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**A MULTIDIMENSIONAL APPROACH
TOWARDS A CORPORATE MARKETING
SYSTEM FOR BUSINESS PERFORMANCE**

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Annotation

This dissertation aims at an investigation of the current state of a corporate marketing system and its implications for marketing and business performance.

Research has been conducted among companies throughout main industry sectors in Austria in order to investigate the impact of the proposed model from a holistic point of view. Industry sectors included business-to-business, business-to-consumer, retail, services and the tourism sector. Primary research used both qualitative and quantitative research methods. The underlying conceptualization of corporate marketing system has been compound by an intensive study of actual drivers and enablers and the influence of its components on marketing and business performance has been evaluated. The dimensionality of corporate marketing system has been studied through the critical reflection of latest theoretical models and conceptualizations in this field and finally got enhanced by the findings of primary research. Corporate culture, social media usage and knowledge management have finally been considered as pillars of corporate marketing system and influencing factors of marketing and business performance. Furthermore, the proposed model of corporate marketing system proofs strategic relevance for organizational development in an increasingly digitalized communication world.

Hence, management possibilities have been developed for marketing and business performance through the organizational value creation of corporate marketing system as an internal setup to face current organizational challenges related to digital communication landscapes, empowered consumers and the coherent paradigm changes in communications. Consequential, organizational activities got related to measurable performance metrics.

Key Words: corporate marketing, marketing systems, business performance

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INTRODUCTION

Paradigm shifts in communication forced many organizations to abandon their command and control structures in marketing and communications. Organizational challenges arise in marketing, where traditional functions are replaced by a broader, holistic understanding of marketing facing new key roles on an organization-wide level. Marketers are driven into internal/external network management, knowledge and data management and become organizational team managers (Gök and Hacıoglu, 2010). Further, the organizational understanding of marketing and its holistic application within organizational learning and development needs a new understanding and leads to the conceptualization of an embedded marketing system (Layton, 2011) on corporate level.

Actuality of the Topic

Marketers are traditionally in a pole position when it comes to market sensibility. Constantly they screen and evaluate changes in the company's environment, general economic shifts, try to locate challenges and opportunities and react accordingly to maintain competitiveness, profitability and growth. In the recent years, some global economic developments revealed a strong and sustainable impact on business models and processes, especially in terms of sales and communications. These external factors show an high influence on a company's performance and urge organizations to adapt their business strategies to the changing forces from outside. Influencing factors arise from the digitalization of media and communication and result in new distribution channels like ecommerce or the increasing dominance of social media and coherent aspects like changing consumer behavior, comparable offers and transparent services, empowered customers and prospects, new fundamentals of media and information consumption, data intelligence and many more.

In fact, change outside generally happens faster than organizations can usually react. Smaller companies are supposed to react faster, whereas bigger organizations are obviously a more cumbersome ship. However, dynamic market realignments urge any marketers from a more or less comfortable sender position to a dialogue-oriented networker in external and internal affairs. Hence, organizational tasks arise and even get more complex for any market-driven organization as a consequently reaction to these challenges.

A corporate marketing system aims to help organizations in their structural, functional and organizational development to adapt to the paradigm changes happening outside. It is a new understanding of marketing within organizational change and development and ultimately results in an enhanced marketing and business performance.

Aim of the Dissertation

It is the aim of this dissertation to investigate the support of a corporate marketing system for marketing and business performance within companies of main industrial sectors in Austria. The main tasks can be summarized as follows:

1. To execute extensive secondary research on the actual status-quo of the academic understanding of marketing and its implications for organizational development and performance;
2. To infiltrate a corporate marketing system and its antecedents from various standpoints;
3. To consider mixed research methods as a proper methodology in marketing science;
4. To execute expert interviews with marketing executives from various industry sectors to acquire insights and opinions related to the topic and to analyze the answers in a structured way;
5. To confront the expert interview content with theoretical models and conceptualizations to finalize the underlying research model and dimensionality of a corporate marketing system;
6. To execute a quantitative research within persons responsible for marketing to test the research model in empirical reality and to show its influence on business performance;
7. To analyze the quantitative research results using various methods like descriptive statistics, principal component analysis, simple and multiple regression analysis, correlation and variance analysis.
8. To reflect and triangulate the research results from qualitative and quantitative research.
9. Finally, to draw a proper conclusion and to summarize management implications on the current state of a corporate marketing system.

Main Hypothesis

This dissertation investigates the current challenges of organizational change due to external paradigm changes from a marketing perspective. Hence, the main hypothesis is: “Multiple dimensions of corporate marketing systematically promote business performance.” To justify (or falsify) the main hypothesis, several research questions are considered:

1. What is the dimensionality of a corporate marketing system?
2. What is the influence of a corporate marketing system on business performance?
3. Are there any differences regarding the performance of a corporate marketing system within companies of different sizes and industry sectors?

Methods and Sources used

Literature review focused on high qualified and peer-reviewed sources with a priority on research articles in academic journals. Nevertheless, some few theoretical books have been used as well, when contributing pivotal aspects. Secondary research sources, i.e. for market data and/or general statistics, include official government or credible organization’s online sources. Primary research is based on the results of the expert interviews and the findings from quantitative research.

As some influential scholars see marketing as a highly practical discipline, a mixed research approach, including qualitative and quantitative methods, has been considered for primary research. After an extensive literature review and critical reflection of existing conceptualizations and studies on the research topic, the first wave of problem-based expert interviews has been executed in order to confront the underlying research conceptualization and to finalize the research model. Quantitative research was executed to approve the underlying research model. An online survey was sent out to marketing executives and persons responsible for marketing in Austria and the collected data has been processed by using SPSS. Consequently, in a second wave of interviews, results have been critically discussed with experts and triangulation of research findings allowed a proper and holistic understanding of the research topic. The two waves of expert interviews have been analyzed by simple content analysis.

To specify and characterize the research sample, descriptive statistics were considered. Principal components analysis was used to prove the dimensionality of a corporate marketing

system and its influencing factors. To prove the support of a corporate marketing system and its qualified factors on marketing and business performance, multiple regression analysis was used. To prove the support of marketing performance on business performance, simple regression analysis was used. To investigate the support of the dimensionality of marketing performance on business performance, correlation analysis was used. Finally, ANOVA and post-hoc tests were used to investigate and reveal differences among companies of different industry sectors as well as company sizes.

Main Findings and Theses for Defense

The subsequent main results have been derived from primary research of this dissertation and enhance existing theories related to corporate marketing and its influence on business performance. Hence, they represent a valuable contribution to the academic discourse of the research topic:

1. It is verified that a corporate marketing system is determined by aspects of corporate culture, social media usage and knowledge management and that these variables represent a significant contribution to marketing and business performance.
2. Marketing performance, in a new understanding of the underlying, organization-orientated metrics, is positively related to business performance and enhances organizational value creation.
3. In this context, social media usage and knowledge management have been identified as strong predictors for marketing performance and corporate culture for business performance.
4. Interdependencies within the construct of a corporate marketing system and its influence on business performance appeared. Hence, a holistic approach of organizational integration seems appropriate.
5. Corporate marketing system integration enhances business performance regardless of company size as determined by the number of employees and annual turnover.
6. Minor differences in corporate marketing system integration were identified according to the economic sectors, especially in the business-to-business, retail and service/tourism industries.

These main results strongly indicate that there is indeed a strong influence of a corporate marketing system on marketing and business performance throughout industry sectors and

company classifications. Hence, as a result from primary research, the theses for defense are:

1. The dimensionality of a corporate marketing system is determined by aspects of corporate culture, social media usage and knowledge management.
2. Business performance is positively influenced by a corporate marketing system.
3. Company size and industry sector do not significantly influence the application of a corporate marketing system for business performance.

Novelty

This dissertation features some exclusive novelties based on the findings from primary and secondary research. The following aspects underline the novelty of this dissertation:

1. A new concept related to the dimensionality of a marketing system has been elaborated and thus, a model of a corporate marketing system, considering aspects of corporate culture, social media usage and knowledge management has been created.
2. The dimensionality of a corporate marketing system has proven to drive marketing and business performance within companies.
3. New key functions of network and information management as well as an increased set of responsibilities of marketers on an organization-wide level have been considered as marketing performance metrics and empirically verified and a significant influence on business performance has been proven.
4. Measurement items for corporate culture as a fundamental framework for knowledge management systems have been developed and applied to the systematic level of corporate marketing.

Research object: corporate marketing development within Austrian companies

Research subject: Business performance drivers of corporate culture, social media and knowledge management

Limitations

The research topic of this dissertation relates to actual management challenges, which are undergoing susceptible dynamics of change. Primary research was executed over a comparably short period of time – the first wave of qualitative research in July and August 2015, quantitative

research in October and November 2015 and the second wave of qualitative research in October and November 2016 . The quantitative research survey of this dissertation was sent out to 4,231 e-mail addresses belonging to persons in charge of marketing activities of small to large sized companies in Austria. The 233 responses were considered a useful and valid sample for further statistical analysis and equal a response rate of 5.51 %. Nevertheless, as for business research, the sample size is considered to be substantial. Furthermore, all data was provided voluntarily, which can cause adulteration especially of the business performance items, which are self-reported by the respondents. Research considers companies in Austria only. Nevertheless, the results may show relevance for companies and organizations, executive managers and corporate marketers in other countries as the digitalization of economies and media is supposed to be a global phenomenon. All above-mentioned issues are classified as non-critical for the thesis.

Approbation of Research Results

1. “The Evolution of Traditional Brand Models in Digital Communication Landscapes.” Presented at: International Conference of Business and Economics: Innovative Approaches of Management Research for Regional and Global Business Development. University of Applied Sciences Kufstein Tirol, Austria, 3rd – 5th August 2012
2. “Knowledge Management Implications for Modern Marketing Environments.” Presented at: Interdisciplinary Scientific Conference for PHD students and assistants – QUAERE 2013, Hradec Králové, Czech Republic, 20th – 24th May 2013
3. “The Meaning of Knowledge Management for Brand Management.” Presented at: International Business and Economics Conference: Current Approaches of Modern Management and Strategy Research. University of Applied Sciences Kufstein Tirol, Austria, 29th – 30th November 2013
4. “The Rising Importance of Knowledge Management within Changing Communication Models.” Presented at: 72nd Annual Scientific Conference of University of Latvia, Riga. Session: „Impact of globalization to national economies and business”, February 5th 2014

5. “A Theoretical Approach of Knowledge Management for Marketers in Digital Communication Landscapes.” Presented at: 3rd International Virtual Conference of Informatics and Management Sciences – ICTIC 2014. University of Zilina, Slovakia, March 24th – 28th 2014
6. “End of Marketing Departments? A Theoretical Approach towards Knowledge Systems.” Presented at: 3rd International Virtual Conference on Advanced Scientific Results – ScieConf 2015. University of Zilina, Slovakia, May 25th – 29th 2015
7. “A Multidimensional Approach towards a Corporate Marketing System for Business Performance.” Presented at: 2017 International Conference on Management, Leadership and Business Intelligence – ICMLBI ’17. Sam Houston State University, Houston, TX, United States, April 7th – 8th 2017

Publications

1. Loeschenbrand, Bernd (2013): Knowledge Management Implications for Modern Marketing Environments. In: *Reviewed Proceedings of the International Conference Vol. 3, QUAERE 2013*, 20th – 24th May 2013, ISBN: 978-80-905243-7-8, pp. 82-87, indexed by ResearchGate
2. Loeschenbrand, Bernd (2014): A Theoretical Approach of Knowledge Management for Marketers in Digital Communication Landscapes. In: *Reviewed Proceedings of Conference of Informatics and Management Sciences, ICTIC 2014*, 24th – 28th March 2014, ISBN: 978-80-554-0865-1, pp. 140-143, indexed by OCLC WorldCat
3. Löschenbrand, Bernd (2015): End of Marketing Departments? A Theoretical Approach towards Knowledge Systems. In: *SCIECONF – Proceedings in Scientific Conference 3 (1)*, ISSN 1339-9071, pp. 90-95, indexed by Index Copernicus
4. Löschenbrand, Bernd (2015): End of Marketing Departments? The Impact of Social Media, Knowledge Management and Information Sharing on Organizational Value Creation – Theoretical Framework and Model Development. In: *Journal of Management and Marketing 3 (2)*, ISSN: 1339-4896, pp. 55-63, indexed by SciPub

5. Loeschenbrand, Bernd (2016): The Impact of a Corporate Marketing System on Marketing and Business Performance. In: *AD ALTA Journal of Interdisciplinary Research* 6 (1), ISSN: 1804-7890, pp. 47-54, indexed by Ebsco
6. Löschenbrand, Bernd (2016): The Concept of a Corporate Marketing System and its Impact on Business Performance. In: *European Journal of Research and Reflection in Management Sciences* 4 (5), ISSN: 2056-5992, pp. 15-27, indexed by ROAD Directory of Open Access Scholarly Resources, UK and Impact Factor International (IFI), UK and Research Impact Factor (RIF)

Structure of Dissertation

This dissertation is structured into three main chapters. The first chapter represents a thorough literature discussion that focuses on the nature of marketing, current theories on corporate marketing, and achievements in the field of management theory. The concept of a marketing system is introduced and its dimensionality adapted to a corporate level. Marketing and performance issues are explored and a number of main influencing factors, like corporate culture, social media usage, and knowledge management are proposed and examined from different standpoints and theories. Finally, the first chapter presents opportunities for organizational value creation in terms of marketing and business performance through establishing a corporate marketing system.

The second chapter places the theoretical foundations and conceptualizations in the context of contemporary managerial reality. Viewed through the more general managerial lens, on the one hand, and through the more particular marketing lens, on the other hand, the scope and the developments of digital communication landscapes and coherent paradigm changes are shown to constitute the current demand of organizational transformation. In this context, the influence of social media on marketing frameworks and business performance is suggested and examined from an organizational perspective. The high relevance of managerial challenges for marketers and organizations caused by the forces of new economies is highlighted and driving factors of marketing and business performance are identified. Finally, major parameters like corporate culture, social media usage, and knowledge management of different industries as discussed in relevant studies are reflected upon. Contextual challenges of organizational value creation lead to the third chapter.

The third chapter explains the primary research framework, which makes use of a mixed research method for marketing research. Subsequently, hypotheses are deduced on the basis of the preceding chapters and finally lead to the conceptualized research model, which clearly lists dependent and independent variables and presents underlying factor items. Moreover the chapter introduces the data collection and analysis designs, and provides information on the sample size and qualification. The presentation of the research results includes a summary of the expert interviews on the dimensionality of a corporate marketing system followed by various statistical analyses to validate the dimensionality of the research model, its influence on marketing and business performance and to compare companies of different industry sectors as well as company sizes. Finally, the results are interpreted from various standpoints and critically discussed with experts leading to the presented conclusions and suggestions.

Words of Gratitude

The author wants to thank all executives who spent their valuable time for expert interviews and shared their insights. Gratitude is also given to all executives and business professionals who completed the quantitative survey. Special thanks is given to the University of Latvia, Riga and especially to the Faculty of Economics and Management. Finally, a big “thank you” is expressed towards my doctoral supervisor, Professor Dr. Lutz H Schminke, for his constructive and continued support during the past years.

1. CORPORATE MARKETING SYSTEM – THEORETICAL FRAMEWORK AND MODEL DEVELOPMENT

The field of marketing is based on a very simple invention of humankind: the trade. The act of exchanging goods between two individuals is the fundamental operation for the emergence of a market and the development of marketing (Layton 2011, p. 260). Even though the origin is a simple one, its conceptualization, especially in a scientific approach, is far more difficult. The reason for this is the dynamic, genuine role of marketing as a business-driven discipline. Scholars (e.g. Hackley 1999, p.720) emphasize the necessity to be sensible about theory and practical experience in the field of marketing and that marketing expertise always needs to be processed in an explicit and declarative way, once academic theories and concepts are extracted out of it. As marketing is not a hard science like physics with objective, measurable content, it often derives innovations from experts and individuals who clothe their practical knowledge in words or by abstracting theories from actions. Hence, marketing science highly depends on the ability to express tacit knowledge with language and the selection of actions contributing to a theory. In literature, this leads to a philosophic controversy if information, that can only approximate the reality or truth because it is subjective and non-measurable can be stated and make up the basis of generalizable theoretical foundations and models. Some scholars critically reflect the validity, reliability and universality of such marketing conceptualization as they try to make universal statements about marketing related phenomena and cannot be scientifically established (Brown 1993, pp. 23-24).

However, for expertise it is not only “knowing how”, Ryle (1959) stated, “knowing that” is at least as important for successful problem-solving. Extensive knowledge of the field is necessary to know what the possibilities are and which solution to choose. Only after this, it is the know-how that is of importance. Even though marketing lacks universal laws, many normative models like the marketing mix framework, the four P’s from McCarthy (1981), Kotler’s product life cycle (1994), strategic portfolio management from Porter (1980) or Ansoff’s competitive strategy (1965) can improve the problem solving capability of managers by contributing valuable, generalized marketing knowledge.

Hackley (1999, p. 722) mentions the existence of many generic, descriptive models of buyer behaviour, advertising communication and product conceptualization. Within this discussion, Brown (1993, p. 23) emphasizes that academic marketers maintain the existence of that external reality. Further on, that these models deliver theoretical foundations and may show a high

relevance of application in marketing practice and allow imperfect attempts to make universal statements. From an academic point of view, the heuristic power of such models is uncertain but still an important question within the managerial school of marketing, the most powerful school within academic marketing (Sheth, Gardener and Garrett 1988). Consequently, many theoretical foundations have their origin in the abstraction of expert practice or broad generalizing assumptions, which deliver conceptual frameworks but miss a scientific confrontation. A critical attention should be given to this issue.

Thomas (2006, p. 97) accuses marketing to “suffer from “epistemopathology””, meaning to overgeneralize old knowledge, which has proven to be bad or wrong or at least which is not current, to problem solving without actually understanding the problem or consequences of the solutions. Marketing needs to be open to take another path and start to find new solutions and ideas. Hence, the development of theoretical frameworks and research conceptualizations is closely connected to the image of extant economic and social realities. This correlation is a permanent companion of marketing science. Marketing fundamentals have undergone a controversial discussion within the scientific community ever since. The theoretical knowledge and conceptual frameworks are in a logically coherent relation to the contemporary economic, organizational and technological zeitgeist. And ever since, researchers as well as marketing practitioners are facing forces of change to compete with. Hence, the sacred temples that define marketing need to be in a controversy discussion, influenced by major directional changes in the world (Singer 2006, p. 50). For a deeper understanding, a differentiation of the marketing terminus is necessary and leads inevitably to a major question: what is marketing? Is it a management science? Is it a social discipline? Piercy and Cravens (1995, p. 9) claim a distinction between marketing as a philosophy or culture and marketing as a set of management activities. This implicates a new understanding of marketing besides its definition as a function. Namely, to understand customers’ needs and wants a side from an exploiting marketing monopoly (Thomas 2006, p. 99). Hence, marketing is seen as a broader organizational philosophy and strategic necessity – dealing with intra-organizational relationships and networks (Piercy and Cravens 1994, p. 7).

General approaches towards marketing theories and definitions show a volatile picture within the ambivalence of academic and practical approaches. Meaning that the evolution of marketing principals often origins in managerial reality and subsequently is considered in academic research. As companies need to react quickly to economic changes within competing markets, the development and application of new marketing strategies is usually market-driven, lacking

a profound theoretical background. Academic researchers abstract these strategies and develop generalized theories and models with some delay. Nowadays, globalization and digitalization accelerate the dynamics of economies and markets largely and open unexplored fields of marketing research, which have not been existent so far. Consequently, developments in marketing do not origin in academic research, yet they exist and are enforced by practitioners facing the challenges of market and consumer developments. Hence, developing new marketing theories and models must take a practical approach, meaning to evolve academic concepts out of the vast and diverse amount of practical marketing applications and furthermore needs to be sensible to the fact that everything we might understand today may be expired tomorrow. Within the next section, academic milestones of marketing evolution will be presented.

1.1 Changing Role of Marketing: from Functional to Corporate Level

In 1972, Kotler stated a change from marketing as a structure to marketing as a function (Kotler 1972, p. 48) and following this Gök and Hacıoglu (2010, p. 293) see it changing from a function to “a set of values and processes that all functions participate in implementing.”

This addresses the continuous change of marketing’s role and is the central theme in the present research work. The path breaking work of Kotler (1972, pp. 47-48) not only offers information about what marketing is, but also where it can be used. For him there are three stages of consciousness concerning the role of marketing with the first one only including the economy, meaning only companies who want to sell something to a buyer and perform a trade where values are exchanged are in need of marketing.

The second stage of consciousness extends this by adding marketers who offer values and expect nothing in return, like education or health care. These organizations can also benefit from marketing although they represent a non-competing part of economy.

The last step is consciousness three, where marketing is not only focused on the customers, but on the whole public relations which also include the own employees, competitors or the government. In generic marketing, which assumes consciousness three, the role of marketing expands to a completely new target audience as it involves internal and external stakeholders and covers the complete microsystem of a company.

Lately even the necessity of marketing departments is called into question due to groundbreaking global trends of economics with global financial instruments which lead to a non-stop trade, at least in some professions the labor market is getting a global resource, markets are getting globalized and knowledge from science or new technologies can be

accessed worldwide (Castells 1996). Additionally, the progress of digital communication technologies transforms consumer behavior and urges organizations to a systematic transformation. The conversion of the system pertains to all levels of an organization and in conclusion, changes happen on the functional level concerning the marketing subsystem, on business level that is comprised of the marketing department, on corporate level including divisional marketing and finally on enterprise level that is concerned with the relationships and networks. Consequently, Piercy and Cravens 1995 (p. 13-15) appraise major changes in marketing, namely breaking hierarchies as a consequence of a faster, more complex and customer-oriented economy that requires an flexible organization as well. Further on, self-managing and multifunctional teams that consist of highly diverse experts, which flexibly work together within restructured processes to reduce cost and time efforts. From an organizational perspective, learning organizations demand for new skills of knowledge and information processing to overwind complex and global market structures to reach a central key issue of marketing, namely to improve customer relationships and create a customer-facing organization (McDonald 1994).

McKenna (1991) coined the term “new marketing”, as a consequence of the new marketing paradigm: not do more (e.g. raise budgets, intensify advertising) but introduce knowledge- and experience-based marketing for a deeper integration of the customer. Although he has to admit that this is plausibly attributed to the dynamics of capitalism rather than scientific intentions, it implicates a new value system. Marketing becomes a culture and marketers become advocates for customers (Thomas, 2006, p. 99). The basic idea is to focus strongly on the customer – on individual levels as well as broader relationships levels. In that context, Singer (2006, p. 50) points out, that the role of marketing is changing due to globalization and new information technologies. Traditional advertising has not the same impact anymore. It is losing its impact on the buyer decision process because of the flood of information that individuals have to face every day. From the opposing perspective, all companies have an infinite source of information about consumers, but the fact that it is accessible for all competitors it can lose importance, something everybody knows is no advantage (Singer 2006, p. 52). This leads from a customer-centric model to a network-centric model. It is no longer the brand that is the center of the marketing strategy but to build a business ecosystem with a future-oriented focus, how to foresee and adapt instead of planning and responding. The paradigm change from push to pull is important in the network centric model, because customers chose more to what exactly they give their attention out of the flood of information. As for marketing, the old promotion has to turn into a new information design that people will attend to (Singer 2006, p. 55).

Due to the subjectivity and uncertainty in marketing research, a single definition of marketing itself is unrewarding therefore a confrontation of marketing conceptualizations is necessary to develop a common understanding of marketing within the context of this dissertation. The focus shall be on the concept of marketing systems, which emerge along with a growing market – like the network-based new economies are. Starting with the simple seller-to-buyer trade, leading on with a growing market, which is brought by the digitalization of economies and the growing importance of internet for businesses, more and more individuals are evolved in a network, and by that, a marketing system arises (Layton 2011, p. 260). Summarized it can be stated that current marketing theories highly recommend to focus on the target, namely the (potential) customer. Recent developments in media and technologies simplify this undertaking on the one hand, but on the other hand complexity increases when markets get more transparent, consumers rapidly change their behaviour and technologies evolve faster than organizations can usually do. A rigid marketing organization will not be able to react properly to the speed and dynamics of external changes, hence the principals of corporate marketing need to be revised in the context of complex economic systems, as they exist nowadays and consider the consequences for organizational transformation.

1.2 Corporate Marketing in a System-Context

The traditional approach of Kotler (1972, pp. 51-52) is separating marketing into three typologies: The target market typology where the marketing focuses on any individuals or organization that is related to the company from suppliers, customers even to the government that lead to employee-directed marketing or general public-directed marketing. The product typology is more interested in what is to be sold, which can be goods but also services, people or ideas and more and includes therefore marketing for universities or marketing for states just to name two. The last one is the marketer typology that is based on the type of the subject, which implements the marketing where various organizations can be found like normal business organizations, but also religious organizations or cultural organizations. Consequently, Kotler (1972, pp. 48-50) stated a generic concept of marketing with four axioms that are fundamental to a marketing system. Firstly, marketing involves two or more social units, each consisting of one or more human actors. Secondly, at least one of the social units is seeking a specific response from one or more other units concerning some social object. Thirdly, the market's response probability is not fixed. Finally, marketing is the attempt to produce the desired response by creating and offering values to the market. The underlying concept is the

transaction of something of value and marketing is seen as a function, compared to a structure, which implies it is more a method or special technique than an establishment in the company. However, this conceptualization is unsatisfying when considering its application within new economies in a digitalized, complex world.

Recently, Layton (2011, p. 259-268) contributed new considerations to the conceptualization of a marketing system, which for him is the voluntary economic exchange of single or multiple goods, services, experiences and ideas. Finally, he quotes a definition of a generic marketing system as a network of individuals, groups and/or entities, embedded in a social matrix, linked directly or indirectly through sequential or shared participation in economic exchange, which jointly and/or collectively creates economic value with and for customers, through the offer of assortments of products, services, experiences and ideas and that emerge in response to or anticipation of customer demand. This systematic view is a consequent alignment of different processes, networks and value chains within business environments. Hence, marketing can be seen as a complex structure of processes and set of values rather than a managerial function or a line-up of normative models. Moreover, it is an inevitable fact, that almost all marketing systems feature structural and functional heterogeneity. When systems like this emerge, they differ in their complexity and size and can be classified due to highly diverse attributes. Firstly, a categorization by their level of aggregation is possible. A micro marketing system usually consists of a seller and buyer regardless of their size. A seller therefore can be a person, a household or an organization and the same applies to the buyer. The next level is a meso-system with groups as main agents in the system. A group can be a firm or company or any aggregation of sellers or buyers. The third level offers an overview at a macro level and can consist of the nowadays-existing worldwide trading system as one big system. Another way to classify a marketing system is based on the structure and dynamics of it. A system can be autarchic, emergent, structured or purposeful. The autarchic system can be found mostly in communities, which build a self-sufficient system and share or barter their goods with each other in the group. With increasing numbers of members and a trend to specialization of the assortment, the business competition rises and an emergent system arises. The fixation of trading areas like markets and the merger of vendors to companies are signs for an emergent marketing system. With increasing corporate participants, the system becomes more and more complex and new organizational forms and networks are built. These networks are common in structured systems. Finally, the purposeful marketing system uses political or economic instruments in the market to contribute to a higher aim of the company or state. All these steps come along with a growing

economy, specialization and more influence through new interventions. The essential components of a marketing system are shown in figure 1-1.

