specialized skills as the procedures are standardized. However, by looking at the

factor loadings, this item did not behave as a reverse-scored item, but rather similar to the other items in the scale. A possible explanation can be related to a somewhat vague wording of the statement. In particular, the work and tasks related to marketing could in reality require the combination of using specialized skills, but still imply responsibilities that are standardized in nature. Thus, the respondents being primed with this theme might not interpret it as a clear contrast to the other items. In addition, the word “standardized” was not highlighted in the survey, so the respondents may have overlooked this word and instead focused on the word “training” that was in bold.

3.6.3.1.10 Single-Factor CFA – Horizontal Integration

With the construct of *horizontal integration*, all four items were kept. Due to poor model fit, we used the modification indices that indicated a correlation between the measurement errors of H_i1 and H_i4. These items can be considered as similar - where the former item concerns that tasks are carried out in cross-functional teams, and the latter involves that managers have responsibility to manage cross-functional teams - i.e. if the general practice in the firm is characterized by working in cross-functional teams, then naturally a manager would be responsible for facilitating these teams. Hence, these items are closely related. Allowing for a correlation between the items significantly improved the model fit, and values for reliability and validity. Note, the calculation of CR includes a correction for this correlation (table 3.44 in appendix 5).

3.6.3.1.11 Single-Factor CFA – Communication

The construct of *communication* originally consisted of four items, but we chose to exclude item C3, as its factor loading was below the desired threshold (< 0.5). This exclusion is considered unproblematic, as the question concerns the extent to which strategic decisions are quickly delegated to teams, and does not reflect the main essence within *the level of communication*. Consequently, the remaining items are all direct and important measures of communication. After removing this item, all the factor loadings were satisfactory. The model is characterized as a just-identified model, i.e. three items, and the model has a perfect fit (Hair et al. 2010) (table 3.44 in appendix 5).

3.6.3.1.12 Single-Factor CFA – Reputational Assets

Originally the construct of *reputational assets* consisted of five items, but due to poor model fit, and unsatisfactory results from the assessments of validity and reliability - two items were deleted due to low factor loadings (i.e., R_A1 and R_A5). The exclusion of the items was not considered as a threat to the main essence of the subject. The remaining three items make this construct a just-identified model, thus it has a perfect fit (Hair et al. 2010, 699). Lastly, the exclusion of the two items resulted in adequate values of factor loadings, AVE, and CR (table 3.45 in appendix 5).

3.6.3.1.13 Single-Factor CFA – Competitive Intensity

Running a measurement model for the construct of *competitive intensity* that originally consisted of six items, we excluded four items with very low factor loadings (i.e., C_I1, C_I3, C_I4, C_I6). Even though several items were removed, the two items left capture an important aspect of the construct concerning *competitor's behaviors*. This model is considered underidentified, and must be tested within a larger measurement model (Hair et al. 2010).

3.6.3.2 Validity, Reliability, and Unidimensionality

In conclusion, *convergent validity* has been established through the satisfactory values of AVE, CR, and high factor loadings. This means that all of our constructs have items that are indicators of the specific construct, which share a high proportion of variance in common (Hair et al. 2010, 709). In addition, for both of the measurement models of the *BMS* and *market orientation*, discriminant validity is established, thus the sub-constructs can be regarded as truly distinct from each other (Hair et al. 2010, 710). Due to the assessment above, we conclude to have achieved *construct validity*, which means that the measured items reflect the theoretical latent construct that they are designed to measure (Hair et al. 2010, 708). With regard to testing the *unidimensionality* of the 13 separate constructs, the null hypothesis of the Chi-square test was only rejected in the instance of the BMS construct. However, the value of RMSEA was sufficiently low, thus it provides evidence of unidimensionality among all of the 13 constructs. This means that the measured variables can be explained by only one underlying construct (Malhotra 2010, 696).

3.6.4 Full Measurement Models, and Structural Models

Due to the complexity and difficulties by running a first-order measurement model with all 14 variables (i.e. including the marketing budget variable), we developed three separate first-order measurement models that allowed us to inspect the correlations, and model fit. Note, that in these three first-order measurement models, constructs are represented twice in order to ensure that correlations among all constructs can be inspected. In other words, each of the three measurement models includes approximately two-thirds of the variables in the model. Next, second-order models are tested and compared to the first-order measurement models. Lastly, we assessed the second-order models and its respective constructs in relation to reliability, and validity. Based on the second-order models, we created factor scores as this approach has the advantage of representing all variables' loading on a factor. The factor scores have the ability to represent the degree to which each individual scores high on the group of items with high loadings on a factor (Hair et al. 2010, 127). In addition, factor scores is the best method for complete data reduction, which is necessary in our situation with data complexity (Hair et al. 2010, 128). However, one should be aware of the difficulties with interpretation because all variables contribute through loadings (Hair et al. 2010, 128).

3.6.4.1 Development of Three First-Order Models – Containing 14 Variables

The results from testing the three first-order measurement models are presented in table 3.46 in appendix 6. In order to develop model 1 with an acceptable fit (table 3.47 in appendix 6), we outline the changes made. The initial issue with model 1, was poor values of CFI and TLI, while both SRMR and RMSEA indicated good fit. This led to the inspection of the modification indices, showing that several items had very high modification indices, in particular C_Perf1, C_Perf2, S_B_M4, P_M_O3, P_MO7, Inno3, and Spec2. We first deleted C_Perf1, which had the highest modification index value among these items. After this deletion, we ran the model again which improved the CFI and TLI, however the values were not at an acceptable level. Still, by assessing the modification indices, item C_Perf2 performed poorly and was therefore removed. Next, the item of S_B_M4 was removed due to its high modification index, and poor model fit. Even though this exclusion provided a better model fit, another problematic item identified was item Inno3, which had the lowest factor loading among the items within the

construct of *innovativeness*, in addition to a high modification index. Evaluating the formulation of this item, it is not surprising that this item performed poorly, as it shares common characteristics with *proactive market orientation*. Specifically, the item of P_M_O4 concerns the same aspect in relation to the development of new products or services - i.e. the possible risks are not a concern in the development of new offerings. Further we investigated the modification indices to reach an acceptable model fit, and where particularly P_M_O3 and P_M_O7 were prominent with high modification indexes. Thus, these two items were deleted. It is not surprising that P_M_O3 is problematic, as it focuses on whether the use of brainstorming can help to assist in the understanding of customer *usage* of products or services. A possible explanation might be that this practice can be regarded as uncommon within the food processing industry, i.e. there might be a limited number of usage situations to explore. Consequently, the respondents might have experienced difficulties in the interpretation of this item. All in all, the changes outlined above resulted in a satisfactory model fit (table 3.46 in appendix 6).

Developing the second model, i.e. first-order measurement model 2, the model was very close to acceptable fit measures. Thus, only one change was made, where the modification indices displayed that the item of Spec2 had the highest index among the items in the measurement model. A possible explanation for this can be that the majority of the respondents in this survey, i.e. CEOs, MDs and GMs, may not possess the exact insight into the details that concern the marketer's work - especially if "specific skills" are outsourced, e.g. advertising agencies with the production of graphics, design, layout, and content for marketing campaigns. The first-order measurement model 2 is presented in table 3.48 in appendix 6.

The third first-order model, i.e. first-order measurement model 3 (table 3.49 in appendix 6) provided satisfactory model fit as it contained the same variables that had been present in model 1, or model 2. Lastly, we want to highlight the opportunity that a researcher has to further amend the constructs by following the suggestions of the modifications indices. However, trying to further improve model fit could jeopardize face validity of the scales, and therefore no further changes were made.

3.6.4.2 Testing the Three Second-Order Models – Reliability and Validity

Having established three satisfying measurement models, the second-order constructs were tested, by introducing them in the three measurement models (table 3.50, table 3.51, and table 3.52 in appendix 6). A Chi-square test of difference between the first-order models and the second-order models proved no significant difference in any of the three models (table 3.46 in appendix 6). This means that introducing the *BMS* and *market orientation* as second-order constructs are unproblematic as the change in Chi-square is not significant. In addition, the second-order measurement models demonstrate satisfactory fit measures.

Bagozzi and Yi (1988, 80) highlight that even if one experiences global measures that show a satisfactory model, it is important to carefully examine the internal structure with regard to the reliability of the parameter estimates and its corresponding tests of significance. In particular, lambdas should hold a value greater than 0.6, and be significant, as indicated by the t-test (equivalent to the z-test provided by Stata). We assessed the lambdas in all of three measurement models, and compared this to the output for significance testing provided by Stata. The measures mainly show satisfactory reliability as all of the lambdas are significant, and most of them are above 0.6. The exceptions with lower factor loadings are; *Spec1* in model 2 (0.57) and model 3 (0.59), *Inno1* in model 1 (0.56) and model 3 (0.58), *C_perf3* in model 3 (0.57) and model 1 (0.55), *P_M_O4* in model 1 (0.53) and model 3 (0.55). However, we regard these items as very close to the threshold of 0.6, and therefore choose to keep them in the model. As our indicator variables hold high loadings, most of them will have smaller error variances - in accordance with the general tendency.

Next, among the authors' (Bagozzi and Yi 1988, 80) suggestions for reliability, we outline the results for CR, and AVE - with the guidelines that values should be above 0.6 and 0.5 respectively, in order to be at an acceptable level. Table 3.53, table 3.54, and table 3.55 in appendix 6 show all satisfactory values of AVE, except for the construct of short-term orientation (0.47). In addition, all the constructs have CR values above 0.6, where the lowest is short-term orientation of 0.64 (table 3.56 in appendix 6). In conclusion, as the models fit the data well, with significant lambdas, and values of CR and AVE at satisfactory levels - all of them

indicate *convergent validity*. With regard to *discriminant validity*, as before, we still choose to follow the recommendation by comparing the value of AVE for any two constructs with the square of the correlation between these two - where the AVE values should be greater than the squared correlation (Hair et al. 2010). As can be seen from the tables 3.53, 3.54, 3.55 in appendix 6, model 1 shows that discriminant validity is present for all of the constructs. However, in model 2 and 3 there are two constructs that do not pass this test - i.e., *specialization* and *innovativeness*. In model 2, the square correlation between *formalization* and *specialization* is noticeable higher than the AVE value of *specialization* ($0.682 > 0.54$), whereas the AVE value of *formalization* just passed this test despite the high correlation ($0.682 < 0.69$). The correlation of 0.826 can be considered as quite high, and should be kept in mind when interpreting the results. However, it does not exceed the minimum criteria for discriminant validity suggested by Brown (2006), stating that correlations between constructs of 0.85 or above indicate poor discriminant validity. In model 3, neither *specialization* nor *innovativeness* satisfies the discriminant validity test in correlation with *market orientation* (respectively; $0.555 > 0.54$, and $0.542 > 0.53$). However, *market orientation* passes this test in both of the correlation-instances ($0.555 < 0.61$, and $0.542 < 0.61$). It should be noted that even though there are evidence of that both *specialization* and *innovativeness* share more variance with the construct of *market orientation* than their own items, the differences between the AVE values and the correlations in both cases are not severe, i.e. a difference of 0.015 and 0.012.

We acknowledge that it is problematic not to have established discriminant validity, which means that there are some uncertainty regarding what the instrument means, or what the constructs represent. Just as important it is understand what an instrument is measuring, it is just as valuable to know what it is *not* measuring (Neuberg, West, Judice and Thompson 1997, 1026). A possible explanation for this issue can be related to the use of self-reports and the tendency of *consistency motif*, i.e. the need to be consistent throughout a series of questions, which is particularly evident when respondents make conclusions on how organizational aspects should be interrelated (Podsakoff and Organ 1986, 534). This can cause unexpected covariance structures. Also, on the discussion of the *consistency motif* problem, this is a common problem when different constructs,

e.g. *market orientation* and *innovativeness*, contain items that are similar in content - that can also lead to the consistency in answers to different scales (Podsakoff and Organ 1986, 535). A possible solution to this problem is to more rigorously deal with the constructs that are perceived conceptually similar, by for instance the use of EFA. However, constraints to sample size, time, and previous established discriminant validity between the constructs, led to the conclusion of not altering the properties of these well-established constructs of interest.

However, one should be aware of that the absence of discriminant validity does not necessarily imply that they are conceptually equal (Neuberg et al. 1997). By investigating the highly correlated constructs more closely, we find that their correlations' pattern with the remaining constructs do not follow the same pattern, and deviates from each other. For example, *specialization* has a low correlation with *reputational assets*, while *formalization* has a negative correlation with this construct.

3.6.4.3 Structural Model – Containing 14 Variables

In order to test the hypothesized structural model, we needed to transform the values of the constructs in the measurement models into factor scores - which are composite scores estimated for each respondent on the derived factors (Malhotra 2010, 638). Conveniently, the Stata program allows us to compute the exact factor scores. For each measurement model, corresponding factor scores were created. Each construct recurred twice, which resulted in two factor scores per construct. This means that the two values had to be averaged in order to obtain *one* value representing each construct. Next, in order to ascertain that the factor scores were a good measure of the items they represented, we correlated the averaged factor score with the associated observed variables. These correlation-values should be high in order to reach the conclusion of a good measure. The lowest correlation-value among all the constructs was 0.59 - between the factor score of Cust_perfcorravg and the item of Cust_Perf3. As all the factor scores performed well according to this analysis, we proceeded by including them in a full structural model.

The structural model containing 14 variables (table 3.57 below) was evaluated by inspecting the paths of a "full model" - which means that all possible paths were

included. The benefit by testing all possible paths is the allowance to control for all the potential effects that may exist, instead of restricting it to only hypothesized paths that could obscure the true impact of the independent variables. More specifically, this model is characterized as a saturated model (Hair et al. 2010), and the fit measures in this instance are therefore not applicable to assess (i.e. Chi-square value of 0.00, with zero degrees of freedom).

By inspecting the significance of the standardized path coefficients in table 3.57 (below), the control variable of *marketing budget* shows clearly non-significant paths on any of the dependent variables. In addition, the independent variables of *centralization*, *horizontal integration*, *communication*, and *competitive intensity* show non-significant effects on the BMS, which means that the hypotheses of H5, H8, H9, and H11 are *not* supported. With regard to the other hypothesized relationships, all of the variables show either satisfactory values at a 0.05 significance level or 0.10 significance level - with the few exceptions of the relationships; *innovativeness*, and *specialization* on the BMS. It should be noted that *innovativeness* and *specialization* exert a significant impact on *customer performance*. Consequently, as five of the variables in the structural model showed clearly non-significant paths, these were excluded from the model. As these variables were excluded, a new measurement model had to be developed in order to test the validity, reliability, and the fit of the model containing only the 9 remaining variables. Moreover, as none of the independent variables in the structural model had an exclusive effect on the BMS, we will return to the subject of *endogeneity* under the limitation section.

Table 3.57

Constructs	Coefficients	Standard Error	z	P > z
BMS ←				
Innovativeness	-0.015	0.150	-0.10	0.919
Market orientation	0.467	0.250	1.87	0.062
Short-term orientation	0.158	0.079	2.00	0.046
Centralization	0.077	0.066	1.17	0.243
Formalization	0.476	0.123	3.87	0.000
Specialization	-0.225	0.169	-1.33	0.183
Horizontal integration	-0.002	0.090	-0.02	0.985
Communication	0.022	0.075	0.29	0.770
Reputational assets	0.218	0.074	2.95	0.003
Competitive intensity	0.001	0.092	0.01	0.992
Marketing budget	0.100	0.072	1.39	0.166
Customer performance ←				
BMS	0.199	0.111	1.79	0.073
Innovativeness	-0.372	0.166	-2.24	0.025
Market orientation	1.338	0.271	4.94	0.000
Short-term orientation	0.196	0.090	2.18	0.029
Specialization	-0.871	0.181	-4.81	0.000
Marketing budget	-0.029	0.082	-0.35	0.726
Business performance ←				
Customer performance	0.495	0.106	4.65	0.000
Marketing budget	-0.106	0.091	-1.16	0.247

3.6.4.4 Development of the Final First-Order model – Revised with 9 Variables

The exclusion of the five non-significant variables reduced the complexity, and made it possible to develop *one* first-order measurement model for the remaining 9 variables (table 3.58 in appendix 6). The corresponding fit measures showed satisfactory results (table 3.60 in appendix 6). The same applied for the second-order measurement model (table 3.59 in appendix 6), which proved that modeling the *BMS*, and *market orientation* as second-order constructs was still unproblematic, as the difference between the first-order and the second-order measurement model showed no significant change in the Chi-square value ($0.081 > 0.05$) (table 3.60 in appendix 6).

3.6.4.5 Testing the Final Second-Order Model – Reliability and Validity

Having established a satisfactory measurement model fit, the reliability and validity of the constructs were examined. By assessing the lambdas (table 3.59 in appendix 6) and their corresponding p-values, the measures mainly show satisfactory reliability as all of the lambdas are significant, and most of them above the threshold of 0.6 (Bagozzi and Yi 1988, 80). The exceptions are: *Inno1*

(0.57), Spec1 (0.57), P_M_O4 (0.55), C_Perf3 (0.55), and S_T_O2 (0.57). Even though these items are below the threshold they are very close to 0.6, and we therefore choose to keep them in the model. Moreover, as most of the indicator variables have high loadings, most of them will therefore have small error variances - in accordance with the general tendency. Concerning the reliability measures of CR and AVE, all of the constructs showed satisfactory values, i.e. all of the constructs had CR values above 0.6, and AVE values above 0.5 (table 3.61 and table 3.62 in appendix 6). Similar to the three previous measurement models, we conclude that it is evidence of *convergent validity* as the model fit the data well, with significant lambdas, and satisfactory values of CR and AVE.

Regarding *discriminant validity*, all of the constructs except one pass this test (table 3.62 in appendix 6). The construct that does not show acceptable values is *specialization* - showing that the squared correlations with *market orientation* and *formalization* are higher than its AVE value (respectively; $0.587 > 0.54$, and $0.686 > 0.54$). We apply the same explanation provided under the discussion of discriminant validity in relation to the measurement model with 14 variables - as the results are very similar.

3.6.4.6 Multicollinearity

Interpreting the correlations between the 9 variables, we notice that some high correlations exist (table 3.62 in appendix 6) - thus, a short discussion regarding multicollinearity is provided.

Multicollinearity refers to “the extent to which a construct can be explained by the other constructs in the analysis” (Hair et al. 2010, 633). It should be noted that multicollinearity is sample-specific, and that the meaningful distinction is not between the presence and the absence of multicollinearity, but between its various degrees (Gujarati and Porter 2010, 254). It should be kept in mind that the magnitude of some of the coefficients may be attributed to the problem of multicollinearity. In particular, when one experiences challenges with multicollinearity a common situation is large variances and covariances, large confidence intervals, and at worst - insignificant significance coefficients (Gujarati and Porter 2010, 252).

There are various tools or indicators that provide some clue about the existence of multicollinearity (Gujarati and Porter 2010, 254; Grewal, Cote, and Baumgartner 2004, 521). Grewal, Cote, and Baumgartner (2004), cited in Shiu, Pervan, Bove, and Beatty (2011, 498), state that multicollinearity can cause problems in terms of Type II errors when it is extreme, i.e. when the correlation between the exogenous constructs is around 0.95. However, this problem becomes negligible when the correlation between the exogenous variables ranges from 0.6 to 0.8, CR reaches 0.80, R^2 approaches 0.75, and the sample becomes relatively large (Grewal, Cote, and Baumgartner 2004). Inspecting the correlations in table 3.62 (appendix 6), none of the variables have extreme multicollinearity. The highest correlations between the exogenous variables can be detected in the “Market orientation” and “Specialization” columns, which mostly ranges from 0.6 to 0.8 (i.e. 0.676, 0.709, 0.766, and 0.828). The one exception that slightly deviates from this range is the correlation of 0.828, which is between *specialization* and *formalization*. This can be seen in relation to the discriminant validity results, where *specialization* in particular showed deficient values. However, it should be stressed that the CR value of *specialization* (table 3.61 in appendix 6) is very close to the preferable value of 0.80 (i.e. 0.77). The overall R^2 for the two constructs of *formalization* and *specialization* has a value of 0.96, and where the R^2 for each item ranges from close to 0.6 to above 0.8. However, the item of Spec1 shows a relatively low R^2 (0.32). With regard to the other and less severe correlations, all of the involved variables have close to, and even higher CR values than 0.8, (i.e.; *market orientation* of 0.75, *specialization* of 0.77, *formalization* of 0.87, and *innovativeness* of 0.77). The overall R^2 for the other combinations of constructs show all values above 0.95, where again the item of Spec1, but also P_M_O4, and Inno1 generally show the lowest individual R^2 - values.

In sum, the reasons for the relatively high correlations can only be speculated. Even though there are some indications of multicollinearity, we choose to keep the constructs as none of them possess extreme values, with CR values close to the preferred value of 0.8, and high overall R^2 values.

3.6.4.7 Final Structural Model – Revised with 9 variables

Based on the satisfactory measurement model with 9 constructs, new factor scores were created. With only one factor score per construct, we correlated the factor

scores with the associated observed variables. These correlations should be high in order to reach the conclusion of a good measure. The lowest correlation among all the constructs was still the correlation with the value of 0.59 - between the factor score of Cust_perfcorrINC, and the item of Cust_Perf3. As all the factor scores performed well according to this analysis, we proceeded by including them in a full and final structural model, which will be discussed in the next section.

4.0 Analysis and Results

4.1 Testing the Hypotheses

This section outlines the results from testing the hypothesized relationships in the path diagram with 9 variables (see table 4.1. below), and provides a comparison with the results from the structural model with 14 variables. More specifically, we make comments on noticeable changes in the coefficients and p-values, which occur between these two structural models with 9 and 14 variables. Notice, the non-significant hypothesized relationships of H5, H8, H9, H11 - have already been tested in the structural model containing 14 variables, and were *not* supported.

4.1.1 The Exogenous Variables

The significance level used to test the hypotheses is 95 %. As can be seen in table 4.1 all except one of the exogenous variables have a significant effect on the endogenous variable of the BMS. The non-significant exogenous variable is *innovativeness* ($0.166 > 0.05$), which means that the hypothesis of H2a is *not* supported, and has a negative coefficient (-0.19) with the opposite effect of what we expected. Comparing these results to the structural model of 14 variables, we find the similar effect of the variable of *innovativeness* – a non-significant contribution on the BMS ($0.919 > 0.05$).

On the other hand, those that have a significant impact on the BMS are *market orientation* ($0.000 < 0.05$), *short-term orientation* ($0.003 < 0.05$), *formalization* ($0.000 < 0.05$), *specialization* ($0.002 < 0.05$), and *reputational assets* ($0.006 < 0.05$). This means, that the hypothesized relationships of H3a, H6, H7a, and H10

are supported. However, even though *short-term orientation* has a significant impact on the BMS, the positive coefficient (0.18) show that this variable acts as a facilitator, and not as an impediment to the BMS - thus, H4a is not supported.

Next, we inspect whether these results (table 4.1) are comparable and similar to the results of the structural model containing 14 variables (table 3.57). This comparison shows a very high consistency in which the variables of *short-term orientation* ($0.046 < 0.05$), *formalization* ($0.000 < 0.05$), and *reputational assets* ($0.003 < 0.05$) act as significant facilitators to the BMS – with positive coefficients. Notice, in the treatment of the 14 variables, the facilitator of *market orientation* is borderline significant at a 5 % level ($0.062 > 0.05$), consequently weakly supported at a 10 % level. The most noticeable difference, but consistent with our expectation, is found with the impediment of *specialization* in which highly changed its significance level from ($0.183 > 0.05$) to ($0.002 < 0.05$).

Taking the comparisons of the structural model containing 9 and 14 variables into account, we conclude to have identified one significant *impediment* to the BMS, i.e. specialization, and four *facilitators*, i.e. market orientation, formalization, reputational assets, and short-term orientation. In sum, by investigating the strength of the relationships between the facilitators and the BMS, we find that among the most influential variables on the BMS are *market orientation* and *formalization* (see table 4.1).

We hypothesized that the key variables of *innovativeness*, *market orientation*, *specialization*, and *short-term orientation* would have a direct effect on *customer performance*. More specifically, we find that *innovativeness* significantly impacts *customer performance* ($0.000 < 0.05$). However, the negative coefficient (-0.58) shows that innovativeness influences in the opposite direction – thus, H2b is not supported. Next, and in line with our theory, *market orientation* has a strong and positive significant effect on *customer performance* ($0.000 < 0.05$) - consequently, H3b is supported. With regard to the hypothesized impediment, *specialization* shows confirmatively a significant, and negative impact on *customer performance* ($0.000 < 0.05$) - thus, H7b is supported. Moreover, we expected that *short-term orientation* would have a negative contribution on *customer performance*, but contradicting our expectations this variable has a negative, and direct influence

($0.015 < 0.05$) - hence, H4b is not supported. Finally, we compare these results with the outcomes from the structural model with 14 variables, and reach similar conclusions both concerning the direction of the coefficients, and significance.

4.1.2 The Endogenous Variables

Table 4.1 shows that the hypothesis of H1a, with the positive impact of the *BMS* on *customer performance*, is borderline significant at a 5 % level ($0.051 > 0.05$). This means that at a 10 % level the relationship is significant, thus the hypothesis of H1a is weakly supported. With the hypothesis of H1b we expected that *customer performance* would have a positive effect on *business performance*. This positive relationship was supported ($0.000 < 0.05$). These results are also in line with the outcome from the structural model containing 14 variables. However, the p-value of the impact of the BMS on *customer performance* has decreased noticeably, i.e. from 0.073 to 0.051. This means that in the final structural model with 9 variables, the impact of the BMS on *customer performance* is evidently more significant.

Table 4.1

Constructs	H	Sign	Coefficients	Standard Error	z	P > z
BMS ←						
Innovativeness	H2a	+	-0.192	0.139	-1.39	0.166
Market orientation	H3a	+	0.966	0.217	4.46	0.000
Short-term orientation	H4a	-	0.180	0.061	2.96	0.003
Formalization	H6	+	0.573	0.139	4.12	0.000
Specialization	H7a	-	-0.644	0.208	-3.10	0.002
Reputational assets	H10	+	0.184	0.068	2.73	0.006
Customer performance ←						
BMS	H1a	+	0.198	0.101	1.95	0.051
Innovativeness	H2b	+	-0.582	0.139	-4.17	0.000
Market orientation	H3b	+	1.446	0.234	6.19	0.000
Short-term orientation	H4b	-	0.158	0.065	2.42	0.015
Specialization	H7b	-	-1.414	0.209	-6.75	0.000
Business performance ←						
Customer performance	H1b	+	0.627	0.132	4.74	0.000

5.0 Discussion

In this section we first summarize our findings from the conceptualized model, investigating key facilitators and impediments to the BMS, in addition to its impact on a firm's performance. Next, we discuss the theoretical and managerial implications of the contributions, and key findings from this research. As some of the relationships have been previously established (e.g. market orientation as an positive antecedent to the BMS), we choose to more thoroughly examine the parts where our research extends to the literature, but also where it contradicts that of previous findings.

5.1 Summary of Findings

In the area of strategic brand management that recognizes the importance of brands and how organizations internally should capitalize on their intangible resources – to our knowledge, none has investigated what in particular facilitate, and prevent firms from establishing a brand management system (BMS). This research has focused on examining the facilitators, and impediments to the BMS. Also, as a key premise for the recognized importance of the BMS with its impact on a firm's performance, this study examines its impact on *customer performance*, and ultimately *business performance*.

We theorized that the facilitators of *innovativeness*, *market orientation*, *centralization*, *formalization*, *horizontal integration*, *communication*, *reputational assets*, and *competitive intensity* would positively impact the BMS. On the other hand, we expected that *specialization*, and *short-term orientation* would act as impediments, with a negative effect on the BMS. We also hypothesized that four key variables (*innovativeness*, *market orientation*, *specialization*, and *short-term orientation*) would accordingly have a direct effect on *customer performance*. With the addition of the expected positive relationship from the BMS on *customer performance*, and *customer performance* on *business performance* – this study contained in total 16 hypotheses that were tested among manufacturers in the Norwegian food processing industry. By the use of path analysis that follows a similar logic of SEM, this analysis allowed us to investigate all probably linkages of constructs in our research model, and showed support for 8 of the 16 hypotheses.

Considering the hypothesized impact of organizational structure on the BMS - neither of the constructs of *centralization*, *horizontal integration*, and *communication* had a significant impact on the BMS. Interestingly, and in accordance to our expectations, the organizational design of *formalization* acts as a facilitator to the BMS, and exerts the second most influential facilitator. On the other hand, and in accordance with our theory, the only significant impediment identified in this study is *specialization*, with a direct negative effect on the BMS and *customer performance*. Consequently, *short-term orientation* did not behave in accordance to our expectations, but proves to be a significant and positive antecedent to the BMS. In addition, *short-term orientation* also has a direct and positive effect on *customer performance*.

Next, the key variables of *market orientation*, and *innovativeness* were hypothesized to have a direct, and positive effect on both the BMS, and *customer performance*. However, our results partly contradicts that of previous findings (Santos-Vijande et al. 2013) as the construct of *innovativeness* neither has a positive or significant impact on the BMS, but exerts a significant negative effect on *customer performance*. On the other hand, in line with our expectations and previous research, *market orientation* is an important facilitator to the BMS that shows the strongest positive effect of all variables. In addition, it directly influence *customer performance* positively. Next, we expected that *reputational assets*, as an indication of the existent recognition of the importance of brands and corporate reputation would act as a facilitator to the BMS. This research supports the positive contribution of this construct. However, this study does not find support for the catalyst of *competitive intensity* on the BMS.

Lastly, the high managerial implications that the investigation of relationships that could nurture or threat the development of the BMS, relates initially from the key premise that the BMS impacts a firm's performance. Consequently, this research investigated the relationship between the BMS, and key performance measures. The positive, and direct effect of the BMS on *customer performance* was borderline significant, and *customer performance* exerted a positive and significant impact on *business performance*. In the following section, we discuss the theoretical contributions, and managerial implications that these findings have.

5.2 Theoretical Implications, and Managerial Implications

In this section, we discuss each relationship within the broad themes that have been emphasized in this study - that is: how *management philosophy (orientation)*, *organizational structures*, and the *external environment* influence the development of the BMS. Specifically, we provide an integrated discussion containing both theoretical and managerial implications for each relationship.

5.2.1 The Influence of Management Philosophy, and Orientation: BMS, Innovativeness, Market Orientation, and Short-Term Orientation

This current research contributes to the conceptualization of the BMS and the brand management literature, by suggesting the BMS as a two-dimensional construct, rather than a three-dimensional construct that Santos-Vijande et al. (2013) established. Specifically, our results contribute to the very scarce literature of measuring the BMS, suggesting that the BMS does not seem to contain the individual dimension of *strategic brand management*, but rather as a theme incorporated across the other two dimensions of *brand orientation* and *internal branding*. A possible explanation of this is that the allocation of human and financial resources to develop brands (strategic brand management) seems to partly represent an expression of a brand orientation mindset (brand orientation), and partly an expression of the processes involving the alignment of employees' behavior with the brand's identity (internal branding). The latter instance is highlighted by DuBois Gelb, and Rangarajan (2014), stating that resource allocation for brand-building activities require an understanding of what differentiates the brand (i.e. brand identity) in order to focus resources on the employees who provide that difference. Moreover, the other rare article that measures the BMS, i.e. the study of Lee et al. (2008), treats the BMS as a one-dimensional construct. This means that our treatment of the BMS does not inflict with well-established theory of measuring the BMS, and might therefore be an important contribution to the scarce literature of this measurement.

The results of our study confirm that the BMS contributes to an improved customer performance, and ultimately a firm's business performance. These findings are in line with the previous research of Santos-Vijande et al. (2013), and Lee et al. (2008) - emphasizing that the BMS is more related to customer

performance than the financial performance, as the BMS needs enough time to have a significant impact on financial performance. In addition, the specific positive impact of customer performance on business performance, where the former functions as an positive antecedent to the latter, is also in line with a considerable amount of existing research (Santos-Vijande et al. 2013; Lee et al. 2008; Matear et al. 2002, 1070; Homburg and Pflesser 2000). In general, these findings highlight the importance of providing a significant amount of added value to customers, have a high level of communication with customers, have a favorable image among the customers, and retain the best customers in the market in order to achieve a strong financial performance in terms of sales growth, market share growth, and profits growth. However, the essential source of these results is to build and obtain a high recognition of the strategic importance of the brand within the organization, as well as carrying out significant investments to manage the brand (brand orientation), and aligning the employees' behavior with the brand's identity (internal branding) – i.e. to possess a well-functioning BMS.

Based on the previous literature, in particular the specific findings of Santos-Vijande et al. (2013), we expected that *innovativeness* would have a positive effect on both the BMS and customer performance. However, contrary to our expectations, the results conveyed a negative impact – where the impact on the BMS was non-significant, whereas the impact on customer performance was significant. These interesting results may be attributed to the specific context in which this study was conducted – i.e. the Norwegian food processing industry. In general, it seems to be a considerable difference between service and manufacturing firms when it comes to innovation with regard to the way they formalize development of new offerings. That is, manufacturing firms have a tendency to report the need for new strategies and structures when products are new to the industry or new to the firm, whereas service firms are more likely to convert novelty into success (Ettlie and Rosenthal 2011). This may be one of the reasons for our divergent finding from the results of Santos-Vijande et al. (2013). In addition, as described earlier, one of the prominent characteristics of the Norwegian food processing industry is the four dominating grocery chains, where vertical integration is a main feature. According to Stræte (2006) who looks specifically at the Norwegian dairy industry in relation to innovation and organizational change, it is argued that both internal and external conditions are

important to consider in this context. Specifically, with regard to the internal factors, the author argues that in order to succeed with innovation, the coordinated action among the members of the business organization must change. Here, knowledge creation and organizational learning are important factors, but also the need to be more focused on exploring challenges of implementing new strategies. However, hierarchical, bureaucratic, and vertically integrated organizations seem to specifically suffer from creating space for autonomy, which may be a hindrance for collective learning, and increase the risk of lock-in (Stræte 2006). Hence, novelty is not achieved in these conditions (Stræte 2006).