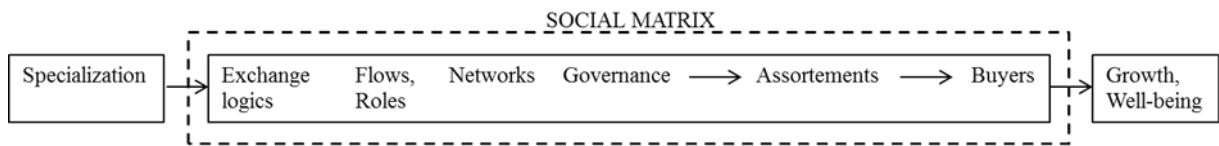


Figure 1-1: The Essential Components of a Marketing System

Source: Author’s illustration based on Layton, Roger A. (2011), p. 267

The starting point of a marketing system is the specialization mostly of the goods offered to meet the buyers’ requirements. The next elements are the exchange logics and contexts in which the trade happens. It is the decisions that lead to a deal and the outer surroundings making it possible. The flow refers to numerous exchanges that take place in a marketing system like the exchange of possession of money or goods, services, ideas and also of information. The latter one becomes more important in the highly complex systems where knowledge about target customers is essential, maybe even more than the quality of products. The roles in a marketing system are mostly filled by entities who offer something and entities that have needs or requests to be fulfilled, more specific by individuals, groups or firms and both roles can also be taken by one party at the same time. These buyers and seller have to get into contact with each other and therefore form networks which can be made of family members, vendors and customers or whole firms and the environment and participants are important influences of the network-system. The governance of the system can be reciprocal or based on redistribution or exchange. The latter ones are more common, especially the system of exchange can be found in most marketing systems now where demand determines the price. These demands are reflected in the offered assortment where the needs and wishes directly influence what will be offered by the sellers. All elements together lead to a growing market and wealth and through that increases the well-being of the individuals in the system (Layton 2011, pp. 267-273).

The reviewed model outlines a generic concept of a marketing system as founded by Layton. His approach, often described as real-world-experience, finds appreciable acceptance within the scientific community (Shultz II 2012, p. 191). However, due to extensive changes in the environment with technical progress and globalization, this system underlies a permanent change and role transformation.

Although the presented model a marketing system is not explicitly referred to organizational, respectively corporate level, the components of the social matrix, representing structure and

dynamics of such a system, will be considered for the ideation of a corporate marketing system. Especially the theoretical components of the social matrix within that system seem to have undiscovered analogies to the ongoing transformation of new economies. Firstly, digitalization forms new ways of demand and supply and changes purchasing opportunities and habits. Secondly, where consumers gather to connect and exchange, like with social media, the transaction of information and goods gets transformed and redefines the emphasis of market participants and their economic power. Thirdly, by the accumulation of economic interests, not only consumers form and participate in networks but also companies seek for a closer connection to multiple market entities by the use of social media. Fourthly, from a company perspective, the question of governance within organizational structures and leadership must be considered as a consequence of changing economies and its underlying new market mechanisms. Within the context of a corporate marketing system, these issues need to be addressed and lifted to organizational level. Hence, organizational transformation can origin in marketing driven considerations and consequently lead to a market and consumer orientated approach which seems inevitable within the dynamics of new economies. As an ultimate goal, companies strive for economic performance and need to respond whatever is necessary to fulfill this basic mission. Thus – and as a first step towards the ideation of a corporate marketing system –, the underlying principles of business performance within the context of a marketing system application will be examined within the next section.

1.3 Business Performance in the Context of Corporate Marketing

Within the scope of this dissertation, the purpose of a corporate marketing system is organizational value creation, which is defined through marketing and business performance. This seems legitimate as the research focus lies on the impact of a marketing system integration on corporate level. The discussed business challenges require companies to adopt to the environmental and economic changes, but still business performance is a major driver of any industry. As the nature of a corporate marketing system suggest, organizational value shall not only arise in terms of financial metrics but also by the merits of a new marketing understanding within organizational development. To meet the economic requirements of the marketing management role, performance strategies are needed and both older tactics and newer ones can be valuable to do so. In the Marketing Productivity Equation, McGrath (1992, p. 54) combined some strategies for marketing effectiveness and for marketing efficiency which together sum up to the marketing productivity. The strategies that lead the way to achieve the requested goal (marketing effectiveness) are either strategy management or organization management. The

strategy tactics involve electing the target segment of the market and understanding it, using exceptional strengths of the company to build a unique marketing strategy and to share these aims and visions with the employees for a unified appearance. To remain with the effectiveness but also the team, the organization management involves organizing by the vertical industry and the account potential and also to install cross-functional teams with less bureaucracy to raise the marketing productivity.

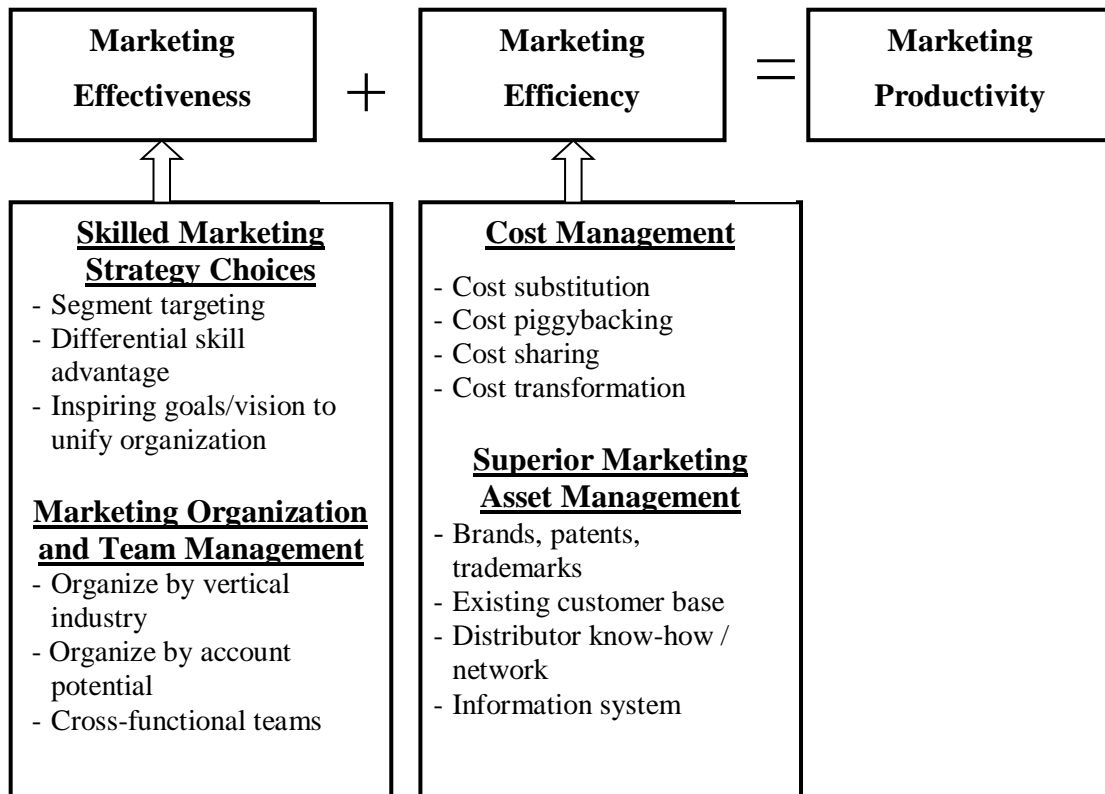


Figure 1-2: The Marketing Productivity Equation

Source: Author's illustration based on McGrath, Allan (1992), p. 54

Turning to the marketing efficiency the cost and impact of adopted measures become an issue. The cost management therefore is concerned with the distribution or redistribution of costs, cutting dealers, selling via internet or to find ways to exploit expenses. Companies can also build alliances for some products and split the marketing expenditure, the tactic of cost sharing or another possibility is transforming the costs in the way franchising does, where many costs are outsourced. Finally, efficiency can also be increased by asset management. Broadening and exploiting properties like brands, patents or trademarks, improving the relationship with existing customers or trying to tie them to the company with the offerings of clubs or special treatment can make present assets more valuable to the company. Distributors can themselves be seen as valuables to the organization and they can be helpful to keep or even get a market-

share and also to keep up the contact to the consumers and adapt the marketing and product to their demands. An ever-since growing marketing tool is also the use of information and data to collect important and gainful knowledge and this itself can be an asset. Altogether, these techniques can increase effectiveness and efficiency and lead to a higher marketing productivity. As for an isolated consideration of marketing performance, the core aspects of the marketing productivity equation will be considered for definition, namely strategic and organizational tasks, brand management tasks and asset management tasks. Furthermore, it is recommended to contextually adopt these aspects to current marketing performance metrics to cover the actuality of this dissertation.

Organizational value is not only created by marketing productivity but also by business performance. Peltier, Zahay and Lehmann (2013, p. 9) refer business performance within an organizational transformation and data quality framework to financial metrics like level of annual turnover or level of annual turnover growth as well as to a ROI on a customer basis, meaning that the monetary evaluation of single customer unit is a contemporary necessity. This seems synchronous to the presented role of marketing on a corporate level, which puts the individual as well as its relationship levels into strong focus and hence needs a financial evaluation. Considering the dynamics and complexity of new economies, an interdependency between marketing and business performance will arise. Firstly, an isolated consideration of financial metrics for business performance is necessary but unrewarding as the nature of digitalization and social media allows a higher grade of interaction, participation and involvement of customers and their relationships to companies. E.g. crowdfunding platforms allow users to even become shareholders of business models and to highly participate in business developments. Hence, the stakeholder basis of business gets broadened and loyalty needs to be addressed to reduce volatility. Secondly, as the new forms of media, respectively new economies require a new generation of business thinkers, the war for best talents forces organizations to redefine their human resource policies and to acquire but also to enforce commitment to so-called digital natives within the organization. And thirdly, the rapidly changing conditions of new economies and their underlying distribution channels/technologies force companies to increase their time-to-market procedures to ensure competitiveness and growth.

As the theoretical considerations of a corporate marketing system and the coherent terms of marketing and business performance have now been defined, influencing factors of a corporate marketing system and its dimensionality will be elaborated within the next sections.

1.4 Influencing Factors for Corporate Marketing and Performance

New technologies and especially the internet came with new challenges for marketing managers. The rise of digital media and technologies opened new channels for communication to reach specific individuals (Dibb and Carrigan 2013, p. 1381). The global network enables anyone to share experiences with and ratings of products or services and evaluate them in numerous ways. Very important is also that people can talk about products, services and experiences and form an opinion about them or the whole brand and company. This can lead to big problems for marketing departments because issues related to brand strategy are not only in their hands anymore but can be highly influenced by an online community (Booth and Matic 2011, p. 185). A new strategy of marketing therefore is directed at influencers in social media. The collaboration with people who have a reputation, especially in target markets can influence the behavior of customers and therefore the success of the marketing strategy. Social networks are turning into a very interesting field for marketers and good strategies are needed to not make people feel controlled but to give them the feeling of being in control and having objective opinions. This happens, when corporate marketing, which traditionally is selfish and focused on corporate interests, puts people back in the centre of marketing considerations (Dibb and Carrigan 2013, p. 1392). Brown (1993, p. 26) states that modern marketing is about generalizations about the consumer in the mass, post-modern marketing outlines the uniqueness, diversity, plurality and idiosyncrasy of every individual.

Traditional marketing understandings cannot satisfy the new challenges of social media and the new customer mindset. The control over the advertising message is not solely in the hands of the company anymore, but also in the hands of active users of online applications sharing, posting or blogging content about brands (Bruhn, Schoenmueller and Schäfer 2012, p. 773).

Communication is an essential part of a well-performing marketing program that should lead to awareness of the brand or product. It is defined as “an act of will directed toward a living entity that reacts” (Garcia 2012, p. 42). For effective communication, the sender should be intentional and have a strategy to aim the target but also it should be kept in mind that the receiver is not without preconceptions and the message can be altered by individual mindsets. If the sender anticipates the various possibilities of message understanding and is clear about his goals, a reaction should follow from the recipient that shows that the communication was successful. To enlarge the awareness gains from marketing programs and improve the communication between company and consumer, several questions should be answered before trying to communicate to new target group, namely issues concerning information and

knowledge about the group and its members, its influencers and its feelings and relationship towards a company or brand (Garcia 2012, p. 45).

Change is happening due to the growing popularity of social media (Coulter and Roggeveen 2012, p. 878). Paradigms are altered in the internet service and use of the web. The base of internet use is not the consumption anymore but the communication and interaction (Henderson and Bowley 2010, p. 237) and old media might get replaced by it because information and content can be distributed in a wider range and a more effective way (Bruhn, Schoenmueller and Schäfer 2012, p. 771). The biggest impact the change of the web has, is on the communication that evolved from a face-to-face dialogue with one source talking to one recipient to a public conversation where one can reach many recipients at the same time (Coulter and Roggeveen 2012, p. 878; Patino, Pitta and Quinones 2012, p. 234). In addition, conversation over media got bi-directional and consumer have the possibility to interact with the source online (Henderson and Bowley 2010, p. 237; Coulter and Roggeveen 2012, p. 878), either it be another consumer or a company. Most of these conversations can be seen as public knowledge, accessible and for the use of everyone. Hollebeek, Glynn and Brodie (2014, p. 151) critically acclaim that most scientific concepts in the field of consumer brand engagement in interactive media are of exploratory nature. For the purpose and aim of this dissertation, the focus will stay on organizational and managerial challenges brought by the paradigm changes of digital communication landscapes and social media. The new challenges that come with the growing importance of social media and coherent forms of communication have major consequences for marketing and thus, need a conceptualization beyond the status-quo of corporate marketing to unleash their full potential (Conway 2011, p. 248).

Social media brought a lot of change. Not only for consumers but also for organizations and business models. Peters (1998, pp. 24-25) summarizes main influencers in three areas. Firstly, the communication stlye is turning into a synchronous one with very little time lag between sending, receiving and reaction. Asynchronous would be a letter, mail or also traditional advertisement. The line between these two got blurred in the last years by social medias fast pace, writing is no longer asynchronous due to chatting or instant messaging. Interactive advertisement can lead to a direct response via internet but it is questionable where to separate synchronous from asynchronous now, that the time lags are getting smaller in most channels of communication. Secondly, social presence addresses the perceived personalness of feelings someone has about a communication. If it is friendly, warm, personal, insightful and active social presence is perceived. This is assessed through the actual conversation. A close term is

also medium richness, which includes reaction of the counterpart, multiple references, natural language and the focus on the person and interaction. Thirdly, the control of the content traditionally has been in the hand of the marketer or company, being non-interactive and directed in one way. Interaction allows consumer to control customized content. If users can contribute in the interaction of seller and buyer, a personalized and customized product can be developed including the wishes, needs and ideas of the consumer.

The highlighted challenges show expansive consequences not only for marketers but also for the whole organization. Speaking of a real paradigm change, a corporate marketing system needs to address this business challenges and aim at an organization-wide value creation.

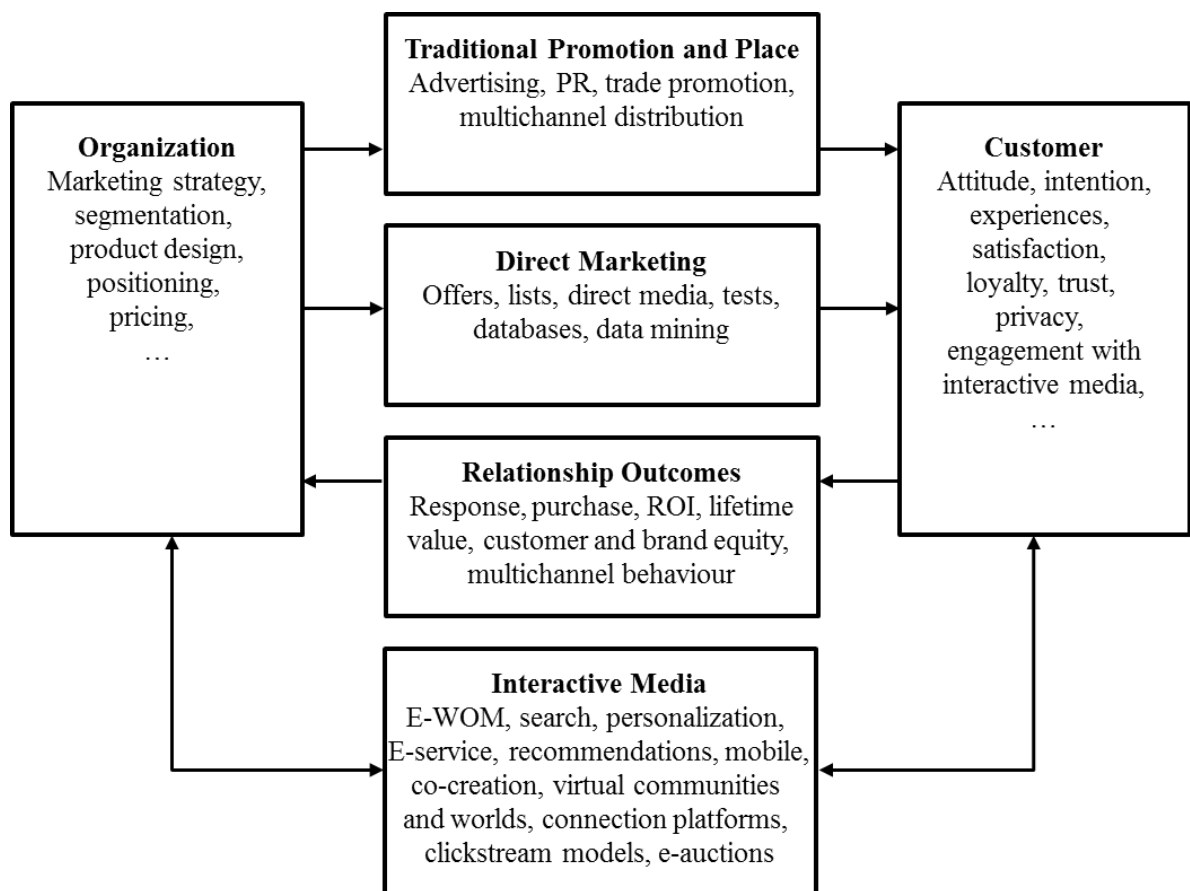


Figure 1-3: The New Marketing Perspective 2010+

Source: Author’s illustration based on Malthouse, Edward and Hofacker, Charles (2010), p. 3

Marketing is traditionally an organizational function that is closely related to developments in external environments. Malthouse and Hofacker (2010) deliver a clear model of how marketing changes due to the developments of digital communication landscapes. Figure 1-3 shows potential communication channels between an organization and its target groups. Traditional media, like advertising or direct marketing still have their relevance, but as demonstrated by the single headed arrows, it is one-way communication, from the company as a sender to the

customer as a receiver. That is how traditional communication used to work for decades in a one-directional manner. Markets (consumers/customers) did not show interaction with organizations via traditional communication and media.

By the rise of – as the authors call it – interactive media, a game changer entered the marketing stage. For the first time, media allows to transmit messages to, from and between customers as well as a direct interaction with the organization, as demonstrated by the double-headed arrows. As a result, organizations need to transform, adopt to multichannel distribution, measure outcomes, quantify customer and brand equity (Malthouse and Hofacker 2010, p. 2). The new media types and coherent communication possibilities change marketing organizations and even traditional business models on the one hand. On the other hand, customers change their habits and engagement with brands and media. But interactive media not only allow bi-directional communication. Building up an intelligence concerning the changing needs of customers is a basis for customer engagement, which adds active cooperation with the customer to assess their needs and entails a co-creation of value (Prahalad and Ramaswamy 2004, p. 5). Within this context, the engagement of customers with marketing-driven organizations is not only their online-activity or interaction. Engagement also leads to long-term relationships with customers and a creation of opportunities to bond and interact gradually over time. For Sashi (2012, p. 260) customer engagement focuses on satisfying customers by providing superior value than competitors to build trust and commitment in long-term relationships.

The process of value addition is a collaboration of company and customer, which is simplified by the new possibilities of social media. Organizations and their target groups are now in a close relationship and show a high level of interaction and engagement. To meet the foundations of customer engagement, marketers consequently follow a customer-centric approach and – on an organizational level – need to intensify their market orientation, which includes an organization-wide generation of market intelligence on customer needs, a dissemination of the intelligence across the departments and an organization-wide responsiveness to it (Jaworski and Kohli 1993).

Interactive media and coherent new possibilities of engagement with customers are a big challenge for marketers, but also for the whole organization. Marketers are traditionally among the first, who adopt their strategies and communication skills to changing forces from outside and new business environments. But in the understanding of new marketing perspectives, this is not a functional task any more. To participate and take advantage of the challenges of new types of media and changed consumer behavior an organization-wide application of these influences is necessary. Thus, an organization-wide market orientation is ensured and organizational value can be created.

Giving tribute to the presented aspects, it gets clear that a market orientation of a company in digital communication landscapes mainly demands for technological (media), organizational (processes, infrastructures) and cultural developments to stay competitive and profitable. These are the driving forces and influencers behind marketing and performance. A corporate marketing system needs to address these aspects and hence, the theoretical foundations of the underlying factors will be examined closely within the next sections.

1.4.1 Social Media Usage

The foundation of social media can be found in the fast development of technology, the growing number of web-enabled devices and internet accesses and the multiple possibilities of the worldwide connection. They have led to a change especially of the most used network environment of the internet: the World Wide Web or WEB. WEB 1.0 is replaced by WEB 2.0 in large parts. It is difficult to constitute one clear-cut definition of WEB 2.0 in academic literature as it is more an assortment of principles like active user participation, content-based services and their improvement, collective intelligence and a rich user experience (Levy 2009, pp. 122-123). To meet the new requirements of the emerged WEB 2.0 a change of the application software was necessary and new ones have a growing impact on people, economy and society. To name a few applications that are especially important: wikis, where templates on websites are used for sharing, editing and adding content through the users, blogging which is more like a continuous addition of content usually from one user but can be commented or tagged and shared with others especially in the blogosphere (Levy 2009, p. 124). On the other hand, there are bookmarking and podcasts (Shu & Chuang 2011, p. 26) and social networks in general (Sashi 2012, p. 254). Web 2.0 changes are mostly pertaining to applications that are part of the social media and in big parts, it are these applications that make up the new generation of web. In Henderson's and Bowley's (2010, p. 239) definition, social media are collaborative online applications and technologies that enable participation, connectivity, user-generated content, sharing of information, and collaboration amongst a community of users. It can be seen that the principles of WEB 2.0 that were shown can be complied by social media applications and therefore they can be classified as a part of it. In social media applications, users usually can create a profile that is visible for other users and connections between profiles can be made creating a network (Palmer and Koenig-Lewis 2009, p. 162). Registered members can create and share content on these sites like comments, photos and messages (Coulter and Roggeveen 2012, p. 879).

The basic principle of social media is user-generated content. In short, it is content that is generally made available through internet and that is created unrelated to a profession or job and shows personal creative work (Shao 2009, p. 8). In existing literature, the terminology is partial confusing. Nevertheless, social media focus on what content is made for and user-generated content indicates from whom it is made. But in most parts they refer to the same applications like blogs, wikis, social network sites, sharing platforms, content communities, forums and content aggregators (Shao 2009, p. 8; Henderson and Bowley 2010, p. 239; Hearn, Foth and Gray 2009, p. 52). In the majority of them, content is both from and for users therefore no difference will be made between the two concepts in the following work. For a better understanding of social media, it is important to analyze how consumers use them, what reasons they have for their usage and what goals there are to be fulfilled. Shao (2009, pp. 9-15) states three ways of using social media, namely (1) consuming, (2) participation and (3) production. The consuming users are passive and read or watch the offered material, participants get active by voting, sharing or commenting the existent content and interact with it or other users and the producers add self-created texts, pictures, videos etc. to the applications.

The reasons for the use of social media differ for each of these categories just like the needs and expectations vary. Consuming should inform the user whereby knowledge from peers or fellow customers can be easier to obtain or it has more value because users trust the community. Entertainment is consumed mostly to change the user's mood states for example to relax or activate. If users participate in the network they seek social interaction and this can have several positive effects like lower loneliness or more self-acceptance through the most common goals of reinforcing old friendships or form new ones. Also important is the creation of communities which serve as support, offer a safe environment and can be ground to new ideas or innovations etc. through reinforcement. Finally, the production of own content can fulfill a need of self-expression and self-actualization through individual topics, styles and various possibilities. It can also be used to gain control over the impressions other have of somebody and producers will try to influence this impression intentionally with their content. Social media and user-generated content are interacting with each other all the time. Additionally, there is no producer, where there is no consumer and the other way around. However, there are no fixed ways of use, as people can switch and consume on one platform and participate and engage on the next one (Shao 2009, p. 19).

Central in social media is the emerging and growing social network that is only possible online in such an extent and variability. In general, networks can be described with three properties: the centrality, tie strength and connectivity. Centrality is the size of a network, measurable by number of connections or it can refer to the distance of one node to others in the network. The intensity of a connection is the tie strength concerning one single dyad where strong ties usually are close friends and weak ties represent acquaintances. Looking at the number of ties in relation to possible ties the network connectivity can be calculated. (Gensler et al. 2013, p. 248). The properties can have various influences on marketing strategies and should be included in the planning of programs and strategies. The distribution of information is influenced by the centrality, bigger networks lead to a higher diffusion but the literature is inconclusive whether it is good (Chatterje 2011, pp. 96-99), because many individuals can be reached or only little effective (Kantona, Zubcsek and Sarvary 2011, pp. 30-32) because it is very unspecific. Tie strength can also have an impact on information where on the one side strong ties are more trusted by users but weak ties offer more novelty because the overlap of interest is smaller (Liu-Thompkins 2012, p. 68). Of special interest for this research are social media that give people and companies the opportunity to connect and communicate online. People can set up profiles to express themselves and present them to other users. Connections between profiles due to existing relations or the profile information can be made and result in a social network (Shu and Chuang 2011, p. 28). Van der Poel (1993, pp. 50-54) offered four approaches to delineate social networks, namely (1) the interaction approach, as measured in individual contacts over a period of time. (2) the role relation approach as a concept following the rule “birds of a feather flock together”. (3) the affection approach which is rated by the subjective value and importance and finally, (4) the exchange approach which rates rewarding that is supportive for social exchange. Although Van der Poel (1993) is describing personal social networks that exist in reality, his approaches show similarities to the digital based social networks of the recent time and which became a natural source of communication for billions of users around the world.

But social networks are not solely used by consumers anymore, companies become members too. Brands or products can have their own Facebook-Page or Twitter account and consumers can connect with their favorite ones, adding it to their networks, liking it or commenting on it. This leads to a diffuse and vague border between social and economic networks, mixing them up and integrating them (Gensler et. al 2013, p. 250). The brand’s social media can be used by companies for communication to users but they can also be used by users to get and share information or add individual opinions. For Marketers it is very important to understand the motivational factors of engagement of their customers if they want to deal with them

appropriately. A broad range of different factors that can lead to the usage of social networking sites is presented by Shu and Chuang (2011, pp. 29-31) and consists of aspects of meeting new friends or maintaining relationships, entertainment or learning, searching for friends or information and finally the joy of social involvement.

These factors are in large parts similar to the reasons why the three types of users from Shao (2009, p. 9) engage with social websites but still this latter categorization gives more importance to these reasons and therefore can be seen as useful. The active use of social media is especially important for marketers because this enables consumers to take part in the communication and influence brands. Users who share information can have various reasons to do so and in general, it is not solely an altruistic act where content is posted without the creator getting something out of it. The model of reciprocity is likely to be applicable because most information can be traded for information and in a community this does not need a direct reciprocity to work, but can be spread temporal and between members of the community (Palmer and Koenig-Lewis 2009, p. 169). The social media give the opportunity to share experiences and information with people with similar interests which can be more exciting and a creation of communities can lead to a fascinating aggregation of knowledge and expertise available to members. Sharing and creating content can also be a highly rewarding experience and when taken seriously by others a feeling of power and influence is the gratification (Palmer and Koenig-Lewis 2009, p. 169).

Finally, the concept of flow can be used for explaining positive experiences with social media. (Palmer and Koenig-Lewis 2009, p. 170). It occurs when there is a balance between the challenge and the skills and knowledge of a person, between a challenging and excessive demand of capacity. Sites and content should be neither boring nor produce anxiety. Flow causes a positive feeling of self-efficacy and can lead consumers to spend more time with this engaging content and return to the site more often (Hoffman and Novak 1996, p. 57). A challenge for marketers can therefore be to provide content that enables consumers to experience flow. This needs an adaption to the skills and knowledge of the consumer and a continuous, progressive change to avoid boredom (Palmer and Koenig-Lewis 2009, p. 170).

Another contributing basic concept is relationship marketing which happens in a bi-directional way, especially in digital media. The focus lies on the relationship between seller and buyer in an exchange situation (Grönroos 1994, p. 9). Trust and commitment play key-roles leading to intimacy and a long-term relationship between the customer and the company if actualized (Sashi 2012, p. 259). Built on this Sashi (2012, pp. 260-264) introduced the customer

engagement cycle (figure 1-4) consisting of connection, interaction, satisfaction, retention, commitment, advocacy and engagement.

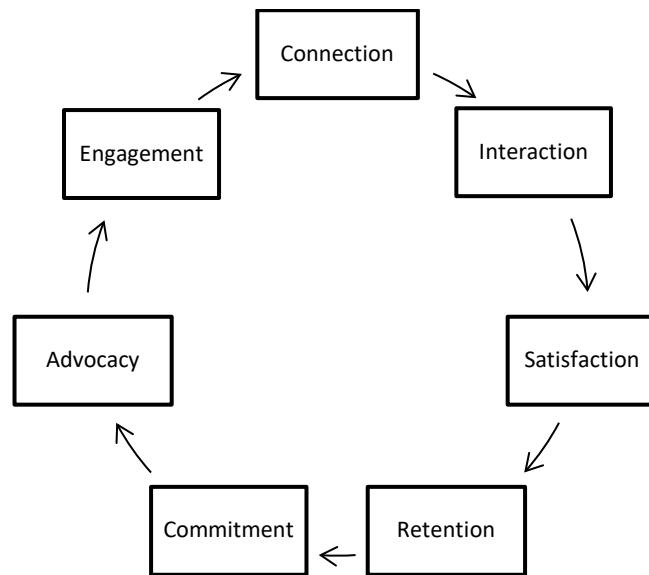


Figure 1-4: The Customer Engagement Cycle

Source: Author's illustration based on Sashi, C.M. (2012), p. 261

Connection

Starting point is the connection between seller and buyer that is necessary for the following steps of the cycle. Usually connections have been built by the salespeople in direct contact with customers; social media makes it possible to connect with many people, to strengthen existing connections online and to search for new ones in a new scale not to be realized with direct personal communication. Connections can be made with intentions to fulfill needs of customers searching for products or solutions but also beforehand to suggest or individually develop products (Sashi 2012, p. 260).

Interaction

Once connected the involved parties can interact with each other and through the dialogue new value is created by an exchange of information like the needs of customers and possibilities of the company. This information can be turned into useful knowledge for the company to understand customers or communities of customers and can lead to an adaption or development of products. The participation of customers in the value-adding process can be by generating own content concerning the product or brand and giving feedback to the company.

Satisfaction

A successful interaction between users and companies results in satisfaction, motivating the users to stay connected and building a base for a long-term engagement. Dissatisfaction makes

the engagement unlikely and can disrupt purchase processes whereas satisfaction leads to a higher probability of engagement but not ensuring it. The internet gives customers more opportunities to make their status of satisfaction (but also dissatisfaction) public. That turns this state into a more valuable one, exceeding a satisfying purchase but influencing the brand image.

Retention

Long-term overall satisfaction can lead to retention, like highly positive emotional experiences with a brand or company can lead to retention, too. Both are not necessarily combined experiences and can occur separately (Sashi 2012, p. 263).

Commitment

These two levels of commitment can be divided, like already mentioned in two parts. The rational calculative commitment is based on the availability of options and the overall costs and leads to loyalty and long-term relationships between the customer and company. From trust and reciprocity comes the affective commitment that binds the consumer emotional and can increase the trusting relationship. Combining the continuing calculative commitment and the emotional affective commitment both the loyalty and delight or satisfaction can be increased and a good base for a successful customer engagement is formed (Sashi 2012, p. 263).

Advocacy

If consumers are delighted by their experiences with a brand or company they can share these positive feelings with their peers via word-of-mouth in social media if they want to whereas loyal customers might create rational recommendations (Sashi 2012, p. 263). Affective committed customers are more likely to engage in word-of-mouth and speak about their satisfaction than calculative committed ones.

Engagement

When customers are both calculative and affective committed or shorter said trusting and loyal to a brand the customer engagement can take place. Only with an emotional bond and a long-term relation, customers engage actively with the company and can contribute to the value. This again can increase the satisfaction of customers and of sellers reinforcing the affective commitment. Engaged customers are fans of a brand or company sticking to it no matter what happens. Problems will be accepted or discussed to keep up the bond instead of destructive behavior (Sashi 2012, p. 264).

Altogether, the connection and interaction can lead to satisfaction followed by retention and commitment to a brand and by generating content like feedback, information and appraisal customers and sellers can become advocates for each other. And with a rational and emotional

commitment, the customer engagement cycle is complete and can start all over again with connection (Sashi 2012 pp. 259-264).

Finally marketing can make use of social media for research purposes and collect vital information for further development. Patino, Pitta and Quinones (2012, p. 235) postulated six ways how social media can be utilized:

- **Pattern recognition:** Analyzing the searches and mentions with for example word count programs a public opinion and valence can be assessed.
- **Consumer panels:** Participants are consumers that are voluntary taking part in a dialogue with a company. With chat rooms or via conference software questions about products or services are asked and panel members can articulate their views, opinions and ideas. Companies can set the questions and selected customers will give the requested information.
- **Social networks:** Here the company has no control of the content and can only analyze the content and expressed opinions of the communities or create own pages enabling it to do exploratory research. Another way to use social media is to find and recruit participants for other research mediums.
- **Market research online communities:** This research tool is much like the panels but the communities of members are based on their interests. Participants engage for longer periods and the tool go beyond discussions and include blogs or idea banks.
- **Listening platforms:** These include bulletin boards, blogs or review sites and more where the brand is only mentioned. Information about a company's brand but also trends can be derived from these platforms.
- **Geo-tagging:** Users can derive current information about the area they are in like restaurants close by and rate these online. Companies can use the information of location and habits of consumers and also consumers can use this information to get the best available restaurant and base their decision on these applications.

Summarized it can be stated, that social media offer many opportunities for marketing and organizations. The shift from traditional media to online applications is increasingly in progress. Consequently, marketing theories and business strategies should be dynamically adapted to these principals of new economies and enforce a new understanding of corporate marketing: Firstly, companies need to recognize that social media are a fundamental game

changer and that their principals are subject to a profound economic transformation. Secondly, the consumer causes the development and increasing popularity of social media giving him an empowered position in economic context. Thus, companies need to adopt their business strategies and communication pathways to the ongoing media developments and coherent consumer behavior. And thirdly, the organizational application of this paradigm change brings fundamental challenges to all management levels far beyond the capacities of a traditional marketing department. Under these circumstances, a consequent customer or network orientation requires the whole organization to participate in a transformation process, meaning to organize people, processes and technologies around the demand and necessities of new media and its dynamics. Finally, technological innovations can change the way marketing works and the trend from selling to interacting will be of increasing importance. The collection of information about customers will result in big data, which is only manageably with new technological inventions and addition of a new set of skills to the job of marketing managers: the ones of data scientists. Nevertheless, just having access to information does not consequently answer the question how organizations can make use of it and transform the new possibilities into relevant advantages for business. Hence, contribution to the aspect of organizational application will be given within the next section.

1.4.2 Knowledge Management and Corporate Culture

Marketing has not only to adapt to new technical innovations and changes, but also to a shift from tangible assets to intangible ones (Dimitriadis 2005, p. 315). Competitive advantage could be assessed by cost leadership, market differentiation and niche orientation, all applying to the value of the actual end product and in general to tangible assets (Porter 1985). The overall availability of tangible assets like raw material or physical technologies reduces their value and intangible assets like trust, image and culture are gaining value in this new economy and hence become a strategic asset of an organization and have a future impact on business performance. (Rihai-Belkaoui 2003, p. 217). One more intangible asset can be knowledge, organizational knowledge and also individual knowledge, playing a main role in the value creation and innovation processes. Due to its growing importance and influence on marketing, knowledge and knowledge management will be evaluated in this section.

In existing literature, there are numerous and various approaches to define the term knowledge. The important and theoretical definitions that will be discussed later in this work are:

- Williams (2006, p. 87): Knowledge is the fit or articulation between procedural information and context and also about the position or identity of the institution that decides on that fit.
- Nonaka, Toyama and Konno (2000, p. 7): Knowledge is information that is interpreted by individuals, put into a context and grounded on the beliefs and commitments of individuals – without context, it is just information.
- Davenport, De Long and Beers (1998, p. 43): Knowledge is information combined with experience, context, interpretation and reflection.

For a better understanding of knowledge, it is essential to gain insight into its origins and how it is created. A widely accepted and popular model of knowledge is the so-called DIKW pyramid (shown in figure 1-5), consisting of a hierarchy ascending from the base of data to information, knowledge and finally to wisdom at the top. The higher stages are founded on the lower ones and emerge from the bottom to the top through transformation processes.

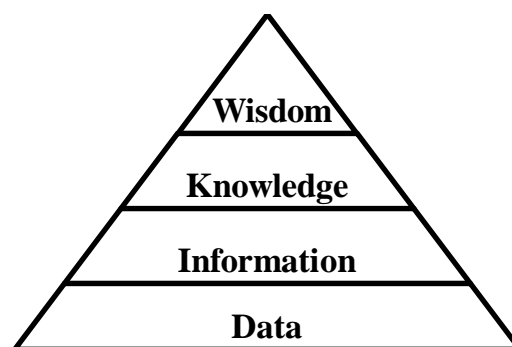


Figure 1-5: The DIKW Pyramid

Source: Author's illustration based on Rowley, Jennifer (2006), p. 252

This is founded on one of the first mentions of this hierarchy by Ackoff (1989) who also offered the following definitions for the distinct components:

- **Data** are defined as symbols that represent properties of objects, events and their environment. They are the products of observation. But are of no use until they are in a useable (i.e. relevant) form. The difference between data and information is functional, not structural.
- **Information** is contained in descriptions, answers to questions that begin with such words as who, what, when and how many. Information systems generate, store, retrieve and process data. Information is inferred from data.

- **Knowledge** is know-how, and is what makes possible the transformation of information into instructions. Knowledge can be obtained either by transmission from another who has it, by instruction, or by extracting it from experience.
- **Wisdom** is the ability to increase effectiveness. Wisdom adds value, which requires the mental function that we call judgment. The ethical and aesthetic values that this implies are inherent to the actor and are unique and personal.

The creation of data happens through a division of experiences and objects into distinct sets of data. Are these produced sets of data used to distinguish and classify new events, the data is applied on a higher level of taxonomy and therefore is turned into information also including relations or consequences. First subjective and context dependent ante-formal information is created in an anecdotal and linguistic form. Ante-formal processes can be turned into procedural information, descriptions into the appropriate context by subtracting the subjectivity and context-specificity, making up the formal information. Combining this process and context information leading to the ability to take effective actions is knowledge. This leads to the already mentioned definition of knowledge as “[...] *the fit or articulation between procedural information and context*” (Williams 2006, p. 85). The stages and process of knowledge generation is shown in figure 1-6 and illustrates the consecutive pathway from data, like easily available in social media, to knowledge as necessary for intelligent decisions and actions on organizational level.

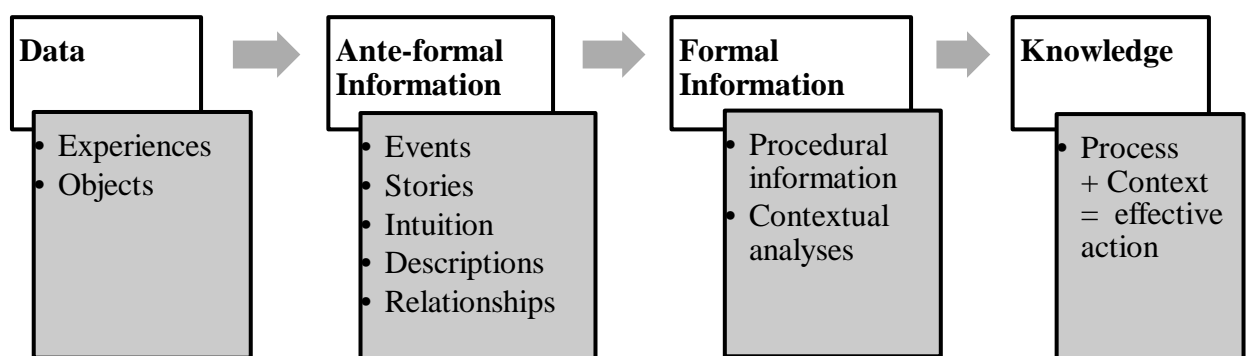


Figure 1-6: Process from Data to Knowledge

Source: Author’s illustration based on Williams, Roy (2006), p. 86

Polanyi introduced the concept of the tacit knowledge based on the phrase “we know more than we can tell” (Polanyi 1966). A distinction can be made between tacit and explicit knowledge leading to two types of knowledge:

- **Tacit knowledge** is highly personal and hard to formalize, making it difficult to communicate and share with others. Subjective insights, intuitions and hunches fall into this category of knowledge. Furthermore, tacit knowledge is deeply rooted in an individual’s action and experience, as well as in the ideas, values, or emotions he or she embraces. (Nonaka and Takeuchi 1995, p. 8)
- **Explicit Knowledge** is formally codified in a physical or symbolic manner. This systematic language makes it easier to share and communicate explicit content. (Cyr and Choo 2010, p. 826; Wagner, Vollmar and Wagner 2014, p. 35)

They are often understood as two distinct categories localized at opponent ends of the knowledge spectrum (Oguz and Sengün 2011, p.447) where explicit “knowing that” is opposed tacit knowledge that resembles the distinct realm of Ryle’s “knowing how” (Ryle 1959). Williams (2006, p. 96) points out that tacit knowledge can occur at both ends of the spectrum as intuition or ante-formal information on one side and as mastery of knowledge on the other side.

The relation between tacit and explicit knowledge and the conversion of the types of knowledge is modeled with the SECI process from Nonaka and Takeuchi (1995, p. 12). It consists of four modes of knowledge conversion that can be summarized in a cycle of knowledge conversion, shown in figure 1-7. These modes of conversion can give an overview on how knowledge in of one specific type can be transformed into a form that is desired and expedient.

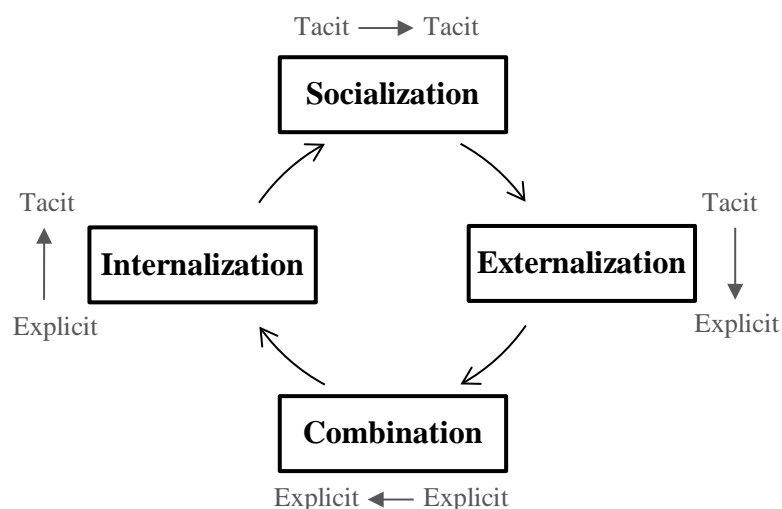


Figure 1-7: The SECI Process

Source: Author’s illustration based on Nonaka, I.; Toyama, R. and Konno N. (2000), p. 12

Socialization is the passing on of tacit information from one person to another mostly in direct contact. Often involved are observation, imitation and other non-verbal processes within an

interpersonal experience. A master showing his apprentice how to handle a machine would mostly use socialization to transfer the tacit knowledge. This can happen when both parties are present and experiences and mental models are shared. Tacit knowledge is transformed into another individual's tacit knowledge (Wagner, Vollmar & Wagner 2014, p. 36).

Externalization is the transformation of tacit into explicit knowledge mostly with language using concepts, diagrams or rhetorical devices (Nonaka, Umemoto and Senoo 1996, p. 206).

A manifestation of tacit knowledge in language or data is a process of externalization. Often this happens in an interpersonal dialogue and reflection, leading in an economic environment to new products and the creation of value. The produced explicit knowledge from externalization can be used in the next step.

Combination – where individuals share their explicit knowledge via various communication channels like conversation in person or on the phone and transfer of data by internet or post. Through this diffusion of the explicit knowledge, new combinations and exchange are possible and can be turned into new knowledge and a different knowledge system (Wagner, Vollmar and Wagner 2014, p. 37).

Internalization is the conversion of explicit knowledge into tacit knowledge. After passing through the former stages, knowledge can be internalized as joint mental model or know-how (Nonaka and Takeuchi 1995, p. 69). This process contains the embodiment of explicit knowledge by experience, action and experimenting where manuals and tutorials can find use. This learning by doing and extensive involvement can lead to mastery and if the mental models and know-how are shared in a company this can lead to an organizational culture (Williams 2006, p. 95). From here the process of conversion can start all over again and a spiral of knowledge conversion can be created (Seidler-de Alwis and Hartmann 2008, p. 136)

The new environment of the economic system shaped by globalization, technical progress, changes in networks and communication and an empowered customer needs an adaption from the traditional organization systems through to new adapted flexible systems. The product itself loses value in relation to knowledge, service and innovation. This leads directly to a main change in the system that is needed: knowledge is a main value of an organization and management of it is needed for an efficient and effective value maintenance and creation. Knowledge management is a key factor of a successful organization system.

The management discipline that deals with the systematic collection or acquisition, the creation, the efficient dissemination and sharing, and the use and following action of knowledge is called knowledge management. The goal is an increased competitive advantage through innovation and effectiveness, using the collective intelligence to create value (Kane, Robinson-Combre

and Berge 2010, p. 63). A proper definition describes knowledge management as a framework for applying structures and processes at the individual, group, team and organizational levels so that the organization can learn from what it knows (and acquire new knowledge if required) to create value for its customers and communities. This knowledge management framework integrates people, processes, and technology to ensure performance and learning for sustainable growth (Gorelick and Tantawy-Monsou 2005, p. 126).

Snowden (2002) stated that the development of knowledge management throughout the last 25 years can be divided into three phases:

Phase 1

First was the organization and structuring of knowledge in the center of attention to enhance the flow of information to the management level. This was supported by an increased technical support with applications influencing the structural transformation of organization. This led to unexpected problems with a loss of effectiveness because tacit knowledge like talent and experience were not recognized as important knowledge and were not considered in the new system (Snowden 2002, p. 100).

Phase 2

After Nonaka and Takeuchi (1995) introduced the separation of tacit and explicit knowledge and the SECI conversion processes, this new approach was included in knowledge management promptly, emphasizing the exchange, transfer, and collaboration (Snowden 2002, p. 101).

Phase 3

Knowledge is not seen as a stock that can be owned, stored and managed leading to a necessity of different tools, practices and a conceptual understanding of knowledge. Also the context (social & ideational systems) becomes more important and influences the necessary level of abstraction for knowledge exchange. In phase three the absoluteness and universality of human-made complex systems like knowledge are abolished and the strict scientific, complexity constrained management is replaced by a complexity informed management system. The influences of common-will and the environment represent chaotic components in the knowledge management that cannot be controlled, leading to a more flexible system. A synthesis of the first two phases is necessary as foundation (Snowden 2002, p. 111)

The definitions show the broad field where knowledge management can take place and can be implemented. According to Gold, Malhorta and Segars (2001, p. 186) the capabilities of knowledge management can be separated into infrastructure capabilities and process capabilities. The infrastructure is the precondition and an enabler for the following processing of knowledge. A balance between available infrastructure and process capabilities is beneficial during the implementation of a knowledge management program (Sandhawali and Dalcher 2011, p. 325). Elementary enablers of efficient knowledge management are summarized by Ho (2009, pp. 101-102) naming information technology, organizational structure and culture as well as strategy and leadership and can be described as following.

Information technology

The flow of knowledge can be facilitated through the implementation of adequate information technology like databases, platforms and communication systems (Sandhawali and Dalcher 2011, p. 315; Ho 2009, p. 102). IT simplifies the search for knowledge by providing tools and applications for the acquisition of knowledge, improves processes, identifies sources and targets for knowledge sharing processes, and - in general - minimizes obstacles and may take away barriers (Hendriks 1999, p. 92). Further on, information technologies can also be used by companies to exchange knowledge with their customers (Zack 1999, p. 139).

Organizational structure and culture

A traditional rigid structured organizational system can inhibit the realization of knowledge management interventions and knowledge circulation is affected. Flexibility in the structure enables the flow by encouraging creation, distribution and cooperation across all hierarchies and involved systems. Sanchez and Mahony (1996, p. 74) propose a modular structure for increased flexibility and interorganizational connectivity and Nonaka and Takeuchi (1995) suggest a hypertext organization structure with both hierarchical and flexible self-organizing structures at the same time.

Kimmerle, Wodzicki and Cress (2008, p. 388) emphasize the necessity of an organizational culture that supports cooperation and knowledge sharing in an everyday work. That culture can be vital for the implementation of knowledge management, especially for the sharing experience and behavior (Gold, Malhorta and Segars 2001, p. 189). The culture implicates values, beliefs, models for activity and behavior, and the vision and mission of an organization (Ho 2009, p. 102). Organizational culture can be a strong criteria and measurement for effective and successful knowledge management (Davenport and Prusak 1998).

Strategy and Leadership

The organizational strategy and knowledge management strategy should be compatible and fit closely to promote the goal attainment of a company. The knowledge management strategy implicates how to identify and work with the necessary and relevant knowledge in line with the organizational strategy (Sandhawalía and Dalcher 2011, p. 315). A strategy that motivates the organization's members to contribute and take an active part is a prerequisite for successful knowledge management (Pieris, Longbottom and Murphy, pp. 30-31 2003). Two knowledge strategies can be distinguished: the aggressive strategy and the conservative strategy, whereof the aggressive approach leads to a better performance and is advisable (Zack 1999, p. 139). An important enabler is also leadership, often the management of a company, who conceptualizes and implements knowledge management strategies. To do so successfully, an adequate culture and strategy has to be created and commitment and particularly support is needed from the leader as well as the employees to realize the goal of knowledge management (Sandhawalía and Dalcher 2011, p. 315). Hence, cultural aspects can be seen as elementary antecedents of strategy and leadership issues and enclose process and infrastructure capabilities as well. Knowledge management process capabilities are derived from the cycles of knowledge processing already mentioned earlier in this chapter. Resumed, steps of the knowledge processing can be: creation, accumulation & conversion, transfer, utilization and possibly internalization (Sandhawalía and Dalcher 2011, p. 316; Lee, Lee and Kang 2005, p. 472). These processes rely on each other and are very dynamic. At one time, various members of organizations can process knowledge in different steps and ways and knowledge management aims to structure the process and focus on the transfer or flow and utilization of knowledge in the organization (Sandhawalía and Dalcher 2011, p. 316). Infrastructure capabilities and process capabilities taken together can be seen as a framework for knowledge management revealing numerous possibilities for interventions and approaches for change. Gold, Malhorta and Segars (2001, p. 209) stated that both capabilities are vital for the general effectiveness and efficiency of knowledge management interventions.

A similar framework from Gorelick and Tantawy-Monsou (2005, pp. 128-129) also consists of two components: knowledge as an entity and knowledge as a process. The foundation is Snowden's (2002, p. 23) third phase of integration in knowledge management. The new system focuses less on the knowledge transfer and more on organizational learning as key process for knowledge management. The knowledge management system is based on the need to integrate people, processes and technology, all with a cultural background in one framework, as shown in figure 1-8. (Gorelick and Tantawy-Monsou 2005, pp.128-129). Again, culture represents the fundamental framework of the complexity of a knowledge management system.

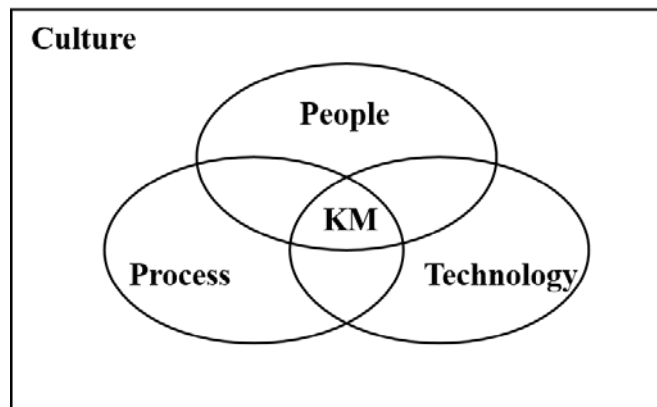


Figure 1-8: Foundation of the Knowledge Management System

Source: Author's illustration based on Gorelick, Carol and Tantawy-Monsou, Brigitte (2005), p. 129

Traditionally organizations separate the three components and take care of them in different departments. People belong to human resources, the process into quality management and process reengineering, and technology to the information systems department. A goal of knowledge management is to find a way to help all departments to interact and best integrate them with each other, like Snowden (2002, p. 23) requests for the new phase of knowledge management. The second aim is to enhance learning in the organization and improve the overall performance as a result.

The main goal of the knowledge management system is to collect and accumulate knowledge and make it accessible for a re-application, thus organizational learning can happen. Knowledge creation in organization occurs mostly as a result of working towards a goal in projects, events or due to changes. Learning can take place before, during and after such a project or event.

“Learning before“ happens, when a clear definition of the goal and of the expected outcome is found and the performing team identifies the relevant knowledge and who owns it, where to find it and how to access it. At first, a specific knowledge accumulation takes place. “Learning during” follows during the work with the new knowledge and can be made explicit by an assessment of the goal attainment and witch knowledge is involved and used for that until a set date, for example at the end of the day or week. “Learning after” also can be induced with an assessment of key knowledge that was useful in the particular context and could be helpful for similar goals later on. This knowledge, advice and experience should best be stored in knowledge assets which should be helpful for following planning and decision making in the same context (Gorelick and Tantawy-Monsou 2005, p. 134). Figure 1-9 illustrates the

sequences of using knowledge in an organizational learning framework, which ultimately lead to organizational knowledge as well as business results.