With regard to the external factors, Stræte (2006) specifically refers to the “standard volume paradigm”, and is described as a focus on production and efficiency, which he states is specifically found in this industry. Within this paradigm, in order to be a successful innovation a product must generate a high volume of sales (Stræte 2006, 1441). However, according to Guerrero, Dolors Guàrdia, Xicola, Verbeke, Vanhonacker, Zakowska-Biemans, Sajdakowska, Sulmont-Rossè, Issanchou, Contel, Scalvedi, Granli, and Hersleth (2009, 348) Norwegian consumers tend to be quite critical to the idea of innovation of food-products in particular. These factors may explain much of the negative effect of innovativeness on customer performance.

Thus, it is not only the characteristic of the organizations in the Norwegian food processing industry that seem to have some major drawbacks with regard to innovation, but also a bad combination with the negative view of the consumers’ perspective on innovations. This suggests that having the development of innovations as a fundamental part of the culture of the firm, actively seeking innovative ideas, and accepting innovation proposals, may not be beneficial as it can have a negative impact on the firm’s customer performance. Specifically, innovations may not be seen as an added value to consumers, neither as a beneficial image among its customers, and may not retain the best customers in the market for this reason. A good confirmatory example is the statement from one of the respondents of this study, emphasizing that; “Innovations are often not conducted due to the monopolistic character of the Norwegian processing industry, as we cannot afford to compete on price with the large grocery chains. In

addition, the Norwegian consumers do not want to change their habits...Zalo is a good example”.

Perfectly in line with the very scarce literature of the BMS (Santos-Vijande et al. 2013; Lee et al. 2008) this study shows that *market orientation* has a positive effect on the development of the BMS, and represents the strongest effect among the antecedents investigated in this study. This means that market oriented firms, which focus on identifying and satisfying both customers’ latent and expressed needs tend to establish an efficient and effective BMS. This also underlines that interdependencies exist among organizational capabilities (Santos-Vijande et al. 2013, 156; Merrilees, Rundle-Thiele and Lye 2011). In addition, it confirms the existence and importance of the dynamic capability that the BMS is conceptualized as (Santos-Vijande et al. 2013). Moreover, this study also investigates and confirms the well-established effect of market orientation on customer performance - showing that even with the presence of the effect of the BMS on customer performance, market orientation has a direct and positive contribution to customer performance. In fact, market orientation exerts the strongest impact on customer performance, which is in line with the finding of Santos-Vijande et al. (2013). This would mean that managers need to identify and satisfy customers’ expressed and latent needs in order to outperform competitors on areas regarding customer-related outcomes in the market. Therefore, this current study confirms the positive tendencies that market orientation has on both the development of the BMS and on customer performance, but extends the contribution of this variable in a Norwegian context among manufacturing firms.

Short-term orientation was expected to have a negative effect on both the BMS and a firm’s customer performance as it concerns decisions which are best in the short-term, but not necessary in the long run - and can be seen as an obstacle to branding and provides little contribution to the customers specifically with regard to the relationship-building aspect. However, and contrary to our expectations, short-term orientation had a positive, and significant effect on both the BMS and customer performance. A possible explanation could be that short-term orientation and long-term orientation may not necessarily be mutually exclusive, but rather that short-term orientation can contribute as a complementary factor to the long-term orientation - i.e. short-term actions can contribute to long-term benefits. This

tendency is in line with the argumentation by Aho (2013), stating that long-term sustainability requires changes to current practices, but in order to finance the necessary investment to change, short-term profits are required. Moreover, this tendency is also confirmed in the research by Woodside, and Uncles (2005) suggesting that short-term marketing programs affect behavioral primacy (i.e. purchase of a brand), that results in a high long-term share of purchase of that brand. The authors explain this phenomenon in relation to mundane product categories, which is the case for the industry in this study. They argue that the continuance of buying the first-brand bought helps to conserve cognitive efforts for a consumer's more important concerns (Woodside, and Uncles 2005, 229). Keller (1993, 2) further supports the positive effect of short-term actions, stating that marketers should realize that long-term success of future marketing programs for a brand is greatly affected by the firm's short-term marketing efforts.

Consequently, we argue that short-term orientation and corresponding actions can in fact act as a positive contributor to the long-term perspective and success of the BMS. In addition, the positive outcomes of short-term marketing activities might specifically contribute to the brand orientation dimension within the BMS, as the firm might gain an enhanced recognition of the importance of brands and the investments in them. Lastly, being alert, and act upon rapid market changes are in line with the dynamic capability within the BMS. From a manager's perspective, this suggests that it might be beneficial to complement the long-term perspective and plan, with a short-term orientation.

Moreover, we hypothesized that *short-term orientation* would have a direct and negative impact on *customer performance*. We expected that *short-term orientation* could jeopardize customer loyalty or repeat business, even though it could potentially stimulate short-term sales (Noble, Sinha, Kumar 2002). From a *value generation perspective*, short-term orientation has been associated with actions that provides little added value to customers (Noble, Sinha, Kumar 2002). However, the results contradict these expectations and do not yield support for that *short-term orientation* negatively impacts customer performance metrics, such as added value to customers, or retention of the best customers. However, we argue that the interpretation of "added value" is a subjective evaluation that is ultimately determined by the consumer. Particularly, Keller (1993) argues that

customer-based brand equity must be understood in relation to customers' reactions to the marketing mix. Assessing the specifics of the Norwegian food processing industry, we argue that the marketing elements regarded as short-term in nature, i.e. campaigns, promotions, and premiums (Norwegian Agricultural Authority 2012) - contribute to enhanced perceived value of offerings to consumers - thus, it positively impacts customer performance.

We make a final remark on the subject of *short-term orientation*, in comparison to the impact of *market orientation* - that are both treated as key management philosophies in this study. In sum, even though the results demonstrate the benefits of short-term orientation, managers should still be aware of that market orientation exerts a stronger effect on customer performance. This means that decisions should not jeopardize the fundamental aspect of *customer needs* as reflected in market orientation. In conclusion, these results show that long-term orientation (i.e. the BMS, and market orientation), and short-term orientation should not be considered as opposing views, rather be treated as important orientations that both impact customer performance.

5.2.2 The Impact of Organizational Structures: Centralization, Formalization, Specialization, Horizontal Integration, and Communication

To our knowledge, this research is the first to investigate how organizational structures help to facilitate or hinder the development of the BMS. We wanted to understand the effects of different designs, i.e., how work is coordinated and executed (John and Martin 1984), and its impact on the BMS. These results hold high managerial implications, as organizational structures are an internal component that a firm can control, and influence.

More specifically, this study investigated the impact of *centralization*, which was expected to positively influence the BMS. However, this relationship is not significant, though it shows a positive contribution to the BMS. Next, we hypothesized that rules, and procedures through the organizational structure of *formalization* would positively impact the BMS. Our study shows that *formalization* is an important facilitator to the BMS, with the second strongest effect. These findings show the value of evaluating leadership style, and how

marketing managers should choose to coordinate, facilitate, and carry out brand-related activities among employees. More specifically, this research has particularly treated formalization in relation to *marketing planning* (Andrews and Smith 1996), as this is considered a major tool in how to deal with the environment, and it implies that organizations think ahead of the desired actions and outcomes of the future. As implementation of marketing programs are one of the key responsibilities of marketers, this research provides support to how these processes should be managed. In particular, managers should place structured procedures, and formats for planning, and execution. Ruekert, Walker, and Roering (1985) have found a positive relationship between formalization, and performance within the marketing department. More specifically, one of the abilities of formalization is to bring routines to activities, and limit risks (Ruekert, Walker, and Roering 1985). Therefore, we argue that formalization has the ability to bring clarity, and understanding of the treatment of brands among employees, and consequently it positively impacts the BMS. Also, as this organizational structure can potentially foster *learning* (Nahm, Vonderembse, and Koufteros 2003, 285; Koufteros and Vonderembse 1998; Damanpour 1991; Ettl, Bridges, and O'Keefe 1984; Dewar and Werbel 1979; Pierce and Delbecq 1977; Aiken and Hage, 1971; Evan and Black 1967; Thompson 1965), it will positively impact the dimension of the BMS that entails brand-related knowledge, and education among employees, which enables the alignment of employees' behavior with the brand identity (Santos-Vijande et al. 2013).

In the domain of organizational structure, we expected that a specialized structure in the marketing department would act as an impediment to the BMS. Due to the nature of *specialization* that involves a narrow division of activities, carried out by individuals with specialized knowledge (Vorhies and Morgan 2003) - we expected that this structure would inhibit the development of the BMS. This study contributes to the literature by showing that specialization has a negative, and significant impact on the BMS - representing the second highest impact of all the influencers. The results show that managers should be aware of the possible downside of specialization, as is it might entail that relevant information stays as exclusive details among individuals. More specifically, we argue that the nature of specialization can lead to the absence of information sharing, and make the integration and coordination of brand-related activities more difficult.

Consequently, this means that managers should encourage an environment where employees share knowledge, and insight about the brand. Overall, even though this research is the first to investigate how organizational designs impact the BMS, we find similarly that centralization, and formalization vary inversely with specialization (Ruekert, Walker, and Roering 1985, 20; Hage 1965).

Previous research has shown that organizational structures can have a profound effect on organizational outcomes (John and Martin 1984; Hall 1977; Moch and Morse 1977). More specifically, we investigated, and expected that *specialization* would have a negative impact on *customer performance*. Among the hypothesized variables that could have a direct effect on the outcome variable, *specialization* shows the second largest negative impact. We argue, that specialized structures within the marketing department might inhibit that vital information about customers is shared, and acted upon. Another explanation of the effect of specialization can be related to some of the characteristics of the Norwegian food processing industry, i.e. the “standard volume paradigm” with a high focus on efficiency (Stræte 2006). According to Olson, Slater, and Hult (2005, 61) firms that have a high focus on efficiency-related advantages, *marketing generalists* instead of *specialists* are more useful as they can work with a variety of tasks, and identify areas that can help to control costs. We argue that increased efficiency, and lower costs enable a firm to provide more value to the customer such as offering products with lower prices. Thus, this organizational structure can be highly relevant for the context of our study.

The final domains of organizational structures investigated in this study were *horizontal integration* and *communication*. Based on existing theory, we expected that the use of cross-functional teams (horizontal integration), and the use of cross-functional communication (communication) would have a positive and significant effect on the development of the BMS as they both seem to promote education and training of the employees – a central part of internal branding. However, their contributions to the BMS were weak and statistically insignificant. From a manager’s perspective, this does not imply that these aspects are not important for an organization; rather it indicates that they do not specifically impact the BMS significantly.

5.2.3 *The Influence of the External Environment: Reputational Assets and Competitive Intensity*

The results of this study provide an important extension to reputation theory and the brand management literature. In accordance with our expectations, the results show that *reputational assets* have a significant and positive impact on the BMS. In general, this confirms the tendency that corporate reputation has an effect on management decision-making and reputation management actions (Weiss, Anderson, and MacInnis 1999; Bromley 1993; Fombrun and Shanley 1990). Thus, this result indicates that companies with valuable and strong reputational assets will possess a motivation and recognition to sustain a good reputation. In other words, we argue and suggest that it will act as a motivation for *building* the BMS, as the good-reputable companies will be interested in managing these intangible assets as well as possible.

Further, the positive impact of strong reputational assets should also be understood in its relation to employees with its positive contribution to corporate brand identification (Kuenzel, and Halliday 2010), which in turn enhances supportive behaviours (Maxwell, and Knox 2009; Dukerich, Golden, and Shortell 2002). That is, employer brand image positively contributes to organizational identification that potentially could make employees brand ambassadors, which is an ultimate goal of internal branding (Maxwell, and Knox 2010, 897). Thus, the successful implementation of internal branding is positively influenced and contingent upon proper organizational identification and recognition of the brands' importance among employees. Specifically, our results may indicate that firms with a good reputation may possess a higher amount of brand ambassadors among the employees, as they can more easily identify with the organization. Thus, in conclusion, reputational assets seem to positively affect the BMS both in terms of management decision-making, and supportive corporate brand behaviors among the employees.

The second external influence examined in this study is the force of *competitive intensity*. We expected that *competitive intensity* would positively impact the development of the BMS as it might act as a catalyst that triggers a firm to reconfigure its resources, and capabilities in order to build strong brands. However, this relationship was not significant - though, the impact was positive.

This result might indicate that rivalry among firms in the market, such as many promotion wars and new competitive moves, does not have an impact on the development of the BMS.

6.0 Limitations, and Future Research

This section outlines the limitations of our study. First, the research design is cross-sectional. This means that even though the design has its undoubted strengths, it also has its limitations in the sense that one cannot be certain that the causal relations identified in this study will change over time, and it is hard to explain specifically *why* the observed patterns exist (Easterby-Smith, Thorpe, and Jackson 2012, 67). Consequently, adopting a longitudinal design would overcome this limitation, and further strengthen the results (Easterby-Smith, Thorpe, and Jackson 2012, 67). Second, as the measurements were based on a single source from each firm, it represents a potential for common-method bias (Rindfleisch, Malter, Ganesan, and Moorman 2008, 261). However, even though we ideally should have collected responses from several sources within each firm, it could have led to a lower response rate, and therefore restricted the generalizability of the results. Third, the business performance measure was purely based on the respondent's subjective perceptions, yet it should ideally been compared with publically available objective financial data in order to validate this performance dimension. However, evidence of strong correlation between objective performance data and subjective assessment of performance exists, which supports the validity of the key informant data (Morgan, Kaleka, and Katsikeas 2004, 96).

Fourth, as an EFA was performed to investigate the underlying dimensions of the BMS, which revealed a two-dimensional rather than a three-dimensional construct, the new structure of the BMS should have been tested out on a new sample in order to validate this construct. Thus, we encourage future research to replicate this construct and test it out on different samples. Fifth, due to the relatively small sample size in this study, we are aware of the weaker statistical power that this implies, and that it may make the estimates of the parameters somewhat unstable (Hair et al. 2010, 10). Sixth, some limitations with regard to

factor scores exist, as the dimensions with high loadings within a construct will constitute a larger proportion of the variation in that construct. This could have been avoided by using mean-scores, as the weighting would be equal in this instance. In addition, the combination of few observations, and many items in the estimated models may have provided somewhat uncertain estimates of the factor scores. However, the quality of the factor scores seemed to be satisfactory as their correlations with their corresponding items were relatively high. Seventh, as we addressed the issues of the lack of discriminant validity, and some degree of multicollinearity, caution should be taken into account when interpreting the results of this study. Though, it should be noted that these issues do not necessarily imply that the applicable constructs are equal, and that they were still important variables to include in the current study.

Eighth, even though a probability sampling technique was used to eliminate selection bias, a sample selection bias might still have been present. We cannot be certain whether self selection by the respondents has been prominent or not, as some might have been more inclined to participate due to specific interests in the topic or for any other reasons. In addition, as we specifically chose to study the food processing industry, this was imposed as a requirement for entry into the sample for analysis. Thus, this nonrandom selection between industries can be considered as a form of sample selection decisions (Heckman 1979, 153-154). Ninth, the facilitators, impediments, and the consequences of the BMS are measured in a specific context: manufacturer firms in the Norwegian food processing industry. Therefore, it raises the question of whether our results can be generalized to other contexts. Tenth, as none of the independent variables seemed to solely affect the BMS, there were difficulties in using instrument variable methods in order to account for, and correct for endogeneity. More specifically, this prohibited the allowance for correlations between the residuals of the dependent variables, i.e. the BMS, customer performance, and business performance. This means that the estimated structural models in this study suffer from weaknesses in relation to endogeneity corrections, and can be a potential threat to the conclusions in this study (Sande and Gosh 2014). Other unmeasured variables may have played an important role in the conceptual model in this current study, and thereby account for some of its findings (Santos-Vijande et al. 2013, 156).

In sum, this study gives opportunities for future research. We encourage future research to test out the conceptual model in a different context in order to validate the results. In addition, replicating the measurement of the two-dimensional BMS should be carried out on different samples, and in different industries. Finally, other potential facilitators and impediments of the BMS should be investigated.

7.0 References

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8.0 Appendices

Appendix 1: Preliminary Thesis Report

Appendix 2: Cover Letter

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Appendix 4: Descriptive Statistics, Univariate Normality, and Multivariate Normality

Appendix 5: Single-Factor CFA

Appendix 6: Full Measurement Models, and Structural Models

Appendix 1: Preliminary Thesis Report

Name of students and ID number

Maria Korban - 0847643

Mari Westby Nordstrøm - 0877739

Name of Supervisor

Jon Bingen Sande

Preliminary Thesis Report

- Antecedents and obstacles for the development of a brand management system -

Hand-in date:

15th of January, 2014

Campus:

BI Oslo

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Programme:

Master of Science in Strategic Marketing Management

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Introduction

A vast number of literature emphasize the importance of creating strong and favorable brand associations in the minds of customers, ultimately leading to increased purchase rates. However, few investigate how brands are managed internally to create brand equity. The literature regarding this topic has focused on the concept of *brand equity management system (BEMS)* or the *brand management system (BMS)*. That is, mostly explaining its terminology and content in terms of processes and stages that companies should apply and follow. The scarce literature of empirical findings have mainly investigated the underlying dimensions of BMS, and how it impacts customer performance and ultimately business performance. However, to our knowledge none has looked at what factors that impacts or refrain firms from developing a BMS, which represents our contribution to the literature. We argue that this study will have high managerial implications. Should we believe the depressing outlook, expressed by Ragnhild Stilkoset in the latest BI Marketing Magazine (2013/14) - we can say “goodbye, to marketing managers”. That is, with the short-term focus on sales, the long-term development of good customer relations, and sustainable value creation - are jeopardized. We believe that a fully integrated BMS and understanding of what positively impacts and threatens the development of brands can contribute to strengthening both marketers and brand managers positions, but most importantly protect the survival of brands and its identity - ultimately leading to brand equity.

This research investigates the drivers and barriers for the development of a BMS. The three underlying dimensions of BMS consist of: *brand orientation*, *internal branding* and *strategic brand management* (Santos-Vijande, Belén, Suárez-Álvarez, and Díaz-Martín 2013). Drivers and barriers to BMS will represent factors both within the internal and external environment of an organization. More specifically, the antecedents and their effects on BMS we investigate are: *reputational assets*, *human resource assets*, *short-term orientation*, *innovativeness*, and *market orientation*. In addition, we test the effect of BMS on performance - i.e. its effect on customer- and business performance. Additionally, we test the direct effect of market orientation, innovativeness, and short-term orientation on customer performance. The remainder is organized as follows: after the introduction we provide the background, objectives and research questions for this study. Next, we give a literature review with proposed hypotheses, followed

by the suggested conceptual model. Further, suggestions to other variables affecting the development of BMS are outlined, some of them are; *agencies, financial resources, organizational structure, and hierarchical relationships*. Next, the methodology section is described with the suggested research design, data collection, survey and operationalizing. In the appendix a full overview of scales and implementation plan are found.

Background

Kim and Lee (2007, 77) find that a high percentage of companies do not have “a system and a model for brand equity measurement”. This can be problematic, because in order to get the most value out of brand-related activities, firms need proper internal structures and procedures to capitalize on the usefulness of the brand, and its equity. Brand equity is “customers’ subjective and intangible assessment of the brand, above and beyond its objective perceived value” (Keller 2010, 83). It is important for every business as it represents one of the key drivers of customer equity, i.e. the discounted lifetime value of a firm’s customer base (Keller 2008, 83). Creating and possessing a strong brand is one of the key elements for achieving competitive advantage (Zablah, Brown, and Donthu 2010). With high brand equity, customers are more inclined to pay a price premium, and more likely to engage in positive word-of-mouth about the brand (Bendixen, Bukasa, and Abratt 2004). As brand equity consists of customer awareness, customer brand attitudes, and customer perception of brand ethics (Keller 2008, 83), focusing on internal branding is crucial in order to obtain employees’ commitment to the brand - ensuring consistent delivery of the brand promise (Punjaisri, Evanschitzky and Wilson 2009). Possessing a strong BMS will both guide internal resources and impact brand equity, through increased customer performance. Hooley, Greenley, Cadogan and Fahy (2005) state that unless people are equipped to their jobs, even the most innovative, or well-designed strategy will fail. As a brand represents an intangible aspect, it needs to be recognized, supported, and safeguarded through a well-designed BMS, not simply by patents or other forms of legal means (M’zungu, Merrilees and Miller 2010).

Kim and Lee (2007) view the BMS as the infrastructure for actual marketing activities. Similarly, Lee, Park, Baek, and Lee (2008, 851) emphasize that BMS is conceptualized as “the degree of infrastructure building activities with respect to brand-related 1) organization and culture, 2) knowledge and education, and 3)

implementation and performance evaluation systems”. Lee et al. (2008, 849), and Santos-Vinjande et al. (2013,148) provide the broad definition of BMS as a “set of any systems, organizational structure, or culture of a firm supporting brand-building activities”. The latter definition of BMS will be adopted and applied to this study.

Objectives and Research questions

This research will contribute to the scarce literature on the multidimensional scale of BMS that Santos-Vijande et al. (2013), Lee et al. (2008), and Kim and Lee (2007) have worked on. We extend the research by looking at impediments and motivations that impact the development of BMS from a firm’s perspective. This research provides important information to companies and managers. The scales can function as important tools that allow managers to assess organizational and internal structuring of marketing, and brand-building activities. Identifying internal strengths and weaknesses will help managers to improve customer performance efficiently. Possessing a strong BMS will not only provide an overview or guideline, helping the brand in the desired direction - it also gives a profound understanding of what and how things are happening with the brand, giving a dynamic foundation for meeting new marketing challenges. Having this foundation affects the company’s actions, giving more consistent and well-informed decisions that contribute to improved performance - with customers, the marketplace and the firm. Drawing on the literature from the disciplines of strategic marketing management, we use previously adopted scales for measuring the BMS, and its key drivers and obstacles for the development of the system.

More specifically, the **objectives** of this study are;

- 1) To explore the effects of the antecedents of BMS: *reputational assets, human resource assets, short-term orientation, innovativeness, and market orientation.*
- 2) To test the effects of *innovativeness, market orientation, and short-term orientation* on customer performance.
- 3) To test the effect of BMS on customer performance and business performance.

The research questions can be defined as follow:

Research questions:

- 1) *What motivates and prevents firms from developing a BMS, and how does this impact customer performance?*
- 2) *How does BMS ultimately impact business performance?*

Literature Review

The Dimensions of Brand Management System (BMS)

M'zungu, Merrilees, and Miller (2010, 605) conceptualized how brands should be managed internally by organizations in order to create and safeguard brand equity. For building and sustaining the long-term survival of brand equity, the suggested three-stage conceptual model involves: 1) adopting a brand-orientation mindset, 2) developing internal branding capabilities, and 3) consistent delivery of the brand (M'zungu, Merrilees, and Miller 2010, 605). Expanding on this work, Santos-Vijande et al. (2013) empirically tested the three underlying dimensions of BMS consisting of: brand orientation, internal branding and strategic brand management - that we adopt and apply for this current study. BMS is the “basic internal management infrastructure necessary to sustain brand-building activities and brand equity creation” (Santos-Vijande et al. 2013, 148). The system shows the importance of treating BMS as a dynamic capability in relation to the development of brand equity, rather than solely focusing on treating brands as an asset (Louro and Cunha 2008; Santos-Vijande et al. 2013). Its focus is on the brand supportive capabilities, and firm-level practices that contribute to the success of a brand (Beverland, Napoli and Lindgreen 2007). Additionally, the interest in these three dimensions is not how they separately contributes the development of brands, but rather how they together represent a system that help to contribute to building brand equity (Santos-Vijande et al. 2013).

Brand Orientation

Brand orientation is concerned with the degree of recognition that brands receive within organizations, and whether they are treated as important assets - that the marketing strategy, and activities revolve around (Santos-Vijande et al. 2013). For building and sustaining the long-term survival of brand equity, the first stage suggested by M'zungu, Merrilees, and Miller (2010) is the adoption of a brand-orientation mindset. They argue that in order to protect brand equity, the brand-orientation mindset ensures bridging strategy and implementation. Urde (1999) was one of the first to stress the importance of brand orientation. Defined as “an approach in which the processes of the organization revolve around the creation, development and protection of brand identity in an ongoing interaction with target customers, with the aim of achieving lasting competitive advantages in the form

of brands” (Urde 1999, 117-118). Here, a firm recognizes the importance of treating brands as valuable assets, as they carry own expressions and identities (Urde 1999). Wong and Merrilees (2007) looked at advantages for organizations scoring high on brand orientation, and find a significant and positive relationship between brand orientation and brand performance. That is, a positive relationship with aspects such as brand awareness, customer brand loyalty, and desired brand image (Wong and Merrilees 2007). In a study by Baumgarth (2010, 653), brand orientation has a positive influence on market and economic performance, where it is shown that smaller business-to-business companies with lower levels of brand orientation, exhibit strategic disadvantages compared to larger firms. In another study, by Baumgarth and Schmidt (2010) the researchers find a strong and direct influence from brand orientation to internal brand knowledge, internal brand commitment, and internal brand involvement. In a study by Kim and Lee (2007) we find the importance of recognition by top-management.

Internal Branding

Internal branding can be seen as the process of aligning employees’ behavior with a brand’s identity (Mitchell 2002, 105; Vallaster and de Chernatony 2006, 761). There is a general agreement that brand success depends on a retained understanding of the brand’s core meaning, and maintaining a consistent image over the long term (Gardner, and Levy 1955, 36; Michell, King, and Reast 2001), where internal branding is an important foundation to obtain conditions such as employees’ commitment to the brand (Beverland, Napoli, and Lindgreen 2007; Punjaisri, Evanschitzky, and Wilson 2009). Brand commitment is actually seen as an antecedent of brand-supportive behavior (Burmam and Zeplin 2005; Vallaster and de Chernatony 2006, 776). Furthermore, de Chernatony and Cottam (2006) find that for successfully driving brands, the internal brand factors are of high importance, in order to grow brand equity. The researchers find that among businesses with successful brands, a determining factor was a holistic, yet consistent and integrated approach to branding. They find that a high degree of brand literacy was an important characteristic - suggesting that employees are better informed and educated about the brand, which could contribute to tacit organizational culture or more open and observable communication. Evidently, educating and training employees are important aspects of internal branding, which provide employees with knowledge and understanding of the brand’s

identity- enabling them to fully support it. In fact, it is suggested that, from an organizational perspective, brand architecture is needed– i.e. manuals to run the principles and regulations that “set roles of products and brands and build their relationships within an organizational entity” (Kim and Lee 2007, 81). Thus, one of the objectives of internal branding process seems to be making employees “brand ambassadors”, i.e. an internalization where employees integrate core values of a brand into their own value system (Vallaster and de Chernatony 2006, 776; Burmann and Zeplin 2005). Affirmatively, synergy between the brand and organizational culture imply congruence between the organization’s, the employees’, and brand’s values – and is found to be associated and prominent in the more successful brands (de Chernatony and Cottam 2006, 622). Another important objective for internal branding is internal communication about the brand (M’zungu, Merrilees and Miller 2010; Santos-Vijande et al. 2013, 150). This is important for brand strategy implementation, as it is essential that the employees have knowledge of what the brand represents, and its values, and aspirations (M’zungu, Merrilees and Miller 2010, 611). Webster and Keller (2004, 400-401) further emphasize adopting a top-down (i.e. from managers and directors) and bottom-up (i.e. from the employees) approach, where the activities within these approaches can be complementary and mutually reinforcing - enabling both to capture the “big picture” and each individual product. Communicating the brand internally needs to be apposite for the employees to be effective, thus Santos-Vijande et al. (2013, 150) stress that BMS needs to monitor the internal brand image to align internal perceptions of the brand and the organization’s strategic objectives. All in all, internal branding represents an underlying dimension of BMS as it contributes to 1) operationalizing the brand orientation culture, 2) implement brand-building activities, and 3) ensuring consistent delivery of the brand promise and maintaining consistent brand image (Punjaisri, Evanschitzky and Wilson 2009; Santos-Vijande et al. 2013, 150).

Strategic Brand Management

Santos-Vijande et al. (2013, 150) state that if brands are going to function as a potential source for competitive advantage, there are certain elements the strategic management needs to be founded on; 1) a marketing strategy consistent with the brand image desired by the company; 2) planning with a medium to long-term horizon; 3) evaluation and tracking of the development of the brand image and its

value in the marketplace; 4) economic dedication and assignment of human resources. Similarly, Keller (2008, 38) looks at strategic brand management as a process that evolves around four activities; 1) identifying and establishing brand positioning, meaning the associations, points of parity, points of difference, and the brand promise (Keller 2008, 39), and which is very much in line with the development of a brand image, as suggested by Santos-Vijande et al. (2013). Further, Keller (2008) suggests; 2) planning and implementing brand marketing programs, representing a knowledge-building process focusing on choosing brand elements and leveraging secondary associations (Keller 2008, 40). Even if this element gives more details to the content of the planning, compared to Santos-Vijande et al. (2013), it would still imply and be in accordance to their stance, that the organization set aside a longer duration, or long-term approach when planning for how to increase consumers awareness, and associations with the brand (Keller 2008). Next, Keller (2008) argues for; 3) measuring and interpreting brand performance. As an illustration, as London Business School professor Tim Ambler states “most companies do not have a clear picture of their own marketing performance which may be why they cannot assess it” (Keller 2008, 342). It underlies the need for a measurement system that helps with the evaluation of the current status and market performance of the brand in the marketplace, which coincides with Santos Vijande et al. (2013). Lastly, Keller (2008, 41) emphasizes; 4) growing and sustaining brand equity, meaning defining the branding strategy, managing brand equity over time, and managing equity across geographic boundaries, cultures and market segments. This deviates from Santos-Vijande et al. (2013), clearly focusing on assuring that the company set aside the necessary financial funding for development, and which is not emphasized by Keller (2008). Matear, Brendan, Gray and Garrett (2004, 284) find that both new service development and brand investment contribute to positional advantage. Additionally, Katsanis (1999) stresses the importance of allowing consumer responses to shape the process and content of the strategic management and planning, as the marketing function and its closeness to consumers have the potential to create competitive advantage. Beverland, Napoli and Lindgreen (2007) look at how capabilities create global brand leadership. Among the capabilities, the authors find that adaptation to customer needs and quantification of the intangible aspect of a brand - are important contributors to the success of obtaining status such as global brand leadership.

BMS and Performance***BMS, and its influence on customer- and business performance***

Santos-Vijande et al. (2013, 150) emphasize BMS as a dynamic capability. Specifically, the authors argue that this capability is present when introducing a continuous analysis of market evolution as a key constituent of the BMS. In today's highly competitive and turbulent markets, it is evident that having this dynamic component is crucial to achieve a strong brand and a sustainable competitive advantage. In conjunction with these latter two favorable outcomes, Santos- Vijande et al. (2013, 150) suggest that part of the ultimate objective of BMS is to permit a permanent renewal of skills and resources, and adapt to market evolution. Despite the scarce literature of BMS and its effect on performance, some research provide interesting results and give this study a foundation for the hypotheses. Baumgarth (2010) find empirical evidence of BMS as vital to market success in a B2B context. Also confirmed by Lee et al. (2008), in both B-B and B-C environments, where firms with a well-developed and -organized BMS dramatically enhance brand performance. Following the findings of Santos-Vijande et al. (2013), we propose that a well-developed BMS will lead to development of strong brands, which will improve customer performance, in turn enhancing a firm's business performance. This implies that customer performance is assumed to mediate the relationship between BMS and business performance. Based on existing literature we hypothesize the following;

H1: *The BMS has a positive effect on the firm's customer performance*

We break down brand performance into two constructs – one that includes customer-related outcomes such as customer satisfaction, loyalty and perceptions of the brand, i.e. *customer performance*, and the other reflecting overall business performance, including growth measures related to sales, market share, and profits, i.e. *business performance*. Previous literature confirms the positive effect of customer performance on financial performance, where customer performance is assumed to be an antecedent of financial performance (Homburg and Pflesser 2000; Matear, Osborne, Garrett and Gray, 2002, 1070; Lee et al. 2008; Santos-Vijande et al. 2013). Consistent with these findings we therefore hypothesize:

H2: *The firm's customer performance has a positive effect on its business performance*

Motivations and impediments for the development of a BMS

Reputational Assets, and the BMS

Hooley et al. (2005, 19) view reputational assets as a part of market-based resources, representing the dimension of credibility and reputation that a firm has among stakeholders. This research is the first to test the effect of reputational assets and its impact on the development of a BMS. Valuable brands that represent strong brand equity takes time to develop and build, regardless of whether it is in connection with the company or brand name and its reputation. Keller (2008) stress the importance of a long-term approach for raising awareness and associations with a brand among consumers, also supported by Santos-Vijande et al. (2013), that argue for the importance of a long-term horizon when planning and deciding on the strategy for building the desired brand image. However, this perspective already assumes that the management understands and treats brands as valuable resources, and chooses the BMS as the appropriate structure from the very beginning. We expect that this recognition will most likely occur and be considered as relevant once the company is well established in the market with concerns of sustaining and building its credibility (Hooley et al. 2005). A study conducted by Weiss, Anderson and MacInnis (1999, 74) show that arguments based on reputational concerns, influenced sales organizations' structure decisions. Particularly, in situations where perceptions of reputation are poor - a firm will be motivated to deal with the reputational issues and change the structure, if one perceives that the change will be consistent with what competitors do (Weiss, Anderson and MacInnis 1999). Findings by Hooley et al. (2005) shed light on the contradicting finding that market orientation has a significant, but negative path with reputational assets, with the alternative explanation that previous success in the marketplace might lead to losing touch with the market - at least for some time (Hooley et al. 2005). The current study is the first addressing the consequences of reputational assets on the development of BMS. We expect poor reputational assets as an antecedent for the development of BMS, as there will be a growing need and concern for the improvement of the poor reputation, either in relation with the company or brand name.