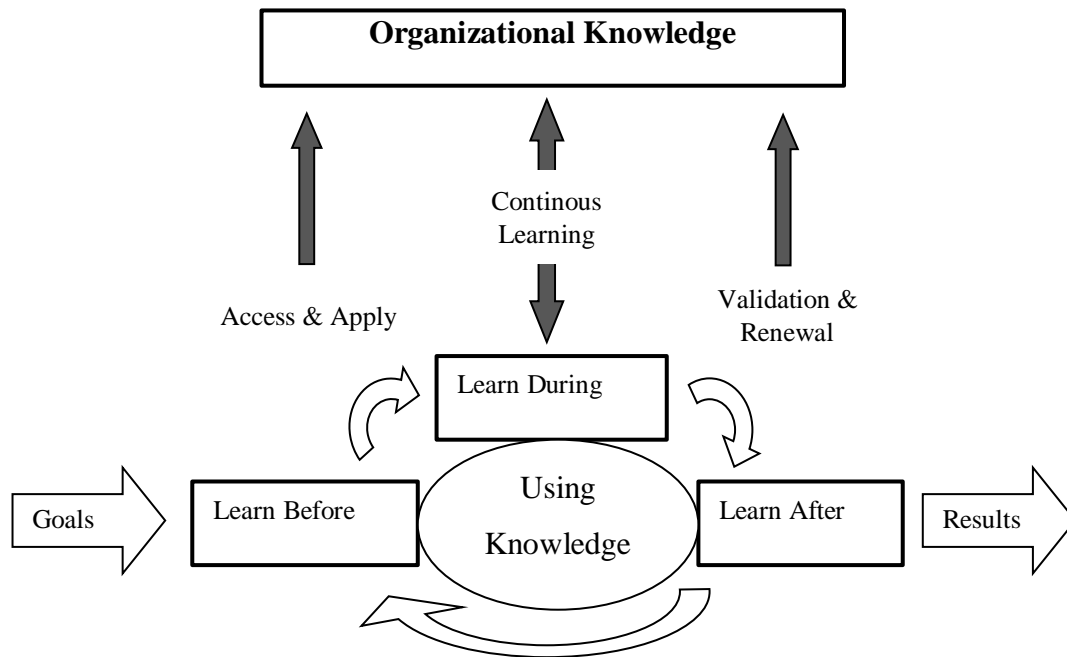


Figure 1-9: Organizational Knowledge Management System

Source: Author's illustration based on Gorelick, Carol and Tantawy-Monsou, Brigitte (2005), p. 133

With respect to these sequences of the presented knowledge management system, it gets eminent that the processing of data and information underlies dynamic processes and is continuously in a move to support the aimed organizational learning effect. For data and information to become useful and valuable, it needs to be processed and actively applied. For knowledge to be distributed in an dynamic, economic environment, the flow of information within and between companies is essential. The transfer of knowledge and information between two entities is described as flow (Mu, Peng and Love 2008, pp. 87). To summarize, four different types of information flow can be distinguished, namely (1) inter-organizational, (2) external environment into organization, (3) intra-organizational and finally (4) organization to external environment. In this dissertation, the focus is especially on the intra-organizational flow of information for enhancement of organizational processes and to investigate the underlying corporate marketing system dimensionality. Secondly, information from the external environment into organization is of interest, for an improved value creation to meet the necessities of empowered consumers in new economies.

The deliberate provision of experiences and knowledge of a person for others is knowledge sharing behavior. In a group context, this sharing can often be seen as an exchange, where the

sharing of knowledge happens as an interchange for other values. These sharing and exchange processes depend on many external and internal factors like the organizational culture, values and attitudes of individuals or groups and the technologies used for the distribution (Oliver 2008; Widén-Wulff and Ginman 2004). Especially the willingness of an individual to share knowledge is important assuming that it happens voluntary and is the individual's free decision. A motivation to share is primarily based on the expectation that this act will contribute to the accomplishment of the individual's goals (Carver and Scheier 1998). These motives for sharing can be various and numerous but one main principle is the evaluation of costs and benefits (Cyr and Choo 2010, p. 826). Costs of knowledge transfer can lie in the effort that is needed to convert information into exchangeable knowledge, in the time needed for the communication or in social exposure (Thorn and Connolly 1987). The passing on of knowledge can also be risky and decrease the value of it by diminishing the status as expert and trivializing the information. A main goal to enhance knowledge sharing therefore should be the minimization of costs, to reduce it or best cancel it out of the calculation of the relation between expenses and benefits (Kimmerle, Wodzicki and Cress 2008, p. 386).

Not all costs can be cut and the strategy of increasing the benefits needed to make knowledge sharing more attractive to individuals. The social exchange theory focuses on the expected intrinsic rewards from engaging in social exchange. This is based on the assumption of reciprocity meaning offered value will be compensated with a reward or other value in exchange. Four classes of rewards in social exchange situations can be distinguished: monetary reward, respect or esteem, social approval and compliance (Blau 1964).

Money as an exchange value can be utilized in incentive systems and bonus systems, aiming to increase knowledge sharing. Two different systems can be used for this enhancement: an input-related system where entered knowledge into the system is rewarded or a use-related system, where the reward is coupled with the retrieval if the entered knowledge through other individuals. The first one is good to accumulate a large quantity of knowledge, whereas the second one should result in less knowledge of higher quality and relevance (Cress and Martin 2006). Personal benefits can exceed the already mentioned reward classes of respect and esteem, social approval, and compliance. Possible additional motivations are the increases in self-esteem, self-efficacy and of the identification with team-members, a positive reputation, and the satisfaction of helping others (Kankanhalli, Tan and Wei 2005).

In a more interactive and social context, costs and benefits affect not only the individuals but also all parties concerned in a process. The decision about sharing knowledge can have consequences for a whole group and therefore influences on the decision are of high relevance

for efficient and productive work in companies. The social value orientation can be seen as a personality trait that influences the probability of a certain outcome of a decision in social context. Three different orientations can be distinguished in literature, namely (1) cooperative, (2) individualistic and (3) competitive. Cooperative individuals tend to aim for the maximization of outcomes for both themselves and others whilst minimizing the differences of outcome. Individualists tend to maximize their own gain not considering other parties and competitive people try to maximize their own outcome and aim for the biggest difference to others' outcome, gaining an advantage compared to involved individuals (Cyr and Choo 2010, p. 828). These personal attitudes can be divided into collective (cooperative) and proself (individualistic and competitive) types and people with a more collective orientation are more helpful and are more willing to share further knowledge.

Decisions in groups have a collective goal and knowledge sharing can improve the result, but knowledge holding individuals can possess conflicting personal goals leading to a so called social dilemma (Kimmerle, Wodzicki and Cress 2008, p. 385). Decision alternatives maximize the individual outcome but if chosen by several participants minimize it for everyone. Either the option of defection or cooperation can be chosen or at a first glance for individuals an individualistic attitude seems most profitable, especially in knowledge sharing not exchanging information reduces the risk of losing value, but also makes it unlikely to gain something (Kimmerle, Wodzicki and Cress 2008, pp. 385-386). This inhibits the flow and possibilities to combine and create knowledge, innovation and creativity are hardly possible. Social dilemmas should be prevented and cooperative strategies have to be more attractive in group decisions.

In sharing situations with social presence the status of the target and source of knowledge influence the exchange. Is the individual that possesses relevant knowledge an expert, this can motivate the group to use more information. Also a high status or reputation in a group enhances the sharing behavior, but if important knowledge resides in low status individuals, the probability of articulation of it is only high in a group of individuals with a similar status (Franz and Larson 2002, p. 407). In that context, information sharing can also be used strategically by the individual to acquire a certain status (Wittenbaum, Hollingshead and Botero 2004, p. 301).

Marketing needs to be sensitive to changes in the external environment as well as changes within the organization and operation (Moradi, Aghaie and Hosseini 2013, p. 181). A constant monitoring of the market is necessary so that the marketing strategy can be adapted to changes. But monitoring the market is not only happening in the marketing department but more automatically in the direct contact with the market, meaning with suppliers, retailers and customers. These people can be called brand representatives, standing for the organization.

They interact with customers and can form relationships (Delgado-Ballester 2004, p. 588). Brand representatives can also be a channel for communication between businesses with suppliers and retailers (Gupta, Grant and Melewar 2008, p. 950). In that context, McAfee (2006, pp. 21-23) introduced the enterprise 2.0, a label for companies with applied knowledge management and knowledge workers using Web 2.0 technologies, mostly networking platforms for the generation, sharing and refining of knowledge in the intra- or internet. Knowledge workers need to communicate with each other and for that two categories of communication systems have been available until Web 2.0:

- The personal channels like person-to-person communication or also e-mails, where shared or produced knowledge is only visible and accessible for the involved parties.
- Public platforms like intranets or information portals where anybody can add and see knowledge but the content is mostly generated or approved by a small group. (McAfee 2006, p. 22)

Traditional knowledge management communication systems tried to integrate both categories, but were not successful. Channels are used more than platforms but in general were not satisfying the needs of knowledge workers and are rarely used. E-mails are overwhelming and reduce productivity, the knowledge still is difficult to share, capture or apply and most produced knowledge is still not available to the company or community.

The enterprise 2.0 technologies are easy to use and do not superimpose any concept of how to work with them, how the output should look like and how to organize and categorize results. This empowers the knowledge workers and grants them responsibility for their work but also enhances collaboration and knowledge exchange. It leads to a decentralization of the process and can only function in low-hierarchy organizations and offers possibilities for the globalizing market. New technologies make the location of an expert or knowledge team member irrelevant and can help disseminate knowledge in global organizations.

Summarized, knowledge can be enhanced by a positive cost and benefit calculation including material and social variables for individuals, salient social values for the group, and a helpful external situation and status distribution. The whole process from data, information, and knowledge to the conversion, processing and distribution is the base for performance and essential for a corporate marketing system to meet the paradigm changes in communication for several reasons. Firstly, the vast possibilities of social media are accessible by everyone and any company. A competitive advantage will only arise if an organization is able to transform

the extracted data and information into usable and relevant knowledge. Secondly, the so generated knowledge must result in business relevant actions, i.e. on a strategic as well as on an operational level. And whereas strategic directions may be formulated by experienced management levels, their operational application in everyday working situations may be a far more complicated challenge. Breaking up routines and patterns may fail by the simple circumstance of a completely different status-quo of knowledge perception within the body of employees on individual as well as departmental level. Furthermore, the evaluation and processing of tacit knowledge, which seems crucial in a knowledge-based organizational framework, has to overcome many hurdles of individualistic opportunity cost perceptions and is often limited by the non-existence of a common, organization-wide appreciation of the corporate knowledge base. Thirdly, exactly this broad and holistic understanding requires a close collaboration between managerial and non-managerial levels in order to obtain a common cultural mindset, where the individual is being regarded as important as the collective intelligence. This said, knowledge management initiatives rather originate in an organization's cultural settings and get only supported furthermore by infrastructural and technological capabilities. Fourthly, traditional rigid organizational structures can restrain the sharing and transfer of knowledge, especially into the horizontal plane between different departments. Vertical communication is easier within a department, but influenced by hierarchies. Cross-functional sharing between departments could take place in one hierarchy but the diffusion of knowledge across functional barriers is very unlikely. Finally, for the conceptualization of a corporate marketing system model, it is essential to combine organizational and technological aspects of knowledge management for the purpose of an open exchange climate – from both, external and internal perspectives and to generate a dynamic but also structured system, which is applicable to the majority of organizational levels and recognizes the relevance of social media for business performance.

1.5 Ideation of a Corporate Marketing System for Business Performance

Changes in the economic environment made knowledge an indispensable asset of a company. Especially for marketing, data and knowledge from and about customers is essential. To achieve effective interactive strategies aiming for a close relationship with customers, high quality data is needed (Malthouse and Hofacker 2010, p. 1). Following this, knowledge management is required for effective implementations into marketing organizations because information technology, globalization and the internet make huge databases available that need to be managed to infer important knowledge about customers and the market. Furthermore, the

increased options for “digitalized consumers” increase the pressure for companies to offer personalized, data-based products, services and relationships with additional value to customers to bind them to a brand or company and turn them into loyal customers (Pfeifer and Ovchinnikov 2011, p. 188). In general, knowledge management can improve the customer relationship management and can be used for knowledge based marketing strategies to improve the performance of a company.

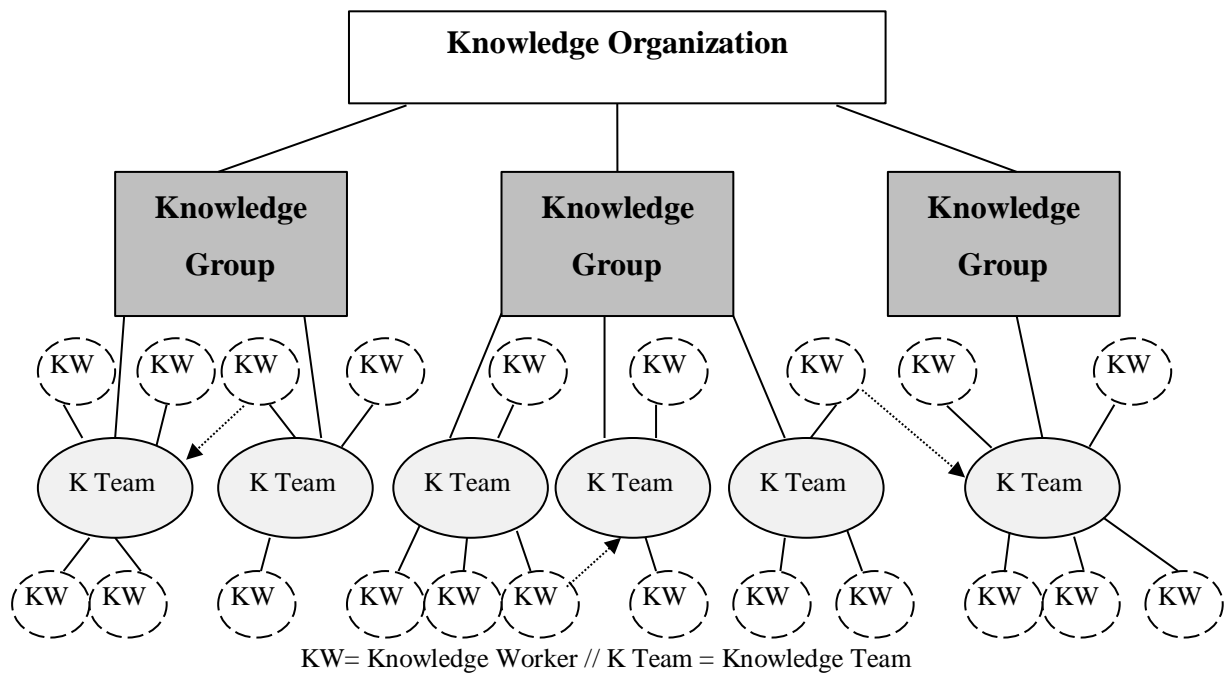


Figure 1-10: Elements of the Knowledge Organization Hierarchy
 Source: Author’s illustration based on Walczak, Steven (2005), p. 334

A new organizational structure as described by Walczak (2005, pp. 332-334) includes knowledge teams consisting of knowledge workers from relevant departments and functions as shown in figure 1-10. This leads to an enhanced diversity of knowledge within one team and a diffusion of knowledge in the company, due to team changes, dynamics, and flexibility. Every department can bring own knowledge into a project leading to more knowledge-oriented decisions. For this, an exchange and sharing of the relevant knowledge is important and should be enhanced by the organizational culture. The organizational structure design can be guided by three knowledge-based criteria:

1. **Ease of knowledge exchange:** awareness of sources, eased exchange, encouraging knowledge culture, and leadership that enhances exchange.
2. **Knowledge nurture and harvest:** incentives for developing, diffusing and conserve knowledge.

3. **Intellectual property development:** conversion of knowledge into intellectual property like patents or publications should also be rewarded and review and authorization mechanisms should exist.

(Mahesh and Suresh 2009, p. 46)

Building a structure based on these criteria, Mahesh and Suresh (2009, p. 47) suggest the addition of knowledge units to traditional structures for better exchange and flexibility, similar to Walzak's (2005, pp. 332-334) knowledge teams. The success of implemented knowledge management interventions can be assessed by means of measurable activities and assets. The knowledge codification, usage, and benefits derived from this can be surveyed. In addition, the interaction and collaboration, new ideas and solutions or concrete products and services can be measured. The modified intellectual capital measure can be helpful to evaluate customer capital, structural capital, relationship capital, human capital, development and valuation (Liew 2008, pp. 135-139).

Marketing strategies nowadays need to be individualized and personalized for every customer to address their unique needs and demands instead of general homogenous marketing. This is only possible if knowledge about these needs of every single customer is gathered and organized in an efficient way so that individualized marketing can be implemented on this base. Often data is collected, but analyzing tools and techniques are not available to actually use it like knowledge management and data-mining tools that can filter the relevant knowledge for further application (Shaw et al. 2001, pp. 132-133). Data mining is the search for useful information that is implicitly hidden in data. It can be extracted by selecting, exploring, and modeling with methods like statistical analyses, neural networks and rule induction (Shaw et al. 2001, p. 128). The use of data mining for marketing can be separated into three parts: (1) customer profiling, by analyzing data like the frequency, size or regency of purchase. (2) deviation analysis to receive patterns either be caused by fraud or by change. Further information is needed to prevent additional fraud attempts or to update the knowledge about a customer and (3) trend analysis, which refers to patterns that appear either in short-term or long-term periods and can be used to assess the performance of products and marketing strategies or to forecast sales in the future (Shaw et al. 2001, pp. 133-135).

The knowledge, accessed by data mining can efficiently be used if it is organized and distributed within the company. This is the main task of knowledge management, which mediates between shared marketing knowledge and discrete knowledge for marketing, decisions, support and application shown in figure 1-11.

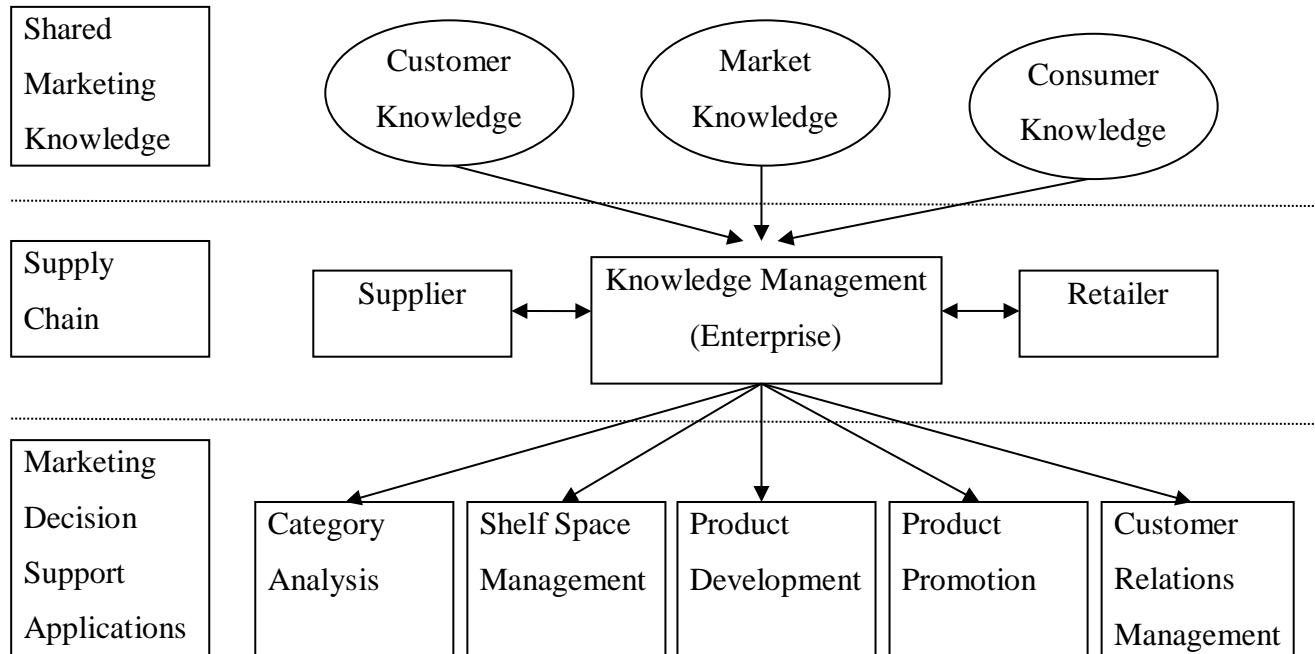


Figure 1-11: Integrated Knowledge Management System for Marketing

Source: Author's illustration based on Shaw, Michael; Subramaniam, Chandrasekar; Tan, Gek Woo and Welge, Michael E. (2001), p. 132

The integrated knowledge management system for marketing delivers a broad picture of knowledge contributors within business environments and its general potential for organizational application but it does not consider the current state of technological developments and coherent possibilities as well as questions of organizational application remain open. The so-far presented theories underline the dynamics and complexities that need to be considered once a marketing system gets lifted to corporate level.

The basic consideration and general purpose of a corporate marketing system is represented by the acceptance of a company striving for business performance. In between, the developments in media and technology cause an interdependency of marketing performance related dimensions with business environments. The latter are characterized by globalization and easy access to products or services by new technologies or social media. Consumers quickly anticipated to the benefits and comfort of social media usage. On the other side, companies responded with the supply of new distribution channels, like apps, eCommerce or added-value services, but suddenly faced the challenges of vast amounts of data, changing and incalculable consumer behavior, and an increased competition. Under such circumstances, organizational necessities for transformation arise to match the paradigm change caused by external change. Literature review proposes to consider aspects of corporate culture, social media and knowledge

management for the conceptualization of a corporate marketing system as they got identified as strong indicators for a company's ability to initiate that organizational transformation process in the context of a marketing-driven, customer-centric organization. Figure 1-12 illustrates the key aspects of a corporate marketing system and their main driving forces as derived from recent academic discussions under the aspect of a new marketing understanding.

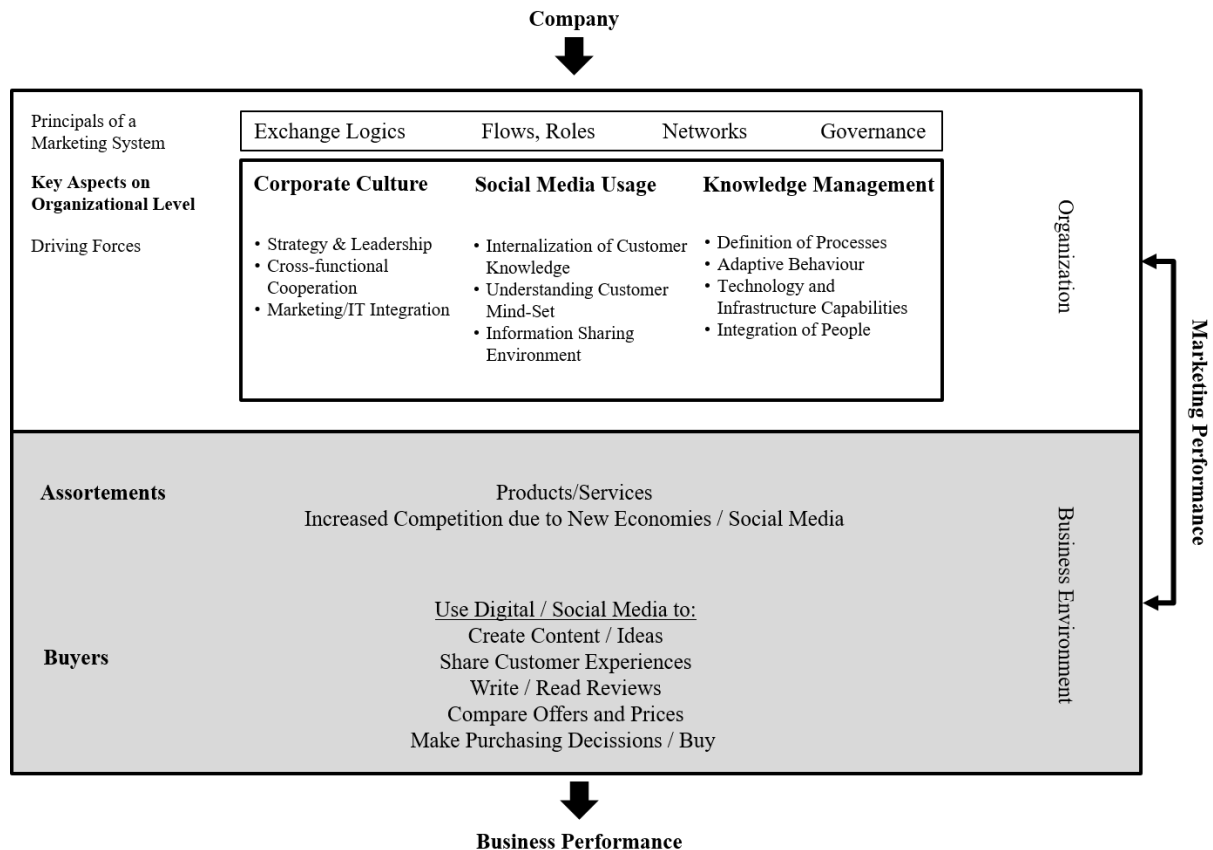


Figure 1-12: Theoretical Model of a Corporate Marketing System
Source: Author's illustration

The presented modeling of a corporate marketing system outlines the theoretical foundations and multiple dimensions that need to be considered when approaching corporate marketing from a systematic level. In addition, the proposed model considers determining factors of the 21st century – namely latest theoretical considerations on the research subject as well as external developments in terms of digitalization and changing consumer habits.

After the so far presented theoretical foundations and model development of a corporate marketing system and its components as well as its influencing factors on marketing and business performance, the next chapter puts all presented considerations in context in reality.

2. ANALYSIS OF CORPORATE MARKETING SYSTEM CHALLENGES FOR BUSINESS PERFORMANCE

The purpose of this chapter is to bring the so far presented theoretical foundations and conceptualizations in a context of contemporary managerial reality. From a managerial perspective in general, and from a marketing perspective in detail, it is essential for the survival of companies, to adopt business strategies to paradigm shifts that happen outside the organizational borders. In that way, companies stay relevant and competitive.

Today's economic world is full of digital data, access technologies and customer interaction. The spaces in which people communicate with each other, in which they seek for information, in which they talk about their opinions and experiences, in which they interchange with others and in which they make purchase decisions are permanently shifting and growing. Instant access to the internet enabled global connectivity to the individual's choice of information platforms, social networks and thus, web consumption is a 24-hour reality. As consumer switch to new forms of media, businesses must follow in order to keep up to their targeted audiences.

Marketing as own department developed in the last century and tried to understand or preferable foresee the market and consumers' demands and adapt their models and strategies to this. But this is based on a controllable and slowly changing market and there is a new century, maybe even a new age dawning where technical change - and with it big market-shares - is anything but slow and the goal is not to control the market, but more to keep up to it. The most significant technological innovation of the last century is the internet. The "interconnection of a number of computer networks on an almost global scale" is the definition of internet from Peters (1998, p. 22). Now, years later it seems impossible to count to this number of networks and the almost global turned into omnipresent global. From an organizational perspective, this changes force organizations to adopt to the change that is going on outside their organizational borders, as communication and sales channels will no longer work as they used to. According to Van de Ven and Poole (1995, p. 514), this can properly be described as a dialectic mode of organizational development and change, as different interests, that of business and that of the new consumer generation, confront and for simple economic reasons, businesses need to adopt to the new communication landscapes. The following section will present some actual statistical numbers and developments to underline the growing importance of digital communication landscapes.

2.1 Power of New Economies

General internet usage become a common routine over the last two decades. Social media entered the stage much later but did rapidly grow and actually show a tremendous popularity among internet users. Figure 2-1 outlines the development of social network penetration within leading economies in Europe.

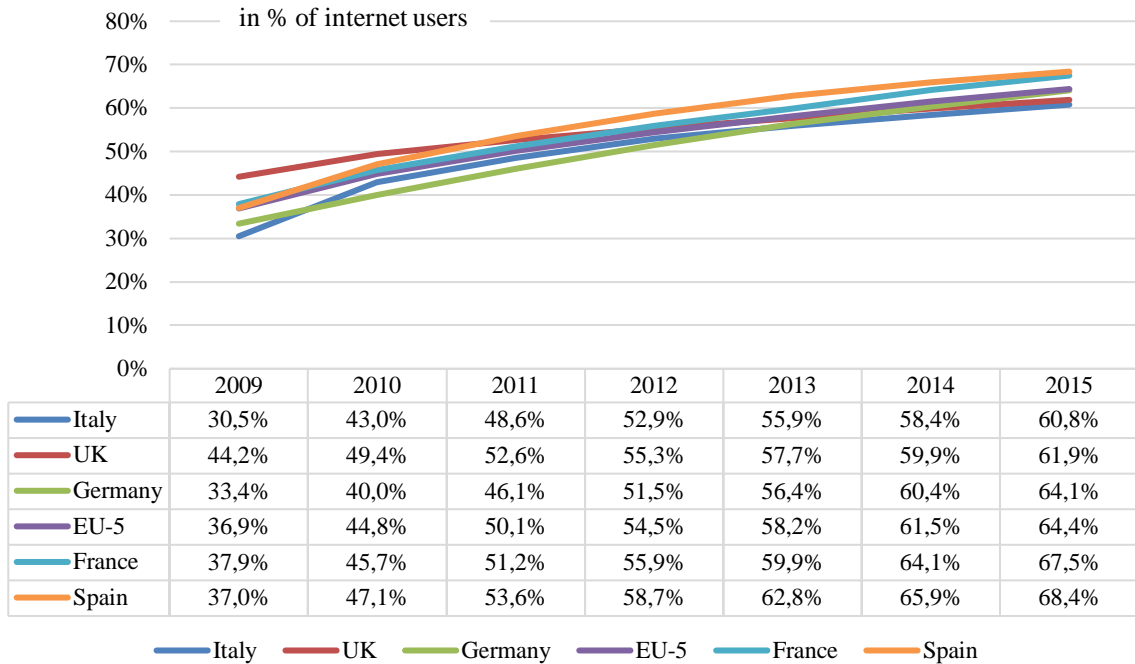


Figure 2-1: Development of Social Network User Penetration
 Source: Author's illustration based on TheStrategyWeb (2016)

While almost 45 % of UK internet users already used social networks in 2009, they are in 2015 no longer on top of the presented EU-5 comparison, as spanish, french and german users did catch up. Historically, UK users probably had a little access advantage as most of the leading social media, like facebook, youtube, instagram, wikipedia, amazon, to name a few, are of US-american origin and spreaded in english language only. However, within a relatively short period of time, they got very popular in other countries as well, resulting in only marginal differences in 2015. It can be further noted, that after years of constant growing, in 2015 some 60-70 % of internet users do already use social networks via any device at least once a month and although there are some slight differences by countries, a general popularity and thus, relevance for businesses can be stated. Unfortunately, Austria is missing in these available numbers but due to the high comparibility especially with Germany and the little differences within the presented EU-5 countries, it is assumed that statistics upon social media penetration

among internet users in Austria would be similar. Thus, social media, as part of the internet, captured large parts of people’s online time and dominate many aspects of today’s communication. Other actual numbers underline the growing presence and relevance of digital communication in the life of the Austrian population. Basic requirement for that is internet usage. Figure 2-2 shows the development of internet users in Austria from 2002 to 2015.

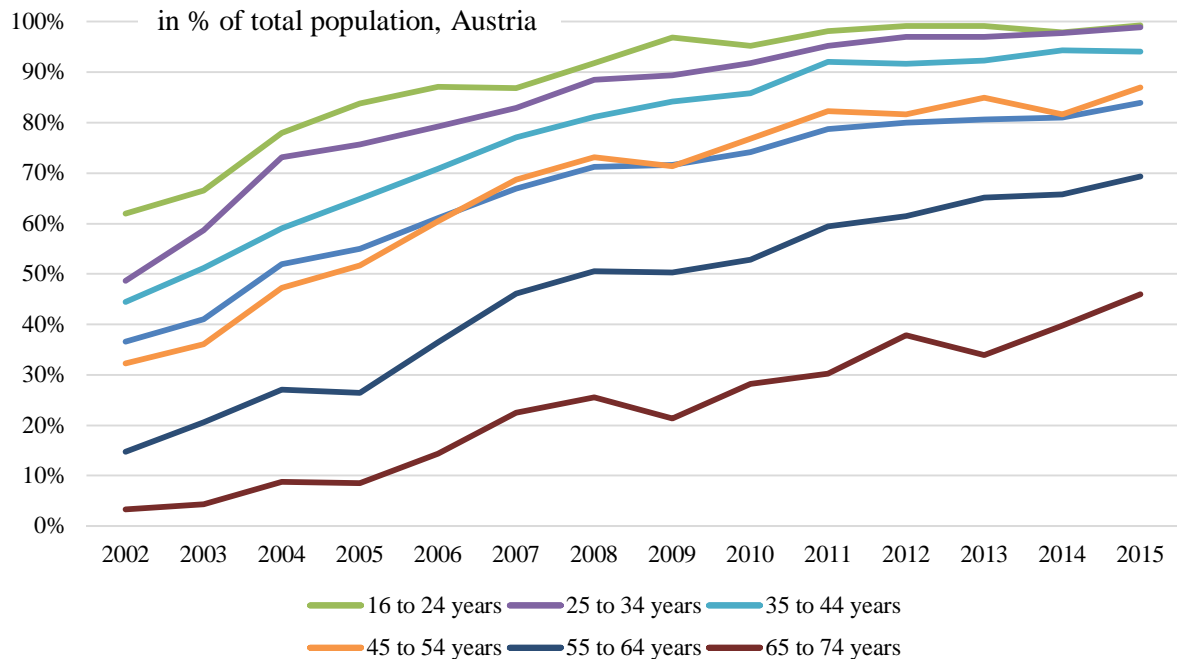


Figure 2-2: Development of Internet Users in Austria
 Source: Author’s illustration based on Statistik Austria (2016)

Since the early 2000s, the number of internet users in Austria has been rapidly and constantly growing. A tremendous increase can be noted between 2005 and 2008, just when technology for accessing internet services did improve and new cable infrastructures did allow faster speeds and data transmission rates. As for the upcoming years, further improvements in data speed and the launch of the first smartphone, the Apple iPhone in 2007, did continuously promote the development of internet users and made the global online world accessible for many individuals. In the year 2015, almost some 100% can be noticed at certain age-groups of monthly internet users, demonstrating the importance of new media typologies for nearly everyone within society. But it are not only younger generations, like Millennials, even for older generations – like the 55-64 years old, which have a high relevance for economy due to their incomes and debt-free lifestyles – the use of internet based services became a regular routine.

With the growing importance of the internet and coherent web-based services and applications, traditional media types, like newspaper, television or radio, which dominated the media market

for decades, decline in relevance. Marketers and organizations need to be aware that the digitalization of communication channels is already wide-spread among consumers. It can be expected that with the progress of societal development internet usage will soon become a completely saturated matter of course as all generations get used to it and technology consequently moves on. In that context, the increasing popularity of internet and social media may also be related to an increasing number of access possibilities like smartphones or tablets.

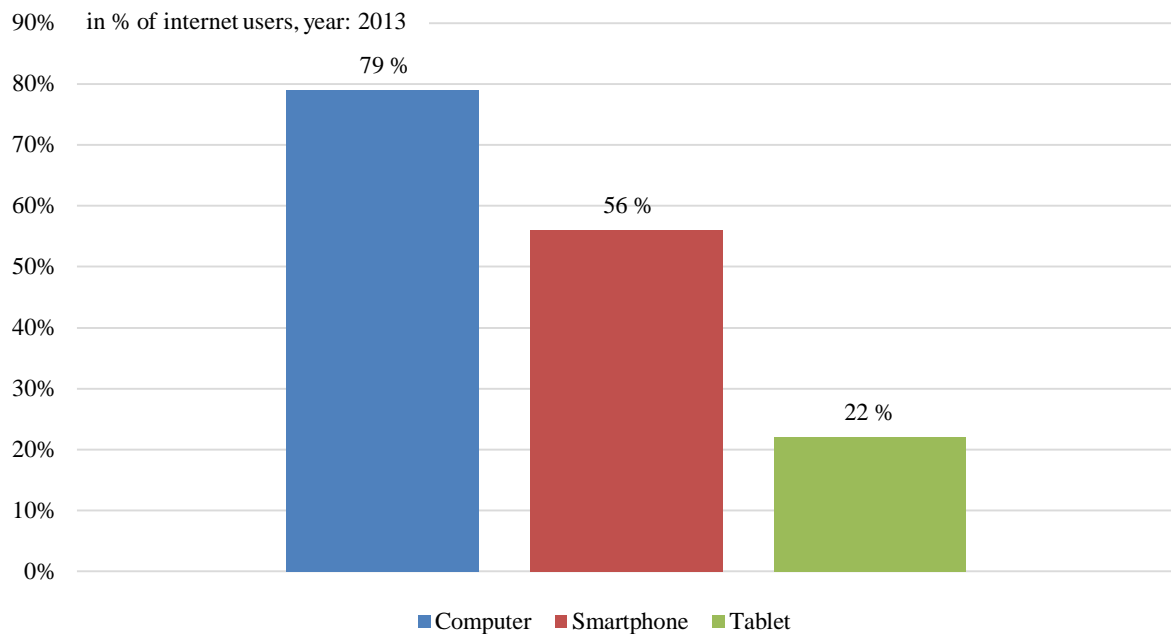


Figure 2-3: Multiple Device Usage for Internet Access in Austria
Source: Author's illustration based on Google (2014)

Figure 2-3 shows that online surfers may use several devices to gain access to the digital world and that mobile gadgets like smartphones facilitate and promote the accessibility and usage of online based services additionally. For the further analysis within this paper we accept that there are different devices which may allow the use of different functions in almost every stationary and mobile life-situation. There are predictions that smaller devices, like tablets and smartphones, will bring far more people online than in the past (Bell, 2012, p. 34). For the moment, stationary PCs are still the most popular access point but increasingly people use several devices to go online.

From a more corporate point of view, a general statement about the purchasing habits is helpful to understand the monetary value of onliners. 18 % of Austrian consumers did research online for executing their last offline shopping act (Google 2014). As for online shopping, Figure 2-4 shows a great percentage of consumers to shop various goods and services online. This is

applicable throughout different categories of goods and services and is just one actual example to demonstrate the importance of the internet in sales decision making processes in general.

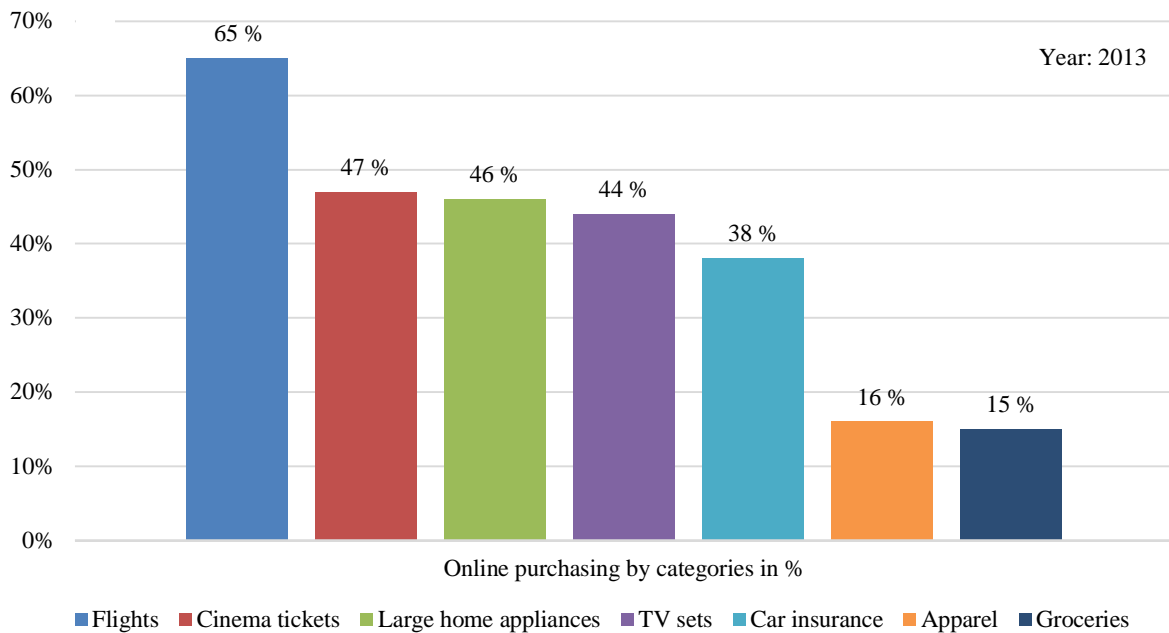


Figure 2-4: Austrian Online Purchase Habits by Categories

Source: Author's illustration based on Google (2014)

The presented numbers demonstrate the relevance of internet/digital media for consumers of every age and hence, the relevance for economic-driven organizations. Considering the new marketing perspectives, as presented in the previous theory chapter, which claims for a customer- or network-centric organization in all fields of corporate operation, the presented numbers underline an increasing and relevant “digital consumer behaviour” and hence should be considered when initiating an organizational transformation process.

Considering the presented developments of internet users and social networks it gets clear, that the digitalization of our society is a very present paradigm change – from traditional, one-directional forms of media towards new, multi-directional and network-based media typologies. In the context of the managerial reality of marketers these changes address several fundamental transformation necessities. Firstly, communication and distribution channels become versatile and require different approaches of instrumentalization, like direct interaction and engagement with online/social communities. Secondly, hybrid consumers arise in a sense of digital media usage for product and/or price research and an “off-line” purchase transaction – or the other way around. Thirdly, consumers exchange experiences individually, organize interest-specific networks or rate a product/service and hence influence other’s purchasing habits. By that,

traditional competencies of corporate marketers erode, as consumers become a relevant influencer of marketing and sales issues but cannot be controlled that easily. Fourthly, competition and comparability increases as most of the information is just one click away and the simplicity of digital media usage even allows new players to address target groups for relatively low budgets. Finally, digitalization does not only address the agenda of marketers but rather changes the way communication between individuals or groups, on personal as well as corporate level, is being perceived and how information, the pre-stage of knowledge, gets exchanged.

Within the context of this dissertation, namely the conceptualization of a corporate marketing system and its impact on business performance, a closer look will be given to how this market and consumer driven developments address organizational issues of marketing. General internet usage and coherent social media applications did reveal a constantly increasing popularity within the last years and their relevance for economy and businesses is evident. Within the next section, these developments will be analysed and discussed from a corporate perspective and organizational implications for corporate marketing will be derived.

2.2 Relevance of New Economies for a Corporate Marketing System

The introduction of this chapter did show a quite general and holistic picture of the development of internet and social media dominance in Austria. Following the global phenomena, the digital world is present throughout all day, all groups of ages and in almost any lifetime situation. Hence, in the developed world, digital can no more be divided into “have” or “have not” but is more a questions of “how to participate” (Harris and Rae, 2011, p. 14). To prepare the research topic, a much closer look to social media and their organizational value is necessary. Actually, local numbers or eligible research studies for Austria are not always accessible and therefore, international analysis and related scientific research are taken into consideration. Being a global phenomenon, local differences are a negligible residual within the scientific explanatory power of the different research fields.

As the previous section presented the developments of internet usage from a consumer perspective, Statistik Austria (2015) also delivers actual numbers of how internet access within companies did evolve over the past years as shown in figure 2-5.

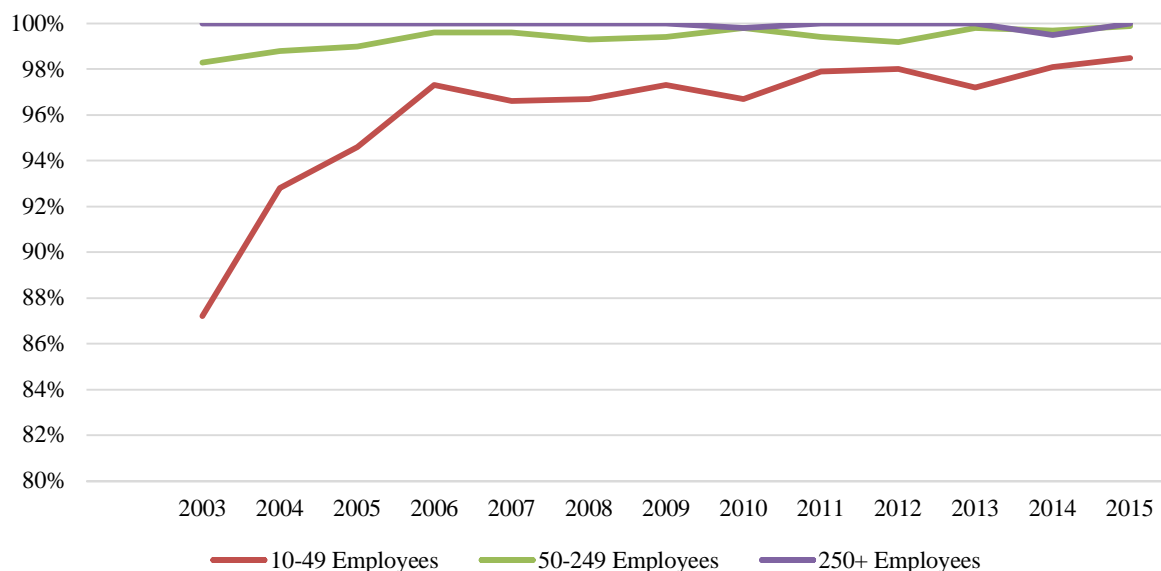


Figure 2-5: Development of Companies with Internet Access in Austria (separated by company size)

Source: Author's illustration based on Statistik Austria (2015)

Large-sized companies show to have internet access ever since, whereas small-sized companies show a strong increase between 2003 and 2006, just when the government did strongly promote the digitalization of economy with supportive educational programs and tax incentives for the instalment of internet services among smaller companies. However, since the early beginnings of web technologies, medium and large sized companies are online. And even for small sized companies, almost all of them, gain internet access since the mid-2000s. Thus, a general technology acceptance and web-accessibility can be stated to those companies. But internet or web 1.0 is an old technology. Today it can just be considered to a standard plug-in to access the world. The real paradigm change in communication started with the raise of social media, shifting web to 2.0 stage and allowing completely new forms of exchange. Unfortunately, there are no actual and valid numbers available that would show the developments of social media within Austrian companies. This probably is because of the fact that they are a relatively new form of media that had their big breakthrough just a few years ago. Nevertheless, Eurostat (2014) compares the social media usage by companies with more than 10 employees of different EU-countries in the year 2014 and the available numbers reveal big differences. Austrian companies range in the upper middle with some 41% of social media usage in 2014. It is expected – as consumer usage did further increase in 2015 – that corporate numbers will also trend upwards. However, the leading countries, where almost 2/3 of companies with more than 10 employees already use social media, also reveal the potential an intensified integration of social media into organizations has – in a country comparison.

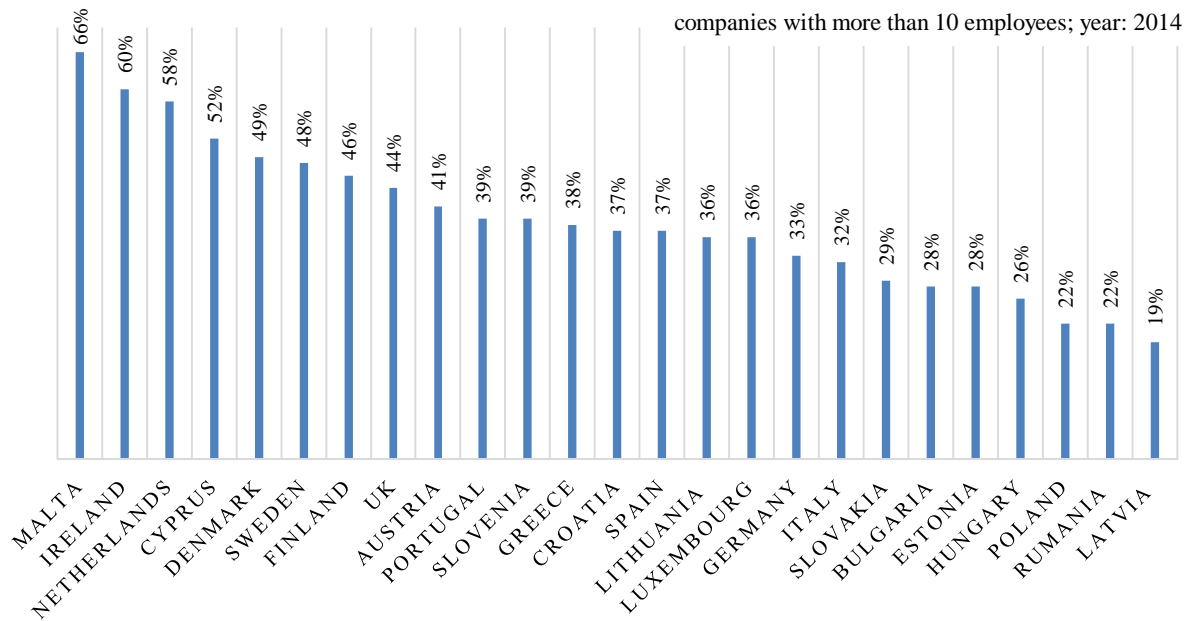


Figure 2-6: Companies with Social Media Usage in EU-comparison
Source: Author's illustration based on Eurostat (2014)

Social media usage by companies can have several purposes and must not be limited to business-only tasks. They can also be used to spread corporate information and news, to service customers by new forms of communication, to scout and address potential new employees or to simply observe the market and get deeper consumer insights. Shortly, there may be an active or passive engagement of companies in social media and the reasons behind the strategic decisions which form suits best, may strongly vary between companies, branches and markets.

Social media is important for my business.

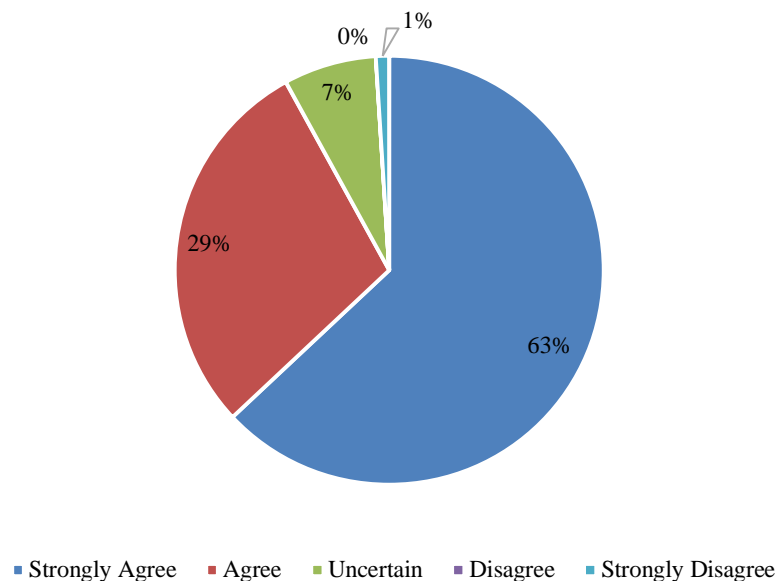


Figure 2-7: The Importance of Social Media for Business
Source: Author's illustration based on Social Media Examiner (2014)

Taking a closer look, the actual Social Media Examiner (2014) delivers some useful statistics about the relevance of social media for marketers and organizations. Actually, no specific numbers for Austria are available. Nevertheless, a comparison to other countries can be useful. The presented numbers base on a survey among corporate marketers from US (60%), UK (8%), Canada (7 %), Australia (5 %) and all others (20 %) with a total of 2887 participants and can give a first insight into the actual status quo of social media usage in organizations. Within this survey, 97 % of the marketers indicated that they actively participate in social media marketing (Social Media Examiner 2014, p. 7). This vast majority shows the high relevance of social media for businesses in general. Going ahead, the importance of social media within those who agreed is shown in figure 2-7. There, 92 % agreed / strongly agreed on the importance of social media for their business, with an increasing trend (2013: 86 % in comparison).

Reflecting the just presented numbers, the global trend of social media integration into business underlines the high relevance of social media for organizations and reveals further potential of Austrian companies when compared to their international counterparts.

However, the use of social media by companies can be approached from different angles. Besides their function as a communication platform and medial channel to reach out for direct interaction with consumers and customers – like social networks – Statistik Austria (2015) quotes some popular categories of social media and compares their usage by company size, as shown in figure 2-8 for Austrian companies.

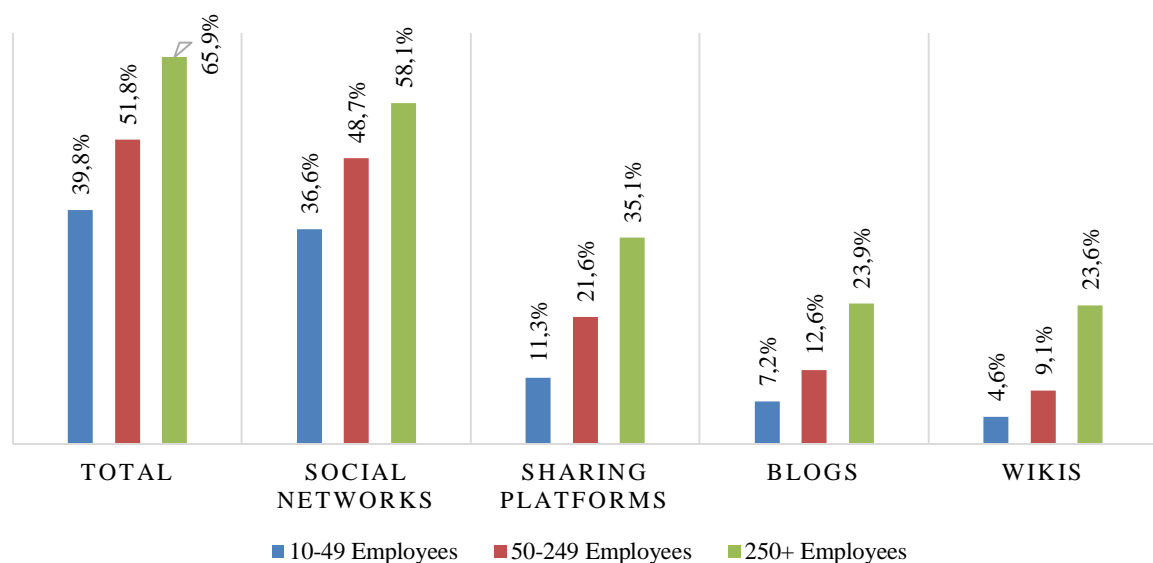


Figure 2-8: Types of Social Media Usage by Company Size

Source: Author's illustration based on Statistik Austria (2015)

A general trend can be notified that with increasing company size, general social media usage throughout all categories increases as well. After the already mentioned social networks, like facebook or linkedin to name some popular ones, sharing platforms, like youtube or Instagram, are used by companies. Blogs or Wikis are kind of relevant for larger companies, categorized by having more than 250 employees, but actually show little relevance for small and medium sized companies, indicated with 250 employees or less. However, considering their function within the context of knowledge management, namely to store and categorize information and knowledge, to make it easily accessible for all employees and co-workers and thus become a centralized corporate knowledge platform of intellectual capital, some huge potential for organizational development lies herein.

Upon the actuality of social media for marketers and businesses, the current status-quo demonstrates an ongoing importance in a corporate context and emphasizes the relevance and necessity of scientific research in this field. Just because marketing often being regarded as a practical discipline and consequently, social media too. As dominant and clear the numbers in the above mentioned data may appear, more uncertainty addresses the economic value of social media for businesses.

I am able to measure the return on investment (ROI) for my social media activities.