H3: *Low levels of reputational assets has a positive effect on the BMS*

Human Resource Assets, and the BMS

“Perhaps one of the biggest threats to brand equity comes from within the organization, and the fact that too many marketing managers remain on the job for only a limited period of time” (Keller 2008, 333). Kapferer (2012, 47) highlights that inconsistent delivery and communication through frequent changes in advertising, promotions and prices can be attributed to changes in personnel. As we understand the importance of consistent brand-building, Kapferer (2012, 127) illustrates with Apple and characteristics that make consumers willing to wait days before a launch; consistent delivery, disruptive innovations, and values that are never compromised. de Chernatony and Cottam (2006, 625) find that an important factor contributing to the success of a brand was the holistic, yet consistent and integrated approach to branding, with employees informed and educated about the brand. However, this might not be a simple task, if one considers that the function of a CMO is one of the most vulnerable positions with the highest turnover rates at the management level (Sullivan 2009). Among the possible explanations are unclear responsibilities, fast transformations expected from the management, and the lack of customer insight that help making results visible (Sullivan 2009). Even though many experts within the field of marketing and brand management stress the potential damaging effects through inconsistent communication, when a high number of people is involved in the decision-making of the brand’s future, no one has yet empirically tested the negative influence it exerts on the development of a BMS - as both a CMO and CBO would be important people protecting and advocating for its position and existence.

H4: *Low levels of human resource assets has a negative effect on the BMS*

Short-term orientation, the BMS, and performance

Short-term orientation (hereby referred to as STO) and short-termism, are often used interchangeably (e.g. Lumpkin, Brigham, and Moss 2010, 255). Laverty (1996, 826) characterizes economic short-termism as “decisions and outcomes that pursue a course of action that is best for the short term but suboptimal over the long run”. The author further relates short-termism to management decisions, where problems involve uncertainty, and intertemporal choice – i.e. maximizing profit or achieving other objectives that is best in the short term, but not in the long run. In addition, the author present five main drivers of short-termism among

managers. Among them are; first, '*Flawed management practice*', such as the use of formal techniques– e.g. emphasizing short-term performance and relying on quarterly and annual reports for information. This may prevent a firm from developing competitive capabilities. Second, '*Managerial opportunism*', e.g. pursuing short-term results that benefit personal interests at the expense of the long-run benefits of the firm, and exploiting information asymmetries that allow proceeding these practices. Third, '*Stock market 'myopia'*' , e.g. selling off long-term assets that increases the current price of the stock, but destroys the long-run value (Lavery 1996, 831- 833). Affirmatively, Zahra, Hayton, and Salvato (2004, 367) argue that firms that have a STO are likely to prefer financial, rather than strategic controls, and that “financial controls are based on established goals, targets and performance quotas”. STO has also been associated to selling orientation - explained as a view that implies aggressive sales and advertising methods making consumers buy more goods and services (Noble, Sinha and Kumar 2002, 25). Lumpkin, Brigham, and Moss (2010, 250) argue that over-aggressiveness can damage a firm’s reputation – e.g. it can lead to a reputation for being ready to fight with competitors that can damage a firm’s future opportunities. Furthermore, Kim and Lee (2007) found several obstacles to brand management, where the “pressures from short-term revenue goals” was shown to be the biggest one. Almost similarly, Kapferer (2012, 47) looks at obstacles to branding where the principle of annual accounting is argued to prevent the implementation of an effective brand policy. It is also stressed that people working with or are responsible for brands are often evaluated on the net contribution of the product, which can lead to decisions providing the fastest and most profitable results – thus, short-termism (Kapferer 2012, 47). These internal factors seem to indicate a pure focus on financial results with a lack of consideration for the brand image and possible consequences this will imply.

There may be many more internal factors within an organization that drive STO, however external forces may also impact this dimension. Alashban, Hayes, Zinkhan, and Balazs (2002) suggest that firms consider market structure factors, such as greater competition intensity, when choosing their branding strategies. More specifically, the authors argue that the brand name across markets tend to be less standardized, thus more varied, to improve competitive standing when facing a high competition intensity. These findings are built on Porter’s (1980) argumentation that to gain market share in an environment with many players,

firms are prone to frequently change their strategies. Conversely, in a highly concentrated market characterized by few players, the management can build discipline on the market with a long-term, consistent strategy (Porter 1980), which is in line with the BMS system of consistently delivering of the brand (Santos-Vijande et al. 2013, 149). Nevertheless, Brügger, Krishnan, and Sedatole (2011, 85) indicate that when managers focus on short-term benefits, it can have a potentially harmful effect on the brand image. Evidently, STO is driven by internal and external factors, and they both give indication of a negative influence of managing a brand. STO can be interpreted representing a counterpart of the BMS, as the BMS has a clear long-term focus with emphasis on creating and maintaining strong brands (Santos-Vijande et al. 2013, 148). Essentially, we hypothesize that STO has a negative effect on both the BMS and the firm's customer performance. Thus, the first hypothesis is as follows;

H5: *Short-term orientation has a negative effect on the BMS*

Some literature of the effect of STO on performance in general exists. Noble, Sinha, and Kumar (2002, 29) argue that from a value generation perspective, selling orientation (i.e. a similar term as STO) offers little to the customer. In addition, from a relationship-building perspective, the authors do admit that STO may stimulate short-term sales, however customer loyalty and repeat business cannot be expected. Lastly, the authors also mention that STO is associated with high advertising expenditures and costs, but that it does not add greater value to the customers. This argumentation is also prominent in the research of Lumpkin, Brigham, and Moss (2010, 250) stating that aggressiveness (that STO is associated with) can be costly and lower a firm's profitability. Lee et al. (2008, 853-854) argue that BMS may take a long time to have an impact on financial performance, and that this system needs more of a focus on customer orientation rather than on financial performance. In addition, the authors emphasize that having a hasty goal achieving short-term financial performance, the efforts associated with it are likely to be vain. All in all, STO seems to provide low performance on various areas such as loyalty, adding value to the customers, and long-term profitability. Thus, our second hypothesis regarding STO is as follows;

H6: *Short-term orientation has a negative effect on the firm's customer performance*

Innovativeness, the BMS, and performance

Innovativeness can be seen in relation to the organization's culture, reflecting the orientation towards innovation - or more specifically, "the notion of openness to new ideas as an aspect of a firm's culture" (Hurley and Hult 1998, 44). Several antecedents to innovativeness are suggested, reflecting characteristics of a firm's culture, such as emphasis on learning or support and collaboration (Hurley and Hult 1998, 44). Rhee, Park, and Lee (2010) find that learning orientation has a potential to boost innovativeness, which in turn will improve a firm's performance. Evidently, innovativeness seems to contain an external orientation condition that easily can be associated to the dynamic aspect of the BMS. Affirmatively, Santos-Vijande et al. (2013, 151) argue that one of the prominent features of innovativeness is the support of external orientation to build competitive innovations. Researchers find a close link between innovativeness and market orientation, indicating the importance of understanding the market's behavior and potential response (O'Cass and Ngo 2007; Rhee, Park, and Lee 2010). With regard to the dynamic capability aspect of BMS, Teece (2007) emphasizes that firms with dynamic capabilities are highly entrepreneurial. Further, the author argues that these capabilities are linked to innovation. Hult, Hurley and Knight (2004) find a strong link between entrepreneurial orientation and innovativeness, and argue that the former function as a key antecedent to the latter. In today's market, characterized as turbulent, changing and competitive, being innovative is important in order to meet the needs of the market and be the preferred brand. Doyle (1989, 88) indicates that being first into the market is "the most common means of building an outstanding brand". All in all, due to the strong link to entrepreneurship, and external orientation one can argue that innovativeness represents one of the antecedents of the dynamic capability of BMS. In addition, as innovativeness also is related to strong brands, one can assume that it positively affects the total BMS in general. Overall, in line with Santos-Vijande et al. (2013) findings, we expect that innovativeness represents an antecedent of the BMS, but also as a driver that positively influences customer performance that in turn ultimately translates its effects to business performance. We first hypothesize the following, based on previous literature mentioned above:

H7: Innovativeness has a positive effect on the BMS

Existing research confirm the positive effect of innovativeness on performance (Hult, Hurley and Knight 2004; O’Cass and Ngo 2007; Theoharakis and Hooley 2008; Lin, Peng and Kao 2008; Rhee, Park and Lee 2010; Santos- Vijande et al. 2013). A frequent mentioned reason for this effect is that with rapid evolving environments, firms should adopt innovations over time to meet and adjust to this evolution (Hult, Hurley and Knight 2004, 431). Innovativeness can also result in driving the market - i.e. proactive innovations providing “unique ways of delivering superior value to customers” (O’Cass and Ngo 2007, 873) – that results in superior performance. Thus, innovativeness has the ability to provide competitive advantages and value creations in the market that ultimately can contribute to positive customer performance.

H8: Innovativeness has a positive effect on the firm’s customer performance

Market orientation, the BMS, and performance

Hunt and Morgan (1995, 11) argue that market orientation and its intangible entity “would be a resource, if it provided information that enabled a firm to produce, for example, an offering well tailored to a market segment’s specific tastes and preferences.” Meaning, market orientation emphasize that organizations must have insight and knowledge about customers and competitors, and incorporate this in formulation of strategy (Hunt and Morgan 1995). Market orientation has the potential to give comparative advantage, but not if all competitors adopt this orientation (Hunt and Morgan 1995). Urde (1999, 118) similarly view market orientation as “an external standpoint with the satisfaction of customers in competition with other companies as its objective”. Where market orientation revolves around questions of segmentation, positioning, and how to satisfy the needs and wants of customers - brand orientation on the other hand, is within the framework of the brand, and does not easily change based on constant preferences or responses from consumers. However, amendments are allowed, but within the framework of the identity of the brand (Urde 1999, 130). Hooley et al. (2005) position market orientation as a part of market-based resources of a firm, representing tacit skills and experiences, which are not easily transferred to other organizations. Narver, Slater and MacLachlan (2004) find that possessing a proactive market orientation through identification of latent needs among customers, exhibit a positive role for new-product success, compared to a

responsive market orientation that only addresses the needs of customers (Narver, Slater and MacLachlan 2004, 334). Lee et al. (2008) find that for BMS, market orientation plays an important role and has a direct impact on BMS. Ruekert (1992, 243) finds that market orientation has a significant and positive effect on organizational processes and attitudes of managers, in addition to positively impact organizational support processes, e.g. such as the level of training. In accordance with Santos-Vijande et al. (2013) we expect that market orientation represents an antecedent of the BMS, but also a driver that positively influences customer performance. Based on previous findings, we hypothesize that:

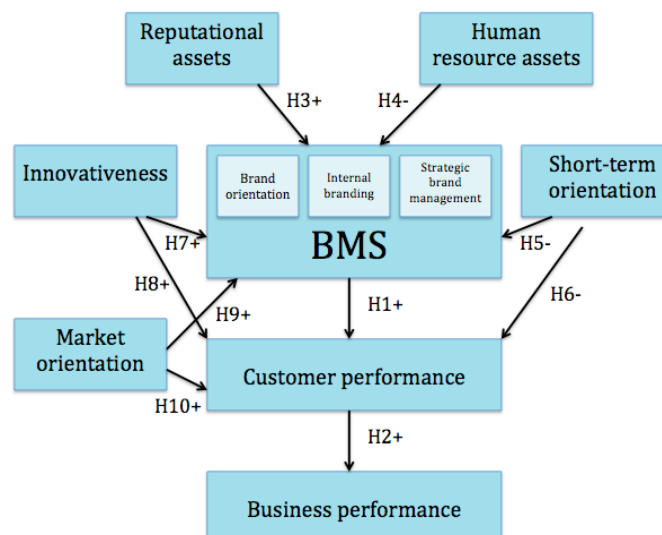
H9: *Market orientation has a positive effect on the BMS*

Santos-Vijande et al. (2013, 156) find that market orientation has a big impact on both customer-, and business performance. Morgan, Vorhies, and Mason (2009) find that market orientation has a direct impact on firm's return on assets, and can contribute to superior firm performance. Thus, we hypothesize;

H10: *Market orientation has a positive effect on the firm's customer performance*

Conceptual Framework

The conceptual model illustrates this study's hypotheses, where BMS consists of three dimensions: brand orientation, internal branding, and strategic brand management.



Further development of the conceptual model

It is important to highlight that the conceptual model is not completely finalized. We consider additional variables that can have impact on the development of

BMS, positively and negatively. More specifically, the use of *agencies*, as suggested by Kapferer (2012, 47), can represent a potential threat as they are short-term in nature, i.e. working within the timeframe of a year, particularly focusing on campaigns. Hence, the short-term focus is not strategic in nature, nor are agencies provided with an incentive to think long-term for the business. Meaning, an extensive use of outsourcing of the marketing or brand department can threaten the development of BMS. *Financial resources*, as identified by Evans, Bridson and Rentschler (2012) on their conceptual framework for possible impediments to the dimension of *market orientation*, should be tested out to understand its consequences for the development of the BMS. Alternatively, one could ask how much the firm invests in the development of brands, as a percentage of the annual budget, e.g. the total marketing or brand budget. An alternative is to use *financial resources* as an instrumental variable. On the same topic, *switching costs*, investigated by Weiss and Anderson (1992) shed light on the issue between conversion and initiation of structural organizational forms, as two very different processes. Indeed do perceived switching costs prevent organizations from switching structural forms (Weiss and Anderson 1992). Consequently, one could assume that BMS might be perceived as a costly structural form, which will refrain companies from switching to it. Lastly, Wong and Merrilees (2008) have shown that financial resources are important for SMEs in order to drive international marketing communications. *Organizational structure*, has been suggested as a possible impediment for the development of brand orientation, especially when the structure is complex, leading to departments working independently of each other, making collaboration difficult (Evans, Bridson and Rentschler 2012). On the subject, *rigidity*, has also been highlighted by Kim and Lee (2007) as an obstacle to brand management, and might be very different depending on the size of the company and their organizational structure. The impact of *hierarchical relationships*, could also be investigated, that is for instance the authority the brand manager has within the organization, the responsibilities of the brand manager, and the role of the brand in hierarchical processes (Dunes and Pras 2013, 448-449). In addition, it can also be hypothesized that **bureaucratic organizations** should be considered, as it can have a negative influence on a proactive market orientation (Narver, Slater, MacLachlan 2004).

Methodology

Research design

To test our hypotheses we need to measure multiple factors simultaneously. We intend to use a cross-sectional survey design, selecting various firms, and investigate different factors measured in the same period of time. We will conduct electronic mailed questionnaires, which is easily converted to programs for analysis - improving consistency, and elimination of transcription errors (Easterby-Smith, Thorpe, and Jackson 2012).

Data collection

The study will be conducted among Norwegian companies. A specific industry to target is not yet identified. However, a criterion for the industry must be that brands are considered as important. Once chosen, a list with descriptive statistics of relevant firms will be collected to get an overview of possible participants. This list should optimally include factors such as firm sizes, the age of the firms, geographical location of the firms, and telephone numbers and mail addresses of relevant contact persons (e.g. CEO, CMO). In order to avoid common method bias, where some of the participants may answer more favorably to the questions regarding their firm's performance, we will try to recruit two persons from the same firm. To increase the level of participation firms will be offered in return an executive report after completion of the thesis. At the end of the data collection, we will also conduct a comparison between early and late respondents.

Survey and operationalizing

In-depth interviews with industry experts and managers will be conducted. The selected experts and firms in the interviews should have considerable managerial experience to examine the questions and give valuable feedback about; 1- the suitability of the BMS and its underlying dimensions to the reality of the studied sector, 2- the compliance of the items with the BMS dimensions and the constructs, and 3- their readability and proper understanding (Santos-Vijande et al. 2013, 152) 4- most importantly the drivers and impediments experienced within the area of brand management. A pretest will be conducted in order to assure that the scales and measurements are appropriate and that the length of the questionnaire is reasonable. We will ask professors at BI with past experience of working with marketing in business or marketing managers to participate in our

survey, as they can be viewed as similar to our intended respondents. The questionnaire will start with less sensitive warm-up questions such as the respondent's title, and the age of the firm as they will be easy to answer. The questions in middle part of the questionnaire will capture the constructs. The last questions will be related to demographics as they are not crucial for the specific purpose of this study. That is, important elements will not be lost if the respondents drop out at the end of the survey. The questionnaire will be in Norwegian and back translated into English with respect to the thesis's language. The constructs and the underlying dimensions of BMS will be measured with seven-point Likert scales to ensure higher statistical variability among survey responses. The bipolar Likert scale will range from negative (e.g. strongly disagree), thorough neutral position (e.g. neither), to positive (e.g. strongly agree). In addition, reversed items will be used (yet sparingly) in order to control for acquiescence bias. We will use previously validated scales and measures that are modified for the current study. Modifications will also be made to avoid double-barreled questions.

Measuring the underlying dimensions of BMS will be based on scales adopted from Santos-Vijande et al. (2013) (see appendix for the specific scales), initially originating from other sources; *brand orientation* – measured with a 4-item scale (Baumgarth 2010; Kim and Lee 2007; Lee et al. 2008; Urde 1994, 1999; Wong and Merrilees 2007), *internal branding* – measured with a 5-item scale (Lee et al. 2008; Punjaisri, Evanschitzky, and Wilson 2009; Wong and Merrilees 2007), and *strategic brand management* – measured with a 5-item scale (Beverland, Napoli, and Lindgreen 2007; Lee et al. 2008; Matear, Gray, and Garrett 2004). The constructs with corresponding scales that we have adopted so far are also adopted from Santos-Vijande et al. (2013) and are as follows;

- *Market orientation* - divided into; proactive market orientation and responsive market orientation, where the former scale includes 8 items and the latter 7 items (originating from Narver, Slater, and MacLachlan 2004; Olsen and Sallis 2006)
- *Innovativeness* – this scale includes 5 items, reflecting factors such as a firm's acceptance of innovation proposals, management's active search for innovative ideas, and development of innovation as a fundamental part of the firm's culture (originating from Hurley and Hult 1998).
- *Customer performance* – is measured with a 7-item scale, including aspects such as customers' satisfaction, loyalty, and level of communication with customers

attained, among others (originated from Gounaris 2005; Hooley et al. 2005; Lings 2004, Vorhies and Morgan 2005; Zahay and Griffin 2004).

- *Business performance* – divided into three items; sales growth, market share growth and profits growth (originating from Theoharakis and Hooley 2008; Vorhies and Morgan 2005; Weerawardena, O’Cass, and Julian 2006).

With regard to validity and reliability some aspects should be mentioned. As the term validity concerns whether the measurements provide a good approximation to the variables of interest or not (Easterby-Smith, Thorpe, and Jackson 2012), we first try to assure internal validity with an extensive valuation of previous studies on the focal constructs. Also, as possible differences between groups of respondents may threaten internal validity (Easterby-Smith, Thorpe, and Jackson 2012), we will use descriptive statistics to assure any similarities on these features. In addition, measurement and statistical control for the tendency to answer questions in a social desirable manner will be performed. Noteworthy, external validity - implying whether the results can be generalized to other settings or contexts beyond the focal study (Easterby-Smith, Thorpe, and Jackson 2012) – should also be evaluated when interpreting the results. Even if we utilize previous validated scales, the current validity of the constructs will be evaluated by using confirmatory factor analysis - evaluating convergent and discriminant validity. A confirmatory factor analysis (hereby referred to as CFA) will be done to assess contribution of each scale item, and measure whether the items are related to the corresponding constructs. We will first conduct a first-order CFA to study the correlation of the three dimensions of the BMS. Then, we will conduct a second-order CFA to test whether the BMS sub-dimensions converge into a single latent factor. By using pretested scales in addition to CFA we increase the reliability. To test our conceptual model, we will use structural equation model with LISREL. “SEM can help us assess the measurement properties and test the proposed theoretical relationships using a single technique” (Malhotra 2010, 724). We will also use instrumental variables (hereby referred to as IVs), as this approach is “the most common strategy for handling endogeneity and identifying effects” that we are interested in (Sande and Ghosh 2013, 16 (in press); Reiersøl 1945; Wright 1928). To calculate IV estimates, two-stage least squares (2SLS) will be conducted as it represents the most common IV method (Sande and Ghosh 2013, 19 (in press)). As mentioned earlier, in-depth interviews with industry

experts and businesses will be conducted to get feedback on our survey, but also to get input on possible new IVs, that may be essential for us to incorporate in our final questionnaire. This far, we have considered some IVs to include in our survey.

Instrumental variables

Competition level - high and low - should be included as an instrumental variable, as it has been shown to impact how much financial and human resources that is invested in marketing efforts (Wong and Merrilees 2008). This is also supported by Evans, Bridson and Rentschler (2012), finding that competition was a major driver of brand orientation. ***Human resources***, that is the number of people that is dedicated to work with brands, should also be controlled for. In addition to, ***Firm size***, as it has been shown that firms with 11-50 staff and 51-100 staff are more influenced by brand adaption, compared to firms with 101 staff or more, and firms with 1-10 staff (Wong and Merrilees 2008). Evans, Bridson and Rentschler (2012) propose in their conceptual framework that *institutional size* can have a negative impact on the development of adopting a brand orientation. Additionally, the findings by Baumgarth (2010) have shown that small B-2-B firms have lower levels of brand orientation, than larger organizations. ***Institutional age*** should also be controlled for, as it is suggested to be an impediment to brand orientation by Evans, Bridson and Rentschler (2012). How long a brand or company has existed, or how well positioned in the market will most likely influence whether they are in a position to think long-term and strategic about their brands. Another instrumental variable could also be the use of ***external experts*** that could either be from agencies or consultants within the area of brand management. That is, whether companies rely on advices from external specialists in strategic issues, or whether they rely on own employees (Kim and Lee 2007). If we choose to look at a variety of firms within different industries, it will be important to control for which ***sector*** they operate in, e.g. consumer goods, consumer services, business-to-business sector, as we expect that they will have different behaviors in relation to brand management (Hankinson and Hankinson 1999, 139). Lastly, even if there has been mixed results within the research, another instrumental variable to assess is target ***audience*** (Dunes and Pras 2013).

See appendix for the specific scales and plan for progression and implementation.

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Appendix

Scales

Source	Constructs
Santos-Vijande et al. (2013); Baumgarth (2010); Kim and Lee (2007); Lee et al. (2008); Urde (1994, 1999); Wong and Merrilees (2007)	<p>Brand orientation</p> <ol style="list-style-type: none"> 1. Building a strong brand is one of the objectives set by the firm's management. 2. An active and effective brand management is essential for achieving competitive advantages. 3. Brand decisions are a very important element in the firm's business strategy. 4. The firm's commercial brand is one of its most valuable assets (employees, management...).
Santos-Vijande et al. (2013); Lee et al. (2008); Punjaisri, Evanschitzky and Wilson (2009); Wong and Merrilees (2007)	<p>Internal branding</p> <ol style="list-style-type: none"> 1. The firm's employees attend workshops to learn about the objectives and characteristics of the brand. 2. The firm's employees periodically receive information about the brand and the actions involved in its management. 3. The firm's employees sufficiently understand the brand objectives and brand-building activities. 4. The firm analyzes the brand image among its internal publics. 5. The different areas or departments of the firm share information about the brand.
Santos-Vijande et al. (2013); Beverland, Napoli and Lindgreen (2007); Lee et al. (2008); Matear, Gray, and Garrett (2004)	<p>Strategic brand management</p> <ol style="list-style-type: none"> 1. The firm carries out significant investments to manage its brand 2. The firm invests more resources in brand management than its competitors 3. The firm has a well-coordinated, multidisciplinary team to manage its brand 4. The firm plans its marketing actions taking into account the possible repercussions for the brand image 5. The firm manages its brand from a medium- and long-term perspective
Santos-Vijande et al. (2013); Narver, Slater, and MacLachlan (2004); Olsen and Sallis (2006)	<p>Market orientation</p> <p><u>Proactive market orientation</u></p> <ol style="list-style-type: none"> 1. We help our customers anticipate developments in their markets. 2. We continuously try to discover additional needs of our customers of which they are unaware.

	<p>3. We incorporate solutions to unarticulated customer needs in our new products and services.</p> <p>4. We brainstorm on how customers use our products and services.</p> <p>5- We innovate even at the risk of making our own products obsolete.</p> <p>6. We search for opportunities in areas where customers have a difficult time expressing their needs.</p> <p>7. We work closely with lead users who try to recognize customer needs months or even years before the majority of the market may recognize them.</p> <p>8. We extrapolate key trends to gain insight into what users in a current market will need in the future.</p> <p><u>Responsive market orientation</u></p> <p>1. We constantly monitor our level of commitment and orientation to serving customer needs.</p> <p>2. We freely communicate information about our successful and unsuccessful customer experiences across all business functions.</p> <p>3. Our strategy for competitive advantage is based on our understanding of customers' needs.</p> <p>4. We measure customer satisfaction systematically and frequently.</p> <p>5. We are more customer-focused than our competitors.</p> <p>6. I believe this business exists primarily to serve customers.</p> <p>7. Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.</p>
Santos-Vijande et al. (2013); Hurley and Hult (1998)	<p>Innovativeness</p> <p>1. The firm willingly accepts innovation proposals.</p> <p>2. Management is actively seeking innovative ideas.</p> <p>3. Innovation is not perceived in our firm as something too risky and to be avoided.</p> <p>4. Our firm does not penalize those employees who promote and develop ideas for new services but which ultimately do not succeed in the market.</p> <p>5. The development of innovations is a fundamental part of the culture of our firm.</p>
Santos-Vijande et al. (2013); Gounaris (2005); Hooley et al. (2005); Lings (2004), Vorhies and Morgan (2005); Zahay and Griffin (2004)	<p>Customer performance</p> <p>1. The firm achieves greater level of customer satisfaction.</p> <p>2. The firm achieves greater customer loyalty.</p> <p>3. The firm achieves greater added value provided to customers.</p> <p>4. The firm achieves a greater level of communication with</p>

	<p>customers.</p> <p>5. The firm achieves a greater reduction in client complaints and claims.</p> <p>6. The firm has an improved image among its customers.</p> <p>7. The firm retains the best customers in the market.</p>
<p>Santos-Vijande et al. (2013); Theoharakis and Hooley (2008); Vorhies and Morgan (2005); Weerawardena, O’Cass, and Julian (2006)</p>	<p>Business performance</p> <p>1. Sales growth</p> <p>2. Market share growth</p> <p>3. Profits growth</p>

Plan for progression and implementation

The following plan of implementation for activities will ensure that we successfully deliver our master thesis before the deadline, 1st of September 2014.

Month	Activities	Goal
January	Write the preliminary thesis report.	Acceptance for the research question, conceptual model and hypotheses.
February	Rewrite and make necessary changes to the literature, conceptual model and hypothesis based on feedback from the supervisor. As soon as the model is finalized and approved, start development of the questionnaire. Decide on the target group for our questionnaire. Decide on the industry (ies) to look at, and speak to experts with knowledge within the area (e.g. CEOs, CMOs, marketing coordinators, professors at BI). Our interest will be to gain further knowledge of the chosen industry(ies) and what types of prominent factors that affects brand management in these contexts. Hopefully, an increased number of possible instrumental variables will be achieved through this process. Moreover, we will create a list of potential people in our network to contact for distribution of the survey to relevant people (marketing managers). Most importantly, create a list of businesses that can potentially be invited to participate, screen and verify their positions and contact details. Make the questionnaire available in qualtrics.	Development of questionnaire, and contact list for our target group.
March and April	Pretest of the questionnaire. Start contacting people in our network, contact companies. Start the collection of data. Follow-up on questionnaires sent out.	Collection of data.

May and June	Interpretation and analysis of data.	Interpretation and analysis.
July	Write the results.	Finalize the section of results.
August	Writing the discussion, limitations and managerial implications - abstract and acknowledgements. Proofreading, and do the necessary corrections. Check references. Clarifying the requirements in terms of submitting the thesis.	Finalize the discussion, limitations and implications. Corrections and proofreading.
September	1st of September - hand in.	Submission

Appendix 2: Cover Letter

Hei!

Takk for en hyggelig samtale. Vi setter veldig pris på at du vil delta i vår undersøkelse.

Vi er to masterstudenter fra Handelshøyskolen BI i Oslo, som skriver en masteroppgave om merkevareledelse. Formålet er å få økt kunnskap om norske bedrifters merkevareledelse, samt undersøke hva som påvirker dette og resultater det gir i form av kunders resultater og generelle bedriftsresultater.

Undersøkelsen er evaluert og godkjent av Personvernombudet for forskning, og all informasjon vil bli behandlet konfidensielt. Spørsmålene vil som oftest være formulert som påstander, hvor du svarer i hvor stor grad du er enig eller uenig. Undersøkelsen vil ta ca. 20 minutter å svare på.

Som takk for din deltakelse vil du få tilbud om å få tilsendt en rapport som vil inneholde de viktigste resultatene fra studien, med anbefalinger for effektiv og vellykket merkevareledelse. Hvis ønskelig, vil denne rapporten bli tilsendt i løpet av september måned.

Hvis du har noen spørsmål i forhold til studien, vennligst ta kontakt med oss:

Maria Korban

Epost: Maria.Korban@student.bi.no

Tlf: 986 35 898

Mari Westby Nordstrøm

Epost: Mari.W.Nordstrom@student.bi.no

Tlf: 976 44 654

Med vennlig hilsen,

Maria Korban og Mari Westby Nordstrøm

Handelshøyskolen BI.

Appendix 3: Survey

Part A: Introduction

Generell informasjon

Bakgrunn og forespørsel om deltakelse

Denne undersøkelsen er en del av vår masteroppgave ved Handelshøyskolen BI (Oslo).

Formålet med studien:

- Økt kunnskap om norske bedrifters arbeid innen merkevareledelse og merkevarebygging
- Undersøke hva som påvirker bedrifters merkevareledelse og effekter dette har

Vi spør deg, fordi du er i en relevant stilling for denne undersøkelsen.

Vi gjør deg oppmerksom på at studien ikke er sponset av kommersielle interessenter. Målet er å bidra til ny kunnskap og innsikt under vår studietid.

Vi garanterer derfor:

- Personopplysninger vil bli behandlet konfidensielt. Personidentifiserbare opplysninger vil ikke være kjent for andre professorer, eller andre personer tilknyttet Handelshøyskolen BI. Det er kun veileder og de to studentene som skriver masteroppgaven, som vil ha tilgang til informasjonen. For selve oppgaven, og fremstilling av resultater vil ingen svar kunne tilbakeføres til deg som person, eller bedrift.
- Denne studien har blitt evaluert og godkjent av Personvernombudet for forskning.
- Innsamling av opplysninger vil bli analysert mot offentlig og allmenn tilgjengelig informasjon.
- En objektiv analyse og rapportering av resultater.
- Masteroppgaven skal etter planen være avsluttet 1.september 2014. Alt datamateriale vil bli anonymisert etter denne datoen.

Informasjon og innhold

Spørsmålene vil som oftest være formulert som påstander, hvor du svarer ved hjelp av en responsskala. Velg det nummeret som du mener er mest riktig, basert på hvor enig eller uenig du er med påstandene. Noen spørsmål kan virke like, men de har ulike konsekvenser og bidrar til presisjon av studien.

Vennligst ta deg tid til å lese påstandene nøye før du svarer. Undersøkelsen tar ca. 20-25 minutter. Du vil ikke bli bedt om å oppgi bedriftssensitive opplysninger. Opplysningene som innhentes vil i hovedsak omhandle hvordan ledelsen og ansatte jobber med sin(e) merkevare(r), herunder; strategi, intern struktur, informasjon og kommunikasjon, markedsorientering, innovasjon, og resultater.

Dersom du må avbryte undersøkelsen, er det mulig å gjenoppta og fullføre på et senere tidspunkt (innen 3 dager).

Hvis du har noen spørsmål til studien, ta kontakt med:

Mari Westby Nordstrøm

Epost: Mari.W.Nordstrom@student.bi.no

Mob: 976 44 654

Maria Korban

Epost: Maria.Korban@student.bi.no

Mob: 986 35 898

Frivillig deltakelse og samtykke

Det er frivillig å delta i undersøkelsen, og du kan når som helst trekke ditt samtykke uten å oppgi noen grunn. Dersom du trekker deg, vil alle opplysninger om deg bli anonymisert.

Ved å gå videre, samtykker jeg til å delta i spørreundersøkelsen

Part K: General Questions

Vennligst oppgi din **stillingstittel**:

Oppgi bedriftens **antall ansatte** med følgende intervaller:

0 - 5 ansatte

Skriv inn **antall år** bedriften har eksistert:

Skriv inn din bedrifts **industri**:

Vennligst oppgi i hvor høy grad **bedriftens omsetning** kommer fra **produksjon eller engroshandel***.