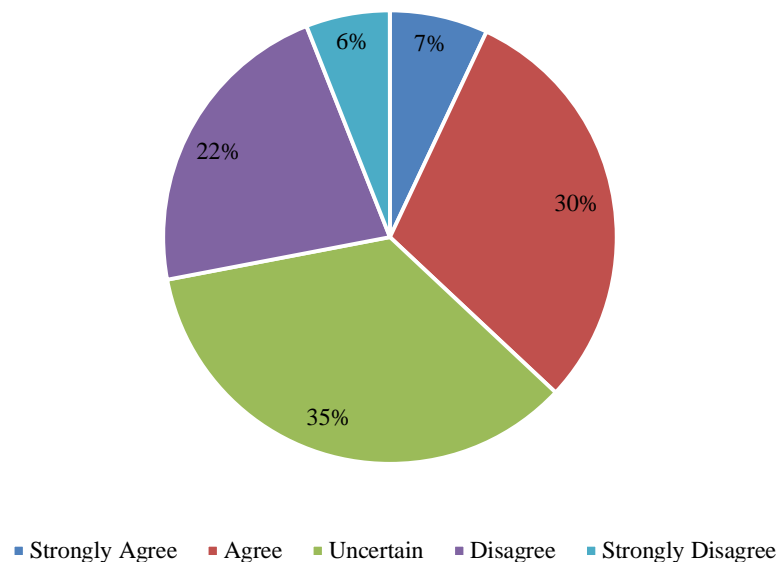


Figure 2-9: The ROI of Social Media to Businesses
 Source: Author’s illustration based on Social Media Examiner (2014)

Figure 2-9 shows the agreement to the following statement: “I am able to measure the return on investment (ROI) for my social media activities.” Almost two thirds of the participants are

uncertain or disagree with that. Although the study does not clearly specify, what is considered to be the so-called “ROI” and how it is specified, results are still of interest as they indicate a general uncertainty among marketers. Whereas consumer highly use and engage in all types of social media and coherent applications via multiple device usage, some organizations are still not sure yet how to monetary evaluate these new forms of communication for their particular business models. Especially in the context of monetary investments, kickbacks seem to be unclear or, from an alternative perspective, proper and commonly used measurement methods and instruments have not found a broadly acceptance yet. Within the context of a corporate marketing system, these issues should be addressed when considering new marketing performance metrics.

The majority of “we don’t clearly know” implicates several assumptions:

- Profit-orientated businesses established social media initiatives due to witnessed, market-driven paradigm changes in communication and not only for sales reasons – and,
- still the effective and efficient usage in terms of organizational and/or marketing execution is uncertain and undefined.
- Scales of measurement are in an insufficient stage or deliver absolute numbers with minor economic expressiveness in some areas.
- Businesses look for the monetary value of social media and have not found the right conclusions yet. Which – in comparison to the research subject of this paper – is limited to the core economic tasks of profit-oriented businesses. Thus,
- the value of information processing and knowledge derivation from this media is also not broadly developed yet and couldn’t find general acceptance throughout the marketing organization so far.

The re-capitalizing of used means in terms of money spent on a certain category of media is for sure a legitimate approach and common routine in managerial reality. Considering traditional communication channels, like TV or magazines, proper measurement scales have been developed over decades that allow analysing and evaluating if a certain sales campaign has been a success or not. Every single company may have developed its own communication and media-mix strategy, allowing to generalize the experience of the past for further actions in the future. But as traditional media perception is declining and new forms of media pop up, past experiences are of no great use as paradigms altered and yet, many social media activities are of try-and-error nature from a corporate perspective. Nevertheless, social media are here and

consumer already spend great parts of their time on using them. And where consumers are, business potentials are fore sure around the corner as well. So far, it seems that companies have not found a common best-practice when dealing with social media yet and that individual knowledge of marketers on that topic varies tremendously – expressing uncertainty which can quickly lead to managerial passivity within the context of proper digital media strategies.

This lack of understanding or knowing-how on a practical level gets approved by further statistics as shown in figure 2-10, indicating the perceived benefits of social media marketing by marketers.

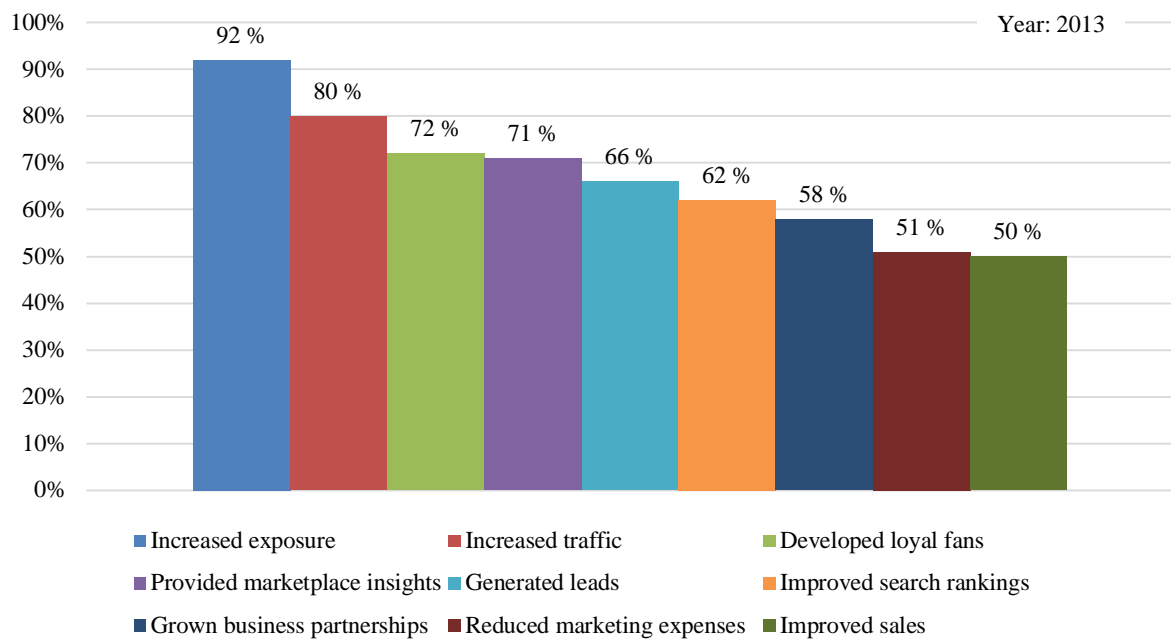


Figure 2-10: Perceived Benefits of Social Media Marketing
 Source: Author’s illustration based on Social Media Examiner (2014)

Wherever individual interests of using social media may be located, it is approved that social media channels became extremely useful for marketers and play a significant part in advertising strategy and business success of organizations (El-Haddadeh, Weerakkody and Peng 2012, p. 571). However, figure 2-10 shows, that awareness factors like increased exposure and traffic, generated leads or improved search rankings, dominate the ranking and express the expectations of marketers. Nevertheless, qualitative insights like loyal fans or deeper marketplace insights show up in the top answers and let assume that deriving information and using the customer knowledge base is a marketing-related issue within the scope of social media.

The upcoming research in this paper will show if, and if yes how, this information processing and instrumentalization issues influence and change marketing considerations in an

organizational context. Within the next sub-sections, a deeper analysis of organizational consequences caused by the just presented developments will be presented and existing studies will be discussed in the context of the topic. Starting point is an analyzation of how the changing consumer behavior affects purchase decisions and affects corporate marketing.

2.2.1 Changing Consumer Behavior

This section links the ongoing developments of digitalization to performance-related tasks of corporate marketing. A recent study of Jin (2012) aims to measure the impact of user-generated content (UGC) in social media on brand management. More precisely, on the impact of UGC on consumers brand attitude and resulting purchase intentions. The research is limited to Louis Vuitton's Facebook page and takes 143 US undergraduate students into consideration, claiming to be the first study of this kind belonging to luxury brands social media. Overall results show that there is a strong correlation between the way facebook is done and a positive effect on the perceived brand value. For brand managers, Jin (2012, p. 696) implicates that there is a need to gain deeper insights why consumers buy luxury goods and to understand the motivational factors behind purchase behaviour and the perceptions of value-expressive and social-adjustive functions of luxury brands. This directly proposes a deeper research how brand managers, as part of a marketing organization, extract relevant information from the customer knowledge base in social media and how they process this information into organizational marketing. As Jin's study gives a hint that social media, respectively facebook, can lead to relevant brand success in terms of brand management, the doing-how from an organizational perspective in marketing is still an unexplored field.

In a similar, but smaller, field study, Chatterjee (2011, p. 96) examined the brand recommending behavior at social network sites. The study reveals that corporate and user-generated content differ in their impact on recommending and referral behavior. User-generated brand messages increase the recommendation propensity but have low impact on referral propensity (Chatterjee 2011, p. 96). Coulter and Roggeveen (2012, p. 893) found that corporate content is the major driver for making social network members to join a company network site – which allows marketers to build up a long-term relationship and encourages consumers to interact with the company.

Using the knowledge about how and why users engage in social media, marketers can aim to actively stimulate customers to produce brand relevant content which – in reverse – can

influence other consumers purchase decisions, e.g. like an amazon product review or the very popular booking.com hotel ratings. Such peer-to-peer recommendations a very authentic and highly influence other's purchase intentions.

A critical explanation concerning the reasons why users interact with businesses online comes from Baird and Parasnis (2011, pp. 33-34). They show that reasons for engagement with a company via internet differ from those for general engagement in social media but more important it shows a big error of judgment from marketers, concerning why they think customers interact. For customers the most important reasons are discounts and coupons they get in exchange for connecting, a purchase intention or to get reviews or product rankings and general information. Mismatches are found asking businesses for reasons consumers have for following them via social media. The biggest disparities are that the discounts and purchase intention are the least voted reasons from executives. Instead of rank 1 and 2 where the voting of consumers put them, they are 11th and 12th position for businesses. In contrast the focus on the feeling of connectedness and to be part of the community are overestimated by the companies, with 64% and 61% voting for these reasons compared to 33% and 22% of the consumers actually engaging because of that (Baird and Parasnis 2011, pp. 33-34). This study reveals how differently companies and consumers approach social media. And even more concerning, what companies/managers think, "their" customers seek for in social media and what the "real world" actually does. There is a big gap between corporate evaluation and consumer reality.

So far, the studies represent the fact, that ongoing paradigm changes in communication have an impact on marketing and business performance tasks and hence it is essential for companies to adopt traditional thinking to these changes. Hearn, Foth and Gray (2009, p. 57) propose the following principles, when companies face the social media challenge, namely (1) respect the social context, (2) take a holistic approach, (3) recognize multi-causality, (4) utilize constant cycles which review outcomes in relation to objectives and (5) encourage participation. Within this context, it gets clear that marketing managers need to rethink traditional approaches when it comes to social media.

The brand value chain can be seen as a good base for the development of adapted brand management concepts for the changed market rules in social media. The growing influence of social networks and the one-to-many communication originated from users can be integrated in the marketing model from Keller and Lehmann (2003, p. 27). In general, the process of value creation does not change, but the participating parties and influences differ.

To influence brand performance, respectively business success, increasing value is a goal of marketing and according to Keller and Lehmann (2003, p. 27) this can be achieved through a “unique chain of events”. The brand value chain, partly shown in figure 2-11, is a model for the process of value creation, which mostly is based on the change of the customer’s mindset through marketing programs created by the company.

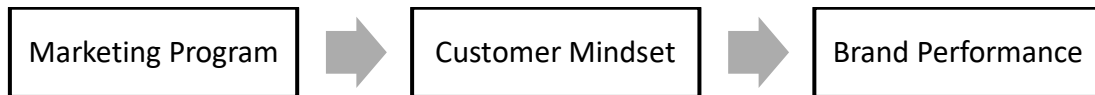


Figure 2-11: Concise Brand Value Chain

Source: Author’s illustration based on Keller, Kevin Lane and Lehmann, Donald R. (2003), p. 29

The customer mindset is the crucial point for marketing in the chain that can be affected in five different, hierarchical dimensions: awareness, associations, attitudes, attachment and activity (Keller and Lehmann 2003, p. 29). This model was originally not made for new communication environments of social media, still the customer mindset can be influenced on these dimensions within digitalized communication landscapes:

Awareness was influenced with advertisement through traditional media like newspaper or TV and also in social media the knowledge about a brand can be increased, leading to higher recall and recognition of it (Keller and Lehmann 2003, p. 28). A way to extend awareness for a brand online can be a viral marketing campaign, considering that conventional media is losing consumers’ attention and social networks are gaining. The second dimension of customer mindset, the brand associations can also be influenced with viral campaigns or online advertisement to strengthen the attributes of the brand’s identity that make it special and unique. Attitudes towards a brand concern the satisfaction of consumers and can be addressed by quality or good pricing (Keller and Lehmann 2003, p. 29). In social media, these attributes can be shared and word of mouth distribution can change the attitudes of many people (Coulter and Roggeveen 2012, pp. 893-896).

The attachment and activity is the loyalty to a brand and the participation of consumers in activity. Clubs or also online communities to engage clients can be a strategy to keep customers. The customer mindset dimensions are hierarchically ordered with one leading to the next and influencing the following dimensions (Keller and Lehmann 2003, p. 29). Hence, to permanently meet the consumer mindset and adopting strategies to their habits is essential for a corporate marketing system and the overall business performance of a company.

Additionally there is not only a change of the influence on the customer’s mindset, but also on the company’s or better corporate mindset. Customers should be in the focus of the mindset, not profit and this is possible if the company shares information, problems and more with the “swarm”. This means giving some power away, but in exchange for gaining even more power overall (Henry 2007, p. 57).

Bruhn, Schoenmueller and Schäfer (2012, p. 773-774) extended the model by an additional source, the social media communication as can be seen in figure 2-12.

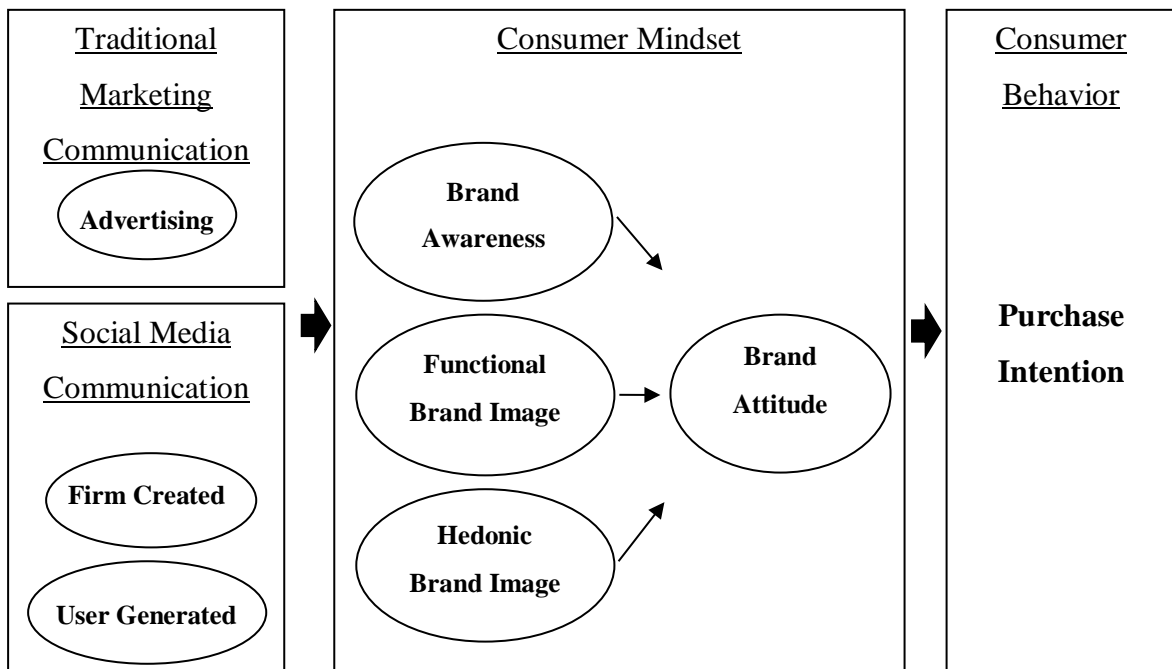


Figure 2-12: Extended Brand Value Chain

Source: Author’s illustration based on Bruhn, Manfred; Schoenmueller, Verena and Schäfer, Daniela B. (2012), p. 774

A differentiation between the sources of communication is made between traditional marketing communication via advertising and the new communication medium of social media, where firm-created content or user-generated content can be offered. The consumer mindset consists of the brand awareness that is explicit knowledge of the brand (Keller and Lehmann 2003, p. 28) and the brand image, which can be described as associations with a brand. These associations can be further divided into hedonic (emotional, not directly associated with actual attributes) and functional (rational, associated with attributes) brand image (Bruhn, Schoenmueller and Schäfer 2012, p. 774). Together these components of awareness and image lead to a brand attitude, which influences consumer behavior.

Bruhn, Schoenmueller and Schäfer (2012, p. 781) examined in an empirical study the influence of the different communication sources on brand image and found that traditional media is best used for increasing the brand awareness whereas social media communication is better to influence the brand image. It is also important to differentiate between company created content (firm-created social media content) and user-generated content. Information coming from the company has more impact on the functional brand image and information from users on the hedonic brand image.

Looking at it the other way around, they found that it is very difficult for the company to directly influence the hedonic brand image, but also user-generated communication has no impact on the functional image and the perception of reliability, credibility and trustworthiness. Higher brand awareness can also not be achieved through user-generated social media communication, but the awareness itself seems to have only a weak impact on the attitude towards a brand. Marketing can make use of these conclusions in the future and social media should be part of a company's marketing communication mix to create value (Bruhn, Schoenmueller and Schäfer 2012, pp. 782-784).

Summarized it can be stated that there is a fundamental change in how companies need to approach the needs and wants of their (potential) customers. The adequate adoption and configuration of the marketing program is the precursor of approaching the new customer mindset and inevitably results in a better brand performance. Social media give a lot of power to the consumers and influence their purchasing decisions. From a corporate marketing perspective, the complexity of these new economies needs to be addressed with a holistic approach, namely to integrate the whole organization into marketing program considerations. A traditional diversification by departments and hierarchies is not useful to develop a common understanding and coherent strategic direction of how consumers need to be serviced today in order to run the business successfully. Nevertheless, corporate marketing managers will remain as experts for all addressed issues and tasks of marketing and communication, but a profound understanding of the customer mind and driving market forces is essential for many other organizational functions, like product development, public relations, and human resources, to name some few. The nature and technological foundations of social media make it comparable easy to gain accessibility (like no time- and budget intensive market research is necessary) but within the context of a corporate marketing system, it is a tremendous challenge to standardize the corporate exposure to social media, develop common procedures and set up infrastructures. Thus, companies can develop a consistent cultural understanding of why and how a customer-

centric approach is vital for business success and that all strategic considerations as well as daily operations should be focused on the target, namely the (potential) buyer and its dynamically changing habits. Within the next section, relationship models of companies with their customers will be analysed and discussed within the context of corporate marketing.

2.2.2 Social Customer Relationship Management

The changing way how consumers/customers engage with companies and get active in social media makes adaptations of the company's behavior towards them necessary. To manage the transactions and relationship between customer and company usually a customer relationship management (CRM) was implemented (Greenberg 2010, pp. 413-414). CRM traditionally consists of three steps: acquisition, retention and termination of the relationship and information is collected concerning these interactions with the customer (Malthouse et al. 2013, p. 271). The focus was on information concerning the value of the customer for the company as a purchaser, passively influenced by the company. However, the connectivity gained with social media turns customers into social customers with various opportunities to get active themselves. They trust in peers, share knowledge and this information can be retrieved from many sources at all time. This generation of content can be the basis of word-of-mouth, evaluations or ratings that can influence customers and therefore is of big interest for the company. The traditional CRM was interested in the purchase interaction and transactional data and needs to be extended with the interactive participation of the customer. This is called CRM 2.0 (Greenberg 2010, pp. 412-413) or social CRM (Malthouse et al. 2013, p. 271).

For a good relationship, it is good to know the conversational partner and CRM 2.0 offers tools and methods to evaluate the customer. In this context, Greenberg (2010, pp. 415-416) offers five components of customer insight that should help to understand the customer and to include him into the process of value creation:

- **Data:** Traditionally transactional data like purchase, returns, page visits are collected and CRM 2.0 adds interaction data from social networks through text analysis.
- **Sentiment analysis:** The emotional feelings of groups or individuals towards a company or products are evaluated. One application can detect discussions about ideas or companies on twitter and alert the relevant department if the content is very positive or negative and interventions should be implemented.

- **Social media monitoring:** Monitoring tools can observe various sites from blogs, review sites and sharing sites to social media and mainstream media to find customer engagement, influencers and content concerning a company.
- **Profiles:** Very personal, individual information can be retrieved from online-profiles in social networks and interests, preferences and choices can be extracted making a micro segmentation possible with tailored offers.
- **Customer experience maps:** To get a better insight into individual customers their interaction in multiple environments at different points of contact are evaluated in terms of expectations of an individual, the interactions influenced by expectations and the importance of the results.

However, when dealing with social media, their individual characteristics need to be taken into consideration as well. A new concept for CRM 2.0, the social CRM house shown in figure 2-13 was introduced by Malthouse et al. (2013, pp. 271-278).

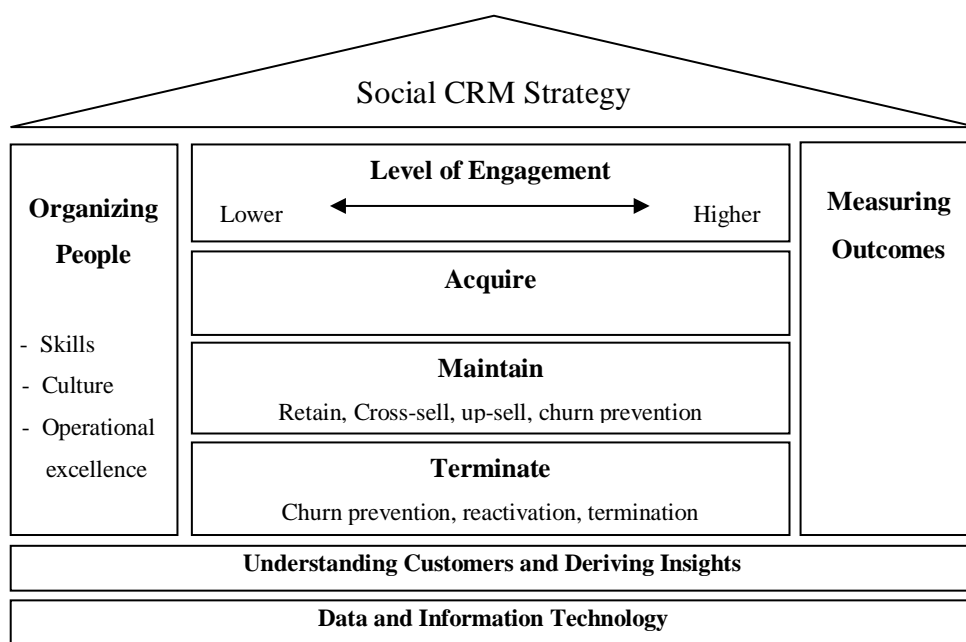


Figure 2-13: The Social CRM House

Source: Author's illustration based on Malthouse, Edward C.; Haenlein, Michael; Skiera, Bernd; Wege, Egbert and Zhang, Michael (2013), p. 272

The core of the concept is the interaction between the possible levels of engagement, especially influenced through social media and the components of CRM, consisting of acquisition, maintenance and termination. Derived from the unique interaction that is applicable, a social CRM strategy can be developed and put on top. The base of the social CRM house consists of

information about the customers that companies collect, accumulate, analyze and utilize. This database mostly is extracted from social media and data and information technology helps to process it and to derive valuable insights. Important pillars of the house are the employees, who need the skills and knowledge to implement these strategies and the surveillance of the components, strategy and outcome with the right methods of measurement (Malthouse et al. 2013, p. 271). Including the company and employees, the environment by the data and a broader base to create a strategy, this model might be more than a CRM-model but can also be a marketing model leading to a more general marketing strategy where marketing is responsible for all parts of the house and the interaction between them. Legitimation for this lies in the assumption that the fundament of the house is built by data and information technology, like web 2.0 or social media, as well as understanding customers and deriving insights, which is among traditional marketing functions in organizations. In this proposed model, organizational and performance management task will arise for marketers to meet the overall strategy.

At the core of the house with the engagement and CRM components, the most important change is the continuum of the engagement. Traditionally customers are very passive, so to say low in engagement only active by purchasing within this process. Now they have the social media that enables them to influence, interact and highly engage in the process. Adapted to every possible combination another marketing strategy can be reasonable. The acquisition of a passive customer engagement can derive from a simple traditional advertisement or by offering information, active engagement acquisition needs different strategies that are interactive and encouraging to create own value and content.

New strategies are needed where the focus is shifted from maximizing profits of the seller to an exchange where both parties profit and value for all can arise. But value is a multidimensional construct and the concept of value fusion is high goal (Larivière et al. 2013, p. 272). Also the change of communication needs to be faced and engaging content replaces the constant stream of advertisement. Customers taking part in a campaign and contributing their own content are not only on a higher engagement level, but data and information can be derived from them to improve the relationship (Malthouse et al. 2013, pp. 274-275).

Especially the base of the social CRM house is of high importance: the data and information that can be collected from social media and the internet are available in immense quantities. This information and knowledge can be the fundament of strategic decision-making. Some pitfalls are coupled with the big pool of data. Engaged, active users of social media are not necessarily representatives of all customers and cannot be generalized. Another problem can be, that the data is unstructured and difficult to evaluate and better pattern recognition and

language analyzing programs like the RSS Scanning word frequency method (Thelwall 2008, p. 732) will be needed to manage the data from comments or postings and evaluate whether they are positive or negative. A real time processing of the data is a new information technology that companies can use. Crucial is the concrete definition of the right questions to predefine variables and due to the constant change, a permanent monitoring and systems to aggregate and analyze the emerging big data are needed (Malthouse et al. 2013, pp. 275-277).

Finally, the pillars of organizing people and outcome measurement carry the strategy implemented. The company should develop an empowering culture where employees are able to act outside of hierarchies, traditions and mindsets (Malthouse et al. 2013, p. 277). The various touch-points a company has with the customer from sales to marketing can be used to communicate a good designed brand concept to show operational excellence. For this, the departments of a company need to have the same access to data and integrate the flow of information. The measurement of performance should happen based on predefined key performance indicators. Evaluated can be the overall social CRM strategy, the employees' performance, the specific components of the CRM and the data and information technology (Malthouse et al. 2013, pp. 277-278).

Most of the already mentioned changes in marketing by Piercy and Gravens (1995, p. 15) can be assigned to this model. The breaking hierarchies and self-managing teams can be found in the pillar of organizing people, re-engineering, transnational organizations and learning organization in the data and information technology and insights derived from there the account management with the whole CRM. To implement the theory of social CRM into a practical tactic in marketing is the next goal. The planning of a good marketing and CRM strategy can be guided by recommendations of Baird and Parasnis (2011, p. 36):

- *Recognize social media is a game changer*
- *Be clear on the differences between social media and other channels*
- *Make the customer experience seamless – across social media and other channels*
- *Start thinking like a customer*
- *If you aren't sure what customers value, ask them*
- *Monetize social media, if that's what customers want*

Organizations need to be aware, that social media are not only a new form of communication channel, but change business models fundamentally in every aspect of strategic and operational

management. For the growth and well-being of any organization, social media became an eminent factor.

Summarized, organizational transformation processes often start with the appearance of new and relevant external forces or circumstances. Within the context of this dissertation, the digitalization of economies and coherent new media typologies are such a trigger. Considering a customer-centric approach – which is highly recommended in the context of social media – for organizational change, several implications lie within the just presented relationship models. Firstly, Data and information is available but its processing seems to be a crucial factor for further organizational performance. Secondly, by the use of social media and new technologies, immense amounts of consumer/customer data become accessible, delivering new insights and helping to understand relevant target groups even better. But an organizational challenge arises in the distribution of that insights to all relevant departments within traditional organizational structures. Thirdly, the development of the “right” organizational setup is an elementary managerial task. Organizing people by their individual skills and developing a collective understanding to form a new corporate culture is a very important premise for the conceptualization of a corporate marketing system. Finally, corporate marketing must not be addressed from a departmental perspective anymore. The complexity and interconnectedness of business processes claims for a holistic and fundamental organizational renewal. As marketers in general are in a very close position towards consumers and markets, their experiences and skills may be a big assistance for a company’s workforce when adopting structures and processes to the occurring necessities caused by changing markets. The next subsection will thus present organizational challenges of a corporate marketing system integration.

2.2.3 Organizational Transformation through Knowledge Accumulation

The so far presented studies and data within this chapter did show, that companies face considerable organizational challenges caused by environmental paradigm changes. Business models need to adopt to stay competitive and reach performance goals, which – within the context of this dissertation – are defined by marketing and business performance. Marketing as a shared set of values throughout the organization and strictly customer-orientated approach which offers new possibilities in the age of digital communication landscapes and data accessibility. Knowledge, once it gets extracted from external sources and properly applied into internal structures, has been identified as a central factor for a new organizational understanding

of marketing and can lead to increasing business performance and higher competitiveness. But that to happen, knowledge must flow and transcend functional levels.

A model of knowledge sharing is the knowledge circulation process from Lee, Lee and Kang (2005, p. 472), illustrated in figure 2-14.

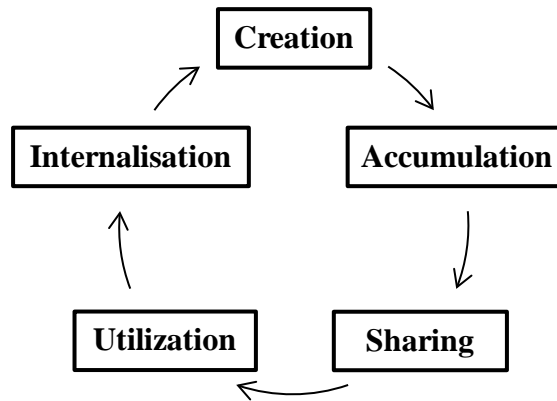


Figure 2-14: The Knowledge Circulation Process

Source: Author's illustration based on Lee, Kun Chang; Lee, Sangjae and Kang, In Won (2005), p. 472

It starts with the same component of creation, which is initiated through interrelations between different subjects and can include tacit as well as explicit knowledge. Then knowledge needs to be accumulated, if possible in a systematic manner to make it accessible to relevant individuals at a certain time. Successful accumulation enhances the next step of sharing the knowledge. The supply with multiple sources of knowledge and an effective diffusion enables individuals to integrate and work with knowledge, which can improve their performance. Utilization of knowledge takes place when decisions are made on the base of it or models find use and can be applied to a problem. Finally, knowledge internalization is the integration of new relevant knowledge that was found, gained and used and therefore turned into the individual's knowledge (Lee, Lee and Kang 2005).

In the dynamics of new economies, adaptive behavior is essential for many organizations, although it does not always happen, especially when it comes to social media. Adaptive behavior cannot only be seen as the result of information management but must be regarded as the starting point of information acquisition and its subsequent processing is adaptive as well. As for marketing performance, this can i.e. bring out new ideas for products and services, which should be distributed and evaluated on an organization-wide level, including other departments and functional levels of the organization. This flow of information is crucial and adaptive

behavior is essential for success. The cycle of information management from Choo (1995, p. 85) shows this procedure from information needs, through acquisition, organization and storage, services, distributions, and usage of information to an adaptive behavior. The interactions between the components of the model are complex and indicated with arrows in figure 2-15.

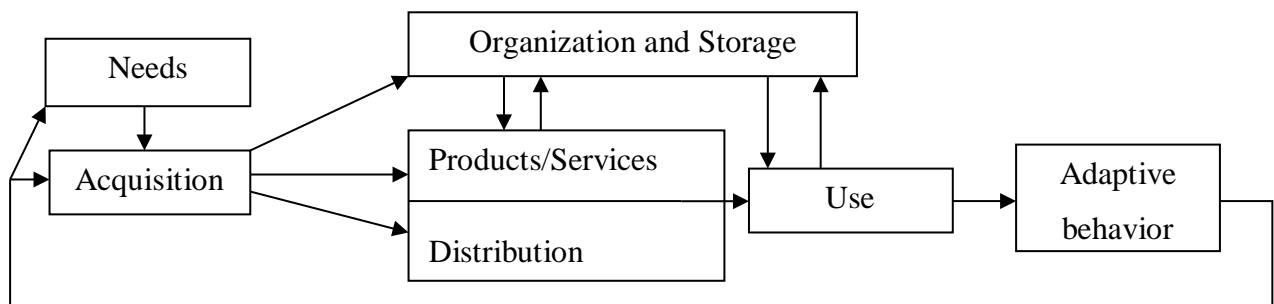


Figure 2-15: Information Management Cycle

Source: Author's illustration based on Choo, Wei Chun (1995), p. 85

The aspect of information management is crucial for competitive business environments. Traditional information sharing tools, like email exchange, video conferences or central document storage, show some weaknesses as only some individuals or special groups may have access to them. Hence, they do not meet all knowledge sharing needs to accumulate the company's competitive intelligence assets. In a perfect information sharing environment, the system provides the user with access to original data as well as complementary knowledge (Vuori and Okkonen 2012b, p. 122-125). As social media, once used by the company, deliver huge amounts of data and information insights, these media can build the gateway to external information and import that information into organizational structures.

Consumers can adopt new technologies and media easier and more quickly than a complex organizational structure can change. Hasgall and Shoham (2007) propose that digital social networks together with a new management approach enforce knowledge sharing. In a qualitative study, the authors did interview and observe over 60 employees in different organizations. Digital social networks belong to the technological infrastructure and with respect to the passed-by time since this research, they improved enormously and dominate the daily business, as the recent statistics at the beginning of this chapter demonstrate. Nevertheless, Hasgall and Shoham (2007, p. 189) identified in their study the work method as most significant element of technology integration. So this is regarded as another hint that organizational culture and leadership issues highly influence the success of knowledge sharing. As for information

sharing, a dichotomy arises when motivational and managerial aspects come into consideration. Employees need to use their individual knowledge to create immediate solutions and in contract, managerial aspects of knowledge management, namely to use and integrate the complete organizational knowledge base for decision making. Hasgall and Shoham (2007, p. 188-189) found out, that this dilemma is located at both – the organizational and technological level and yet stays unsolved. Although network technology can close that gap by decentralizing knowledge resources and enabling employees to use their individual knowledge. In a corporate marketing system integration, information and knowledge is not stored in an organizational structure or marketing division. Marketing is more likely the interface between the knowledge economy outside the company and all knowledge stakeholders within an organizational structure. Commonly, this structure is seen as a functional one in management science – that is how organizations are designed. But levels and hierarchies influence the pathway of information sharing.

Vuori and Okkonen (2012b, p. 126) recommend future researchers to investigate the managerial perspective, i.e. how social media can be beneficial for organizations in terms of knowledge sharing and enforcing a competitive intelligence. With respect to the research topic, this dissertation will try to evaluate functional barriers in information sharing and investigate if a corporate marketing system integration is able to contribute new findings to this aspect.

A recent study by Arnett and Wittmann (2013) has shown a connection between the marketing program innovation and the exchange of tacit knowledge within a company. The special tacit knowledge about customers and competitors can be found in salespeople very often and to use this, it needs to get to the marketing department of the company, where it can be turned into new strategies. The problem is, that tacit knowledge is not very easy to pass on, especially not in a written form and so a strategy of the marketing manager should include a close cooperation with salespeople to get this knowledge nevertheless (Arnett and Wittmann 2013, p. 324). The study results offer four ways to increase the exchange of tacit knowledge which relates to the marketing program innovation, the relative effectiveness and the relative efficiency in the company. Improving the quality of interfunctional communication like between marketing and sales, establishing a trusting attitude between coworkers, increasing the rate of socialization opportunities of the parties involved in the knowledge exchange and getting the support of the top management are strategies to get a higher probability of tacit knowledge exchange and therefore innovations in marketing leading to a higher marketing productivity (Arnett and Wittmann 2013, p. 328).

Especially in CRM that is an important section of marketing, the data plays a key role. For close and enduring relationships with customers, it is necessary to understand them and integrate them in the value creation process (Peltier, Zahay and Lehmann 2013, p. 2). Relevant data has to be accessed including transaction data like purchase, credit and payment history, or loyalty/satisfaction data from surveys and programs and customer lifetime value data (retention and share of wallet). Data can have its origins in numerous touchpoints like direct contact, internet, and email or telephone. Collected data should reflect the customer’s behavior and sentiments to be of high quality leading to an extensive customer knowledge that can build the base for marketing decisions (Peltier, Zahay and Lehmann 2013, p. 2).

This data needs to be used and distributed across functions and departments, so that an organization wide learning process can enhance the data quality for marketing purposes (Peltier, Zahay and Lehmann 2013, p. 3). The authors show a model, which has been tested and justified in a quantitative research study, for an organizational learning and data quality framework where the quality of customer data is a central mediator between learning and sharing processes and the actual customer and business performance.

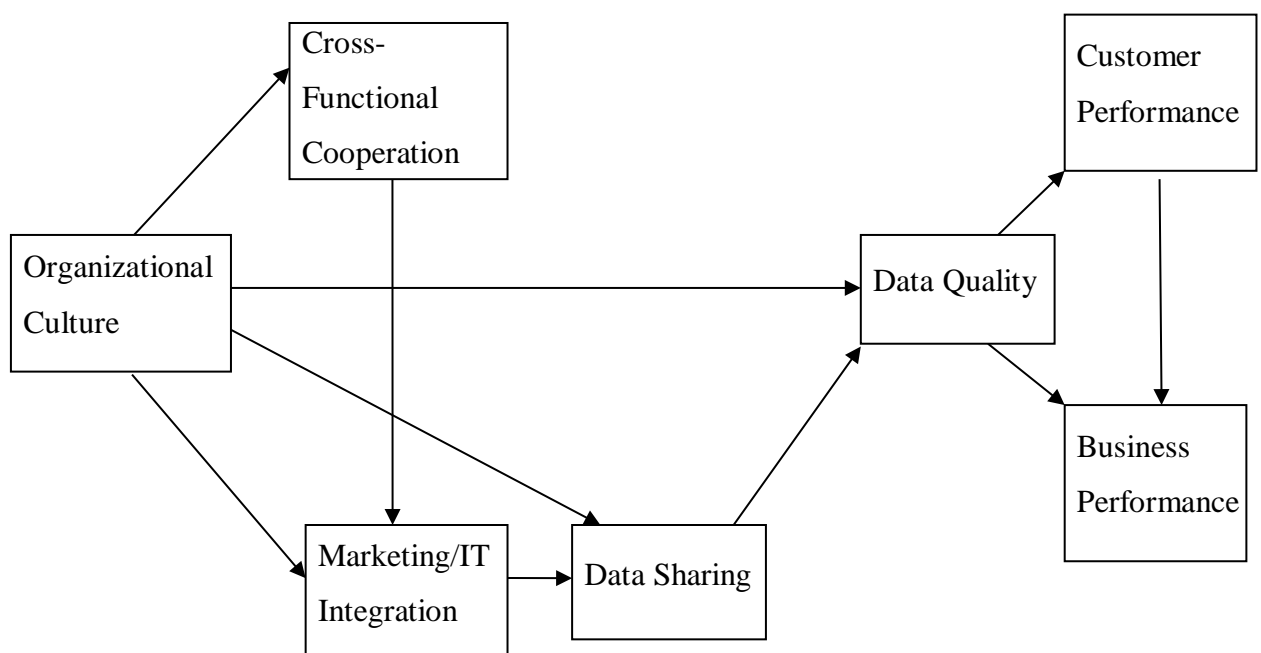


Figure 2-16: Organizational Learning and Data Quality Framework

Source: Author’s illustration based on Peltier, James W.; Zahay, Debra and Lehmann, Donald R. (2013), p. 8

For the dimensionality of a corporate marketing system, this implies an increased focus on the quality of the gathered data, which is highly dependent on the organizational culture that

encourages knowledge sharing and values cooperation, integration and working in a cross-functional environment. If a culture like this is implemented, data sharing can be increased, improving the quality of data and finally leading to an effective marketing that can be measured through increased customer and business performance (Peltier, Zahay and Lehmann 2013, pp. 5-10). Additionally, social media data will be fully integrated in a company's marketing data to get the maximum harvest potential (Bell 2012, p. 34).

Summarizing it can be stated that talking about a corporate marketing system for organizational value creation in terms of marketing and business performance, research needs to consider cultural, managerial and functional aspects of organizational development. The accumulation of knowledge becomes a very important strategic asset of any company, as its precursors – namely data and information – dominate business life in every aspect. The so-called “knowledge society” is enhanced by digital media and technologies, with instant access to infinite amounts of information and consumers rapidly adopted their lifestyles to these new possibilities. But whereas consumers decide individually upon the intensity of digital usage, organizations are in the need of finding a collective strategy in order to meet the necessities of today's consumer as well as of their employees. Within this ambivalence of instrumentalization of consumer knowledge on the one side and workforce knowledge on the other side, organizational structures need to merge and marketing has already proven to be a good distributor and relationship manager in such a networked system. This probably is because of a very simple reason namely the inherent ability of marketers to react adaptively to any changes and developments, it be from either outside or intra-organizational. However, the accumulation of knowledge is happening and needs a strategic commitment as well as process capabilities and infrastructures, if the application of that knowledge should result in business performance metrics. Traditional organizations are not prepared for that so a transformation process must start and corporate marketing considerations should be included. The next section will present the managerial challenges that go along with that task.

2.3 Managerial Challenges for a Corporate Marketing System

In Kotler's view (1972, p. 52) the essential responsibility of marketing was to generate value and motivate customers to a transaction or required response. Competencies of the managers were needed in field of analyzing, planning, organizing and controlling. Analysis of the market and products would extract the target market and satisfaction with products. Planning involves

the four Ps with product development, pricing, place and promotion to get new required products at an attractive price with a good distribution and an increased attention of customers. Organizational design is concerned with the planning of a marketing strategy, staffing is needed to build a team or network and to get the best results from his employees he should adopt organizational motivation. Finally, the last tasks refer to controlling by measurement of the market results and the marketing cost.

Changing roles of marketing managers

As marketing has broadly been regarded as a practical discipline in the past, scholars now see a shift from opinion-driven decision making to data-driven decision making. Hence, marketing is perceived as an organization-wide process and marketing managers become supporters, integrators and coordinators with an increased set of responsibilities throughout the organization (Gök and Hacıoglu 2010, pp. 301-303). The author's recent research study reveals new key functions of marketing managers which enclose network management, inside the organization as well as outside, gathering and managing information, customer relationship and controlling the efficiency and effectiveness of marketing. Thus, the new role inventory of marketing managers exists of six fundamental dimensions (1) marketing mix management, (2) managing internal relationship networks, (3) strategy development and execution, (4) managing external relationship networks, (5) data and knowledge management and finally, (6) managing marketing productivity and performance (Gök and Hacıoglu 2010, p. 299).

The most striking changes in the context of management are the focus on an enduring customer relationship instead of only inducing customers to buy a product. Communication and external as well as internal networking is getting a key task – of which the internal relationship management can be understood as an organization-wide process, which exceeds departmental borders. Due to infinite possibilities of data collection, especially out of web 2.0 and social media, a new main skill in terms of data and knowledge management can be extracted.

From an organizational perspective, the described changing role of marketing managers is not only a functional issue. Dealing with internal/external relationships is essential and data technology becomes crucial for success. The impact of social media and the coherent paradigm changes in communication require companies to show a new managerial commitment for a nontrivial, cultural and organizational transformation (Rossi, 2011, p. 59). Within this research, it will be examined, how companies in Austria actually perform in applying these aspects.

Demonstration of managerial commitment

Moradi, Aghaie and Hosseini (2013, p. 192) propose an automated knowledge management system for effective marketing decisions that are based on environmental and organizational changes. The author's research results show that a knowledge management system is effective in the following points:

- Improve the performance of the decision activity.
- Help understand the factors that affect decision-making.
- Help strategic thinking in the process of marketing formulation.
- Help the coupling of analysis power with managerial judgement, intuition and creativity.
- Help deal with uncertainty in the process of decision-making.
- Help supplement of complement human judgement.
- The quality of the advice or recommendation produced by the system.
- Easy to use and navigate.

Although, Moradi, Aghaie and Hosseini (2013) refer their research to a very specialized knowledge management system called fuzzy AHP (Analytical Hierarchy Process), the results demonstrate that knowledge management can lead to managerial improvements, transparent decision-making processes and a more effective organization. Nevertheless, many scholars consider knowledge management initiatives more a cultural and leadership issue than a question of system choice. Simply introducing a knowledge management program – without a redesign of organizational structures and processes and leded change does not generate any advantages, according to the studies of Garrido-Moreno and Padilla-Meléndez (2011, p. 442).

In a study, Teoh and Pan (2008, p. 507) explored the social integration by using such a system in a qualitative case study of a big Malaysian housing developer. They claim that an information system alone will not be able to leverage the organizational competitiveness – as structural, relational and cognitive dimensions contribute great parts to the social integration process and hence to a successful implementation. The study concludes with three recommendations for enterprise information systems practitioners (Teoh and Pan 2008, p. 508): (1) Apply a suitable management style. (2) Provide multiple communication channels for exchange and (3) allow users (i.e. involved managers and employees) to expand and formulate their networks without much interference. Due to the fact of being a case study limited to the observations and interviews within one company, a general application needs to be reconsidered. Nevertheless, these recommendations lead to a leverage of organizational performance. Within this context,

adding external information, like data from social media, information processing will become a new organizational challenge - as Wasko and Faraj (2000, p. 53) showed that most online sharing of knowledge is only driven by the individual perception of an enhancement of professional reputation and by altruism, the joy of sharing and contribution.

Care for technology acceptance

In a very specialized research study, Shin (2012, p. 70) presented a predictive model of attitudes toward 3D television. This is of interest because of two circumstances. First, referring to social media does not necessarily include a limitation to common service websites, like facebook, twitter, youtube – to name a few, but also needs to address to the growing number of connected hardware devices as well. Television appliances of the latest generation are inevitably connected to the internet as well and show amounts of social media functions, like connectivity, sharing and social interactions. This points out the high dynamics in technological progress and development and puts social media in a more general state of communication. Secondly, his proposed research model, namely the technology acceptance model (TAM), shows analogies to existing brand management and marketing theory models. TAM is based on the idea that perceived usefulness and perceived ease of use determine an individual's intention to use a system (Shin 2012, p. 59). From an organizational perspective, this may propose a clarification within this research how marketers perceive the actual technological possibilities of social media data processing as the general numbers in the introduction of this chapter demonstrate some uncertainty on the ROI of social media marketing. Other scholars already explored the use of general enterprise information systems from a human factor perspective and concluded that benefits are dependent on people and culture related problems instead of technological problems (Ragowsky and Somers 2002; Yang and Tang 2004). In a common understanding, these enterprise information systems cover the intra-organizational information exchange and data processing and aim to match the challenges of knowledge management in competitive environments.

Elimination of infrastructural obstacles

A quantitative study of Magnier-Watanabe, Yoshida and Watanabe (2010) focuses on the effect of intranet-based social networking sites (SNS), like business blogs or exchange platforms, on business performance. Their results base on the analysis of a dataset from the Fujitsu Research Institute in Tokyo of February 2008, which includes over 1.300 respondents in two categories: top management, like corporate managers, board members and department managers as well as executing employees using SNS in their daily job. Magnier-Watanabe, Yoshida and Watanabe

(2010, p. 923) find out that a company's level of innovativeness and social capital positively influence the social network productivity, respectively knowledge performance. This is an agreement on previous studies presented in this chapter, which did emphasize the importance of social capital, respectively the human factor, for a successful knowledge management within organizational structures. Hence, knowledge creating activities also depend on the connections and conversations within human individuals. This gets strengthened by the research results of Magnier-Watanabe, Yoshida and Watanabe (2010, p. 924) showing that SNS only mildly improve efficiency in accessing knowledge. Consequently, this proposes that the plain existence of a technical infrastructure for knowledge exchange, like SNS, is not sufficient for a successful knowledge management. Further on, the organizational culture and – in the context of this dissertation – the general conception of marketing as an organizational philosophy must be considered within this research. There are more critical acclaims, why the implementation of SNS may cause a negative business effect. Van Zyl (2009, p. 916) outlines three reasons, namely (1) the perceived advantages of the existing hierarchical organizational structure where knowledge workers are grouped into channels and information are communicated in one direction as opposed to the open platform approach advocated by emergent web-based platforms. (2) There is fear that social networking platforms will have a negative effect on productivity and (3) the potential loss of confidential or sensitive data through negligent or malicious acts by employees or through social engineering or malware attacks.

Although, the pure existence of infrastructure capabilities seems not sufficient for knowledge management within organizations, it is important for any market-driven organization to look outside its own borders and observe environmental forces that have influence on existing business models. Within this context, customer insights got more important for companies and social media deliver new opportunities for doing so.

Integration of customer mindset

An advanced approach to the relation between knowledge management and marketing, especially in the context of organizational learning, is customer knowledge management (CKM) from Gibbert, Leibold and Probst (2002, pp. 459-460). The relevant difference is to manage the knowledge *of* customers instead of knowledge *about* customers, which is synchronous to basic differences between traditional marketing approaches and dealing with social media communities. The essential differences of the three approaches of knowledge management, customer relationship management and customer knowledge management can be found in table 2-1.

Table 2-1: Differences of Knowledge-, Customer Knowledge- and Customer Relationship-Management

	Knowledge Management	Customer Relationship Management (CRM)	Customer Knowledge Management (CKM)
Knowledge sought in	Employee, team, company, network	Customer Database	Customer experience and creativity
Axioms	'if only we know what we knew'	'retention is cheaper than acquisition'	'if we only knew what our customers know'
Objectives	Sharing knowledge about customers among employees	Mining knowledge about the customer	Gaining, sharing and expanding knowledge of (inside) the customer.
Role of customer	Passive, recipient of product	Captive, tied to product by loyalty schemes	Active, knowledge partner
Business objectives	Efficiency and speed gains, avoidance of reinventing the wheel	Customer base nurturing, maintaining our customers	Collaboration with customers, joint value creation
Conceptual base	Customer retention	Customer satisfaction	Customer success, innovation, organizational learning

Source: Author's illustration based on Gibbert, Michael; Leibold, Marius and Probst, Gilbert (2002), p. 461

Accordingly, the authors stated five styles of customer knowledge management:

1. **Prosumerism:** A combination of producer and consumer to develop tangible assets and benefits with integration of pre-, concurrent- & post-production processes.
2. **Mutual innovation:** New ideas from brainstorming, idea fairs or customer incubation supported by idea generation systems for new products or processes are created
3. **Team-based co-learning:** Corporate social capital is created by teamwork or empowerment to facilitate team learning concerning systematic change.

3. **Communities of creation:** For mission-specific knowledge that needs to be obtained or explicated in expert networks via shared e-workspaces, expert systems or group support systems.
4. **Joint intellectual property (IP) management:** Focuses on tangible customer knowledge sharing through apprenticeships, formal trainings or on the job trainings to create new IP.

Customer knowledge management can be separated into three subsets: C[KM], [CK]M and [CKM]. C[KM] refers to methods or styles of knowledge management with particular focus on the customers. The processes like knowledge sharing can take place among customers, where they can use information from other customers to evaluate goods or services but knowledge can also be shared between customers and the organization. The direction of the information flow is important in this process since knowledge from the organization informs consumers about products and services and knowledge from customers are needed for improvement of products and services (Zhang 2011, pp. 86-87). [CK]M is focused on the customer knowledge (opposed to organizational knowledge). Especially internal customer knowledge can be managed if it is turned into organizational knowledge about the consumer like the needs or behaviors and patterns of customers. Matched managing processes, methods or styles can be used to distribute and share customer knowledge within the company, especially because often it is distributed over many departments, is stored in different formats and derived from different sources (Zhang 2011, p. 87). [CKM] represents the intersection of the other two. Bringing together knowledge from C[KM] and [CK]M processes of interaction, extraction and utilization of knowledge can be found here, trying to integrate the knowledge into the system (Zhang 2011, pp. 87-88). The evolution of knowledge management and customer relationship management into customer knowledge management gives the consumer a voice in the value creation process and enhances a utilization of their knowledge to better fulfill their needs and create a counterbalanced relationship between company and customer. CKM helps to identify market opportunities, to constructively question traditional strategies and in general to create economic value faster (Gibbert, Leibold and Probst 2002, p. 460). CKM can be supported by implemented social software and social media applications. Online communities can be used to answer questions, get or give help or exchange opinions, criticism or innovative ideas. The advantage of these applications for the company is, that the communication and exchange happens from customer to customer or as would be desirable: from expert to customer, saving the company much money that would be needed in customer support otherwise and also adding value through the additional, free knowledge added into the software (Zhang 2011, p. 96).

Within that context, Levy (2009, pp. 128-132) suggests, that knowledge management and Web 2.0 are comparable approaches and complementary in various aspects. On a conceptual basis, they appear to as complementary opposites where knowledge management is a theory without functional technology and social computing is the technology without theory. Knowledge management tools and the conceptual background are often disliked in companies and new Web 2.0 applications can help to improve the bad reputation of knowledge management by being smaller, less complicated and even cheaper as most knowledge management tools and instead of storing data actually connect the corporate knowledge. Kane, Robinson-Combre and Berge (2010, pp. 67-68) propose the following social media applications to do so, namely blogs, wikis, twitter, facebook and instant messaging applications – all of them are very popular consumer applications too.

Looking at the principals of Web 2.0 introduced in theory chapter, a high correspondence to knowledge management can be found like the first principle: Web as a platform can be matched with technology as a platform in knowledge management. In addition, an active participation of users, collective intelligence or content as the core can be basic principles for Web 2.0 as well as for knowledge management. In conclusion it can be said, that the principles of Web 2.0 coincide very well with core concepts of knowledge management (Levy 2009, pp. 129-130). The dichotomy of the organization in the focus of knowledge management and the people in the focus of Web 2.0, an implementation of social media applications in organizations can be an occasion for a change in the organizational culture (Levy 2009, p. 132). New generations of customers will find social media natural to use and expect it in their work environment. For this new goal in knowledge management, the technical support especially for communication and interaction needs to be adapted. Social media and Web 2.0 can be a solution for this challenge (Fernando 2010, p. 503).

Proceduralization of Knowledge

Ho (2009, p. 98-107) executed a quantitative study within knowledge intensive industries, like electrical engineering, chemistry, biotechnology, motor industry, shipping industry, security brokerage industry, finance and insurance industry from an 1996 OECD sample of knowledge intensive industries in Taiwan. Purpose of the research was to validate knowledge management enablers and measure their impact on knowledge management performance and subsequently on financial performance from an organizational perspective. And although, back in 1996, social media was just to start, some principles when it comes to knowledge management are worth a closer look and contribute a useful insight in the managerial reality. Figure 2-17 shows

elementary knowledge management enablers related to strategic, cultural and technological management tasks. General findings show that a company size is not significantly related to knowledge management performance (Ho 2009, p. 113). More precisely, strategy and leadership is the most significant key factor for successful knowledge management performance. For this research work, this leads to the assumption that a corporate marketing system, implemented throughout all company structures, will also show a positive effect on knowledge management performance and subsequently on the overall business performance of a company. Further enablers of knowledge management in this study are the organizational culture, the organizational incentive system and information technology. The latter can be regarded as a strong supporter of knowledge management and it is proposed that information technology paired with the right organization culture are the fundamentals of an organizational infrastructure to successfully implement knowledge management (Ho 2009, p. 114).