**Engroshandel: omfatter videresalg (salg uten omdanning) av nye og brukte varer til detaljister og andre aktører på bedrifts- eller institusjonsmarkeder).*

Omsetning i
høy grad fra
produksjon

1

2

3

4

5

6

7

Omsetning i
høy grad fra
engroshandel

Vennligst oppgi i hvor høy grad **bedriftens omsetning** kommer fra **B2B* eller B2C**** markeder.

*(*B2B representerer tilfeller hvor sluttkunden er en bedrift. **B2C: bedriften produserer konsumentvarer og/eller ferdigvarer, hvor sluttkunden er en forbruker).*

Omsetning
i høy grad
fra **B2B**

1

2

3

4

5

6

7

Omsetning
i høy grad
fra **B2C**

Part L: Termination

Tusen takk for ditt bidrag!

Vi setter stor pris på tiden du har satt av til vår undersøkelse.

Har du noen spørsmål eller kommentarer til undersøkelsen, vennligst benytt feltet under.

Appendix 4: Descriptive Statistics, Univariate Normality, and Multivariate Normality

Table 3.26 Descriptive statistics and tests of univariate normality

	Mean	Std.dev.	Min.	Max.	Skew	Kurt	Pr (Skew)	Pr (Kurt)	Chi2	Prob> Chi2
B_O1	5,366	1,567	1	7	-0,825	2,827	0.0012	0.9254	9.12	0.0105
B_O2	5,505	1,521	1	7	-0,978	3,264	0.0002	0.3964	12.03	0.0024
B_O3	5,238	1,656	1	7	-0,847	2,978	0.0010	0.7860	9.50	0.0086
B_O4	5,505	1,487	1	7	-0,816	2,867	0.0014	0.9936	8.97	0.0113
I_B1	3,277	1,850	1	7	0,523	2,210	0.0300	0.0174	9.06	0.0108
I_B2	4,129	1,815	1	7	-0,011	1,935	0.9626	0.0000	15.08	0.0005
I_B3	4,317	1,529	1	7	-0,139	2,388	0.5454	0.1259	2.78	0.2491
I_B4	2,525	1,361	1	7	1,168	4,148	0.0000	0.0375	17.60	0.0002
I_B5	4,208	1,807	1	7	-0,027	2,017	0.9074	0.0003	11.08	0.0039
S_B_M1	4,475	1,792	1	7	-0,326	2,074	0.1632	0.0013	10.42	0.0055
S_B_M2	3,475	1,677	1	7	0,273	2,343	0.2397	0.0847	4.45	0.1080
S_B_M3	4,188	1,678	1	7	-0,312	2,126	0.1817	0.0042	8.78	0.0124
S_B_M4	5,356	1,527	1	7	-0,801	2,815	0.0016	0.9013	8.76	0.0126
S_B_M5	5,416	1,518	1	7	-0,795	2,893	0.0017	0.9428	8.65	0.0132
P_M_O1	5,000	1,435	1	7	-0,673	3,375	0.0066	0.2975	7.65	0.0218
P_M_O2	5,228	1,148	1	7	-0,932	4,790	0.0004	0.0073	15.92	0.0003
P_M_O3	4,287	1,717	1	7	-0,165	2,136	0.4729	0.0050	7.58	0.0225
P_M_O4	5,000	1,536	1	7	-0,848	3,366	0.0010	0.3048	10.24	0.0060
P_M_O5	4,139	1,490	1	7	-0,166	2,484	0.4716	0.2496	1.89	0.3888
P_M_O6	4,257	1,579	1	7	-0,169	2,179	0.4629	0.0107	6.57	0.0375
P_M_O7	5,000	1,673	1	7	-0,939	3,190	0.0003	0.4775	11.26	0.0036
R_M_O1	3,792	1,813	1	7	0,170	2,038	0.4601	0.0005	10.66	0.0048
R_M_O2	5,317	1,549	1	7	-0,896	3,069	0.0006	0.6392	10.37	0.0056
R_M_O3	5,446	1,220	1	7	-0,735	3,481	0.0034	0.2248	8.85	0.0120
R_M_O4	3,752	1,946	1	7	0,131	1,785	0.5699	0.0000	27.69	0.0000
R_M_O5	4,960	1,462	1	7	-0,452	2,831	0.0577	0.9336	3.71	0.1564
R_M_O6	5,495	1,481	1	7	-0,798	2,938	0.0017	0.8585	8.72	0.0128
R_M_O7	4,069	1,796	1	7	-0,063	1,899	0.7848	0.0000	17.34	0.0002
Inno1	5,644	1,205	1	7	-0,909	4,027	0.0005	0.0519	13.14	0.0014
Inno2	5,792	1,143	2	7	-0,758	3,097	0.0026	0.5984	8.29	0.0158
Inno3	5,812	1,231	1	7	-1,385	5,398	0.0000	0.0018	24.83	0.0000
Inno4	6,297	0,912	3	7	-1,256	4,092	0.0000	0.0435	18.83	0.0001
Inno5	5,416	1,373	1	7	-0,708	3,100	0.0045	0.5946	7.56	0.0228
C_I1	3,436	1,936	1	7	0,443	2,014	0.0624	0.0003	13.69	0.0011
C_I2	5,139	1,806	1	7	-0,710	2,467	0.0044	0.2248	8.47	0.0145
C_I3	3,851	1,539	1	7	-0,047	2,301	0.8362	0.0557	3.81	0.1491
C_I4	5,772	1,476	1	7	-1,142	3,507	0.0000	0.2100	15.24	0.0005
C_I5	4,050	1,545	1	7	0,162	2,289	0.4814	0.0484	4.48	0.1063
C_I6	2,168	1,422	1	7	1,610	5,677	0.0000	0.0009	29.12	0.0000
H_i1	4,574	1,705	1	7	-0,401	2,353	0.0893	0.0931	5.53	0.0630
H_i2	4,584	1,687	1	7	-0,196	2,101	0.3951	0.0025	8.71	0.0128
H_i3	4,347	1,740	1	7	-0,130	2,032	0.5724	0.0004	10.72	0.0047
H_i4	4,465	1,741	1	7	-0,347	2,192	0.1387	0.0132	7.54	0.0230
C1	5,634	1,129	3	7	-0,628	2,616	0.0105	0.4858	6.56	0.0376
C2	5,762	1,097	3	7	-0,616	2,736	0.0119	0.7353	6.10	0.0473
C3	4,871	1,610	1	7	-0,497	2,374	0.0381	0.1125	6.39	0.0409
C4	5,901	1,204	2	7	-1,190	3,840	0.0000	0.0855	16.99	0.0002
Formaliz1	3,495	1,869	1	7	0,193	1,831	0.4041	0.0000	23.18	0.0000
Formaliz2	3,683	1,865	1	7	0,031	1,857	0.8932	0.0000	20.42	0.0000
Formaliz3	4,198	1,789	1	7	-0,142	2,048	0.5370	0.0007	10.19	0.0061
Formaliz4	4,337	1,872	1	7	-0,303	1,888	0.1940	0.0000	19.24	0.0001

Table 3.26 Descriptive statistics and tests of univariate normality (Continued)

	Mean	Std.dev.	Min.	Max.	Skew	Kurt	Pr (Skew)	Pr (Kurt)	Chi2	Prob> Chi2
Cent1	3,099	1,852	1	7	0,547	2,066	0.0236	0.0011	12.99	0.0015
Cent2	2,020	1,241	1	7	1,509	5,415	0.0000	0.0017	26.82	0.0000
Cent3	2,337	1,570	1	7	1,192	3,527	0.0000	0.1989	16.10	0.0003
Cent4	2,782	1,798	1	7	0,806	2,616	0.0015	0.4861	9.18	0.0102
Spec1	3,307	1,793	1	7	0,213	1,793	0.3573	0.0000	27.16	0.0000
Spec2	4,030	1,900	1	7	-0,219	1,874	0.3445	0.0000	19.69	0.0001
Spec3	2,901	1,480	1	7	0,357	2,301	0.1283	0.0554	5.74	0.0566
Spec4	3,545	1,962	1	7	0,204	1,887	0.3764	0.0000	18.64	0.0001
S_T_O1	4,980	1,456	1	7	-0,493	2,796	0.0396	0.8604	4.38	0.1119
S_T_O2	3,218	1,553	1	7	0,486	2,429	0.0421	0.1731	5.75	0.0565
S_T_O3	4,990	1,487	1	7	-0,717	3,068	0.0041	0.6405	7.64	0.0219
S_T_O4	3,871	1,547	1	7	0,037	2,109	0.8718	0.0030	7.94	0.0189
S_T_O5	3,535	1,446	1	7	0,130	2,779	0.5717	0.8260	0.37	0.8301
S_T_O6	5,089	1,297	1	7	-0,829	3,374	0.0012	0.2980	9.97	0.0068
S_T_O7	4,822	1,315	1	7	-0,624	3,229	0.0109	0.4333	6.60	0.0369
R_A1	2,990	1,500	1	7	0,660	2,717	0.0075	0.6943	6.76	0.0340
R_A2	5,752	1,081	1	7	-1,264	5,733	0.0000	0.0008	23.84	0.0000
R_A3	5,386	1,191	1	7	-0,851	3,655	0.0009	0.1412	11.09	0.0039
R_A4	5,822	0,994	2	7	-0,989	4,369	0.0002	0.0210	15.47	0.0004
R_A5	4,802	1,490	1	7	-0,423	2,391	0.0742	0.1298	5.35	0.0688
Mark_budg	1,861	1,334	1	9	3,199	16,98	0.0000	0.0000	68.20	0.0000
C_Perf1	5,178	0,888	3	7	-0,096	2,532	0.6750	0.3288	1.15	0.5617
C_Perf2	5,069	1,022	2	7	-0,308	2,913	0.1867	0.9042	1.80	0.4064
C_Perf3	5,188	0,946	3	7	-0,239	2,640	0.3016	0.5342	1.49	0.4755
C_Perf4	4,861	1,241	1	7	-0,240	3,034	0.3003	0.6940	1.25	0.5341
C_Perf5	4,921	1,120	2	7	-0,015	2,471	0.9462	0.2312	1.47	0.4792
C_Perf6	5,139	1,123	2	7	-0,658	3,412	0.0077	0.2700	7.54	0.0231
C_Perf7	5,079	0,987	2	7	-0,222	2,994	0.3381	0.7589	1.03	0.5967
B_perf1	4,792	1,525	1	7	-0,615	2,702	0.0121	0.6638	6.14	0.0464
B_perf2	4,634	1,426	1	7	-0,500	2,830	0.0370	0.9315	4.45	0.1079
B_perf3	4,653	1,459	1	7	-0,296	2,575	0.2040	0.4062	2.36	0.3068

*No. of observations 101

***Skew* and *Kurt* – abbreviations for skewness and kurtosis

Test for multivariate normality

Mardia mSkewness = 5576.768 chi2 (95284) = 96732.533 Prob > chi2 = 0.0005
Mardia mKurtosis = 6786.018 chi2 (1) = 19.063 Prob > chi2 = 0.0000

Appendix 5: Single-Factor CFA

A – Single-Factor CFA – the BMS, and the Development of the New BMS

Table 3.27 Single-Factor CFA of the BMS: Validity, Reliability, and Fit Measures

Constructs	Brand orientation	Internal branding	Strategic brand management
# of items	4	4	5
Reliability			
Alpha	0.9278	0.8545	0.835
Item-test corr.	All above 0.9	All above 0.7	All above 0.7
Item-rest corr.	All above 0.8	All above 0.6	All above 0.5
Avg. inter-item corr.	0.7627	0.5949	0.5030
CR	0.93	0.86	0.84
AVE	0.71	0.60	0.51
Validity			
Sig.	All sig.	All sig.	All sig.
Factor loadings	All above 0.8	All above 0.7	All above 0.5
CR	0.93	0.86	0.84
AVE	0.71	0.60	0.51
GOF			
Chi-square	2.7	4.74	0.81
P-value	0.2598	0.0933	0.9767
DF	2	2	5
RMSEA	0.059	0.117	0.000
SRMR	0.010	0.024	0.010
CFI	0.998	0.984	1.000
TLI	0.993	0.953	1.05

Figure 3.1 The Three-Factor First-Order Measurement Model of the BMS

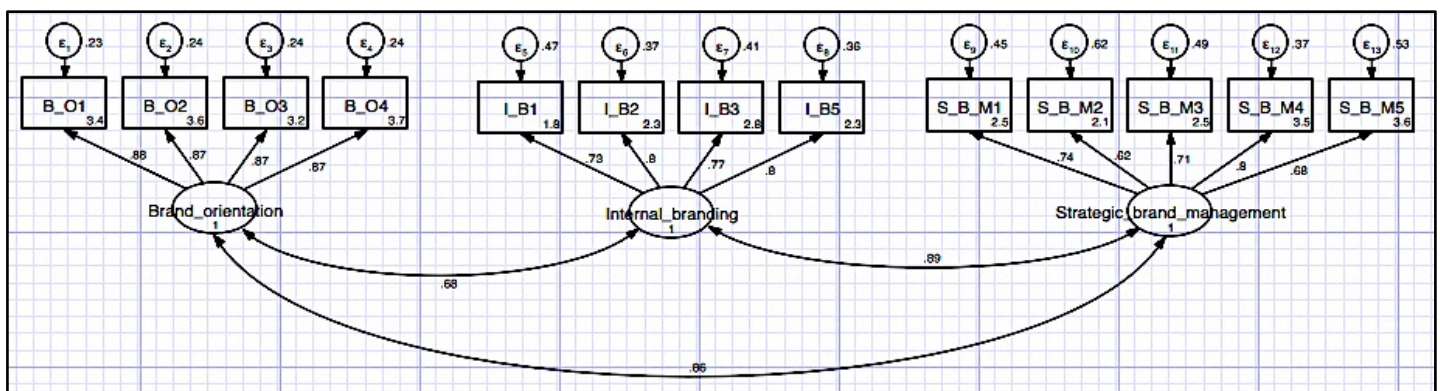


Table 3.28 a) The Three-Factor First-Order Measurement Model of the BMS: Validity, Reliability, and Fit Measures

Constructs	Brand orientation	Internal branding	Strategic brand management
# of items	4	4	5
Reliability			
Alpha	0.9278	0.8545	0.8350
Item-test corr.	All above 0.9	All above 0.7	All above 0.7
Item-rest corr.	All above 0.8	All above 0.6	All above 0.5
Avg. inter-item corr.	0.7627	0.5949	0.503
CR	0.93	0.86	0.84
AVE	0.76	0.60	0.51
Validity			
Sig.	All sig.	All sig.	All sig.
Factor loadings	All above 0.8	All above 0.7	All above 0.6
CR	0.93	0.86	0.84
AVE	0.76	0.60	0.51
GOF			
Chi-square		87.55	
P-value		0.018	
DF		62	
RMSEA		0.064	
SRMR		0.042	
CFI		0.970	
TLI		0.962	

Table 3.28 b) Discriminant Validity Evaluation of the BMS

Variables being evaluated	Brand orientation	Internal branding	Strategic brand management	Discriminant validity result
Brand orientation and Internal branding	$0.68^2 < 0.76$	$0.68^2 < 0.6$	-	Discriminant validity
Internal branding and Strategic brand management	-	$0.89^2 > 0.76$	$0.89^2 > 0.51$	No discriminant validity
Brand orientation and Strategic brand management	$0.86^2 > 0.6$	-	$0.86^2 > 0.51$	No discriminant validity

Table 3.29 Pearson Correlation Coefficient for Each Pair of Variables 1st EFA (continued)

L_B3	Pearson Correlation	.469	.472	.471	.540	.478	.612	1	.645	.492	.518	.468	.576	.515
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	112.277	109.842	119.396	122.842	135.129	169.881	233.861	178.347	134.792	132.792	119.980	134.594	119.693
	Covariance	1.123	1.098	1.194	1.228	1.351	1.699	2.339	1.783	1.348	1.328	1.200	1.346	1.197
	N	101	101	101	101	101	101	101	101	101	101	101	101	101
L_B5	Pearson Correlation	.488	.464	.538	.478	.527	.666	.645	1	.463	.413	.531	.596	.475
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	138.307	127.396	161.010	128.396	176.178	218.297	178.347	326.634	150.020	125.020	161.050	164.515	130.267
	Covariance	1.383	1.274	1.610	1.284	1.762	2.183	1.783	3.266	1.500	1.250	1.610	1.645	1.303
	N	101	101	101	101	101	101	101	101	101	101	101	101	101
S_B_M1	Pearson Correlation	.635	.608	.612	.633	.473	.396	.492	.463	1	.440	.555	.603	.474
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	178.416	165.762	181.594	168.762	156.693	128.822	134.792	150.020	321.188	132.188	166.970	164.891	129.040
	Covariance	1.784	1.658	1.816	1.688	1.567	1.288	1.348	1.500	3.212	1.322	1.670	1.649	1.290
	N	101	101	101	101	101	101	101	101	101	101	101	101	101
S_B_M2	Pearson Correlation	.493	.501	.474	.476	.470	.361	.518	.413	.440	1	.462	.449	.424
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	129.416	127.762	131.594	118.762	145.693	109.822	132.792	125.020	132.188	281.188	129.970	114.891	108.040
	Covariance	1.294	1.278	1.316	1.188	1.457	1.098	1.328	1.250	1.322	2.812	1.300	1.149	1.080
	N	101	101	101	101	101	101	101	101	101	101	101	101	101
S_B_M3	Pearson Correlation	.442	.476	.437	.499	.650	.498	.468	.531	.555	.462	1	.598	.507
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	116.040	121.406	121.485	124.406	201.733	151.554	119.980	161.050	166.970	129.970	281.426	153.228	129.099
	Covariance	1.160	1.214	1.215	1.244	2.017	1.516	1.200	1.610	1.670	1.300	2.814	1.532	1.291
	N	101	101	101	101	101	101	101	101	101	101	101	101	101
S_B_M4	Pearson Correlation	.601	.568	.646	.523	.566	.535	.576	.596	.603	.449	.598	1	.518
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	143.812	131.822	163.446	118.822	160.020	148.366	134.594	164.515	164.891	153.228	233.168	120.030	120.030
	Covariance	1.438	1.318	1.634	1.188	1.600	1.484	1.346	1.645	1.649	1.149	1.532	2.332	1.200
	N	101	101	101	101	101	101	101	101	101	101	101	101	101
S_B_M5	Pearson Correlation	.574	.497	.533	.517	.450	.470	.515	.475	.474	.424	.507	.518	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	136.614	114.792	134.020	116.792	126.356	129.594	119.693	130.267	129.040	108.040	129.099	120.030	230.535
	Covariance	1.366	1.148	1.340	1.168	1.264	1.296	1.197	1.303	1.290	1.080	1.291	1.200	2.305
	N	101	101	101	101	101	101	101	101	101	101	101	101	101

**, Correlation is significant at the 0.01 level (2-tailed).

Table 3.30 Anti-Image Correlation (Measures of Sampling Adequacy) 1st EFA

Anti-image Matrices														
		B_O1	B_O2	B_O3	B_O4	I_B1	I_B2	I_B3	I_B5	S_B_M1	S_B_M2	S_B_M3	S_B_M4	S_B_M5
Anti-image	B_O1	.918^a	-.118	-.232	-.370	-.077	-.097	.158	.002	-.150	-.104	.187	-.126	-.204
Correlation	B_O2	-.118	.936^a	-.350	-.316	-.143	-.011	.016	.066	-.052	-.090	-.001	.000	.025
	B_O3	-.232	-.350	.909^a	-.167	.184	.007	.123	-.203	-.067	-.075	.088	-.290	-.091
	B_O4	-.370	-.316	-.167	.902^a	.126	-.016	-.240	.044	-.125	.030	-.210	.189	.026
	I_B1	-.077	-.143	.184	.126	.882^a	-.384	.062	-.021	-.081	-.184	-.337	-.141	-.019
	I_B2	-.097	-.011	.007	-.016	-.384	.895^a	-.255	-.317	.120	.143	.010	-.005	-.051
	I_B3	.158	.016	.123	-.240	.062	-.255	.888^a	-.280	-.105	-.279	.116	-.204	-.170
	I_B5	.002	.066	-.203	.044	-.021	-.317	-.280	.929^a	.008	.015	-.142	-.085	.008
	S_B_M1	-.150	-.052	-.067	-.125	-.081	.120	-.105	.008	.963^a	.017	-.187	-.148	.011
	S_B_M2	-.104	-.090	-.075	.030	-.184	.143	-.279	.015	.017	.935^a	-.115	.055	-.023
	S_B_M3	.187	-.001	.088	-.210	-.337	.010	.116	-.142	-.187	-.115	.897^a	-.217	-.184
	S_B_M4	-.126	0.000	-.290	.189	-.141	-.005	-.204	-.085	-.148	.055	-.217	.933^a	-.008
	S_B_M5	-.204	.025	-.091	.026	-.019	-.051	-.170	.008	.011	-.023	-.184	-.008	.962^a

Table 3.31 KMO and Bartlett's Test 1st EFA

KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.919
Bartlett's Test of Sphericity	Approx. Chi-Square
	874.796
	df
	78
	Sig.
	.000

Table 3.32 Total Variance Explained 1st EFA

Factor	Total Variance Explained											
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings					
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.371	56.699	56.699	6.926	53.277	53.277	4.072	31.322	31.322	31.322	31.322	31.322
2	1.268	9.754	66.453	1.006	7.742	61.018	3.861	29.696	61.018	61.018	61.018	61.018
3	.717	5.514	71.968									
4	.649	4.989	76.956									
5	.551	4.241	81.197									
6	.512	3.937	85.134									
7	.425	3.266	88.400									
8	.374	2.881	91.281									
9	.320	2.463	93.744									
10	.252	1.937	95.682									
11	.233	1.790	97.471									
12	.173	1.327	98.799									
13	.156	1.201	100.000									

Extraction Method: Maximum Likelihood.

Table 3.33 Rotated Factor Matrix 1st EFA

Rotated Factor Matrix^a

	Factor	
	1	2
B_O1	.814	.333
B_O2	.805	.318
B_O3	.820	.311
B_O4	.810	.314
I_B1	.223	.741
I_B2	.249	.742
I_B3	.350	.655
I_B5	.327	.702
S_B_M1	.601	.429
S_B_M2	.423	.444
S_B_M3	.322	.658
S_B_M4	.485	.614
S_B_M5	.461	.491

Extraction Method: Maximum Likelihood.
Rotation Method: Varimax with Kaiser
Normalization.

a. Rotation converged in 3 iterations.

Table 3.34 Pearson Correlation Coefficient for Each Pair of Variables 2nd EFA (continued)

L_B3	Pearson Correlation	.469 ^{**}	.472 ^{**}	.471 ^{**}	.540 ^{**}	.478 ^{**}	.612 ^{**}	1	.645 ^{**}	.492 ^{**}	.468 ^{**}	.576 ^{**}
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	112.277	109.842	119.396	122.842	135.129	169.881	233.861	178.347	134.792	119.980	134.594
	Covariance	1.123	1.098	1.194	1.228	1.351	1.699	2.339	1.783	1.348	1.200	1.346
	N	101	101	101	101	101	101	101	101	101	101	101
L_B5	Pearson Correlation	.488 ^{**}	.464 ^{**}	.538 ^{**}	.478 ^{**}	.527 ^{**}	.666 ^{**}	.645 ^{**}	1	.463 ^{**}	.531 ^{**}	.596 ^{**}
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	138.307	127.396	161.010	128.396	176.178	218.297	178.347	326.634	150.020	161.050	164.515
	Covariance	1.383	1.274	1.610	1.284	1.762	2.183	1.783	3.266	1.500	1.610	1.645
	N	101	101	101	101	101	101	101	101	101	101	101
S_B_M1	Pearson Correlation	.635 ^{**}	.608 ^{**}	.612 ^{**}	.633 ^{**}	.473 ^{**}	.396 ^{**}	.492 ^{**}	.463 ^{**}	1	.555 ^{**}	.603 ^{**}
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	178.416	165.762	181.594	168.762	156.693	128.822	134.792	150.020	321.188	166.970	164.891
	Covariance	1.784	1.658	1.816	1.688	1.567	1.288	1.348	1.500	3.212	1.670	1.649
	N	101	101	101	101	101	101	101	101	101	101	101
S_B_M3	Pearson Correlation	.442 ^{**}	.476 ^{**}	.437 ^{**}	.499 ^{**}	.650 ^{**}	.498 ^{**}	.468 ^{**}	.531 ^{**}	.555 ^{**}	1	.598 ^{**}
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	116.040	121.406	121.485	124.406	201.733	151.554	119.980	161.050	166.970	281.426	153.228
	Covariance	1.160	1.214	1.215	1.244	2.017	1.516	1.200	1.610	1.670	2.814	1.532
	N	101	101	101	101	101	101	101	101	101	101	101
S_B_M4	Pearson Correlation	.601 ^{**}	.568 ^{**}	.646 ^{**}	.523 ^{**}	.566 ^{**}	.535 ^{**}	.576 ^{**}	.596 ^{**}	.603 ^{**}	.598 ^{**}	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.000
	Sum of Squares and Cross-products	143.812	131.822	163.446	118.822	160.020	148.366	134.594	164.515	164.891	153.228	233.168
	Covariance	1.438	1.318	1.634	1.188	1.600	1.484	1.346	1.645	1.649	1.532	2.332
	N	101	101	101	101	101	101	101	101	101	101	101

** . Correlation is significant at the 0.01 level (2-tailed).

Table 3.35 Anti-Image Correlation (Measures of Sampling Adequacy) 2nd EFA

Anti-image Matrices												
		B_O1	B_O2	B_O3	B_O4	I_B1	I_B2	I_B3	I_B5	S_B_M1	S_B_M3	S_B_M4
Anti-image Correlation	B_O1	.920^a	-.127	-.269	-.371	-.106	-.096	.100	.006	-.150	.144	-.125
	B_O2	-.127	.927^a	-.359	-.316	-.162	.002	-.005	.068	-.051	-.007	.005
	B_O3	-.269	-.359	.899^a	-.164	.173	.014	.091	-.202	-.065	.064	-.289
	B_O4	-.371	-.316	-.164	.890^a	.135	-.019	-.241	.043	-.126	-.206	.188
	I_B1	-.106	-.162	.173	.135	.869^a	-.369	.007	-.018	-.078	-.378	-.134
	I_B2	-.096	.002	.014	-.019	-.369	.895^a	-.240	-.323	.119	.018	-.014
	I_B3	.100	-.005	.091	-.241	.007	-.240	.910^a	-.291	-.104	.055	-.202
	I_B5	.006	.068	-.202	.043	-.018	-.323	-.291	.918^a	.008	-.142	-.086
	S_B_M1	-.150	-.051	-.065	-.126	-.078	.119	-.104	.008	.958^a	-.187	-.149
	S_B_M3	.144	-.007	.064	-.206	-.378	.018	.055	-.142	-.187	.895^a	-.217
	S_B_M4	-.125	.005	-.289	.188	-.134	-.014	-.202	-.086	-.149	-.217	.926^a

Table 3.36 KMO and Bartlett's Test 2nd EFA

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.910
Bartlett's Test of Sphericity	Approx. Chi-Square
	770.977
	df
	55
	Sig.
	.000

Table 3.37 Total Variance Explained 2nd EFA

Factor	Initial Eigenvalues		Extraction Sums of Squared Loadings		Rotation Sums of Squared Loadings	
	Total	% of Variance	Total	% of Variance	Total	% of Variance
1	6.511	59.194	6.102	55.475	3.691	33.551
2	1.268	11.523	1.000	9.089	3.412	31.014
3	.706	6.421				
4	.513	4.662				
5	.439	3.995				
6	.375	3.411				
7	.339	3.077				
8	.266	2.420				
9	.241	2.192				
10	.177	1.609				
11	.165	1.496				
		59.194		55.475		33.551
		70.717		64.564		64.564
		77.138				
		81.800				
		85.795				
		89.206				
		92.284				
		94.704				
		96.895				
		98.504				
		100.000				

Extraction Method: Maximum Likelihood.

Table 3.38 Rotated Factor Matrix 2nd EFA

	Factor	
	1	2
B_O1	.812	.330
B_O2	.807	.317
B_O3	.819	.313
B_O4	.812	.313
I_B1	.227	.733
I_B2	.247	.757
I_B3	.349	.647
I_B5	.325	.713
S_B_M1	.604	.425
S_B_M3	.327	.643
S_B_M4	.487	.613

Extraction Method: Maximum Likelihood.
 Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

Table 3.39 Single-Factor CFA of the *New BMS*: Validity, Reliability, and Fit Measures

Constructs	<i>New brand orientation</i>	<i>New internal branding</i>
# of items	4+1	4+1
Reliability		
Alpha	0.9233	0.8755
Item-test corr.	All above 0.7	All above 0.7
Item-rest corr.	All above 0.6	All above 0.6
Avg. inter-item corr.	0.7065	0.5844
CR	0.92	0.88
AVE	<i>0.71</i>	<i>0.59</i>
Validity		
Sig.	All sig.	All sig.
Factor loadings	All above 0.7	All above 0.7
CR	0.92	0.88
AVE	<i>0.71</i>	<i>0.59</i>
GOF		
Chi-square	3.03	10.60
P-value	0.6951	0.0600
DF	5	5
RMSEA	0.000	0.105
SRMR	0.010	0.030
CFI	1.000	0.976
TLI	1.011	0.953

Figure 3.2 The Two-Factor First-Order Measurement Model of the *New BMS*

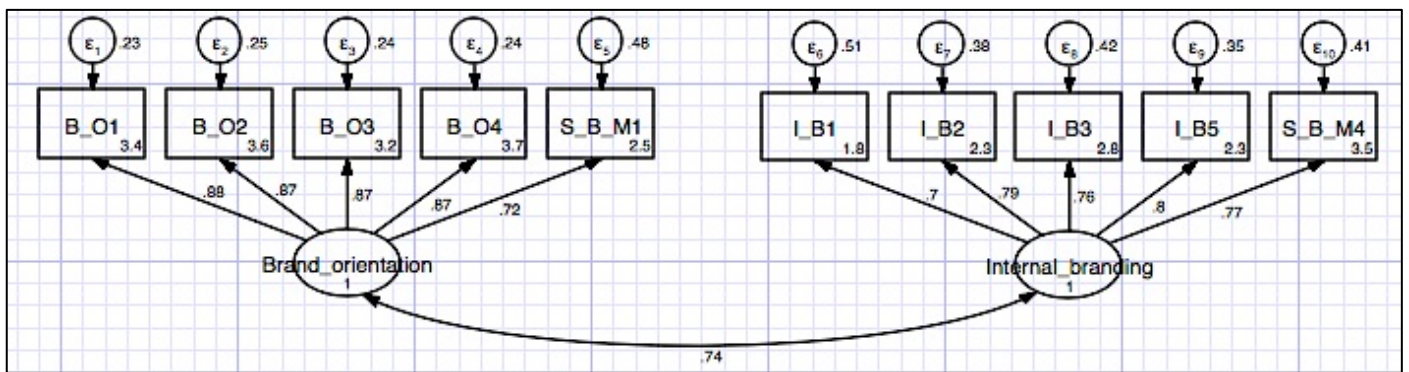


Table 3.40 a) The Two-Factor First-Order Measurement Model of the *New BMS*: Validity, Reliability, and Fit Measures

Constructs	<i>New brand orientation</i>	<i>New internal branding</i>
# of items	4+1	4+1
Reliability		
Alpha	0.9233	0.8755
Item-test corr.	All above 0.7	All above 0.7
Item-rest corr.	All above 0.6	All above 0.6
Avg. inter-item corr.	0.7065	0.5844
CR	0.93	0.88
AVE	0.71	0.59
Validity		
Sig.	All sig.	All sig.
Factor loadings	All above 0.7	All above 0.7
CR	0.93	0.88
AVE	0.71	0.59
GOF		
Chi-square		55.49
P-value		0.0114
DF		34
RMSEA		0.079
SRMR		0.049
CFI		0.969
TLI		0.959

Table 3.40 b) Discriminant Validity Evaluation of the *New BMS*

Variables being evaluated	Brand orientation	Internal branding	Discriminant validity result
<i>New brand orientation</i> and <i>New internal branding</i>	$0.74^2 < 0.71$	$0.74^2 < 0.59$	Discriminant validity

B- Single-Factor CFA – Customer Performance, and Business Performance

Table 3.41 Single-Factor CFA of Customer Performance, and Business Performance:
Validity, Reliability, and Fit Measures

Constructs	Customer performance	Business performance
# of items	6	3
Reliability		
Alpha	0.8590	0.8921
Item-test corr.	All above 0.6	All above 0.8
Item-rest corr.	All above 0.5	All above 0.6
Avg. inter-item corr.	0.5039	0.7337
CR	0.83	0.90
AVE	0.51	0.75
Validity		
Sig.	All sig.	All sig.
Factor loadings	All above 0.5	All above 0.7
CR	0.83	0.90
AVE	0.51	0.75
GOF		
Chi-square	14.48	0.00
P-value	0.0702	-
DF	8	0
RMSEA	0.090	0.000
SRMR	0.033	0.000
CFI	0.975	1.000
TLI	0.954	1.000

C- Single-Factor CFA – Market Orientation

Table 3.42 Single-Factor CFA of Market Orientation: Validity, Reliability, and Fit Measures

Constructs	Proactive market orientation	Reactive market orientation
# of items	7	3
Reliability		
Alpha	0.8528	0.8271
Item-test corr.	All above 0.6	All above 0.8
Item-rest corr.	All above 0.5	All above 0.6
Avg. inter-item corr.	0.4529	0.6147
CR	0.85	0.83
AVE	0.46	0.62
Validity		
Sig.	All sig.	All sig.
Factor loadings	All above 0.5	All above 0.6
CR	0.85	0.83
AVE	0.46	0.62
GOF		
Chi-square	9.32	0.00
P-value	0.810	-
DF	14	0
RMSEA	0.000	0.000
SRMR	0.026	0.000
CFI	1.000	1.000
TLI	1.030	1.000

Figure 3.3 The Two-Factor First-Order Measurement Model of Market Orientation

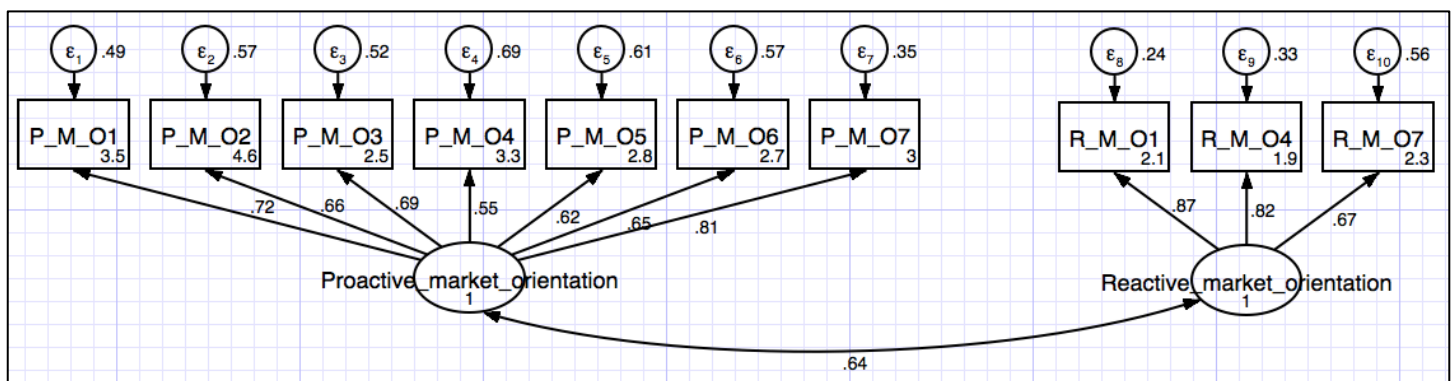


Table 3.43 a) The Two-Factor First-Order Measurement Model of Market Orientation: Validity, Reliability, and Fit Measures

Constructs	Proactive market orientation	Reactive market orientation
# of items	7	3
Reliability		
Alpha	0.8528	0.8271
Item-test corr.	All above 0.6	All above 0.8
Item-rest corr.	All above 0.5	All above 0.6
Avg. inter-item corr.	0.4529	0.6147
CR	0.85	0.83
AVE	0.46	0.62
Validity		
Sig.	All sig.	All sig.
Factor loadings	All above 0.5	All above 0.6
CR	0.85	0.83
AVE	0.46	0.62
GOF		
Chi-square		41.03
P-value		0.1896
DF		34
RMSEA		0.045
SRMR		0.041
CFI		0.982
TLI		0.976

Table 3.43 b) Discriminant Validity Evaluation of Market Orientation

Variables being evaluated	Proactive market orientation	Reactive market orientation	Discriminant validity result
Proactive market orientation and Reactive market orientation	$0.64^2 < 0.46$	$0.64^2 < 0.62$	Discriminant validity

D- Single-Factor CFA- Organizational Structure

Table 3.44 Single-Factor CFA of the Organizational Structure Variables: Validity, Reliability, and Fit Measures

Constructs	Horizontal integration	Communication	Formalization	Centralization	Specialization
# of items	4	3	3	3	4
Reliability					
Alpha	0.9277	0.7700	0.8657	0.8388	0.8243
Item-test corr.	All above 0.8	All above 0.7	All above 0.8	All above 0.8	All above 0.7
Item-rest corr.	All above 0.8	All above 0.5	All above 0.7	All above 0.6	All above 0.6
Avg. inter-item corr.	0.7622	0.5274	0.6823	0.6344	0.5398
CR	0.87	0.79	0.87	0.84	0.73
AVE	0.75	0.56	0.69	0.64	0.50
Validity					
Sig.	All sig.	All sig.	All sig.	All sig.	All sig.
Factor loadings	All above 0.8	All above 0.5	All above 0.7	All above 0.7	All above 0.5
CR	0.87	0.79	0.87	0.84	0.73
AVE	0.75	0.56	0.69	0.64	0.50
GOF					
Chi-square	3.76	0.00	0.00	0.00	1.22
P-value	0.0526	-	-	-	0.2690
DF	1	0	0	0	1
RMSEA	0.165	0.000	0.000	0.000	0.047
SRMR	0.010	0.000	0.000	0.000	0.010
CFI	0.992	1.000	1.000	1.000	0.999
TLI	0.949	1.000	1.000	1.000	0.991

E- Single-Factor CFA – Innovativeness, Short-Term Orientation, Competitive Intensity, and Reputational Assets

Table 3.45 Single-Factor CFA of Innovativeness, Short-Term Orientation, Competitive Intensity, and Reputational Assets: Validity, Reliability, and Fit Measures

Constructs	Innovativeness	Short-term orientation	Competitive intensity	Reputational assets
# of items	4	2	2	3
Reliability				
Alpha	0.7655	-	-	0.7602
Item-test corr.	All above 0.7	-	-	All above 0.7
Item-rest corr.	All above 0.4	-	-	All above 0.5
Avg. inter-item corr.	0.4494	-	-	0.5139
CR	0.77	-	-	0.76
AVE	0.47	-	-	0.52
Validity				
Sig.	All sig.	-	-	All sig.
Factor loadings	All above 0.5	-	-	All above 0.6
CR	0.77	-	-	0.76
AVE	0.47	-	-	0.52
GOF				
Chi-square	4.27	-	-	0.00
P-value	0.1182	-	-	-
DF	2	-	-	0
RMSEA	0.106	-	-	0.000
SRMR	0.028	-	-	0.000
CFI	0.978	-	-	1.000
TLI	0.935	-	-	1.000

Appendix 6: Full Measurement Models, and Structural Models

Table 3.46 First-Order and Second-Order CFA of the Three Measurement Models: Fit Measures

Model	First-order model 1	Second-order model 1	First-order model 2	Second-order model 2	First-order model 3	Second-order model 3
# items	38	38	33	33	31	31
GOF						
Chi-square	783.91	807.74	568.15	574.22	491.98	505.91
P-value	0.0000	0.0000	0.0000	0.0000	0.0003	0.0001
DF	610	625	440	448	389	396
RMSEA	0.053	0.054	0.054	0.053	0.051	0.052
SRMR	0.063	0.068	0.063	0.065	0.070	0.073
CFI	0.922	0.918	0.928	0.929	0.916	0.910
TLI	0.910	0.908	0.914	0.917	0.899	0.894
Chi-square test of difference (P-value)	0.068 > 0.05		0.639 > 0.05		0.052 > 0.05	

Table 3.47 First-Order Measurement Model 1

Measurement	Standardized	Coef.	OIM Std. Err.	z	P> z	[95% Conf. Interval]	
I_B1 <-	Internal_branding _cons	.7283751	.055973	13.01	0.000	.6186701	.8380801
		1.780342	.1574968	11.30	0.000	1.471654	2.08903
I_B2 <-	Internal_branding _cons	.8203398	.0428528	19.14	0.000	.7363499	.9043298
		2.286451	.1862054	12.28	0.000	1.921495	2.651407
I_B3 <-	Internal_branding _cons	.7481599	.0527205	14.19	0.000	.6448297	.8514901
		2.836916	.2208418	12.85	0.000	2.404075	3.269758
I_B5 <-	Internal_branding _cons	.8023914	.0452405	17.74	0.000	.7137216	.8910612
		2.339903	.1895897	12.34	0.000	1.968314	2.711492
B_O1 <-	Brand_orientation _cons	.8791932	.027385	32.10	0.000	.8255197	.9328667
		3.442398	.2611269	13.18	0.000	2.930598	3.954197
B_O2 <-	Brand_orientation _cons	.8667915	.0293337	29.55	0.000	.8092984	.9242845
		3.638108	.2739577	13.28	0.000	3.10116	4.175055
B_O3 <-	Brand_orientation _cons	.8712095	.028804	30.25	0.000	.8147547	.9276643
		3.178223	.2440191	13.02	0.000	2.699955	3.656492
B_O4 <-	Brand_orientation _cons	.8721715	.0285151	30.59	0.000	.816283	.9280601
		3.719417	.2792956	13.32	0.000	3.172008	4.266826
S_B_M1 <-	Brand_orientation _cons	.7203449	.0515877	13.96	0.000	.6192348	.821455
		2.509562	.202117	12.42	0.000	2.113421	2.905704
Inno1 <-	Innovativeness _cons	.5674692	.0780056	7.27	0.000	.4145811	.7203573
		4.707369	.3455706	13.62	0.000	4.030063	5.384675
Inno2 <-	Innovativeness _cons	.7426084	.0653397	11.37	0.000	.614545	.8706718
		5.092929	.3714156	13.71	0.000	4.364968	5.82089
Inno5 <-	Innovativeness _cons	.8531905	.0582973	14.64	0.000	.73893	.9674511
		3.963976	.2953671	13.42	0.000	3.385067	4.542885
P_M_O1 <-	Proactive_market_orientation _cons	.7757419	.0537045	14.44	0.000	.670483	.8810008
		3.50104	.2644636	13.24	0.000	2.982701	4.019379
P_M_O2 <-	Proactive_market_orientation _cons	.6460598	.069015	9.36	0.000	.5107928	.7813267
		4.576964	.3363691	13.61	0.000	3.917693	5.236236
P_M_O4 <-	Proactive_market_orientation _cons	.538913	.0816476	6.60	0.000	.3788865	.6989394
		3.270956	.2502	13.07	0.000	2.780573	3.761339
P_M_O5 <-	Proactive_market_orientation _cons	.6231587	.0717257	8.69	0.000	.482579	.7637384
		2.791136	.2193434	12.72	0.000	2.361231	3.221041
P_M_O6 <-	Proactive_market_orientation _cons	.6477862	.0696447	9.30	0.000	.511285	.7842874
		2.709821	.2141672	12.65	0.000	2.290061	3.129581
R_M_O1 <-	Reactive_market_orientation _cons	.8525951	.0465831	18.30	0.000	.7612939	.9438963
		2.102239	.1768497	11.89	0.000	1.75562	2.448858

R_M_04 <-	Reactive_market_orientation _cons	.8365745 1.937612	.0471466 .1673628	17.74 11.58	0.000 0.000	.7441688 1.609587	.9289802 2.265637
R_M_07 <-	Reactive_market_orientation _cons	.6677658 2.277227	.0647808 .1878091	10.31 12.13	0.000 0.000	.5407979 1.909128	.7947338 2.645326
B_perf1 <-	Business_performance _cons	.9610527 3.157537	.0246536 .2429822	38.98 12.99	0.000 0.000	.9127326 2.6813	1.009373 3.633773
B_perf2 <-	Business_performance _cons	.9045773 3.264834	.0283891 .2499549	31.86 13.06	0.000 0.000	.8489356 2.774931	.9602189 3.754736
B_perf3 <-	Business_performance _cons	.7158713 3.205373	.052251 .2462693	13.70 13.02	0.000 0.000	.6134613 2.722694	.8182813 3.688052
C_Perf7 <-	Customer_performance _cons	.931471 5.173117	.0451178 .3772796	20.65 13.71	0.000 0.000	.8430417 4.433662	1.0199 5.912571
C_Perf3 <-	Customer_performance _cons	.5452707 5.513652	.078853 .4004795	6.92 13.77	0.000 0.000	.3907217 4.728726	.6998197 6.298577
C_Perf4 <-	Customer_performance _cons	.5914487 3.936196	.0768926 .2942548	7.69 13.38	0.000 0.000	.4407421 3.359467	.7421554 4.512925
C_Perf6 <-	Customer_performance _cons	.6780487 4.599589	.0626207 .3385457	10.83 13.59	0.000 0.000	.5553143 3.936052	.800783 5.263127
H_i1 <-	Horizontal_integration _cons	.7905282 2.696274	.0429039 .2137468	18.43 12.61	0.000 0.000	.7064381 2.277337	.8746184 3.11521
H_i2 <-	Horizontal_integration _cons	.9485128 2.731195	.0213052 .2157029	44.52 12.66	0.000 0.000	.9067555 2.308425	.9902702 3.153965
H_i3 <-	Horizontal_integration _cons	.8851913 2.510006	.0283585 .2020742	31.21 12.42	0.000 0.000	.8296096 2.113948	.940773 2.906064
H_i4 <-	Horizontal_integration _cons	.8090859 2.577522	.038591 .2063451	20.97 12.49	0.000 0.000	.733449 2.173093	.8847229 2.981951
Formaliz1 <-	Formalization _cons	.7813036 1.879522	.0456131 .1616485	17.13 11.63	0.000 0.000	.6919036 1.562697	.8707036 2.196347
Formaliz2 <-	Formalization _cons	.904684 1.984628	.0321865 .1660696	28.11 11.95	0.000 0.000	.8415997 1.659138	.9677683 2.310119
Formaliz4 <-	Formalization _cons	.8044853 2.327746	.0438809 .1877692	18.33 12.40	0.000 0.000	.7184803 1.959726	.8904904 2.695767
Cent1 <-	Centralization _cons	.8245447 1.68163	.0520858 .1543606	15.83 10.89	0.000 0.000	.7224585 1.379088	.9266309 1.984171
Cent3 <-	Centralization _cons	.8656882 1.495529	.0490114 .1445431	17.66 10.35	0.000 0.000	.7696276 1.21223	.9617487 1.778829
Cent4 <-	Centralization _cons	.7032963 1.555266	.0603433 .1477242	11.65 10.53	0.000 0.000	.5850256 1.265732	.8215671 1.8448
	var(e.I_B1)	.4694697	.0815386			.3340172	.6598516
	var(e.I_B2)	.3270426	.0703077			.2145916	.4984205
	var(e.I_B3)	.4402568	.0788867			.3098739	.6254998
	var(e.I_B5)	.356168	.0726012			.2388615	.5310846

var(e.B_O1)	.2270193	.0481533			.1498006	.3440426
var(e.B_O2)	.2486725	.0508525			.1665562	.3712743
var(e.B_O3)	.240994	.0501886			.1602278	.3624722
var(e.B_O4)	.2393168	.0497401			.1592421	.3596572
var(e.S_B_M1)	.4811032	.0743219			.3554207	.6512291
var(e.Inno1)	.6779787	.0885315			.5248858	.8757241
var(e.Inno2)	.4485328	.0970436			.2935148	.6854225
var(e.Inno5)	.2720659	.0994774			.132875	.5570638
var(e.P_M_O1)	.3982245	.0833217			.2642582	.6001052
var(e.P_M_O2)	.5826068	.0891757			.4316064	.7864356
var(e.P_M_O4)	.7095728	.0880019			.5564551	.9048234
var(e.P_M_O5)	.6116732	.0893929			.4593256	.814551
var(e.P_M_O6)	.580373	.0902298			.4279294	.7871226
var(e.R_M_O1)	.2730816	.079433			.154418	.4829332
var(e.R_M_O4)	.300143	.0788833			.1793148	.5023893
var(e.R_M_O7)	.5540888	.0865168			.4080099	.752468
var(e.B_perf1)	.0763776	.0473868			.022639	.2576765
var(e.B_perf2)	.1817399	.0513603			.1044475	.3162297
var(e.B_perf3)	.4875282	.0748099			.3608985	.6585889
var(e.C_Perf7)	.1323618	.0840519			.0381273	.4595042
var(e.C_Perf3)	.7026799	.0859925			.552827	.8931527
var(e.C_Perf4)	.6501884	.090956			.4942687	.8552938
var(e.C_Perf6)	.54025	.0849198			.3970066	.7351769
var(e.H_i1)	.3750651	.0678336			.2631237	.53463
var(e.H_i2)	.1003234	.0404165			.0455498	.2209626
var(e.H_i3)	.2164363	.0502054			.1373669	.3410188
var(e.H_i4)	.34538	.0624468			.242323	.4922658
var(e.Formaliz1)	.3895647	.0712753			.2721715	.5575922
var(e.Formaliz2)	.1815468	.0582372			.0968139	.3404395
var(e.Formaliz4)	.3528034	.0706031			.2383362	.5222464
var(e.Cent1)	.3201261	.0858941			.1892049	.5416387
var(e.Cent3)	.250584	.0848571			.1290341	.4866336
var(e.Cent4)	.5053743	.0848785			.3636239	.7023829
var(Internal_branding)	1	.			.	.
var(Brand_orientation)	1	.			.	.
var(Innovativeness)	1	.			.	.
var(Proactive_market_orientation)	1	.			.	.
var(Reactive_market_orientation)	1	.			.	.
var(Business_performance)	1	.			.	.
var(Customer_performance)	1	.			.	.
var(Horizontal_integration)	1	.			.	.
var(Formalization)	1	.			.	.
var(Centralization)	1	.			.	.

cov(e.H_i1,e.H_i4)	.3851168	.0964215	3.99	0.000	.1961342	.5740994
cov(Mark_budg,Internal_branding)	.3668556	.091585	4.01	0.000	.1873522	.5463589
cov(Mark_budg,Brand_orientation)	.2036314	.0981586	2.07	0.038	.0112441	.3960186
cov(Mark_budg,Innovativeness)	.2203138	.106599	2.07	0.039	.0113837	.4292439
cov(Mark_budg,Proactive_market_orientation)	.2869527	.1024725	2.80	0.005	.0861102	.4877951
cov(Mark_budg,Reactive_market_orientation)	.2519477	.1015156	2.48	0.013	.0529807	.4509146
cov(Mark_budg,Business_performance)	-.146993	.100415	-1.46	0.143	-.3438028	.0498169
cov(Mark_budg,Customer_performance)	-.0680734	.1056097	-0.64	0.519	-.2750647	.1389179
cov(Mark_budg,Horizontal_integration)	.1750665	.0990107	1.77	0.077	-.0189908	.3691239
cov(Mark_budg,Formalization)	.4185653	.0859559	4.87	0.000	.2500948	.5870358
cov(Mark_budg,Centralization)	-.103749	.1063481	-0.98	0.329	-.3121875	.1046894
cov(Internal_branding,Brand_orientation)	.6888174	.0649369	10.61	0.000	.5615435	.8160913
cov(Internal_branding,Innovativeness)	.4227087	.1017578	4.15	0.000	.2232671	.6221504
cov(Internal_branding,Proactive_market_orientation)	.4864878	.097225	5.00	0.000	.2959303	.6770453
cov(Internal_branding,Reactive_market_orientation)	.5197543	.0904247	5.75	0.000	.3425252	.6969834
cov(Internal_branding,Business_performance)	.1132835	.1097578	1.03	0.302	-.1018379	.3284049
cov(Internal_branding,Customer_performance)	.1383964	.1129762	1.23	0.221	-.0830329	.3598258
cov(Internal_branding,Horizontal_integration)	.4243234	.0932331	4.55	0.000	.2415899	.6070569
cov(Internal_branding,Formalization)	.5545723	.0841984	6.59	0.000	.3895465	.7195982
cov(Internal_branding,Centralization)	-.0275828	.1171962	-0.24	0.814	-.2572831	.2021175
cov(Brand_orientation,Innovativeness)	.4610219	.0936594	4.92	0.000	.2774529	.6445909
cov(Brand_orientation,Proactive_market_orientation)	.3865068	.1005975	3.84	0.000	.1893393	.5836743
cov(Brand_orientation,Reactive_market_orientation)	.3907173	.0967369	4.04	0.000	.2011165	.5803182
cov(Brand_orientation,Business_performance)	.1812256	.1029285	1.76	0.078	-.0205105	.3829617
cov(Brand_orientation,Customer_performance)	.3554754	.0973014	3.65	0.000	.1647681	.5461826
cov(Brand_orientation,Horizontal_integration)	.3407323	.0952455	3.58	0.000	.1540544	.5274101
cov(Brand_orientation,Formalization)	.4512735	.0904391	4.99	0.000	.274016	.628531
cov(Brand_orientation,Centralization)	.1735915	.1097543	1.58	0.114	-.041523	.3887059
cov(Innovativeness,Proactive_market_orientation)	.6991137	.0828581	8.44	0.000	.5367148	.8615125
cov(Innovativeness,Reactive_market_orientation)	.4228721	.1021425	4.14	0.000	.2226764	.6230678

cov(Innovativeness, Business_performance)	.1643113	.1126977	1.46	0.145	-.0565721	.3851948
cov(Innovativeness, Customer_performance)	.3600502	.1058727	3.40	0.001	.1525435	.567557
cov(Innovativeness, Horizontal_integration)	.4446646	.0956727	4.65	0.000	.2571495	.6321798
cov(Innovativeness, Formalization)	.3562249	.1056771	3.37	0.001	.1491016	.5633482
cov(Innovativeness, Centralization)	.0252239	.1205672	0.21	0.834	-.2110835	.2615313
cov(Proactive_market_orientation, Reactive_market_orientation)	.6071401	.0853772	7.11	0.000	.4398038	.7744764
cov(Proactive_market_orientation, Business_performance)	.2063747	.1118216	1.85	0.065	-.0127915	.425541
cov(Proactive_market_orientation, Customer_performance)	.227807	.1134926	2.01	0.045	.0053656	.4502484
cov(Proactive_market_orientation, Horizontal_integration)	.4971146	.0912831	5.45	0.000	.3182031	.6760261
cov(Proactive_market_orientation, Formalization)	.5045264	.0935845	5.39	0.000	.3211042	.6879485
cov(Proactive_market_orientation, Centralization)	.1503536	.1179577	1.27	0.202	-.0808392	.3815463
cov(Reactive_market_orientation, Business_performance)	.1366415	.1091811	1.25	0.211	-.0773495	.3506325
cov(Reactive_market_orientation, Customer_performance)	.2113929	.1101085	1.92	0.055	-.0044157	.4272016
cov(Reactive_market_orientation, Horizontal_integration)	.5176012	.0883773	5.86	0.000	.3443849	.6908174
cov(Reactive_market_orientation, Formalization)	.5459405	.0856413	6.37	0.000	.3780866	.7137943
cov(Reactive_market_orientation, Centralization)	-.0012685	.1177719	-0.01	0.991	-.2320972	.2295602
cov(Business_performance, Customer_performance)	.4230495	.0917624	4.61	0.000	.2431985	.6029005
cov(Business_performance, Horizontal_integration)	.1602201	.1045443	1.53	0.125	-.0446829	.365123
cov(Business_performance, Formalization)	.1497355	.1070606	1.40	0.162	-.0600995	.3595705
cov(Business_performance, Centralization)	.2016582	.1064686	1.89	0.058	-.0070165	.4103329
cov(Customer_performance, Horizontal_integration)	.056162	.1103554	0.51	0.611	-.1601305	.2724546
cov(Customer_performance, Formalization)	-.0767568	.1113037	-0.69	0.490	-.294908	.1413945
cov(Customer_performance, Centralization)	.1005157	.1137555	0.88	0.377	-.122441	.3234725
cov(Horizontal_integration, Formalization)	.5922487	.0746017	7.94	0.000	.446032	.7384653
cov(Horizontal_integration, Centralization)	-.1296607	.1099725	-1.18	0.238	-.3452028	.0858813
cov(Formalization, Centralization)	-.0157726	.1141691	-0.14	0.890	-.23954	.2079947

LR test of model vs. saturated: chi2(610) =	783.91,	Prob >	chi2 =	0.0000		

Table 3.48 First-Order Measurement Model 2

Measurement	Standardized	OIM				
		Coef.	Std. Err.	z	P> z	[95% Conf. Interval]

B_01 <--						
Brand_orientation	.8774383	.0278523	31.50	0.000	.8228488	.9320277
_cons	3.442397	.2611282	13.18	0.000	2.930595	3.954199

B_02 <--						
Brand_orientation	.8697796	.0290501	29.94	0.000	.8128424	.9267169
_cons	3.638107	.2739504	13.28	0.000	3.101174	4.17504

B_03 <--						
Brand_orientation	.8706331	.0289581	30.07	0.000	.8138763	.9273899
_cons	3.178223	.2440183	13.02	0.000	2.699956	3.65649

B_04 <--						
Brand_orientation	.8724171	.0285933	30.51	0.000	.8163753	.9284589
_cons	3.719416	.2792933	13.32	0.000	3.172012	4.266821

S_B_M1 <--						
Brand_orientation	.7188582	.0518505	13.86	0.000	.617233	.8204834
_cons	2.509562	.2021181	12.42	0.000	2.113418	2.905706

I_B1 <--						
Internal_branding	.7210042	.057397	12.56	0.000	.6085081	.8335002
_cons	1.78034	.1575687	11.30	0.000	1.471511	2.089169

I_B2 <--						
Internal_branding	.8124322	.0441869	18.39	0.000	.7258274	.899037
_cons	2.28645	.1862947	12.27	0.000	1.921319	2.651581

I_B3 <-	Internal_branding _cons	.7603429 2.836915	.0510225 .2207697	14.90 12.85	0.000 0.000	.6603406 2.404214	.8603452 3.269616
I_B5 <-	Internal_branding _cons	.8051876 2.339901	.044972 .1895873	17.90 12.34	0.000 0.000	.7170442 1.968317	.8933311 2.711486
Formaliz1 <-	Formalization _cons	.7843613 1.879522	.0445865 .1616696	17.59 11.63	0.000 0.000	.6969733 1.562655	.8717493 2.196388
Formaliz2 <-	Formalization _cons	.908969 1.984627	.0300657 .166091	30.23 11.95	0.000 0.000	.8500414 1.659095	.9678966 2.310159
Formaliz4 <-	Formalization _cons	.7972775 2.327745	.0434243 .187914	18.36 12.39	0.000 0.000	.7121674 1.959441	.8823875 2.69605
S_T_O2 <-	STO _cons	.5698484 2.082236	.3207372 .1765995	1.78 11.79	0.076 0.000	-.0587849 1.736108	1.198482 2.428365
S_T_O4 <-	STO _cons	.8240988 2.514905	.4546983 .2020255	1.81 12.45	0.070 0.000	-.0670934 2.118942	1.715291 2.910868
H_i1 <-	Horizontal_integration _cons	.7972599 2.696274	.0415776 .21373	19.18 12.62	0.000 0.000	.7157693 2.277371	.8787505 3.115177
H_i2 <-	Horizontal_integration _cons	.9375777 2.731195	.0226843 .2157092	41.33 12.66	0.000 0.000	.8931173 2.308412	.982038 3.153977
H_i3 <-	Horizontal_integration _cons	.8946885 2.510006	.0274614 .2020492	32.58 12.42	0.000 0.000	.8408651 2.113997	.9485118 2.906015
H_i4 <-	Horizontal_integration _cons	.8124196 2.577521	.038436 .2063322	21.14 12.49	0.000 0.000	.7370864 2.173118	.8877527 2.981925
C1 <-	Communication _cons	.6926175 5.015218	.0735157 .3666292	9.42 13.68	0.000 0.000	.5485293 4.296638	.8367057 5.733798
C2 <-	Communication _cons	.6196979 5.280013	.07476 .3845946	8.29 13.73	0.000 0.000	.4731709 4.526222	.7662249 6.033805
C4 <-	Communication _cons	.9013105 4.924783	.0704295 .3605089	12.80 13.66	0.000 0.000	.7632712 4.218198	1.03935 5.631367
Spec1 <-	Specialization _cons	.5637281 1.853555	.0775114 .1619458	7.27 11.45	0.000 0.000	.4118086 1.536147	.7156476 2.170963
Spec3 <-	Specialization _cons	.8025509 1.970016	.0490918 .165985	16.35 11.87	0.000 0.000	.7063328 1.644691	.8987689 2.29534
Spec4 <-	Specialization _cons	.8055307 1.815342	.0497216 .157117	16.20 11.55	0.000 0.000	.7080781 1.507399	.9029833 2.123286
Cent1 <-	Centralization _cons	.8261818 1.68163	.0536414 .1543588	15.40 10.89	0.000 0.000	.7210467 1.379092	.931317 1.984167
Cent3 <-	Centralization _cons	.8668941 1.495529	.0504706 .1445414	17.18 10.35	0.000 0.000	.7679735 1.212233	.9658146 1.778825
Cent4 <-	Centralization _cons	.6989243 1.555266	.0611058 .1477259	11.44 10.53	0.000 0.000	.5791591 1.265729	.8186895 1.844803

R_A2 <-	Rep_ass	.8043224	.0796349	10.10	0.000	.6482409	.9604039
	_cons	5.348994	.3891424	13.75	0.000	4.586289	6.111699
R_A3 <-	Rep_ass	.7448289	.0824753	9.03	0.000	.5831802	.9064776
	_cons	4.543442	.3346677	13.58	0.000	3.887505	5.199378
R_A4 <-	Rep_ass	.601269	.0799763	7.52	0.000	.4445182	.7580197
	_cons	5.886479	.4258863	13.82	0.000	5.051757	6.721201
C_I2 <-	Competitive_intensity	.6353985	.1116689	5.69	0.000	.4165315	.8542655
	_cons	2.859955	.2236055	12.79	0.000	2.421696	3.298214
C_I5 <-	Competitive_intensity	.8760323	.1325029	6.61	0.000	.6163315	1.135733
	_cons	2.633841	.2084218	12.64	0.000	2.225342	3.04234
	var(e.B_O1)	.2301021	.0488773			.1517441	.3489226
	var(e.B_O2)	.2434834	.0505344			.1621079	.3657079
	var(e.B_O3)	.241998	.0504237			.1608614	.364059
	var(e.B_O4)	.2388885	.0498905			.158645	.3597195
	var(e.S_B_M1)	.4832429	.0745464			.357155	.653844
	var(e.I_B1)	.480153	.0827669			.3424939	.6731417
	var(e.I_B2)	.3399539	.0717978			.224723	.5142716
	var(e.I_B3)	.4218787	.0775892			.2941982	.6049718
	var(e.I_B5)	.3516729	.0724218			.2348803	.5265397
	var(e.Formaliz1)	.3847774	.0699439			.2694512	.5494636
	var(e.Formaliz2)	.1737754	.0546575			.0938124	.3218966
	var(e.Formaliz4)	.3643486	.0692424			.2510447	.52879
	var(e.S_T_O2)	.6752728	.3655431			.2337228	1.951
	var(e.S_T_O4)	.3208611	.7494326			.0032974	31.22204
	var(e.H_i1)	.3643766	.0662963			.2550815	.5205014
	var(e.H_i2)	.1209481	.0425365			.0607069	.2409684
	var(e.H_i3)	.1995326	.0491388			.1231371	.3233245
	var(e.H_i4)	.3399744	.0624523			.2371827	.4873146
	var(e.C1)	.520281	.1018366			.3545104	.7635666
	var(e.C2)	.6159745	.0926573			.4586926	.8271872
	var(e.C4)	.1876394	.1269577			.0498193	.7067255
	var(e.Spec1)	.6822106	.0873907			.530738	.8769136
	var(e.Spec3)	.3559121	.0787973			.2306167	.5492813
	var(e.Spec4)	.3511203	.0801046			.224524	.5490969
	var(e.Cent1)	.3174236	.088635			.1836352	.5486843
	var(e.Cent3)	.2484947	.0875053			.124616	.4955193
	var(e.Cent4)	.5115048	.0854167			.3687285	.7095658
	var(e.R_A2)	.3530655	.1281042			.1733845	.7189527
	var(e.R_A3)	.4452299	.12286			.2592373	.764665
	var(e.R_A4)	.6384756	.0961746			.4752548	.8577528
	var(e.C_I2)	.5962688	.1419085			.3739909	.9506553
	var(e.C_I5)	.2325673	.2321536			.0328747	1.645265
	var(Brand_orientation)	1	.			.	.
	var(Internal_branding)	1	.			.	.
	var(Formalization)	1	.			.	.
	var(STO)	1	.			.	.
	var(Horizontal_integration)	1	.			.	.
	var(Communication)	1	.			.	.
	var(Specialization)	1	.			.	.
	var(Centralization)	1	.			.	.
	var(Rep_ass)	1	.			.	.
	var(Competitive_intensity)	1	.			.	.
	cov(e.H_i1,e.H_i4)	.3707924	.097831	3.79	0.000	.1790472	.5625377
	cov(Mark_budg,Brand_orientation)	.2038671	.0981428	2.08	0.038	.0115107	.3962235
	cov(Mark_budg,Internal_branding)	.3657195	.0917125	3.99	0.000	.1859663	.5454726
	cov(Mark_budg,Formalization)	.4159326	.0859433	4.84	0.000	.2474868	.5843784
	cov(Mark_budg,STO)	.2302472	.1263858	1.82	0.068	-.0174644	.4779587
	cov(Mark_budg,Horizontal_integration)	.1763862	.0992094	1.78	0.075	-.0180607	.370833
	cov(Mark_budg,Communication)	.0089396	.1097417	0.08	0.935	-.2061501	.2240293
	cov(Mark_budg,Specialization)	.4435625	.08855	5.01	0.000	.2700077	.6171173
	cov(Mark_budg,Centralization)	-.1039243	.1063294	-0.98	0.328	-.3123262	.1044775
	cov(Mark_budg,Rep_ass)	-.1233544	.1131637	-1.09	0.276	-.3451511	.0984423
	cov(Mark_budg,Competitive_intensity)	.293295	.1040159	2.82	0.005	.0894276	.4971624
	cov(Brand_orientation,Internal_branding)	.6907949	.0646285	10.69	0.000	.5641254	.8174644
	cov(Brand_orientation,Formalization)	.4486166	.0903618	4.96	0.000	.2715107	.6257225
	cov(Brand_orientation,STO)	.178549	.1196578	1.49	0.136	-.0559759	.4130739
	cov(Brand_orientation,Horizontal_integration)	.3421585	.0953903	3.59	0.000	.1551969	.5291201
	cov(Brand_orientation,Communication)	.0076753	.1158036	0.07	0.947	-.2192955	.2346462
	cov(Brand_orientation,Specialization)	.4273085	.0976875	4.37	0.000	.2358446	.6187724

cov(Brand_orientation, Centralization)	.1731286	.1099127	1.58	0.115	-.0422963	.3885535
cov(Brand_orientation, Rep_ass)	.1509609	.114704	1.32	0.188	-.0738548	.3757766
cov(Brand_orientation, Competitive_intensity)	.23218	.1132022	2.05	0.040	.0103077	.4540523
cov(Internal_branding, Formalization)	.5523402	.0842313	6.56	0.000	.3872498	.7174306
cov(Internal_branding, STO)	.1765052	.13896	1.27	0.204	-.0958513	.4488617
cov(Internal_branding, Horizontal_integration)	.4260845	.0934289	4.56	0.000	.2429672	.6092017
cov(Internal_branding, Communication)	.028424	.1207577	0.24	0.814	-.2082567	.2651048
cov(Internal_branding, Specialization)	.5440651	.0935901	5.81	0.000	.360632	.7274982
cov(Internal_branding, Centralization)	-.0269255	.1173964	-0.23	0.819	-.2570182	.2031671
cov(Internal_branding, Rep_ass)	.1639029	.1220954	1.34	0.179	-.0753996	.4032055
cov(Internal_branding, Competitive_intensity)	.2719951	.1167646	2.33	0.020	.0431408	.5008495
cov(Formalization, Horizontal_integration)	.1721939	.1223529	1.41	0.159	-.0676133	.4120011
cov(Formalization, Horizontal_integration)	.592113	.0747497	7.92	0.000	.4456063	.7386198
cov(Formalization, Communication)	.052103	.117542	0.44	0.658	-.1782751	.282481
cov(Formalization, Specialization)	.8263006	.0544128	15.19	0.000	.7196534	.9329478
cov(Formalization, Centralization)	-.0160972	.1139803	-0.14	0.888	-.2394945	.2073002
cov(Formalization, Rep_ass)	-.0637051	.1200139	-0.53	0.596	-.298928	.1715179
cov(Formalization, Competitive_intensity)	.3053029	.1195746	2.55	0.011	.0709409	.5396649
cov(STO, Horizontal_integration)	.196152	.1631983	1.20	0.229	-.1237108	.5160148
cov(STO, Communication)	-.2859803	.1936697	-1.48	0.140	-.6655658	.0936052
cov(STO, Specialization)	.2645311	.2184758	1.21	0.226	-.1636737	.6927359
cov(STO, Centralization)	.0128121	.1783547	0.07	0.943	-.3367567	.3623808
cov(STO, Rep_ass)	-.1725151	.1325254	-1.30	0.193	-.43226	.0872298
cov(STO, Competitive_intensity)	.0173278	.2914579	0.06	0.953	-.5539192	.5885748
cov(Horizontal_integration, Communication)	.1464009	.1168708	1.25	0.210	-.0826616	.3754634
cov(Horizontal_integration, Specialization)	.5442414	.0863689	6.30	0.000	.3749614	.7135214
cov(Horizontal_integration, Centralization)	-.1238263	.1103134	-1.12	0.262	-.3400366	.092384
cov(Horizontal_integration, Rep_ass)	.0524222	.1173679	0.45	0.655	-.1776146	.2824591
cov(Horizontal_integration, Competitive_intensity)	.2666318	.1122188	2.38	0.018	.0466871	.4865765
cov(Communication, Specialization)	.047495	.1238658	0.38	0.701	-.1952775	.2902676
cov(Communication, Centralization)	-.1276968	.1155568	-1.11	0.269	-.354184	.0987904
cov(Communication, Rep_ass)	.0959431	.1230992	0.78	0.436	-.145327	.3372131
cov(Communication, Competitive_intensity)	.0775104	.1265424	0.61	0.540	-.1705081	.3255289
cov(Specialization, Centralization)	-.0336274	.1198452	-0.28	0.779	-.2685196	.2012649
cov(Specialization, Rep_ass)	.1034378	.1247202	0.83	0.407	-.1410094	.3478849
cov(Specialization, Competitive_intensity)	.1145653	.1267906	0.90	0.366	-.1339398	.3630703
cov(Centralization, Rep_ass)	-.1503348	.1201631	-1.25	0.211	-.3858503	.0851806
cov(Centralization, Competitive_intensity)	.0918352	.1206467	0.76	0.447	-.1446279	.3282984
cov(Rep_ass, Competitive_intensity)	-.1362421	.1314974	-1.04	0.300	-.3939723	.1214882

LR test of model vs. saturated: $\chi^2(440) = 568.15$, Prob > $\chi^2 = 0.0000$

Table 3.49 First-Order Measurement Model 3

Measurement	Standardized	OIM					
		Coef.	Std. Err.	z	P> z	[95% Conf. Interval]	
P_M_O1 <-							
Proactive_market_orientation		.7603624	.0556761	13.66	0.000	.6512393	.8694856
_cons		3.501039	.2656701	13.18	0.000	2.980336	4.021743
P_M_O2 <-							
Proactive_market_orientation		.6366754	.0699607	9.10	0.000	.4995551	.7737958
_cons		4.576965	.3370562	13.58	0.000	3.916347	5.237583
P_M_O4 <-							
Proactive_market_orientation		.548674	.0798528	6.87	0.000	.3921654	.7051825
_cons		3.270956	.2507331	13.05	0.000	2.779529	3.762384
P_M_O5 <-							
Proactive_market_orientation		.6283897	.0723291	8.69	0.000	.4866273	.770152
_cons		2.791137	.2201534	12.68	0.000	2.359644	3.222629
P_M_O6 <-							
Proactive_market_orientation		.6649371	.0672038	9.89	0.000	.53322	.7966541
_cons		2.709822	.2150653	12.60	0.000	2.288301	3.131342
R_M_O1 <-							
Reactive_market_orientation		.8435622	.0457325	18.45	0.000	.7539282	.9331962
_cons		2.102239	.1782673	11.79	0.000	1.752842	2.451637
R_M_O4 <-							
Reactive_market_orientation		.856677	.0446546	19.18	0.000	.7691555	.9441985
_cons		1.937612	.1687804	11.48	0.000	1.606808	2.268415

R_M_O7 <-	Reactive_market_orientation	.6462984	.0666836	9.69	0.000	.515601	.7769958
	_cons	2.277227	.1886083	12.07	0.000	1.907561	2.646892
C_Perf3 <-	Customer_performance	.5613546	.0772214	7.27	0.000	.4100034	.7127058
	_cons	5.513651	.4004968	13.77	0.000	4.728692	6.29861
C_Perf4 <-	Customer_performance	.6143093	.072886	8.43	0.000	.4714552	.7571633
	_cons	3.936196	.2942825	13.38	0.000	3.359413	4.512979
C_Perf6 <-	Customer_performance	.7012055	.0610911	11.48	0.000	.5814691	.8209419
	_cons	4.599589	.3385775	13.59	0.000	3.935989	5.263189
C_Perf7 <-	Customer_performance	.8967779	.0439189	20.42	0.000	.8106984	.9828574
	_cons	5.173117	.3773352	13.71	0.000	4.433553	5.91268
B_perf1 <-	Business_performance	.9543871	.025591	37.29	0.000	.9042296	1.004545
	_cons	3.157537	.2434289	12.97	0.000	2.680425	3.634648
B_perf2 <-	Business_performance	.9109715	.028441	32.03	0.000	.8552281	.9667149
	_cons	3.264834	.2503378	13.04	0.000	2.774181	3.755487
B_perf3 <-	Business_performance	.7173736	.0518957	13.82	0.000	.6156599	.8190874
	_cons	3.205373	.2465045	13.00	0.000	2.722234	3.688513
Inno1 <-	Innovativeness	.5808005	.0770624	7.54	0.000	.4297609	.73184
	_cons	4.707396	.3458231	13.61	0.000	4.029595	5.385197
Inno2 <-	Innovativeness	.7477851	.0615021	12.16	0.000	.6272432	.8683271
	_cons	5.092955	.3718951	13.69	0.000	4.364054	5.821856
Inno5 <-	Innovativeness	.8396681	.0543667	15.44	0.000	.7331113	.9462249
	_cons	3.963999	.2961221	13.39	0.000	3.38361	4.544387
Spec1 <-	Specialization	.5738317	.0790514	7.26	0.000	.4188939	.7287695
	_cons	1.853554	.1640398	11.30	0.000	1.532042	2.175066
Spec3 <-	Specialization	.8046204	.0559472	14.38	0.000	.6949659	.914275
	_cons	1.970042	.1706287	11.55	0.000	1.635616	2.304468
Spec4 <-	Specialization	.7969902	.0573086	13.91	0.000	.6846674	.9093131
	_cons	1.815367	.1619123	11.21	0.000	1.498025	2.132709
R_A2 <-	Reputational_assets	.7957704	.061791	12.88	0.000	.6746623	.9168786
	_cons	5.348993	.3892852	13.74	0.000	4.586008	6.111978
R_A3 <-	Reputational_assets	.7203839	.0687639	10.48	0.000	.5856092	.8551587
	_cons	4.543442	.3348034	13.57	0.000	3.887239	5.199645
R_A4 <-	Reputational_assets	.6437333	.076667	8.40	0.000	.4934688	.7939978
	_cons	5.88648	.4259563	13.82	0.000	5.051621	6.721339
C_I2 <-	Competitive_intensity	.7424358	.0890279	8.34	0.000	.5679443	.9169273
	_cons	2.85995	.224483	12.74	0.000	2.419971	3.299928
C_I5 <-	Competitive_intensity	.7497379	.0891491	8.41	0.000	.5750088	.924467
	_cons	2.633836	.2103402	12.52	0.000	2.221577	3.046096
C1 <-	Communication	.7132121	.0718111	9.93	0.000	.5724649	.8539592
	_cons	5.015215	.3666296	13.68	0.000	4.296635	5.733796

C2 <-	Communication _cons	.6187346 5.280014	.0731973 .384595	8.45 13.73	0.000 0.000	.4752706 4.526222	.7621986 6.033806
C4 <-	Communication _cons	.8809032 4.924784	.0660374 .3605098	13.34 13.66	0.000 0.000	.7514722 4.218198	1.010334 5.631371
S_T_O2 <-	STO _cons	.7184873 2.082222	.1439189 .1771005	4.99 11.76	0.000 0.000	.4364114 1.735111	1.000563 2.429332
S_T_O4 <-	STO _cons	.6536128 2.514899	.1359112 .203006	4.81 12.39	0.000 0.000	.3872317 2.117014	.9199939 2.912783
	var(e.P_M_O1)	.421849	.084668			.2846525	.6251714
	var(e.P_M_O2)	.5946444	.0890845			.4433408	.7975849
	var(e.P_M_O4)	.6989569	.0876263			.5466856	.8936411
	var(e.P_M_O5)	.6051264	.0909017			.4507951	.8122936
	var(e.P_M_O6)	.5578587	.0893726			.4075268	.7636464
	var(e.R_M_O1)	.2884028	.0771564			.1707173	.4872157
	var(e.R_M_O4)	.2661046	.0765092			.1514672	.4675047
	var(e.R_M_O7)	.5822984	.086195			.4356584	.7782964
	var(e.C_Perf3)	.684881	.0866972			.5343968	.877741
	var(e.C_Perf4)	.6226241	.0895491			.4696795	.8253731
	var(e.C_Perf6)	.5083108	.0856749			.3653094	.7072905
	var(e.C_Perf7)	.1957894	.078771			.0889875	.4307737
	var(e.B_perf1)	.0891453	.0488475			.0304564	.2609261
	var(e.B_perf2)	.1701309	.0518179			.0936542	.3090576
	var(e.B_perf3)	.485375	.0744572			.359337	.6556212
	var(e.Inno1)	.6626708	.0895158			.5085278	.8635371
	var(e.Inno2)	.4408174	.0919807			.2928515	.6635445
	var(e.Inno5)	.2949575	.0913			.1607984	.5410496
	var(e.Spec1)	.6707172	.0907244			.5145196	.8743331
	var(e.Spec3)	.352586	.0900326			.2137525	.5815924
	var(e.Spec4)	.3648066	.0913488			.2233155	.5959454
	var(e.R_A2)	.3667494	.0983429			.2168313	.6203217
	var(e.R_A3)	.481047	.0990728			.3212776	.7202687
	var(e.R_A4)	.5856074	.0987062			.420856	.8148536
	var(e.C_I2)	.4487891	.132195			.2519491	.7994139
	var(e.C_I5)	.4378931	.133677			.2407239	.7965572
	var(e.C1)	.4913286	.102433			.3265217	.7393192
	var(e.C2)	.6171675	.0905794			.4628874	.822869
	var(e.C4)	.2240096	.1163451			.0809419	.6199548
	var(e.S_T_O2)	.483776	.2068078			.2092989	1.118206
	var(e.S_T_O4)	.5727903	.1776666			.311869	1.052008
	var(Proactive_market_orientation)	1	.			.	.
	var(Reactive_market_orientation)	1	.			.	.
	var(Customer_performance)	1	.			.	.
	var(Business_performance)	1	.			.	.
	var(Innovativeness)	1	.			.	.
	var(Specialization)	1	.			.	.
	var(Reputational_assets)	1	.			.	.
	var(Competitive_intensity)	1	.			.	.
	var(Communication)	1	.			.	.
	var(STO)	1	.			.	.
	cov(Proactive_market_orientation, Reactive_market_orientation)	.6026666	.0863968	6.98	0.000	.433332	.7720012
	cov(Proactive_market_orientation, Customer_performance)	.2297674	.1158668	1.98	0.047	.0026727	.4568621
	cov(Proactive_market_orientation, Business_performance)	.2047327	.1129253	1.81	0.070	-.0165968	.4260623
	cov(Proactive_market_orientation, Innovativeness)	.7064224	.0805135	8.77	0.000	.5486188	.864226
	cov(Proactive_market_orientation, Specialization)	.5005112	.1019352	4.91	0.000	.3007219	.7003005
	cov(Proactive_market_orientation, Reputational_assets)	.1478731	.1272263	1.16	0.245	-.1014858	.397232
	cov(Proactive_market_orientation, Competitive_intensity)	.5379074	.1070312	5.03	0.000	.32813	.7476848
	cov(Proactive_market_orientation, Communication)	.1294884	.124019	1.04	0.296	-.1135845	.3725612
	cov(Proactive_market_orientation,STO)	-.0135284	.1641622	-0.08	0.934	-.3352803	.3082235
	cov(Reactive_market_orientation, Customer_performance)	.2050715	.1123161	1.83	0.068	-.0150641	.425207
	cov(Reactive_market_orientation, Business_performance)	.1315908	.1096679	1.20	0.230	-.0833543	.346536
	cov(Reactive_market_orientation, Innovativeness)	.422115	.1026568	4.11	0.000	.2209114	.6233187

cov(Reactive_market_orientation, Specialization)	.6945607	.0762703	9.11	0.000	.5450738	.8440477
cov(Reactive_market_orientation, Reputational_assets)	.1937132	.1193049	1.62	0.104	-.0401201	.4275464
cov(Reactive_market_orientation, Competitive_intensity)	.2960598	.1221078	2.42	0.015	.056733	.5353867
cov(Reactive_market_orientation, Communication)	.0360837	.1213472	0.30	0.766	-.2017524	.2739198
cov(Reactive_market_orientation,STO)	.1891593	.1330114	1.42	0.155	-.0715382	.4498568
cov(Customer_performance, Business_performance)	.4232645	.0944346	4.48	0.000	.2381761	.6083529
cov(Customer_performance, Innovativeness)	.3661444	.1079975	3.39	0.001	.1544733	.5778155
cov(Customer_performance, Specialization)	-.0208537	.1213878	-0.17	0.864	-.2587694	.217062
cov(Customer_performance, Reputational_assets)	.5572471	.0960654	5.80	0.000	.3689623	.7455319
cov(Customer_performance, Competitive_intensity)	.0134086	.1298299	0.10	0.918	-.2410534	.2678706
cov(Customer_performance, Communication)	.1044137	.1179586	0.89	0.376	-.1267809	.3356082
cov(Customer_performance,STO)	.0010809	.1368628	0.01	0.994	-.2671653	.269327
cov(Business_performance, Innovativeness)	.1558249	.1142651	1.36	0.173	-.0681305	.3797804
cov(Business_performance, Specialization)	.0838197	.1156787	0.72	0.469	-.1429064	.3105458
cov(Business_performance, Reputational_assets)	.1569859	.1144468	1.37	0.170	-.0673256	.3812975
cov(Business_performance, Competitive_intensity)	-.1244386	.1219012	-1.02	0.307	-.3633606	.1144834
cov(Business_performance, Communication)	-.0109396	.1125694	-0.10	0.923	-.2315716	.2096924
cov(Business_performance,STO)	-.1242829	.1347219	-0.92	0.356	-.388333	.1397671
cov(Innovativeness, Specialization)	.3285365	.1138624	2.89	0.004	.1053702	.5517028
cov(Innovativeness, Reputational_assets)	.2955308	.1187814	2.49	0.013	.0627235	.5283381
cov(Innovativeness, Competitive_intensity)	.3946207	.120818	3.27	0.001	.1578218	.6314195
cov(Innovativeness, Communication)	.3329089	.1158362	2.87	0.004	.1058741	.5599437
cov(Innovativeness,STO)	.0208303	.1445625	0.14	0.885	-.2625071	.3041676
cov(Specialization, Reputational_assets)	.1050142	.1258542	0.83	0.404	-.1416555	.351684
cov(Specialization, Competitive_intensity)	.1406497	.1310046	1.07	0.283	-.1161146	.397414
cov(Specialization, Communication)	.0543784	.124259	0.44	0.662	-.1891648	.2979216
cov(Specialization,STO)	.3050521	.1312145	2.32	0.020	.0478764	.5622278
cov(Reputational_assets, Competitive_intensity)	-.1707247	.1320876	-1.29	0.196	-.4296116	.0881623
cov(Reputational_assets, Communication)	.0982568	.1234637	0.80	0.426	-.1437276	.3402411
cov(Reputational_assets,STO)	-.1542972	.1486791	-1.04	0.299	-.4457028	.1371085
cov(Competitive_intensity, Communication)	.0642954	.134802	0.48	0.633	-.1999116	.3285025
cov(Competitive_intensity,STO)	-.1082511	.1675469	-0.65	0.518	-.436637	.2201347
cov(Communication,STO)	-.3140728	.1310193	-2.40	0.017	-.5708659	-.0572796

LR test of model vs. saturated: chi2(389) = 491.98, Prob > chi2 = 0.0003						

Table 3.50 Second-Order Measurement Model 1

	Standardized	OIM				
		Coef.	Std. Err.	z	P> z	[95% Conf. Interval]

Structural						
Internal_branding <-	BMS	.8427686	.074327	11.34	0.000	.6970904 .9884468

Brand_orientation <-	BMS	.8197255	.0716738	11.44	0.000	.6792475 .9602035

Proactive_market_orientation <-	Market_orientation	.844355	.0754701	11.19	0.000	.6964364 .9922736

Reactive_market_orientation <-	Market_orientation	.7190818	.0773462	9.30	0.000	.5674861 .8706775

Measurement						
I_B1 <-	Internal_branding_cons	.7046758	.0593726	11.87	0.000	.5883076 .821044
		1.780342	.158647	11.22	0.000	1.4694 2.091284

I_B2 <-	Internal_branding_cons	.8117596	.0446502	18.18	0.000	.724247 .8992723
		2.286451	.1875627	12.19	0.000	1.918835 2.654067

I_B3 <-	Internal_branding_cons	.7618705	.0508235	14.99	0.000	.6622583 .8614828
		2.836916	.2217881	12.79	0.000	2.40222 3.271613

I_B5 <-	Internal_branding _cons	.8171819 2.339903	.0434365 .1907651	18.81 12.27	0.000 0.000	.7320479 1.96601	.9023158 2.713795
B_O1 <-	Brand_orientation _cons	.8756714 3.442398	.0279552 .2603483	31.32 13.22	0.000 0.000	.8208801 2.932124	.9304626 3.952671
B_O2 <-	Brand_orientation _cons	.8682178 3.638108	.0291309 .2731942	29.80 13.32	0.000 0.000	.8111223 3.102657	.9253133 4.173559
B_O3 <-	Brand_orientation _cons	.8725496 3.178224	.0285801 .2432268	30.53 13.07	0.000 0.000	.8165335 2.701508	.9285656 3.654939
B_O4 <-	Brand_orientation _cons	.871585 3.719417	.0286596 .2785297	30.41 13.35	0.000 0.000	.8154132 3.173509	.9277567 4.265325
S_B_M1 <-	Brand_orientation _cons	.7231353 2.509562	.0512271 .2015745	14.12 12.45	0.000 0.000	.622732 2.114484	.8235385 2.904641
Inno1 <-	Innovativeness _cons	.5625089 4.707369	.0782387 .3456109	7.19 13.62	0.000 0.000	.4091638 4.029984	.715854 5.384754
Inno2 <-	Innovativeness _cons	.7142138 5.092929	.0698853 .371524	10.22 13.71	0.000 0.000	.5772411 4.364755	.8511865 5.821103
Inno5 <-	Innovativeness _cons	.8844179 3.963976	.0601979 .2954172	14.69 13.42	0.000 0.000	.7664321 3.384969	1.002404 4.542984
P_M_O1 <-	Proactive_market_orientation _cons	.7773882 3.501041	.0540637 .2644025	14.38 13.24	0.000 0.000	.6714254 2.982822	.883351 4.01926
P_M_O2 <-	Proactive_market_orientation _cons	.6516205 4.576965	.0687571 .3363215	9.48 13.61	0.000 0.000	.516859 3.917787	.786382 5.236143
P_M_O4 <-	Proactive_market_orientation _cons	.5321149 3.270956	.0824011 .2501939	6.46 13.07	0.000 0.000	.3706118 2.780585	.693618 3.761327
P_M_O5 <-	Proactive_market_orientation _cons	.6294031 2.791136	.0714594 .2192917	8.81 12.73	0.000 0.000	.4893454 2.361333	.7694609 3.22094
P_M_O6 <-	Proactive_market_orientation _cons	.6391198 2.709821	.0706981 .2141586	9.04 12.65	0.000 0.000	.5005541 2.290078	.7776855 3.129564
R_M_O1 <-	Reactive_market_orientation _cons	.8595276 2.102239	.0454522 .1768641	18.91 11.89	0.000 0.000	.770443 1.755592	.9486122 2.448887
R_M_O4 <-	Reactive_market_orientation _cons	.8317739 1.937612	.0476542 .1674183	17.45 11.57	0.000 0.000	.7383733 1.609478	.9251744 2.265746
R_M_O7 <-	Reactive_market_orientation _cons	.6642769 2.277227	.0646906 .1878393	10.27 12.12	0.000 0.000	.5374858 1.909069	.7910681 2.645385
B_perf1 <-	Business_performance _cons	.9582476 3.157537	.0248086 .2429751	38.63 13.00	0.000 0.000	.9096237 2.681314	1.006872 3.633759
B_perf2 <-	Business_performance _cons	.907338 3.264834	.0282141 .2499438	32.16 13.06	0.000 0.000	.8520394 2.774953	.9626367 3.754715
B_perf3 <-	Business_performance _cons	.7164085 3.205373	.0520685 .2462638	13.76 13.02	0.000 0.000	.6143562 2.722705	.8184608 3.688042

C_Perf7 <-	Customer_performance _cons	.9112237 5.173117	.0463439 .3772717	19.66 13.71	0.000 0.000	.8203914 4.433678	1.002056 5.912555
C_Perf3 <-	Customer_performance _cons	.5541262 5.513652	.0781431 .4004755	7.09 13.77	0.000 0.000	.4009685 4.728734	.7072839 6.298569
C_Perf4 <-	Customer_performance _cons	.6098628 3.936196	.0753827 .2942475	8.09 13.38	0.000 0.000	.4621153 3.359481	.7576102 4.51291
C_Perf6 <-	Customer_performance _cons	.688636 4.599589	.0623804 .3385384	11.04 13.59	0.000 0.000	.5663725 3.936066	.8108994 5.263112
H_i1 <-	Horizontal_integration _cons	.7906629 2.696274	.0429447 .2137472	18.41 12.61	0.000 0.000	.7064928 2.277337	.874833 3.11521
H_i2 <-	Horizontal_integration _cons	.9490209 2.731195	.0212395 .2157029	44.68 12.66	0.000 0.000	.9073923 2.308425	.9906496 3.153965
H_i3 <-	Horizontal_integration _cons	.8841068 2.510006	.0283737 .2020766	31.16 12.42	0.000 0.000	.8284954 2.113943	.9397181 2.906069
H_i4 <-	Horizontal_integration _cons	.8098401 2.577522	.0384824 .2063446	21.04 12.49	0.000 0.000	.7344159 2.173094	.8852643 2.98195
Formaliz1 <-	Formalization _cons	.7825067 1.879522	.0454497 .1616488	17.22 11.63	0.000 0.000	.6934269 1.562696	.8715864 2.196348
Formaliz2 <-	Formalization _cons	.905679 1.984628	.0320182 .1660761	28.29 11.95	0.000 0.000	.8429245 1.659125	.9684334 2.310131
Formaliz4 <-	Formalization _cons	.8024331 2.327747	.0440008 .1878089	18.24 12.39	0.000 0.000	.716193 1.959648	.8886731 2.695845
Cent1 <-	Centralization _cons	.8216367 1.68163	.0529689 .1543604	15.51 10.89	0.000 0.000	.7178196 1.379089	.9254539 1.98417
Cent3 <-	Centralization _cons	.8678088 1.495529	.0498182 .1445395	17.42 10.35	0.000 0.000	.7701669 1.212237	.9654507 1.778821
Cent4 <-	Centralization _cons	.7044946 1.555266	.0603406 .1477222	11.68 10.53	0.000 0.000	.5862292 1.265736	.8227599 1.844796
	var(e.I_B1)	.5034321	.0836769			.363463	.697303
	var(e.I_B2)	.3410463	.0724904			.2248474	.5172955
	var(e.I_B3)	.4195533	.0774419			.2921938	.6024256
	var(e.I_B5)	.3322138	.070991			.2185364	.5050234
	var(e.B_O1)	.2331996	.0489592			.1545333	.3519117
	var(e.B_O2)	.2461979	.0505839			.1645872	.3682752
	var(e.B_O3)	.2386573	.0498752			.1584486	.3594685
	var(e.B_O4)	.2403396	.0499585			.159915	.3612115
	var(e.S_B_M1)	.4770754	.0740882			.351883	.6468086
	var(e.Inno1)	.6835837	.08802			.5311153	.8798215
	var(e.Inno2)	.4898986	.0998261			.3285926	.7303898
	var(e.Inno5)	.217805	.1064802			.0835475	.5678089
	var(e.P_M_O1)	.3956676	.0840569			.2609147	.6000155
	var(e.P_M_O2)	.5753907	.0896071			.4240362	.7807692
	var(e.P_M_O4)	.7168537	.0876937			.5640297	.9110856
	var(e.P_M_O5)	.6038517	.0899535			.4509517	.808594
	var(e.P_M_O6)	.5915259	.0903691			.4384633	.7980209
	var(e.R_M_O1)	.2612122	.0781348			.1453379	.4694703
	var(e.R_M_O4)	.3081522	.0792751			.1861169	.5102053
	var(e.R_M_O7)	.5587362	.0859449			.413309	.7553335
	var(e.B_perf1)	.0817616	.0475455			.0261555	.2555849
	var(e.B_perf2)	.1767377	.0511995			.1001712	.3118281
	var(e.B_perf3)	.4867588	.0746046			.3604556	.6573184
	var(e.C_Perf7)	.1696714	.0844593			.0639582	.4501124
	var(e.C_Perf3)	.6929442	.0866023			.5423971	.8852769

var(e.C_Perf4)	.6280674	.0919463			.471405	.8367936
var(e.C_Perf6)	.5257805	.0859148			.3816932	.7242601
var(e.H_il)	.3748522	.0679096			.2628169	.5346467
var(e.H_i2)	.0993593	.0403134			.0448587	.2200745
var(e.H_i3)	.2183552	.0501707			.139183	.3425636
var(e.H_i4)	.344159	.0623293			.2413245	.4908139
var(e.Formaliz1)	.3876833	.0711294			.2705857	.5554558
var(e.Formaliz2)	.1797456	.0579964			.0955017	.3383025
var(e.Formaliz4)	.3561012	.0706155			.241423	.5252524
var(e.Cent1)	.3249131	.0870424			.1921919	.5492871
var(e.Cent3)	.2469079	.0864653			.124294	.490478
var(e.Cent4)	.5036874	.0850192			.3618127	.7011944
var(e.Internal_branding)	.2897411	.1252809			.1241537	.6761768
var(e.Brand_orientation)	.32805	.1175056			.1625716	.6619658
var(e.Proactive_market_orientation)	.2870646	.1274471			.1202471	.6853061
var(e.Reactive_market_orientation)	.4829214	.1112364			.3074752	.7584776
var(Innovativeness)	1	.			.	.
var(Business_performance)	1	.			.	.
var(Customer_performance)	1	.			.	.
var(BMS)	1	.			.	.
var(Market_orientation)	1	.			.	.
var(Horizontal_integration)	1	.			.	.
var(Formalization)	1	.			.	.
var(Centralization)	1	.			.	.

cov(e.H_il,e.H_i4)	.3839454	.096746	3.97	0.000	.1943266	.5735642
cov(Mark_budg,Innovativeness)	.2066053	.1069615	1.93	0.053	-.0030355	.4162461
cov(Mark_budg,Business_performance)	-.1484935	.1004348	-1.48	0.139	-.3453421	.0483551
cov(Mark_budg,Customer_performance)	-.0741439	.1066305	-0.70	0.487	-.2831358	.134848
cov(Mark_budg,BMS)	.3375748	.1050093	3.21	0.001	.1317603	.5433892
cov(Mark_budg,Market_orientation)	.3459295	.1088284	3.18	0.001	.1326297	.5592292
cov(Mark_budg,Horizontal_integration)	.1749812	.0990011	1.77	0.077	-.0190575	.3690198
cov(Mark_budg,Formalization)	.4179047	.0859829	4.86	0.000	.2493813	.586428
cov(Mark_budg,Centralization)	-.1041531	.1063251	-0.98	0.327	-.3125464	.1042403
cov(Innovativeness,Business_performance)	.1694851	.1109715	1.53	0.127	-.0480151	.3869854
cov(Innovativeness,Customer_performance)	.3708963	.1042007	3.56	0.000	.1666666	.5751259
cov(Innovativeness,BMS)	.5295127	.0995439	5.32	0.000	.3344102	.7246152
cov(Innovativeness,Market_orientation)	.7208052	.0960149	7.51	0.000	.5326194	.908991
cov(Innovativeness,Horizontal_integration)	.4514158	.0927993	4.86	0.000	.2695326	.633299
cov(Innovativeness,Formalization)	.3597855	.103494	3.48	0.001	.156941	.5626301
cov(Innovativeness,Centralization)	.0367115	.1188261	0.31	0.757	-.1961835	.2696065
cov(Business_performance, Customer_performance)	.4234411	.0933363	4.54	0.000	.2405054	.6063769
cov(Business_performance,BMS)	.1767326	.1153469	1.53	0.125	-.0493431	.4028083
cov(Business_performance,Market_orientation)	.2219243	.1206739	1.84	0.066	-.0145922	.4584407
cov(Business_performance, Horizontal_integration)	.1581991	.1047355	1.51	0.131	-.0470788	.3634769
cov(Business_performance,Formalization)	.1483444	.1071949	1.38	0.166	-.0617536	.3584425
cov(Business_performance,Centralization)	.2012269	.1065975	1.89	0.059	-.0077003	.4101541
cov(Customer_performance,BMS)	.3127575	.1202215	2.60	0.009	.0771278	.5483872
cov(Customer_performance,Market_orientation)	.2807215	.1225455	2.29	0.022	.0405367	.5209064
cov(Customer_performance, Horizontal_integration)	.0646997	.1113099	0.58	0.561	-.1534638	.2828632
cov(Customer_performance,Formalization)	-.0776771	.1125778	-0.69	0.490	-.2983256	.1429714
cov(Customer_performance,Centralization)	.0996827	.1152073	0.87	0.387	-.1261195	.3254848
cov(BMS,Market_orientation)	.6695892	.1072333	6.24	0.000	.4594158	.8797626
cov(BMS,Horizontal_integration)	.4586189	.0986486	4.65	0.000	.2652712	.6519666
cov(BMS,Formalization)	.6008787	.0894104	6.72	0.000	.4256376	.7761198
cov(BMS,Centralization)	.0935171	.1301577	0.72	0.472	-.1615873	.3486215
cov(Market_orientation, Horizontal_integration)	.6358543	.093759	6.78	0.000	.4520901	.8196185
cov(Market_orientation,Formalization)	.6575332	.0951286	6.91	0.000	.4710845	.8439819
cov(Market_orientation,Centralization)	.1113587	.1304438	0.85	0.393	-.1443064	.3670238
cov(Horizontal_integration,Formalization)	.5920287	.07459	7.94	0.000	.4458349	.7382225
cov(Horizontal_integration,Centralization)	-.1295601	.1099322	-1.18	0.239	-.3450232	.0859029
cov(Formalization,Centralization)	-.0162489	.1141292	-0.14	0.887	-.2399379	.2074401

LR test of model vs. saturated: chi2(625) =	807.74,	Prob > chi2 =	0.0000			

Table 3.51 Second-Order Measurement Model 2

	Standardized	Coef.	OIM Std. Err.	z	P> z	[95% Conf. Interval]	
Structural							
Brand_orientation <-	BMS	.759898	.0733659	10.36	0.000	.6161034	.9036926
Internal_branding <-	BMS	.9089443	.0744691	12.21	0.000	.7629875	1.054901
Measurement							
B_O1 <-	Brand_orientation _cons	.8749974 3.442398	.0281803 .2604088	31.05 13.22	0.000 0.000	.819765 2.932006	.9302299 3.952789
B_O2 <-	Brand_orientation _cons	.87041 3.638108	.0288751 .2732415	30.14 13.31	0.000 0.000	.8138158 3.102564	.9270042 4.173651
B_O3 <-	Brand_orientation _cons	.8714967 3.178223	.0287867 .2432887	30.27 13.06	0.000 0.000	.8150759 2.701386	.9279175 3.655061
B_O4 <-	Brand_orientation _cons	.8724039 3.719417	.0285863 .2785832	30.52 13.35	0.000 0.000	.8163758 3.173404	.928432 4.26543
S_B_M1 <-	Brand_orientation _cons	.7207893 2.509562	.0515724 .2016199	13.98 12.45	0.000 0.000	.6197092 2.114395	.8218694 2.90473
I_B1 <-	Internal_branding _cons	.7119108 1.780342	.0583551 .1581576	12.20 11.26	0.000 0.000	.5975369 1.470359	.8262847 2.090325
I_B2 <-	Internal_branding _cons	.8127971 2.286451	.0442298 .1869745	18.38 12.23	0.000 0.000	.7261082 1.919988	.899486 2.652914
I_B3 <-	Internal_branding _cons	.7616184 2.836916	.0507158 .2213187	15.02 12.82	0.000 0.000	.6622173 2.40314	.8610196 3.270693
I_B5 <-	Internal_branding _cons	.8111195 2.339903	.0441018 .1902146	18.39 12.30	0.000 0.000	.7246816 1.967089	.8975575 2.712716
Formaliz1 <-	Formalization _cons	.7848911 1.879522	.0445223 .1616633	17.63 11.63	0.000 0.000	.697629 1.562667	.8721531 2.196376
Formaliz2 <-	Formalization _cons	.9087871 1.984628	.030003 .1660923	30.29 11.95	0.000 0.000	.8499823 1.659093	.9675918 2.310163
Formaliz4 <-	Formalization _cons	.7969981 2.327746	.0433474 .1879163	18.39 12.39	0.000 0.000	.7120388 1.959437	.8819575 2.696056
S_T_O2 <-	STO _cons	.6518244 2.082224	.2625496 .1764182	2.48 11.80	0.013 0.000	.1372365 1.736451	1.166412 2.427998
S_T_O4 <-	STO _cons	.7204259 2.514941	.2872843 .202257	2.51 12.43	0.012 0.000	.157359 2.118524	1.283493 2.911357
H_i1 <-	Horizontal_integration _cons	.7972722 2.696274	.0416436 .2137306	19.15 12.62	0.000 0.000	.7156522 2.277369	.8788923 3.115178
H_i2 <-	Horizontal_integration _cons	.9384349 2.731195	.0225266 .2157085	41.66 12.66	0.000 0.000	.8942836 2.308414	.9825862 3.153976
H_i3 <-	Horizontal_integration _cons	.8935994 2.510006	.0274685 .2020515	32.53 12.42	0.000 0.000	.8397622 2.113993	.9474367 2.90602

H_i4 <-	Horizontal_integration_cons	.8126141 2.577522	.0383855 .2063325	21.17 12.49	0.000 0.000	.73738 2.173117	.8878483 2.981926
C1 <-	Communication_cons	.6958045 5.015211	.0727628 .3666289	9.56 13.68	0.000 0.000	.553192 4.296632	.838417 5.733791
C2 <-	Communication_cons	.6198419 5.280011	.0743556 .3845947	8.34 13.73	0.000 0.000	.4741076 4.526219	.7655763 6.033803
C4 <-	Communication_cons	.8980508 4.924779	.0690891 .3605091	13.00 13.66	0.000 0.000	.7626387 4.218194	1.033463 5.631364
Spec1 <-	Specialization_cons	.5655038 1.853554	.0768636 .1619207	7.36 11.45	0.000 0.000	.4148539 1.536196	.7161536 2.170913
Spec3 <-	Specialization_cons	.8020851 1.97004	.048872 .1659867	16.41 11.87	0.000 0.000	.7062977 1.644712	.8978724 2.295368
Spec4 <-	Specialization_cons	.8050172 1.815365	.049538 .1571194	16.25 11.55	0.000 0.000	.7079245 1.507417	.9021098 2.123314
Cent1 <-	Centralization_cons	.8228486 1.68163	.0551515 .1543575	14.92 10.89	0.000 0.000	.7147537 1.379094	.9309435 1.984165
Cent3 <-	Centralization_cons	.8706683 1.495529	.0517088 .1445351	16.84 10.35	0.000 0.000	.769321 1.212246	.9720157 1.778813
Cent4 <-	Centralization_cons	.6982662 1.555266	.0612018 .1477238	11.41 10.53	0.000 0.000	.5783129 1.265733	.8182195 1.844799
R_A2 <-	Rep_ass_cons	.8020753 5.348992	.0776263 .3891448	10.33 13.75	0.000 0.000	.6499304 4.586282	.9542201 6.111702
R_A3 <-	Rep_ass_cons	.7456853 4.543441	.0807669 .3346687	9.23 13.58	0.000 0.000	.5873851 3.887502	.9039855 5.19938
R_A4 <-	Rep_ass_cons	.6033906 5.886479	.0797157 .4258864	7.57 13.82	0.000 0.000	.4471506 5.051757	.7596305 6.721201
C_I2 <-	Competitive_intensity_cons	.636811 2.859948	.1069287 .2236	5.96 12.79	0.000 0.000	.4272347 2.4217	.8463874 3.298196
C_I5 <-	Competitive_intensity_cons	.8740938 2.633836	.1245361 .2084266	7.02 12.64	0.000 0.000	.6300075 2.225327	1.11818 3.042345
	var(e.B_O1)	.2343795	.0493154			.1551742	.3540134
	var(e.B_O2)	.2423865	.0502664			.1614303	.3639415
	var(e.B_O3)	.2404935	.050175			.159777	.3619865
	var(e.B_O4)	.2389115	.0498776			.1586834	.3597017
	var(e.S_B_M1)	.4804628	.0743457			.3547699	.6506878
	var(e.I_B1)	.493183	.0830873			.3544908	.6861377
	var(e.I_B2)	.3393609	.0718998			.2240367	.5140488
	var(e.I_B3)	.4199373	.0772522			.2928171	.6022441
	var(e.I_B5)	.3420851	.0715436			.227046	.5154118
	var(e.Formaliz1)	.383946	.0698903			.2687353	.5485494
	var(e.Formaliz2)	.1741061	.0545326			.0942334	.3216793
	var(e.Formaliz4)	.364794	.0690956			.2516643	.5287783
	var(e.S_T_O2)	.575125	.3422725			.1791385	1.846441
	var(e.S_T_O4)	.4809866	.4139341			.0890418	2.598195
	var(e.H_i1)	.364357	.0664026			.2549171	.5207812
	var(e.H_i2)	.11934	.0422795			.059597	.2389723
	var(e.H_i3)	.20148	.0490916			.1249776	.3248117
	var(e.H_i4)	.3396583	.0623852			.2369745	.486836
	var(e.C1)	.5158561	.1012574			.3511124	.7578983
	var(e.C2)	.615796	.0921775			.4592212	.8257561
	var(e.C4)	.1935048	.124091			.0550595	.6800666

var(e.Spec1)	.6802055	.0869333			.529484	.873831
var(e.Spec3)	.3566596	.078399			.2318181	.5487322
var(e.Spec4)	.3519474	.0797578			.225725	.5487516
var(e.Cent1)	.3229202	.0907626			.1861442	.5601971
var(e.Cent3)	.2419367	.0900424			.116656	.5017602
var(e.Cent4)	.5124243	.0854703			.3695326	.7105697
var(e.R_A2)	.3566752	.1245244			.1799273	.7070481
var(e.R_A3)	.4439534	.1204534			.2608493	.7555883
var(e.R_A4)	.6359198	.0961994			.4727548	.8553991
var(e.C_I2)	.5944717	.1361867			.3794291	.9313905
var(e.C_I5)	.23596	.2177125			.0386779	1.439508
var(e.Brand_orientation)	.422555	.1115012			.2519263	.7087501
var(e.Internal_branding)	.1738202	.1353766			.037771	.7999126
var(Formalization)	1	.			.	.
var(BMS)	1	.			.	.
var(STO)	1	.			.	.
var(Horizontal_integration)	1	.			.	.
var(Communication)	1	.			.	.
var(Specialization)	1	.			.	.
var(Centralization)	1	.			.	.
var(Rep_ass)	1	.			.	.
var(Competitive_intensity)	1	.			.	.

cov(e.H_i1,e.H_i4)	.3705056	.097983	3.78	0.000	.1784625	.5625487
cov(Mark_budg,Formalization)	.4159674	.0859296	4.84	0.000	.2475486	.5843863
cov(Mark_budg,BMS)	.3585204	.0982517	3.65	0.000	.1659506	.5510901
cov(Mark_budg,STO)	.2328095	.122309	1.90	0.057	-.0069118	.4725204
cov(Mark_budg,Horizontal_integration)	.1763001	.0991979	1.78	0.076	-.0181243	.3707244
cov(Mark_budg,Communication)	.0099675	.1098297	0.09	0.928	-.2052947	.2252297
cov(Mark_budg,Specialization)	.4437421	.0885492	5.01	0.000	.2701889	.6172954
cov(Mark_budg,Centralization)	-.1046201	.1062709	-0.98	0.325	-.3129072	.103667
cov(Mark_budg,Rep_ass)	-.1228066	.1130788	-1.09	0.277	-.344437	.0988237
cov(Mark_budg,Competitive_intensity)	.293644	.1037183	2.83	0.005	.0903598	.4969282
cov(Formalization,BMS)	.6012241	.0867474	6.93	0.000	.4312023	.7712458
cov(Formalization,STO)	.1663141	.1370775	1.21	0.225	-.1023528	.434981
cov(Formalization,Horizontal_integration)	.5921417	.0747328	7.92	0.000	.4456681	.7386152
cov(Formalization,Communication)	.0533283	.1176016	0.45	0.650	-.1771666	.2838233
cov(Formalization,Specialization)	.8264785	.0544095	15.19	0.000	.7198379	.9331192
cov(Formalization,Centralization)	-.0169144	.1139624	-0.15	0.882	-.2402765	.2064477
cov(Formalization,Rep_ass)	-.0639285	.1199843	-0.53	0.594	-.2990934	.1712363
cov(Formalization,Competitive_intensity)	.3061085	.1182354	2.59	0.010	.0743714	.5378456
cov(BMS,STO)	.2092003	.1393602	1.50	0.133	-.0639406	.4823412
cov(BMS,Horizontal_integration)	.4622639	.0963887	4.80	0.000	.2733455	.6511823
cov(BMS,Communication)	.02679	.1273392	0.21	0.833	-.2227903	.2763703
cov(BMS,Specialization)	.5848473	.0956711	6.11	0.000	.3973355	.7723592
cov(BMS,Centralization)	.0518285	.1301357	0.40	0.690	-.2032327	.3068898
cov(BMS,Rep_ass)	.1871571	.1259487	1.49	0.137	-.0596977	.434012
cov(BMS,Competitive_intensity)	.3029756	.1216306	2.49	0.013	.064584	.5413673
cov(STO,Horizontal_integration)	.1533897	.2082598	0.74	0.461	-.2547921	.5615714
cov(STO,Communication)	-.3104184	.1302516	-2.38	0.017	-.5657068	-.0551299
cov(STO,Specialization)	.2977927	.1422055	2.09	0.036	.019075	.5765104
cov(STO,Centralization)	.0470942	.1690198	0.28	0.781	-.2841785	.3783669
cov(STO,Rep_ass)	-.1615638	.1542577	-1.05	0.295	-.4639034	.1407758
cov(STO,Competitive_intensity)	-.0545401	.2623964	-0.21	0.835	-.5688276	.4597474
cov(Horizontal_integration,Communication)	.1479567	.1165597	1.27	0.204	-.0804961	.3764095
cov(Horizontal_integration,Specialization)	.5440367	.0863962	6.30	0.000	.3747034	.7133701
cov(Horizontal_integration,Centralization)	-.1238463	.1102323	-1.12	0.261	-.3398976	.0922051
cov(Horizontal_integration,Rep_ass)	.053032	.1174352	0.45	0.652	-.1771367	.2832007
cov(Horizontal_integration,Competitive_intensity)	.2666465	.1119323	2.38	0.017	.0472633	.4860298
cov(Communication,Specialization)	.0488155	.1238717	0.39	0.694	-.1939686	.2915995
cov(Communication,Centralization)	-.1264295	.1158043	-1.09	0.275	-.3534018	.1005427
cov(Communication,Rep_ass)	.0952744	.1232935	0.77	0.440	-.1463765	.3369252
cov(Communication,Competitive_intensity)	.0793271	.1269773	0.62	0.532	-.1695439	.3281981
cov(Specialization,Centralization)	-.0332206	.119805	-0.28	0.782	-.2680341	.2015928
cov(Specialization,Rep_ass)	.1036062	.12477	0.83	0.406	-.1409386	.348151
cov(Specialization,Competitive_intensity)	.1150537	.1264417	0.91	0.363	-.1327675	.3628749
cov(Centralization,Rep_ass)	-.1504475	.1201727	-1.25	0.211	-.3859817	.0850868
cov(Centralization,Competitive_intensity)	.0907324	.1207596	0.75	0.452	-.1459521	.3274168
cov(Rep_ass,Competitive_intensity)	-.1367331	.1308861	-1.04	0.296	-.3932653	.119799

LR test of model vs. saturated: chi2(448) =	574.22,	Prob > chi2 =	0.0000			

Table 3.52 Second-Order Measurement Model 3

	Standardized	Coef.	OIM Std. Err.	z	P> z	[95% Conf. Interval]	
Structural							
Proactive_market_orientation <- Market_orientation		.8289995	.0749449	11.06	0.000	.6821102	.9758887
Reactive_market_orientation <- Market_orientation		.7281936	.0754547	9.65	0.000	.5803052	.876082
Measurement							
P_M_O1 <- Proactive_market_orientation _cons		.7521746 3.50104	.0571947 .26567	13.15 13.18	0.000 0.000	.640075 2.980337	.8642741 4.021744
P_M_O2 <- Proactive_market_orientation _cons		.6447629 4.576965	.0695041 .3370563	9.28 13.58	0.000 0.000	.5085374 3.916346	.7809884 5.237583
P_M_O4 <- Proactive_market_orientation _cons		.5544603 3.270956	.0796462 .2507331	6.96 13.05	0.000 0.000	.3983566 2.779528	.7105639 3.762384
P_M_O5 <- Proactive_market_orientation _cons		.6476009 2.791136	.0698667 .2201534	9.27 12.68	0.000 0.000	.5106646 2.359643	.7845371 3.222629
P_M_O6 <- Proactive_market_orientation _cons		.6473492 2.709821	.0695228 .2150654	9.31 12.60	0.000 0.000	.511087 2.288301	.7836113 3.131341
R_M_O1 <- Reactive_market_orientation _cons		.8542796 2.102239	.0458002 .1782673	18.65 11.79	0.000 0.000	.7645129 1.752841	.9440462 2.451637
R_M_O4 <- Reactive_market_orientation _cons		.8432545 1.937612	.0472196 .1687804	17.86 11.48	0.000 0.000	.7507057 1.606808	.9358032 2.268415
R_M_O7 <- Reactive_market_orientation _cons		.6529217 2.277227	.0659323 .1886083	9.90 12.07	0.000 0.000	.5236967 1.907561	.7821467 2.646892
C_Perf3 <- Customer_performance _cons		.5651916 5.51365	.0770153 .4004962	7.34 13.77	0.000 0.000	.4142443 4.728692	.7161389 6.298608
C_Perf4 <- Customer_performance _cons		.6169704 3.936197	.0726237 .2942824	8.50 13.38	0.000 0.000	.4746306 3.359414	.7593103 4.51298
C_Perf6 <- Customer_performance _cons		.7004217 4.599591	.0611368 .3385775	11.46 13.59	0.000 0.000	.5805957 3.935991	.8202476 5.26319
C_Perf7 <- Customer_performance _cons		.8938741 5.173119	.0440489 .3773351	20.29 13.71	0.000 0.000	.8075399 4.433556	.9802083 5.912682
B_perf1 <- Business_performance _cons		.9524473 3.157537	.0256065 .2434288	37.20 12.97	0.000 0.000	.9022594 2.680425	1.002635 3.634649
B_perf2 <- Business_performance _cons		.9129021 3.264834	.0282629 .2503378	32.30 13.04	0.000 0.000	.8575079 2.774181	.9682963 3.755487
B_perf3 <- Business_performance _cons		.7174789 3.205374	.0518581 .2465045	13.84 13.00	0.000 0.000	.6158389 2.722234	.8191188 3.688513
Inno1 <- Innovativeness _cons		.5830299 4.707372	.0769547 .3458327	7.58 13.61	0.000 0.000	.4322014 4.029552	.7338583 5.385191
Inno2 <- Innovativeness _cons		.7353492 5.092931	.0629829 .3718958	11.68 13.69	0.000 0.000	.6119049 4.364028	.8587934 5.821833

Inno5 <-	Innovativeness _cons	.8510914 3.963978	.054598 .2961226	15.59 13.39	0.000 0.000	.7440813 3.383588	.9581016 4.544368
Spec1 <-	Specialization _cons	.5899867 1.853555	.0772296 .1640402	7.64 11.30	0.000 0.000	.4386195 1.532042	.7413539 2.175068
Spec3 <-	Specialization _cons	.7774073 1.970041	.0586701 .1706287	13.25 11.55	0.000 0.000	.662416 1.635615	.8923985 2.304467
Spec4 <-	Specialization _cons	.8170944 1.815366	.0568731 .1619123	14.37 11.21	0.000 0.000	.7056251 1.498024	.9285638 2.132708
R_A2 <-	Reputational_assets _cons	.7948583 5.348993	.0620217 .3892852	12.82 13.74	0.000 0.000	.673298 4.586008	.9164186 6.111979
R_A3 <-	Reputational_assets _cons	.7126359 4.543442	.0679508 .3348034	10.49 13.57	0.000 0.000	.5794548 3.887239	.8458171 5.199644
R_A4 <-	Reputational_assets _cons	.6527632 5.886479	.0751546 .4259563	8.69 13.82	0.000 0.000	.505463 5.05162	.8000634 6.721338
C_I2 <-	Competitive_intensity _cons	.770539 2.85995	.0890549 .224483	8.65 12.74	0.000 0.000	.5959946 2.419971	.9450835 3.299928
C_I5 <-	Competitive_intensity _cons	.7223933 2.633836	.0883058 .2103402	8.18 12.52	0.000 0.000	.5493172 2.221577	.8954695 3.046095
C1 <-	Communication _cons	.7111173 5.015214	.0714068 .3666295	9.96 13.68	0.000 0.000	.5711625 4.296633	.8510721 5.733794
C2 <-	Communication _cons	.618845 5.280013	.0731598 .3845951	8.46 13.73	0.000 0.000	.4754543 4.526221	.7622356 6.033806
C4 <-	Communication _cons	.8830599 4.924783	.0655473 .36051	13.47 13.66	0.000 0.000	.7545896 4.218196	1.01153 5.631369
S_T_O2 <-	STO _cons	.6700639 2.082228	.1315462 .1770994	5.09 11.76	0.000 0.000	.4122382 1.73512	.9278896 2.429336
S_T_O4 <-	STO _cons	.7008401 2.514908	.1349304 .2030058	5.19 12.39	0.000 0.000	.4363815 2.117023	.9652988 2.912792
	var(e.P_M_O1)	.4342334	.0860408			.2944846	.6403005
	var(e.P_M_O2)	.5842808	.0896273			.4325629	.7892125
	var(e.P_M_O4)	.6925738	.0883213			.5394058	.8892349
	var(e.P_M_O5)	.5806131	.0904915			.4277823	.7880448
	var(e.P_M_O6)	.580939	.090011			.4287903	.7870752
	var(e.R_M_O1)	.2702064	.0782523			.1531744	.4766561
	var(e.R_M_O4)	.2889219	.0796363			.16833	.495906
	var(e.R_M_O7)	.5736932	.0860973			.4274991	.7698821
	var(e.C_Perf3)	.6805584	.0870568			.529639	.874482
	var(e.C_Perf4)	.6193475	.0896134			.4664167	.822422
	var(e.C_Perf6)	.5094095	.0856431			.3664047	.7082279
	var(e.C_Perf7)	.2009891	.0787483			.0932542	.433188
	var(e.B_perf1)	.0928442	.0487778			.0331556	.2599875
	var(e.B_perf2)	.1666098	.0516025			.0907958	.3057279
	var(e.B_perf3)	.4852241	.0744141			.3592541	.6553645
	var(e.Inno1)	.6600762	.0897338			.5056824	.8616091
	var(e.Inno2)	.4592616	.0926289			.3093004	.68193
	var(e.Inno5)	.2756434	.0929358			.1423498	.5337505
	var(e.Spec1)	.6519156	.0911289			.4956842	.8573886
	var(e.Spec3)	.395638	.0912211			.2517902	.6216659
	var(e.Spec4)	.3323567	.0929415			.1921194	.57496
	var(e.R_A2)	.3682003	.0985969			.2178456	.6223281
	var(e.R_A3)	.49215	.0968484			.3346514	.7237729
	var(e.R_A4)	.5739002	.0981163			.4104985	.802345
	var(e.C_I2)	.4062696	.1372406			.2095428	.7876911

var(e.C_I5)	.4781479	.127583			.283425	.806652
var(e.C1)	.4943121	.1015573			.3304612	.7394044
var(e.C2)	.6170309	.0905492			.4627999	.8226604
var(e.C4)	.2202053	.1157643			.0785854	.6170404
var(e.S_T_O2)	.5510144	.1762887			.2943296	1.031554
var(e.S_T_O4)	.5088231	.1891292			.2455702	1.054285
var(e.Proactive_market_orientation)	.3127599	.1242585			.1435593	.6813822
var(e.Reactive_market_orientation)	.469734	.1098912			.2969744	.7429936
var(Customer_performance)	1	.			.	.
var(Business_performance)	1	.			.	.
var(Innovativeness)	1	.			.	.
var(Specialization)	1	.			.	.
var(Reputational_assets)	1	.			.	.
var(Competitive_intensity)	1	.			.	.
var(Communication)	1	.			.	.
var(STO)	1	.			.	.
var(Market_orientation)	1	.			.	.
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cov(Customer_performance, Business_performance)	.4242998	.0945	4.49	0.000	.2390831	.6095165
cov(Customer_performance, Innovativeness)	.3704789	.1072101	3.46	0.001	.160351	.5806068
cov(Customer_performance, Specialization)	-.0284606	.1219833	-0.23	0.816	-.2675435	.2106223
cov(Customer_performance, Reputational_assets)	.5592906	.095988	5.83	0.000	.3711575	.7474236
cov(Customer_performance, Competitive_intensity)	.0050511	.1296959	0.04	0.969	-.2491482	.2592504
cov(Customer_performance, Communication)	.1037018	.1180424	0.88	0.380	-.127657	.3350607
cov(Customer_performance, STO)	-.0099849	.1372316	-0.07	0.942	-.278954	.2589842
cov(Customer_performance, Market_orientation)	.2800114	.1246196	2.25	0.025	.0357615	.5242612
cov(Business_performance, Innovativeness)	.1573233	.1138791	1.38	0.167	-.0658756	.3805222
cov(Business_performance, Specialization)	.0801193	.1159336	0.69	0.490	-.1471064	.3073451
cov(Business_performance, Reputational_assets)	.1576201	.1146464	1.37	0.169	-.0670827	.3823229
cov(Business_performance, Competitive_intensity)	-.1318147	.120795	-1.09	0.275	-.3685686	.1049391
cov(Business_performance, Communication)	-.0105471	.1125249	-0.09	0.925	-.2310918	.2099976
cov(Business_performance, STO)	-.1403524	.1313463	-1.07	0.285	-.3977864	.1170816
cov(Business_performance, Market_orientation)	.2173395	.1225207	1.77	0.076	-.0227966	.4574757
cov(Innovativeness, Specialization)	.3279137	.1135501	2.89	0.004	.1053595	.5504679
cov(Innovativeness, Reputational_assets)	.2995885	.1181294	2.54	0.011	.0680592	.5311178
cov(Innovativeness, Competitive_intensity)	.3787891	.1240533	3.05	0.002	.135649	.6219292
cov(Innovativeness, Communication)	.3296564	.1156467	2.85	0.004	.102993	.5563198
cov(Innovativeness, STO)	.0398776	.1427667	0.28	0.780	-.2399401	.3196952
cov(Innovativeness, Market_orientation)	.7358559	.0934935	7.87	0.000	.5526121	.9190998
cov(Specialization, Reputational_assets)	.096277	.1261088	0.76	0.445	-.1508917	.3434456
cov(Specialization, Competitive_intensity)	.1519649	.1300735	1.17	0.243	-.1029745	.4069044
cov(Specialization, Communication)	.0576973	.124225	0.46	0.642	-.1857792	.3011738
cov(Specialization, STO)	.2983246	.1332194	2.24	0.025	.0372193	.5594298
cov(Specialization, Market_orientation)	.7453006	.1012991	7.36	0.000	.5467581	.9438431
cov(Reputational_assets, Competitive_intensity)	-.1756948	.1311031	-1.34	0.180	-.4326521	.0812624
cov(Reputational_assets, Communication)	.0998531	.1232506	0.81	0.418	-.1417135	.3414198
cov(Reputational_assets, STO)	-.1733161	.1438071	-1.21	0.228	-.4551729	.1085407
cov(Reputational_assets, Market_orientation)	.2122374	.135357	1.57	0.117	-.0530574	.4775322
cov(Competitive_intensity, Communication)	.0542261	.1340504	0.40	0.686	-.2085079	.31696
cov(Competitive_intensity, STO)	-.0750378	.1664462	-0.45	0.652	-.4012664	.2511907
cov(Competitive_intensity, Market_orientation)	.5472324	.1204974	4.54	0.000	.3110618	.7834029
cov(Communication, STO)	-.3171317	.1289796	-2.46	0.014	-.569927	-.0643364
cov(Communication, Market_orientation)	.1109727	.1372442	0.81	0.419	-.158021	.3799664
cov(STO, Market_orientation)	.125976	.1658987	0.76	0.448	-.1991795	.4511315
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LR test of model vs. saturated: chi2(396) =	505.91,	Prob >	chi2 =	0.0001		

Table 3.53 Model 1 – a) Correlations - b) Discriminant Validity

a)	Construct	BMS	Centralization	Market orientation	Customer performance	Business performance	Horizontal integration	Formalization	Innovativeness
	BMS								
	Centralization	0.094							
	Market orientation	0.670	0.111						
	Customer performance	0.313	0.100	0.281					
	Business performance	0.177	0.201	0.222	0.423				
	Horizontal integration	0.459	-0.130	0.636	0.065	0.158			
	Formalization	0.601	-0.016	0.658	-0.078	0.148	0.592		
	Innovativeness	0.530	0.037	0.721	0.371	0.169	0.451	0.360	

b)*	Construct	BMS	Centralization	Market orientation	Customer performance	Business performance	Horizontal integration	Formalization	Innovativeness
	BMS	<i>0.69</i>							
	Centralization	0.0088	<i>0.64</i>						
	Market orientation	0.4490	0.0123	<i>0.61</i>					
	Customer performance	0.0980	0.0100	0.0475	<i>0.50</i>				
	Business performance	0.0313	0.0404	0.0493	0.1789	<i>0.75</i>			
	Horizontal integration	0.211	0.0169	0.4045	0.0042	0.0250	<i>0.74</i>		
	Formalization	0.361	0.0003	0.4330	0.0061	0.0219	0.3505	<i>0.69</i>	
	Innovativeness	0.281	0.0014	0.5198	0.1376	0.0286	0.2034	0.1296	<i>0.54</i>

*AVE in italics, the remaining squared correlations

Table 3.54 Model 2 – a) Correlations – b) Discriminant Validity

a)	Construct	BMS	Communication	Specialization	Reputational Assets	Competitive Intensity	Short-term Orientation	Centralization	Formalization	Horizontal Integration
	BMS									
	Communication	0.027								
	Specialization	0.585	0.049							
	Reputational Assets	0.187	0.095	0.104						
	Competitive Intensity	0.303	0.079	0.115	-0.137					
	Short-term Orientation	0.209	-0.310	0.300	-0.162	-0.055				
	Centralization	0.052	-0.126	-0.033	-0.150	0.091	0.047			
	Formalization	0.601	0.053	0.826	-0.064	0.306	0.166	-0.017		
	Horizontal Integration	0.462	0.148	0.544	0.053	0.267	0.153	-0.124	0.592	

b)*	Construct	BMS	Communication	Specialization	Reputational Assets	Competitive Intensity	Short-term Orientation	Centralization	Formalization	Horizontal Integration
	BMS	<i>0.70</i>								
	Communication	0.0007	<i>0.56</i>							
	Specialization	0.3422	0.0024	<i>0.54</i>						
	Reputational Assets	0.0350	0.0090	0.0108	<i>0.52</i>					
	Competitive Intensity	0.0918	0.0062	0.0132	0.0188	<i>0.58</i>				
	Short-term Orientation	0.0437	0.0961	0.0900	0.0262	0.0030	<i>0.47</i>			
	Centralization	0.0027	0.0159	0.0011	0.0225	0.0083	0.0022	<i>0.64</i>		
	Formalization	0.3612	0.0028	0.6823	0.0041	0.0936	0.0276	0.0003	<i>0.69</i>	
	Horizontal Integration	0.2134	0.0219	0.2959	0.0028	0.0713	0.0234	0.0154	0.3505	<i>0.74</i>

*AVE in italics, the remaining squared correlations

Table 3.55 Model 3 – a) Correlations –b) Discriminant Validity

	Construct	Market Orientation	Customer performance	Business performance	Competitive Intensity	Short-term Orientation	Communication	Reputational Assets	Specialization	Innovativeness
a)	Market Orientation									
	Customer performance	0.280								
	Business performance	0.217	0.424							
	Competitive Intensity	0.547	0.005	- 0.132						
	Short-term Orientation	0.126	- 0.010	- 0.140	- 0.075					
	Communication	0.111	0.104	- 0.011	0.054	- 0.317				
	Reputational Assets	0.212	0.559	0.158	- 0.176	- 0.173	0.100			
	Specialization	0.745	- 0.028	0.080	0.152	0.298	0.058	0.096		
	Innovativeness	0.736	0.370	0.157	0.379	0.040	0.330	0.300	0.328	
b)*	Construct	Market Orientation	Customer performance	Business performance	Competitive Intensity	Short-term Orientation	Communication	Reputational Assets	Specialization	Innovativeness
	Market Orientation	<i>0.61</i>								
	Customer performance	0.0784	<i>0.50</i>							
	Business performance	0.0471	0.1798	<i>0.75</i>						
	Competitive Intensity	0.2992	0.00002	0.0174	<i>0.56</i>					
	Short-term Orientation	0.0159	0.0001	0.0196	0.0056	<i>0.47</i>				
	Communication	0.0123	0.0108	0.0001	0.0029	0.1005	<i>0.56</i>			
	Reputational Assets	0.0449	0.3125	0.0250	0.0310	0.0299	0.0100	<i>0.52</i>		
	Specialization	0.5550	0.0008	0.0064	0.0231	0.0888	0.0034	0.0092	<i>0.54</i>	
	Innovativeness	0.5417	0.1369	0.0246	0.1436	0.0016	0.1089	0.0900	0.1076	<i>0.53</i>

*AVE in italics, the remaining squared correlations

Table 3.56 Measurement Model 1, 2, 3 – Composite Reliability

Construct	Model 1	Model 2	Model 3
Market Orientation	0.76		0.76
Customer performance	0.79		0.79
Business performance	0.90		0.90
Competitive Intensity		0.73	0.72
Short-term Orientation		0.64	0.64
Communication		0.79	0.79
Reputational Assets		0.76	0.77
Specialization		0.77	0.78
Innovativeness	0.77		0.77
BMS	0.82	0.82	
Centralization	0.84	0.84	
Horizontal Integration	0.87	0.87	
Formalization	0.87	0.87	

Table 3.58 First-Order Measurement Model – Final Model with 9 Variables

Measurement	Standardized	OIM		z	P> z	[95% Conf. Interval]	
		Coef.	Std. Err.				
I_B1 <-	Internal_branding _cons	.7193264	.0573086	12.55	0.000	.6070035	.8316492
		1.780342	.1599755	11.13	0.000	1.466796	2.093888
I_B2 <-	Internal_branding _cons	.8213199	.0430813	19.06	0.000	.7368822	.9057577
		2.286451	.1891599	12.09	0.000	1.915704	2.657197
I_B3 <-	Internal_branding _cons	.7528759	.0521448	14.44	0.000	.6506739	.8550779
		2.836916	.2230315	12.72	0.000	2.399783	3.27405
I_B5 <-	Internal_branding _cons	.8051985	.0450331	17.88	0.000	.7169353	.8934617
		2.339903	.1923686	12.16	0.000	1.962867	2.716938
B_O1 <-	Brand_orientation _cons	.8795212	.0274247	32.07	0.000	.8257697	.9332727
		3.442398	.2618489	13.15	0.000	2.929183	3.955612
B_O2 <-	Brand_orientation _cons	.8661597	.0295627	29.30	0.000	.8082178	.9241015
		3.638108	.2746359	13.25	0.000	3.099831	4.176384
B_O3 <-	Brand_orientation _cons	.8705738	.0288961	30.13	0.000	.8139384	.9272092
		3.178223	.244758	12.99	0.000	2.698507	3.65794
B_O4 <-	Brand_orientation _cons	.8718942	.0286053	30.48	0.000	.8158288	.9279596
		3.719417	.2799758	13.28	0.000	3.170675	4.26816
S_B_M1 <-	Brand_orientation _cons	.7226282	.0513154	14.08	0.000	.6220519	.8232045
		2.509562	.2026789	12.38	0.000	2.112319	2.906806
Inno1 <-	Innovativeness _cons	.5693341	.077977	7.30	0.000	.416502	.7221662
		4.707369	.3458332	13.61	0.000	4.029548	5.38519
Inno2 <-	Innovativeness _cons	.7428893	.0650849	11.41	0.000	.6153252	.8704535
		5.092929	.3718959	13.69	0.000	4.364026	5.821832
Inno5 <-	Innovativeness _cons	.8518112	.0579244	14.71	0.000	.7382815	.965341
		3.963976	.2961227	13.39	0.000	3.383586	4.544366
Spec1 <-	Specialization _cons	.5636402	.0774864	7.27	0.000	.4117696	.7155107
		1.853554	.1640403	11.30	0.000	1.532041	2.175067
Spec3 <-	Specialization _cons	.805423	.048242	16.70	0.000	.7108704	.8999757
		1.97004	.1706287	11.55	0.000	1.635614	2.304466
Spec4 <-	Specialization _cons	.8022713	.0489421	16.39	0.000	.7063466	.898196
		1.815365	.1619123	11.21	0.000	1.498023	2.132708
P_M_O1 <-	Proactive_market_orientation _cons	.7793006	.0540814	14.41	0.000	.673303	.8852981
		3.50104	.2656701	13.18	0.000	2.980336	4.021744
P_M_O2 <-	Proactive_market_orientation _cons	.6445587	.0693728	9.29	0.000	.5085904	.780527
		4.576964	.3370563	13.58	0.000	3.916346	5.237583
P_M_O4 <-	Proactive_market_orientation _cons	.5407751	.0811186	6.67	0.000	.3817855	.6997647
		3.270956	.2507331	13.05	0.000	2.779528	3.762384

P_M_O5 <-	Proactive_market_orientation _cons	.6142296 2.791136	.0745331 .2201534	8.24 12.68	0.000 0.000	.4681474 2.359643	.7603118 3.222629
P_M_O6 <-	Proactive_market_orientation _cons	.6502868 2.709821	.0692659 .2150654	9.39 12.60	0.000 0.000	.5145281 2.288301	.7860455 3.131341
R_M_O1 <-	Reactive_market_orientation _cons	.853102 2.102239	.0440889 .1782674	19.35 11.79	0.000 0.000	.7666894 1.752841	.9395147 2.451636
R_M_O4 <-	Reactive_market_orientation _cons	.8432638 1.937612	.045573 .1687804	18.50 11.48	0.000 0.000	.7539423 1.606808	.9325853 2.268415
R_M_O7 <-	Reactive_market_orientation _cons	.6550555 2.277227	.0654018 .1886083	10.02 12.07	0.000 0.000	.5268703 1.907561	.7832406 2.646892
B_perf1 <-	Business_performance _cons	.9556401 3.157537	.0258721 .2434289	36.94 12.97	0.000 0.000	.9049318 2.680425	1.006348 3.634648
B_perf2 <-	Business_performance _cons	.9098064 3.264834	.0288285 .2503378	31.56 13.04	0.000 0.000	.8533036 2.774181	.9663093 3.755487
B_perf3 <-	Business_performance _cons	.7170494 3.205373	.051973 .2465045	13.80 13.00	0.000 0.000	.6151842 2.722234	.8189146 3.688513
C_Perf7 <-	Customer_performance _cons	.9017678 5.173117	.0409591 .3773352	22.02 13.71	0.000 0.000	.8214894 4.433553	.9820462 5.91268
C_Perf3 <-	Customer_performance _cons	.5507394 5.513652	.0774342 .4004969	7.11 13.77	0.000 0.000	.3989711 4.728692	.7025077 6.298611
C_Perf4 <-	Customer_performance _cons	.6083741 3.936196	.0723174 .2942825	8.41 13.38	0.000 0.000	.4666347 3.359413	.7501135 4.512979
C_Perf6 <-	Customer_performance _cons	.7059467 4.599589	.0604074 .3385775	11.69 13.59	0.000 0.000	.5875505 3.935989	.824343 5.263189
R_A2 <-	Reputational_assets _cons	.7642081 5.348992	.0658127 .3892854	11.61 13.74	0.000 0.000	.6352176 4.586006	.8931986 6.111977
R_A3 <-	Reputational_assets _cons	.7549148 4.543441	.0726305 .3348035	10.39 13.57	0.000 0.000	.6125617 3.887238	.8972679 5.199644
R_A4 <-	Reputational_assets _cons	.6401425 5.886479	.0796074 .4259563	8.04 13.82	0.000 0.000	.4841148 5.05162	.7961702 6.721338
S_T_O2 <-	STO _cons	.8915543 2.082222	.5122282 .1771005	1.74 11.76	0.082 0.000	-.1123944 1.735111	1.895503 2.429332
S_T_O4 <-	STO _cons	.5267348 2.514899	.3108163 .2030061	1.69 12.39	0.090 0.000	-.082454 2.117014	1.135924 2.912783
Formaliz1 <-	Formalization _cons	.7852495 1.879522	.0448038 .1654966	17.53 11.36	0.000 0.000	.6974357 1.555154	.8730634 2.203889
Formaliz2 <-	Formalization _cons	.9071449 1.984628	.030737 .1714635	29.51 11.57	0.000 0.000	.8469014 1.648566	.9673884 2.32069
Formaliz4 <-	Formalization _cons	.798465 2.327746	.043633 .1916371	18.30 12.15	0.000 0.000	.712946 1.952145	.883984 2.703348

var(e.I_B1)	.4825696	.0824472			.3452485	.6745095
var(e.I_B2)	.3254336	.070767			.2125028	.4983794
var(e.I_B3)	.4331779	.0785172			.3036538	.6179507
var(e.I_B5)	.3516554	.0725211			.2347339	.5268157
var(e.B_O1)	.2264425	.0482413			.1491482	.3437935
var(e.B_O2)	.2497674	.0512121			.1671115	.3733063
var(e.B_O3)	.2421013	.0503124			.1611031	.363823
var(e.B_O4)	.2398006	.0498816			.1595105	.3605049
var(e.S_B_M1)	.4778085	.0741639			.3524789	.6477011
var(e.Inno1)	.6758587	.0887899			.522433	.8743418
var(e.Inno2)	.4481155	.0967018			.2935645	.6840319
var(e.Inno5)	.2744176	.0986813			.1356181	.5552729
var(e.Spec1)	.6823098	.0873489			.5308982	.8769037
var(e.Spec3)	.3512937	.0777105			.2277058	.5419593
var(e.Spec4)	.3563607	.0785297			.2313739	.5488648
var(e.P_M_O1)	.3926906	.0842913			.2578337	.5980831
var(e.P_M_O2)	.5845441	.0894297			.4331033	.7889384
var(e.P_M_O4)	.7075623	.0877339			.5549071	.9022129
var(e.P_M_O5)	.622722	.0915609			.466809	.8307095
var(e.P_M_O6)	.5771271	.0900854			.4250157	.7836786
var(e.R_M_O1)	.2722169	.0752247			.1583774	.4678826
var(e.R_M_O4)	.2889061	.0768602			.1715159	.4866415
var(e.R_M_O7)	.5709023	.0856836			.4254119	.7661503
var(e.B_perf1)	.0867519	.0494488			.0283853	.2651341
var(e.B_perf2)	.1722522	.0524567			.0948298	.3128851
var(e.B_perf3)	.4858401	.0745344			.3596728	.6562649
var(e.C_Perf7)	.1868148	.0738712			.0860647	.4055063
var(e.C_Perf3)	.6966861	.0852922			.5480603	.885617
var(e.C_Perf4)	.629881	.087992			.4790146	.8282628
var(e.C_Perf6)	.5016392	.0852888			.3594761	.7000239
var(e.R_A2)	.415986	.1005892			.2589706	.6862007
var(e.R_A3)	.4301036	.1096596			.2609456	.7089184
var(e.R_A4)	.5902176	.1019202			.4207504	.8279416
var(e.S_T_O2)	.2051309	.9133585			.0000333	1264.915
var(e.S_T_O4)	.7225505	.3274355			.2972572	1.756321
var(e.Formaliz1)	.3833832	.0703644			.2675516	.549362
var(e.Formaliz2)	.1770881	.0557659			.0955304	.3282743
var(e.Formaliz4)	.3624536	.0696788			.2486657	.5283102
var(Internal_branding)	1	.			.	.
var(Brand_orientation)	1	.			.	.
var(Innovativeness)	1	.			.	.
var(Specialization)	1	.			.	.
var(Proactive_market_orientation)	1	.			.	.
var(Reactive_market_orientation)	1	.			.	.
var(Business_performance)	1	.			.	.
var(Customer_performance)	1	.			.	.
var(Reputational_assets)	1	.			.	.
var(STO)	1	.			.	.
var(Formalization)	1	.			.	.
cov(Internal_branding,Brand_orientation)	.688995	.0649146	10.61	0.000	.5617647	.8162254
cov(Internal_branding,Innovativeness)	.4230537	.1019125	4.15	0.000	.2233087	.6227986
cov(Internal_branding,Specialization)	.5435647	.093801	5.79	0.000	.3597181	.7274113
cov(Internal_branding,Proactive_market_orientation)	.4856399	.097516	4.98	0.000	.2945121	.6767677
cov(Internal_branding,Reactive_market_orientation)	.5160978	.090842	5.68	0.000	.3380508	.6941449
cov(Internal_branding,Business_performance)	.1086618	.1106833	0.98	0.326	-.1082735	.325597
cov(Internal_branding,Customer_performance)	.1489369	.114625	1.30	0.194	-.0757241	.3735979
cov(Internal_branding,Reputational_assets)	.1708425	.1208341	1.41	0.157	-.065988	.4076731
cov(Internal_branding,STO)	.1299523	.1829761	0.71	0.478	-.2286742	.4885788
cov(Internal_branding,Formalization)	.5516162	.0848405	6.50	0.000	.3853318	.7179005
cov(Brand_orientation,Innovativeness)	.461256	.0937636	4.92	0.000	.2774827	.6450292
cov(Brand_orientation,Specialization)	.4277272	.0977192	4.38	0.000	.2362011	.6192532
cov(Brand_orientation,Proactive_market_orientation)	.3861741	.1007064	3.83	0.000	.1887932	.583555
cov(Brand_orientation,Reactive_market_orientation)	.3912873	.096641	4.05	0.000	.2018743	.5807002
cov(Brand_orientation,Business_performance)	.1800779	.1033954	1.74	0.082	-.0225733	.3827292
cov(Brand_orientation,Customer_performance)	.3631127	.0982117	3.70	0.000	.1706212	.5556042
cov(Brand_orientation,Reputational_assets)	.1481795	.1157179	1.28	0.200	-.0786234	.3749824
cov(Brand_orientation,STO)	.0958826	.1937045	0.49	0.621	-.2837713	.4755365
cov(Brand_orientation,Formalization)	.4491824	.0905476	4.96	0.000	.2717123	.6266524
cov(Innovativeness,Specialization)	.3306821	.1129519	2.93	0.003	.1093004	.5520638
cov(Innovativeness,Proactive_market_orientation)	.699562	.0826259	8.47	0.000	.5376181	.8615058
cov(Innovativeness,Reactive_market_orientation)	.4226026	.1021785	4.14	0.000	.2223364	.6228688
cov(Innovativeness,Business_performance)	.1598227	.1136893	1.41	0.160	-.0630042	.3826496
cov(Innovativeness,Customer_performance)	.3658492	.1070601	3.42	0.001	.1560152	.5756832
cov(Innovativeness,Reputational_assets)	.2887358	.120188	2.40	0.016	.0531717	.5242999

cov(Innovativeness,STO)	-.0039659	.1414628	-0.03	0.978	-.2812279	.273296
cov(Innovativeness,Formalization)	.3544421	.1059892	3.34	0.001	.1467071	.5621771
cov(Specialization,Proactive_market_orientation)	.4978671	.101503	4.90	0.000	.2989248	.6968094
cov(Specialization,Reactive_market_orientation)	.6893578	.0769279	8.96	0.000	.5385819	.8401337
cov(Specialization,Business_performance)	.0838272	.115484	0.73	0.468	-.1425172	.3101716
cov(Specialization,Customer_performance)	-.0227941	.1204277	-0.19	0.850	-.2588281	.2132398
cov(Specialization,Reputational_assets)	.1073578	.1257038	0.85	0.393	-.139017	.3537327
cov(Specialization,STO)	.2573909	.218373	1.18	0.239	-.1706123	.6853941
cov(Specialization,Formalization)	.8267826	.0546546	15.13	0.000	.7196615	.9339038
cov(Proactive_market_orientation,Reactive_market_orientation)	.6061318	.0854632	7.09	0.000	.4386271	.7736365
cov(Proactive_market_orientation,Business_performance)	.2028457	.1126559	1.80	0.072	-.0179558	.4236473
cov(Proactive_market_orientation,Customer_performance)	.2288894	.1153277	1.98	0.047	.0028512	.4549276
cov(Proactive_market_orientation,Reputational_assets)	.1376553	.1296751	1.06	0.288	-.1165033	.3918139
cov(Proactive_market_orientation,STO)	-.0937543	.1764597	-0.53	0.595	-.4396089	.2521004
cov(Proactive_market_orientation,Formalization)	.5044379	.0938023	5.38	0.000	.3205889	.688287
cov(Reactive_market_orientation,Business_performance)	.1346911	.1095441	1.23	0.219	-.0800115	.3493936
cov(Reactive_market_orientation,Customer_performance)	.2078831	.1119577	1.86	0.063	-.0115499	.4273162
cov(Reactive_market_orientation,Reputational_assets)	.1965212	.1198723	1.64	0.101	-.038424	.4314665
cov(Reactive_market_orientation,STO)	.1424296	.1814281	0.79	0.432	-.2131628	.4980221
cov(Reactive_market_orientation,Formalization)	.5471738	.0854322	6.40	0.000	.3797298	.7146177
cov(Business_performance,Customer_performance)	.4217024	.0942777	4.47	0.000	.2369215	.6064832
cov(Business_performance,Reputational_assets)	.1576996	.114696	1.37	0.169	-.0671004	.3824995
cov(Business_performance,STO)	-.066266	.1830514	-0.36	0.717	-.4250401	.2925081
cov(Business_performance,Formalization)	.1470843	.1078735	1.36	0.173	-.0643438	.3585125
cov(Customer_performance,Reputational_assets)	.5596124	.0953047	5.87	0.000	.3728187	.7464062
cov(Customer_performance,STO)	.0277014	.1261645	0.22	0.826	-.2195766	.2749793
cov(Customer_performance,Formalization)	-.0779915	.1130864	-0.69	0.490	-.2996367	.1436537
cov(Reputational_assets,STO)	-.0743061	.2089827	-0.36	0.722	-.4839047	.3352926
cov(Reputational_assets,Formalization)	-.0669097	.1204733	-0.56	0.579	-.303033	.1692136
cov(STO,Formalization)	.0922095	.1912902	0.48	0.630	-.2827124	.4671313

LR test of model vs. saturated: chi2(610) =	788.76, Prob > chi2 = 0.0000					

Table 3.59 Second-Order Measurement Model - Final Model with 9 Variables

	Standardized	Coef.	OIM Std. Err.	z	P> z	[95% Conf. Interval]	

Structural							
Internal_branding <-	BMS	.8433953	.0708249	11.91	0.000	.7045811	.9822095

Brand_orientation <-	BMS	.8188923	.0682991	11.99	0.000	.6850284	.9527561

Proactive_market_orientation <-	Market_orientation	.7928036	.0779007	10.18	0.000	.640121	.9454862

Reactive_market_orientation <-	Market_orientation	.7617439	.0754786	10.09	0.000	.6138087	.9096792

Measurement							
I_B1 <-	Internal_branding_cons	.7066174	.0590935	11.96	0.000	.5907963	.8224385
		1.780342	.1599755	11.13	0.000	1.466796	2.093888

I_B2 <-	Internal_branding_cons	.8135544	.04442	18.32	0.000	.7264928	.900616
		2.286451	.1891599	12.09	0.000	1.915704	2.657197

I_B3 <-	Internal_branding _cons	.7631991 2.836916	.050721 .2230315	15.05 12.72	0.000 0.000	.6637878 2.399783	.8626104 3.27405
I_B5 <-	Internal_branding _cons	.8130833 2.339903	.0439938 .1923686	18.48 12.16	0.000 0.000	.7268571 1.962867	.8993096 2.716938
B_O1 <-	Brand_orientation _cons	.8762223 3.442397	.027908 .2618489	31.40 13.15	0.000 0.000	.8215236 2.929183	.9309209 3.955612
B_O2 <-	Brand_orientation _cons	.8693692 3.638108	.0289972 .2746359	29.98 13.25	0.000 0.000	.8125357 3.099831	.9262026 4.176384
B_O3 <-	Brand_orientation _cons	.8711578 3.178223	.0287667 .244758	30.28 12.99	0.000 0.000	.8147761 2.698507	.9275395 3.65794
B_O4 <-	Brand_orientation _cons	.8720262 3.719417	.0285974 .2799758	30.49 13.28	0.000 0.000	.8159763 3.170675	.9280761 4.26816
S_B_M1 <-	Brand_orientation _cons	.7217973 2.509562	.0514345 .2026789	14.03 12.38	0.000 0.000	.6209875 2.112319	.822607 2.906806
Inno1 <-	Innovativeness _cons	.5669509 4.707369	.0781415 .3458332	7.26 13.61	0.000 0.000	.4137964 4.029548	.7201054 5.38519
Inno2 <-	Innovativeness _cons	.7198424 5.092929	.0678167 .3718959	10.61 13.69	0.000 0.000	.5869241 4.364027	.8527606 5.821832
Inno5 <-	Innovativeness _cons	.8763743 3.963976	.0581552 .2961227	15.07 13.39	0.000 0.000	.7623923 3.383587	.9903564 4.544366
Spec1 <-	Specialization _cons	.5690487 1.853553	.0765272 .1640405	7.44 11.30	0.000 0.000	.4190581 1.53204	.7190393 2.175067
Spec3 <-	Specialization _cons	.7915647 1.97004	.049827 .1706287	15.89 11.55	0.000 0.000	.6939056 1.635614	.8892239 2.304466
Spec4 <-	Specialization _cons	.8148225 1.815365	.048591 .1619123	16.77 11.21	0.000 0.000	.7195858 1.498023	.9100591 2.132707
P_M_O1 <-	Proactive_market_orientation _cons	.7585757 3.501041	.0575287 .2656701	13.19 13.18	0.000 0.000	.6458215 2.980337	.8713299 4.021745
P_M_O2 <-	Proactive_market_orientation _cons	.651754 4.576965	.0694628 .3370563	9.38 13.58	0.000 0.000	.5156095 3.916346	.7878985 5.237583
P_M_O4 <-	Proactive_market_orientation _cons	.5504197 3.270956	.0807888 .2507331	6.81 13.05	0.000 0.000	.3920764 2.779528	.7087629 3.762384
P_M_O5 <-	Proactive_market_orientation _cons	.6459177 2.791136	.0707422 .2201534	9.13 12.68	0.000 0.000	.5072656 2.359643	.7845699 3.222629
P_M_O6 <-	Proactive_market_orientation _cons	.6368173 2.709821	.0713318 .2150654	8.93 12.60	0.000 0.000	.4970095 2.288301	.7766251 3.131341
R_M_O1 <-	Reactive_market_orientation _cons	.8525723 2.102239	.0447937 .1782674	19.03 11.79	0.000 0.000	.7647783 1.752841	.9403663 2.451636
R_M_O4 <-	Reactive_market_orientation _cons	.8417453 1.937612	.0461248 .1687804	18.25 11.48	0.000 0.000	.7513425 1.606808	.9321482 2.268415

R_M_O7 <-	Reactive_market_orientation	.6588031	.065102	10.12	0.000	.5312054	.7864007
	_cons	2.277227	.1886083	12.07	0.000	1.907561	2.646892
B_perf1 <-	Business_performance	.9505979	.0262536	36.21	0.000	.8991417	1.002054
	_cons	3.157537	.2434289	12.97	0.000	2.680425	3.634649
B_perf2 <-	Business_performance	.9149113	.028702	31.88	0.000	.8586564	.9711662
	_cons	3.264834	.2503378	13.04	0.000	2.774181	3.755487
B_perf3 <-	Business_performance	.7170519	.0519157	13.81	0.000	.615299	.8188049
	_cons	3.205373	.2465045	13.00	0.000	2.722234	3.688513
C_Perf7 <-	Customer_performance	.8897284	.0428788	20.75	0.000	.8056874	.9737693
	_cons	5.173117	.3773352	13.71	0.000	4.433553	5.91268
C_Perf3 <-	Customer_performance	.5537424	.0777592	7.12	0.000	.4013372	.7061475
	_cons	5.513652	.4004969	13.77	0.000	4.728692	6.298611
C_Perf4 <-	Customer_performance	.6232031	.071508	8.72	0.000	.48305	.7633563
	_cons	3.936196	.2942825	13.38	0.000	3.359413	4.512979
C_Perf6 <-	Customer_performance	.7092479	.0603724	11.75	0.000	.5909202	.8275755
	_cons	4.599589	.3385775	13.59	0.000	3.935989	5.263189
R_A2 <-	Reputational_assets	.7788074	.0634867	12.27	0.000	.6543758	.9032391
	_cons	5.348992	.3892854	13.74	0.000	4.586007	6.111977
R_A3 <-	Reputational_assets	.7323181	.0688265	10.64	0.000	.5974206	.8672156
	_cons	4.543441	.3348035	13.57	0.000	3.887238	5.199644
R_A4 <-	Reputational_assets	.6500409	.0757363	8.58	0.000	.5016003	.7984814
	_cons	5.886479	.4259563	13.82	0.000	5.05162	6.721338
Formaliz1 <-	Formalization	.7837964	.0449641	17.43	0.000	.6956683	.8719244
	_cons	1.879522	.1654966	11.36	0.000	1.555155	2.203889
Formaliz2 <-	Formalization	.9073363	.0306202	29.63	0.000	.8473218	.9673509
	_cons	1.984628	.1714635	11.57	0.000	1.648566	2.320691
Formaliz4 <-	Formalization	.7995531	.0435358	18.37	0.000	.7142244	.8848818
	_cons	2.327746	.1916371	12.15	0.000	1.952145	2.703348
S_T_O2 <-	STO	.5662661	.2066203	2.74	0.006	.1612978	.9712344
	_cons	2.082199	.1771014	11.76	0.000	1.735087	2.429311
S_T_O4 <-	STO	.8293323	.2876505	2.88	0.004	.2655477	1.393117
	_cons	2.514895	.2030065	12.39	0.000	2.117009	2.91278
	var(e.I_B1)	.5006919	.083513			.3610724	.6942995
	var(e.I_B2)	.3381292	.0722762			.2224005	.5140789
	var(e.I_B3)	.4175271	.0774204			.2903018	.6005091
	var(e.I_B5)	.3388955	.0715412			.2240661	.5125726
	var(e.B_O1)	.2322345	.0489072			.1536982	.3509011
	var(e.B_O2)	.2441972	.0504186			.1629282	.3660036
	var(e.B_O3)	.241084	.0501207			.1604006	.3623521
	var(e.B_O4)	.2395703	.0498754			.159303	.3602816
	var(e.S_B_M1)	.4790087	.0742505			.3535084	.6490633
	var(e.Inno1)	.6785667	.0886048			.5253464	.8764746
	var(e.Inno2)	.481827	.0976346			.3238982	.7167598
	var(e.Inno5)	.231968	.1019314			.0980377	.5488619
	var(e.Spec1)	.6761836	.0870954			.5253226	.8703684
	var(e.Spec3)	.3734252	.0788826			.2468285	.5649526
	var(e.Spec4)	.3360643	.0791861			.2117657	.5333217
	var(e.P_M_O1)	.4245629	.0872798			.283763	.6352261
	var(e.P_M_O2)	.5752168	.0905452			.4225162	.7831045

var(e.P_M_04)	.6970382	.0889355			.5428143	.8950801
var(e.P_M_05)	.5827903	.0913873			.4285835	.7924815
var(e.P_M_06)	.5944637	.0908507			.4405934	.8020709
var(e.R_M_01)	.2731204	.0763797			.157874	.4724955
var(e.R_M_04)	.2914648	.0776506			.1729072	.4913139
var(e.R_M_07)	.5659785	.0857789			.4205262	.76174
var(e.B_perf1)	.0963636	.0499133			.0349154	.2659553
var(e.B_perf2)	.1629373	.0525196			.0866269	.3064702
var(e.B_perf3)	.4858365	.0744525			.3597882	.6560447
var(e.C_Perf7)	.2083834	.076301			.1016693	.4271068
var(e.C_Perf3)	.6933694	.0861171			.5435565	.8844731
var(e.C_Perf4)	.6116179	.089128			.4596622	.8138072
var(e.C_Perf6)	.4969674	.0856379			.3545259	.6966391
var(e.R_A2)	.393459	.0988878			.2404183	.6439193
var(e.R_A3)	.4637102	.1008058			.3028337	.7100503
var(e.R_A4)	.5774469	.0984634			.4133989	.8065937
var(e.Formaliz1)	.3856633	.0704854			.2695499	.5517945
var(e.Formaliz2)	.1767408	.0555657			.0954392	.3273006
var(e.Formaliz4)	.3607148	.0696184			.2471046	.5265589
var(e.S_T_02)	.6793427	.2340041			.3458493	1.334415
var(e.S_T_04)	.3122079	.4771158			.0156185	6.240929
var(e.Internal_branding)	.2886844	.1194667			.128283	.649647
var(e.Brand_orientation)	.3294155	.1118593			.1693177	.6408932
var(e.Proactive_market_orientation)	.3714625	.12352			.1935845	.7127863
var(e.Reactive_market_orientation)	.4197462	.1149907			.2453566	.718085
var(Innovativeness)	1	.			.	.
var(Specialization)	1	.			.	.
var(Business_performance)	1	.			.	.
var(Customer_performance)	1	.			.	.
var(BMS)	1	.			.	.
var(Market_orientation)	1	.			.	.
var(Reputational_assets)	1	.			.	.
var(Formalization)	1	.			.	.
var(STO)	1	.			.	.

cov(Innovativeness,Specialization)	.3312039	.1115623	2.97	0.003	.1125458	.549862
cov(Innovativeness,Business_performance)	.1617959	.1126788	1.44	0.151	-.0590505	.3826423
cov(Innovativeness,Customer_performance)	.3732229	.1055286	3.54	0.000	.1663908	.5800551
cov(Innovativeness,BMS)	.5305526	.0996882	5.32	0.000	.3351673	.7259379
cov(Innovativeness,Market_orientation)	.7091596	.1024088	6.92	0.000	.508442	.9098772
cov(Innovativeness,Reputational_assets)	.2960923	.1175307	2.52	0.012	.0657364	.5264482
cov(Innovativeness,Formalization)	.3578833	.1042894	3.43	0.001	.1534798	.5622868
cov(Innovativeness,STO)	.0655554	.1295618	0.51	0.613	-.1883811	.3194919
cov(Specialization,Business_performance)	.078038	.1158909	0.67	0.501	-.149104	.30518
cov(Specialization,Customer_performance)	-.0278493	.1212216	-0.23	0.818	-.2654394	.2097407
cov(Specialization,BMS)	.5743681	.1002459	5.73	0.000	.3778897	.7708465
cov(Specialization,Market_orientation)	.7663081	.0942065	8.13	0.000	.5816667	.9509496
cov(Specialization,Reputational_assets)	.1009336	.1257731	0.80	0.422	-.1455772	.3474444
cov(Specialization,Formalization)	.8275301	.0543365	15.23	0.000	.7210325	.9340277
cov(Specialization,STO)	.2603345	.1687392	1.54	0.123	-.0703882	.5910572
cov(Business_performance,Customer_performance)	.4222011	.095027	4.44	0.000	.2359517	.6084506
cov(Business_performance,BMS)	.1718817	.1164664	1.48	0.140	-.0563883	.4001517
cov(Business_performance,Market_orientation)	.2114211	.1234869	1.71	0.087	-.0306087	.4534509
cov(Business_performance,Reputational_assets)	.1573352	.1149513	1.37	0.171	-.0679652	.3826356
cov(Business_performance,Formalization)	.1443499	.1081149	1.34	0.182	-.0675514	.3562512
cov(Business_performance,STO)	-.1582078	.1188203	-1.33	0.183	-.3910913	.0746757
cov(Customer_performance,BMS)	.3191215	.1202442	2.65	0.008	.0834471	.5547959
cov(Customer_performance,Market_orientation)	.2796226	.1253695	2.23	0.026	.0339029	.5253423
cov(Customer_performance,Reputational_assets)	.5656076	.0951594	5.94	0.000	.3790986	.7521165
cov(Customer_performance,Formalization)	-.078209	.1136994	-0.69	0.492	-.3010557	.1446376
cov(Customer_performance,STO)	-.0303416	.1304712	-0.23	0.816	-.2860604	.2253772
cov(BMS,Market_orientation)	.6853016	.1040623	6.59	0.000	.4813434	.8892599
cov(BMS,Reputational_assets)	.1884772	.1269564	1.48	0.138	-.0603528	.4373072
cov(BMS,Formalization)	.5998818	.0894884	6.70	0.000	.4244877	.7752758
cov(BMS,STO)	.2127716	.1333039	1.60	0.110	-.0484992	.4740425
cov(Market_orientation,Reputational_assets)	.2163404	.1356404	1.59	0.111	-.0495099	.4821908
cov(Market_orientation,Formalization)	.6760958	.0915183	7.39	0.000	.4967233	.8554684
cov(Market_orientation,STO)	.173389	.1457425	1.19	0.234	-.1122609	.459039
cov(Reputational_assets,Formalization)	-.0623308	.1203293	-0.52	0.604	-.2981718	.1735103
cov(Reputational_assets,STO)	-.1793716	.1316367	-1.36	0.173	-.4373748	.0786316
cov(Formalization,STO)	.1725512	.1217875	1.42	0.157	-.0661479	.4112504

LR test of model vs. saturated: chi2(625) =	811.89,	Prob >	chi2 =	0.0000		

Table 3.60 First-Order and Second-Order CFA of the Final Model – 9 variables: Fit Measures

Model	First-order final model	Second-order final model
# items	38	38
GOF		
Chi-square	788.76	811.89
P-value	0.0000	0.0000
DF	610	625
RMSEA	0.054	0.054
SRMR	0.069	0.071
CFI	0.911	0.907
TLI	0.897	0.895
Chi-square test of difference (P-value)	0.081 > 0.05	

Table 3.61 Final Measurement Model – Composite Reliability

Construct	Final model
Market Orientation	0.75
Customer performance	0.79
Business performance	0.90
Short-term Orientation	0.66
Reputational Assets	0.76
Specialization	0.77
Innovativeness	0.77
BMS	0.82
Formalization	0.87

Table 3.62 Final Model – a) Correlations – b) Discriminant Validity

	Construct	BMS	Short-term Orientation	Market orientation	Customer performance	Specialization	Reputational Assets	Business performance	Formalization	Innovativeness
a)	BMS									
	Short-term Orientation	0.213								
	Market orientation	0.685	0.173							
	Customer performance	0.319	-0.030	0.280						
	Specialization	0.574	0.260	0.766	-0.028					
	Reputational Assets	0.188	-0.179	0.216	0.566	0.101				
	Business performance	0.172	-0.158	0.211	0.422	0.078	0.157			
	Formalization	0.600	0.173	0.676	-0.078	0.828	-0.062	0.144		
	Innovativeness	0.531	0.066	0.709	0.373	0.331	0.296	0.162	0.358	
b)*	Construct	BMS	Short-term Orientation	Market orientation	Customer performance	Specialization	Reputational Assets	Business performance	Formalization	Innovativeness
	BMS	<i>0.69</i>								
	Short-term Orientation	0.0454	<i>0.50</i>							
	Market orientation	0.4692	0.0300	<i>0.60</i>						
	Customer performance	0.1018	0.0009	0.0784	<i>0.50</i>					
	Specialization	0.3295	0.0676	0.5868	0.0008	<i>0.54</i>				
	Reputational Assets	0.0353	0.3200	0.0467	0.3204	0.0102	<i>0.52</i>			
	Business performance	0.0300	0.0250	0.0445	0.1781	0.0061	0.0246	<i>0.75</i>		
	Formalization	0.3600	0.2990	0.4570	0.0061	0.6856	0.0038	0.0207	<i>0.69</i>	
	Innovativeness	0.2820	0.0044	0.5027	0.1391	0.1096	0.0876	0.0262	0.1282	<i>0.54</i>

*AVE in italics, the remaining squared correlations