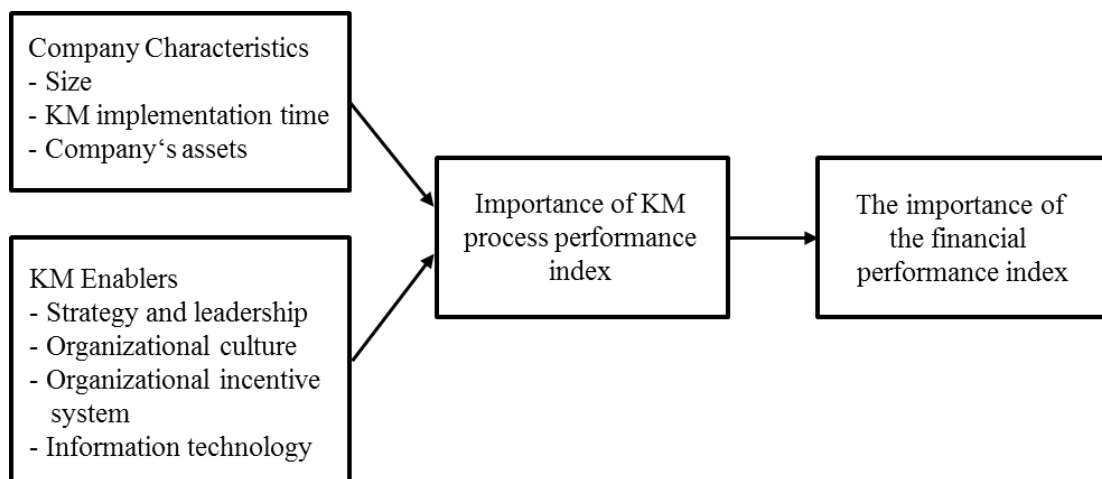


Figure 2-17: Conceptualization of Success Factors for Knowledge Management Process Performance Index

Source: Author's illustration based on Ho, Chin-Tsang (2009), p. 104

From an operational perspective, knowledge creation and knowledge internalization are significantly related to the financial performance (Ho 2009, p. 114). Hence it is approved that the adaption of organizational structures to the knowledge economy form new business potentials and may positively influence the profitability of a company. The open question for this dissertation is, who – within the organizational structures of a company – is taking over responsibility and enforcement for knowledge management internalization. Or in a more specific definition, if marketers, respectively marketing divisions, can step into a central position in organizations and become the leading knowledge management ambassadors. Ho's (2009) study indicates the importance of "knowing-that" but only gives little hints about the "knowing-how" from a practical management perspective. Especially that "knowing-how" is

an often claimed question-mark in marketing management science, as already discussed in the theory chapter of this dissertation.

Consideration of people and human singularities

Strategy and leadership have already been identified as strong knowledge management enablers and can be classified into the field of organizational culture. But once it comes to an operational level, the individual members of an organization may lose track of the proclaimed guidelines, rules and tasks. Cyr and Choo (2010) executed an exploratory study among the 400 employees of a leading Canadian pension fund to examine the individual knowledge sharing behaviour and identified three sets of influences: a rational calculus, a dispositional preference and a relational effect based on relationships (Cyr and Choo 2010, p. 841). Special attention shall be given to the rational calculus, which is the individual's evaluation of cost and benefit in knowledge sharing. Research findings did show that first of all, this calculus is significantly influenced by the perceived recipient benefit. Subsequently, as a managerial implication, organizations need to increase awareness among their employees about the value of knowledge to others (Cyr and Choo 2010, p. 842). The results did show that individuals are significantly more likely to share knowledge with their superior than with close or distant colleagues. This dissertation regards marketing as a holistic, organizational and complex system. It argues that a marketing system must not be limited to an individual position or marketing division but seen as a common set of values. Especially, when the new forms of media and the inherent paradigm changes in communications open new playgrounds for customer interactions and information extraction. Once information is derived from social media and transformed into valuable knowledge, it must not stay within the boundaries of departmental structures.

Other authors strongly agree on this aspect by stating that data quality, as precursor of information and knowledge, is not only a technical problem but even more an organizational one (Peltier, Zahay and Lehmann 2013, p. 1).

Implementing social media applications or platforms for knowledge management can enhance the knowledge sharing in the organization, but the pure availability of technology doesn't automatically lead to knowledge exchange if there is no motivation for employees to do so (Vuori and Okkonen 2012a, p. 593). Knowledge sharing within an organization is a voluntary and conscious process influenced by the kind of knowledge, the opportunities to share, the organizational culture and the motivation to share (Ipe, 2003, p. 354). Motivational factors have positive effects on the social sharing behavior. Intrinsic motivation is more effective (Jeon, Kim and Koh 2011, p. 264) whereas extrinsic motivation is only a temporarily solution because it

only works as long as rewards are provided and have no effect on the general attitude (Bock and Kim 2002, p. 19). And, the organization culture can influence the motivation, especially intrinsic motivation by inducing a climate of collaboration, collective effort where knowledge and sharing is valued (Vuori and Okkonen 2012a, p. 595).

Knowledge sharing on a social media platform is especially influenced by intrinsic motivation to help the organization achieve goals or to help colleagues and least motivated by extrinsic rewards like money or possible promotion opportunities. Motivation could also be increased by assuring, that the use of social platforms for knowledge sharing is not additional work but can help and facilitate the work and inducing a culture where communication and sharing is perceived as actual work. Exchange and sharing of knowledge should best be included in everyday processes and the organizational culture should support and enhance it, leading to a higher internal motivation in employees. Some hints may come from Vuori and Okkonen (2012a, p. 598) analyzing motivational factors of knowledge sharing on an intra-organizational social media platform in an exploratory case study research with two companies. The overall top two mentions show that employees actively share knowledge by the simple circumstance to help somebody else. In the first mention it is to improve the company operations and in the second mention to help colleagues. Following the ranking of the other mentions, it shows that issues of collaboration tend to higher rankings than individual purposes, like financial rewards, gaining recognition or job security. Although a critical acclaim must be done to the specific question, namely sharing knowledge through an intra-organizational social media platform and not sharing knowledge in general, motivational factors show a strong tendency to improve the overall organization performance. Hence, people expect a better performance by knowledge sharing. In contrary, knowledge sharing over organizational borders was found exhausting through the lack of sufficient channels and limited access (Vuori and Okkonen, 2012a, p. 597). This is an organizational issue and at least, the here examined companies miss a systematic approach in facilitating proper knowledge management structures on an organizational level. Again, the “knowing-how” stays unclear and misses a systematic approach.

Awareness of environmental dynamics

Once it comes to social media and the evolution of digital technologies, environmental factors become an issue. Jones and Mahon (2012, p. 779) argue that social networks act in real time and that's the reason why they are the only predestinated tool for knowledge transfer in high velocity/turbulent environments. The world outside the organizational borders is changing and social media allow users (consumers) an instant engagement with a brand or its products. Organizational structures struggle to keep pace with this development. This conjuncture led

this allows time for effective decision making (Jones and Mahon, 2012 p. 785). Bottom line, the authors propose to regard knowledge management from a situational perspective. Although their model lacks a practical research confrontation (primary research), their recommendations for further research is to test their propositions and to investigate competitive environments where major shifts rapidly change business models – like with social media.

Summarized, the managerial challenges for a corporate marketing system are versatile. Firstly, a fundamental new understanding of marketing functions and its key-roles within the organization is necessary. Secondly, managerial commitment needs to be demonstrated in order to leverage the organizational performance sustainably. Thirdly, the pure existence of technological infrastructure doesn't guarantee success if not accepted and anticipated by the whole organizational workforce. Fourthly, infrastructural obstacles and reservations need to be eliminated as part of cultural and leadership management tasks. Fifthly, within the context of a customer-centric organization, the customer mindset must be integrated to develop a common organizational understanding of it. And with the increasing development of web 2.0 and social media applications, this issue gets more and more important. Sixthly, knowledge management intentions need a strategic approach in order to get properly implemented into organizational procedures and thus, fully develop their performance potential. Seventhly, nevertheless people within the workforce may reveal individual motivations and human singularities may limit managerial ambitions. Hence, trainings, development programs and assigned time schedules may increase the probability of a corporate marketing system acceptance by all employees. Finally, the dynamics and high velocities of digitalized markets and media require a particular attention within the conceptualization of a corporate marketing system, as situational aspects – like in daily operational routines – must be addressed with the same priority as long-term strategic intentions. However, many of the analyzed and discussed study findings implicitly confirm the purpose of this dissertation, namely to lift the concept of a marketing system to corporate level and to research from an organizational perspective – as the real management challenge is supposed to lie herein.

As the theoretical foundations have been considered in the first chapter, and context in reality has been elaborated within this chapter, the next chapter will extract and logically structure the core aspects for hypothesis deduction and present the underlying research model as well as the methodology of primary research conducted and corresponding results and analysis.

3. RESEARCH ON THE DIMENSIONS OF A CORPORATE MARKETING SYSTEM FOR BUSINESS PERFORMANCE

This chapter presents the primary research and its goal to take a multidimensional approach towards a corporate marketing system for business performance. The primary research framework of this work seems legitimated by the evidence of a complex research subject with moderate quantitative studies on one side. On the other side, marketing has been constituted the status of a highly practical discipline with the lack of universal laws, as presented in the theory chapter. Giving contribution to this circumstance, and aiming for a practical research access, a conjunction of research methods seems to be a plausible and a proper course of action.

Further on, it is the aim of this research to justify (or falsify) a supposed linkage between the proposed construct of a corporate marketing system and marketing and business performance. The research process will follow a deductive approach, based on the presented theories and frameworks and antecedent empirical studies, which have been revised with the findings of the qualitative and quantitative research of this work. Under these aspects, this research shows uniqueness and a valuable contribution to existing scientific discussions on this particular subject.

In order to obtain the research goal, to justify (or falsify) the proposed dimensionality of a corporate marketing system and evaluate its influence on business performance, a mixed research method is proposed by the author. Qualitative research is used to collect opinions of selected marketing experts in order to receive multiple viewpoints, different perspectives and positions on the research subject on the one hand and to critically discuss empirical results with experts on the other hand. Especially in the field of marketing research, the active conversation and merging of minds with marketing experts to achieve practical insights and possibilities seems to be a valuable approach (e.g. Brandthwaite and Patterson 2011). Hence, and with respect to the research topic, qualitative research has been identified as a fundamental and contributing instrument within this dissertation. Quantitative research is used to test the multidimensional construct of a corporate marketing system in marketing practice and to examine its influence on business performance. Finally, triangulation of both research methods allow a holistic picture of the topic. The proposed research design finds general acceptance in research literature and is thus being considered substantial for the purposes of this dissertation (e.g. Johnson, Onwuegbuzie and Turner 2007; Crossan 2003). Consequently, the next section presents the methodology and primary research framework on a more detailed level.

3.1 Methodology and Primary Research Framework Conducted

One main issue in marketing research are the widely varying definitions, demanding for an exact definition of the conceptual research construct and its variables. New items and new measures should be conducted by a thorough review of literature and a subsequent integration of sample data experiences in order to gain higher reliability and validity (Churchill 1979, p 66). The author also proposes a commitment to quality research as a fundamental part to generate purified measures in marketing research. Hence, the use of qualitative and quantitative research methods is proposed and presented in the primary research framework in figure 3-1.

1. Qualitative Research	
Purpose:	Wave 1: Exploration, validation and justification of the research model. Wave 2: Discussion and critical reflection of the research results
Instrument:	Problem-based interview
Participants:	Adequate sample of selected marketing executives across industry sectors in Austria
Data collection:	Personal interviews
Data analysis:	Interview protocol (summarized) with remarks on validity
2. Quantitative Research	
Purpose:	Confirmation (or falsification) of the proposed research model.
Instrument:	Structured questionnaire with closed questions
Participants:	Random sample of persons in charge of marketing or responsible marketing managers across industry sectors in Austria
Data collection:	Online survey
Data analysis:	Statistical analysis including descriptive and multivariate data analysis
3. Triangulation	
4. Results and Discussions	

Figure 3-1: Primary Research Framework

Source: Author's illustration

The purpose of qualitative research was to explore, validate and justify the hypothesized research model with marketing experts of different industries in Austria. Their answers and

processed results developed and influenced the quantitative research items, which originated in a profound deduction of theories and conceptual frameworks. The findings of the expert interviews therefore validated the hypothesized research model and justified the aspired quantitative survey with slightly adoptions due to the qualitative findings. Although the conceptualized research model of a corporate marketing system – with three dimensions, namely corporate culture, social media usage and knowledge management – got generally approved by qualitative findings, different aspects of each dimension and their related research items got slightly adopted and enriched by the findings of qualitative research. In that way, the construct has been improved based on the conclusions of qualified marketing experts and thus represents a profound conceptualization for the subsequent quantitative research phase. Summarized, the purpose of the first wave of expert interviews was:

- Validation of the proposed corporate marketing system dimensionality.
- Approaching the attitude of marketing experts towards the construct.
- Understanding actual value drivers of marketing for business.
- Identification of success parameters for marketing driven organizations.
- Openness for remarks or comments.

Qualitative research was done prior to quantitative research in order to obtain a critical reflection of the conceptual framework. Hence, the findings of qualitative research (first wave) have been analyzed, compared and reduced to a presentable format. With regard to the hypothesized research model, answers led to slightly adoptions of the conceptualized research model of a corporate marketing system. Afterwards, the quantitative research instrument and online questionnaire got finalized. Finally, both findings of qualitative and quantitative research have been critically discussed with the experts in a final step, delivering results and implications from many standpoints and critically reflecting previous studies and conceptual theory frameworks, consequently leading to the conclusions and suggestions of this work.

Primary research has been executed between July and November 2015, including both presented research methods – the first wave of expert interviews and the online survey. The second wave of expert interviews has been executed between October and November 2016. All experts and companies have been located in Austria.

The next section presents the underlying research hypotheses and the coherent conceptualized research model of a corporate marketing system for business performance.

3.2 Hypotheses Deduction and Research Model of a Corporate Marketing System

This section presents the main hypothesis as well as the deduced sub-hypotheses and illustrates the research model, operationalizing the underlying thesis of this dissertation, which is:

Within digital communication landscapes, a corporate marketing system determined by a company's corporate culture, social media usage and knowledge management promotes organizational value creation in terms of marketing and business performance.

Hypothesis deduction is based on the extraction and summarization of key aspects, relevant conceptualizations and empirical studies as already presented and discussed on a more detailed level in the previous chapters. So far, the considered empirical studies did not investigate marketing systems from a holistic, organizational standpoint as they mainly focus on certain aspects of modern marketing, consumer behaviour or organizational theory, like CRM or knowledge management. Therefore, a conceptual approach with respect to accepted theories and selected studies seems appropriate.

Within this dissertation, the underlying comprehension of a corporate marketing system follows the principles of Layton (2011, p. 267), who constitutes a marketing system to be a social matrix framework with exchange logics, flows and roles, networks and governance. Singer (2006, p. 50) and Malthouse and Hofacker (2010, p. 2) describe the changing role marketing due to globalization and new information / communication technologies and emphasize the necessity of a new organizational understanding. McGrath (1992, p. 54) adds new dimensions such as cross-functional teamwork and customer information systems to the so far existing "tried and true" skill sets of marketers. Finally, Piercy and Cravens (1995 p. 13) who put marketing outside department borders and replace it by a system on business, corporate and enterprise level. Approval is given by Gök and Hacıoglu (2010, p. 299), analysing "marketing manager" job announcements by content analysis, and state new key-roles and functions, like internal/external network management, knowledge generation and performance management – to name a few, in the managerial reality of marketers.

El-Haddadeh, Weerakkody and Peng (2012, p. 571) acknowledged in their study the general importance of social media for marketers and businesses. Jin (2012, p. 696), Chatterjee (2011, p. 96), Coulter and Roggeveen (2012, p. 878) and Baird and Parasins (2011, pp. 33-34) confirm

in their studies of user engagement with social media the general importance for marketers and businesses. Bruhn, Schoenmueller and Schäfer (2012, p. 774) proved the value of social media for brand image, respectively brand management that is among marketing tasks in general and can leverage brand and business performance.

Information technology highly enables information exchange. Especially an improvement of tacit knowledge exchange can lead to a higher marketing productivity, as Arnett and Wittmann (2013, p. 328) could prove in their study. Peltier, Zahay and Lehmann (2013, p. 3) showed that an intensified marketing/IT integration in the organizational culture supports data sharing, which ultimately results in better marketing decisions and higher business performance. Moradi, Aghaie and Hosseini (2013, p. 181) and Teoh and Pan (2008, p. 507) could show in their case study the positive impact of knowledge management on organizational performance and emphasize strategy and leadership issues as important key factors for a successful implementation. This aspect of the importance of the “cultural factor” gets confirmed in the empirical studies of Magnier-Watanabe, Yoshida and Watanabe (2010, p. 923) as well as by Ho (2009, p. 104) who explicitly adds organizational culture to the list of knowledge management enablers.

Finally, the dichotomy between the organizational focus of knowledge management and the people focus of Web 2.0, the application of social media is an occasion for organizational change (Levy 2009, p. 132).

Giving tribute to all these aspects and the general conceptualization of a marketing system, like presented in the theory chapter, the author proposes that:

H1: The dimensionality of a corporate marketing system is determined by an organization’s corporate culture, social media usage and knowledge management.

The growing role of information technologies forced organizations to abandon their traditional command and control structures, fast decisions-making processes and empowered inter-organizational relationships are required (Tikkanen and Parvinen 2006, p. 39). An organization, once it is aware of the ongoing paradigm changes in communications must be able to influence the organizational climate. It is a challenge to create an environment where other contribute innovative ideas and instantly develop or enhance a product or service. This brings a tacit aspect to management theories and affects the outcome of creation initiatives. Kimmerle, Wodzicki

and Cress (2008, p. 388) emphasize the necessity of an organizational culture that supports cooperation and knowledge sharing in an everyday work. This learning-by-doing approach is an enabler of an organization's culture (Williams 2006, p. 95) which represents the foundation of organizational learning as a result of integration of people, processes and technologies within one cultural framework (Gorelick and Tantawy-Monsou 2005, p. 129).

H1a: A corporate marketing system is partly determined by an organization's corporate culture.

Whereas social media can highly support cooperation and knowledge sharing within organizations (Kane, Robinson-Combre and Berge 2010, pp. 67-68; Levy 2009, pp. 129-130) their relevance for marketing-driven organizations is eminent, as social and economic networks merge (Gensler et. al 2013, p. 250). Result is a new, self-sustaining economic system, in which traditional media such as television, radio or print show a decreasing impact on consumers. This is not saying that they are yet negligible but with increasing success, consumers' attention – either technological or mentally – to these traditional media is declining (Dahlén and Edenius 2007, p. 41; Speck and Elliot 1997 pp. 72-73) as interactive and social media became an influential game changer (e.g. Malthouse and Hofacker 2010; Baird and Parasnis 2011; El-Haddadeh, Weerakkody and Peng 2012; Rossi 2011). Dahlén, Granlund and Grenros (2009, p. 160) did show that non-traditional media campaigns, like social media, have a higher impact on consumer-perceived value than traditional media campaigns. Hence,

H1b: A corporate marketing system is partly determined by social media usage.

Within a marketing system, marketers are in a central position of data gatekeepers. On one side the collect information from external sources and social media allow new ways of doing so, on the other side, they are responsible for an efficient and effective distribution of this information within their organization. Thus, new organizational structures, like the knowledge organization, can develop (Walczak 2005, p. 334). The study of Peltier, Zahay and Lehmann (2013, p. 8) did reveal the importance of data sharing through marketing/IT integration to increase customer and business performance. Hence, it is supposed that the appropriate treatment of knowledge will play an important role in more holistic marketing considerations as well.

H1c: A corporate marketing system is partly determined by knowledge management.

A legitimate goal for organizational development is value creation. Within this research, organizational value creation got defined as marketing performance and business performance. Following the logics of the previous antecedents, marketing function performance is an alignment of different value chains.

H2: It is expected that there is a significant relationship between a corporate marketing system and marketing performance.

Besides the fact that an organization can use social media to extract information from external environments, intra-organizational information flows are essential as well (Vuori and Okkonen 2012a, p. 598). This makes it possible to share and discuss insights, enables collaborative exchange and cross-functional information delivery. From an intra-organizational perspective, employees and their managers are expected to virtually cross time zones and require increased flexibility in work arrangements to form the virtual organization, which has become a new business model in the global economy (Meyers, Hearn and Bradley 2006, p. 4). Therefore, the author proposes, that

H2a: There is a significant relationship between an organization's corporate culture and marketing performance.

The role of social media is essential and is probably the real evolution in this matter. It enables open participation and access to information; it enhances communication and processing capabilities, optimizes supply chains and provides direct accessibility to actual information. And following Gupta, Grant and Melewar (2008, p. 953) today's customer perceive value not only in products but also in modern forms of communications and technology, effecting their brand knowledge and brand associations. Hence,

H3a: There is a significant relationship between social media usage and marketing performance.

Exactly these web 2.0, respectively social media, applications enable a horizontal flow of knowledge and information between companies and customers (Rossi 2011, p. 47). The efficient use of this idle knowledge will create a competitive advantage and will improve organizational success (Sandhawalia and Dalcher 2011, p. 315; Moradi, Aghaie and Hosseini 2013, p. 181). Extracting value from knowledge is a key management challenge for

organizations (Mahesh and Suresh 2009, p. 46). More precisely, key challenge is the ability to import new external knowledge and synthesize existing internal knowledge (Sandhwalia and Dalcher 2011, p. 316). Or from a more strategic point of view: knowledge management needs to deliver the right knowledge to the right persons at the right time (Ho 2009, p. 99) in dynamic processes (Pan, Bradbeer and Jurries 2011, p. 347). Having a proper infrastructure and clearly defined process work flows seem to be essential for knowledge management. In an organizational redesign, it is important to create effective ways for the flow of knowledge, from the knowledge sources to the points where knowledge is needed. Thus, organizational value will extract from knowledge (Mahesh and Suresh 2009, pp. 41-42).

H4a: There is a significant relationship between knowledge management and marketing performance.

Marketing, from a functional perspective, can be regarded as an exchange between organization and customer. The customer gives time and cognitive attendance. The organization, respectively the marketer, is expected to deliver entertainment and information as main value components (Ducoffe 1995, p. 3). In traditional communication landscapes exchange does not happen. It is a technological limitation that there is a sender and a receiver. Interaction cannot happen. As the market is changing from consumption to interaction (Malthouse and Hofacker 2010, p. 3) generating higher relevance and value for the consumer in a converse argument, increasing the efficiency and effectiveness of marketing on a corporate level. In that way, a company can face the challenges of new economies and digital communication landscapes and successfully use a new understanding of marketing, hence

H3: It is expected that there is a significant relationship between a corporate marketing system and business performance.

Gorelick and Tantawy-Monsou (2005, p. 129) emphasize the importance of culture as superordinate framework of the learning organization, which aims at an overall improvement of performance results. Organizational structures and corporate culture need a managerial commitment for change, as many traditional hierarchical management structures will limit the knowledge transfer performance (Walczak 2005, pp. 332-334). Consequently, lacking knowledge will lead to inefficiency, which finally limits the performance potential of an organization.

H2b: There is a significant relationship between an organization's corporate culture and business performance.

The influential source of information exchange between consumers in digital communication landscapes is seen as an established consensus in literature (Dellarocas 2003, pp. 28-29). Consumer-to-consumer conversations can lead to measureable outcomes and social media can influence business performance:

- An improvement in a book's reviews leads to an increase in relative sales (Chevalier and Mayzlin 2006).
- There is an impact in box office revenues caused by consumer-to-consumer communication (Liu 2006).
- Online movie ratings significantly influence the predictive power of a revenue-forecasting model (Dellarocas, Zhang and Awas 2007).
- Consumer-to-consumer communication during different stages of viral marketing positively influence the recipient's decision-making process (De Bruyn and Lilien 2008).

These studies did essentially prove that social media have a direct impact on purchase decisions. Organizations, which are aware of these business potentials and understand to change their traditional thinking will be successful. Hence,

H3b: There is a significant relationship between social media usage and business performance.

There is a significant relation of knowledge creation and internalization to financial performance, as presented by Ho (2009, p. 114). Gibbert, Leibold and Probst (2002, p. 460) see customer knowledge management as promoter of economic value creation. According to Sandhawalia and Dalcher (2011, pp. 321-322), obtaining, sharing, storing and using knowledge can only be successful if an organization finds the right balance between knowledge management infrastructure and process capabilities. Initiatives can only be implemented step by step, shifting knowledge management from initial states to an organizational state – matching organizational growth and sustain quality.

H4b: There is a significant relationship between knowledge management and business performance.

For the purpose of this research and with a positive assumption that a higher level of marketing performance can lead to an increased level of business performance, it is assumed that:

H5: Marketing performance is positively related to business performance.

Finally, it is assumed that companies with a more advanced level of corporate marketing system integration show a higher business performance level. Hence,

H6: There is a significant relationship between the dimensions of marketing performance and business performance.

H7: Company size has an impact on corporate marketing system integration.

H8: Industry sectors have an influence on corporate marketing system integration.

Figure 3-2 illustrates the finalized conceptual framework of hypothesis deduction and provides hypotheses references. It also outlines the dependent and independent variables.

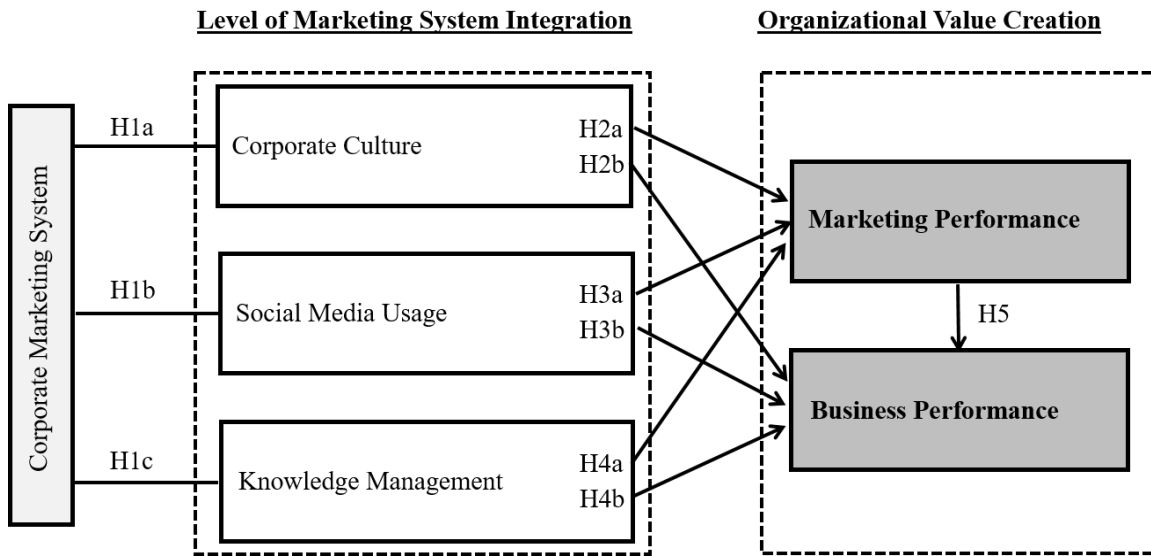


Figure 3-2: Conceptualized Research Model related to the Support of a Corporate Marketing System for Business Performance

Source: Author's illustration

Within the next section, the results of the first wave of expert interviews supportive for the validation of the research construct will be presented.

3.2.1 In-depth Expert Interviews supportive for defined Corporate Marketing System Factors

Based on observations of highly active industries in social media, 10 experts throughout different industry sectors in Austria were selected and got interviewed between July and August 2015. Their current position qualified experts, being the primary marketing decision maker and having a profound background on the addressed issues. Furthermore, experts needed to represent an honorable player within its industry. All semi-structured in-depth interviews have been conducted personally in a face-to-face situation using an audio recorder. The files have been summarized after completion and remarks on validity have been checked. The interview guideline existed of 8 open questions and can be found in the appendix 1. All data has been treated strictly confidential and evaluation was carried out anonymously. Content analysis was used to summarize the following result. Industry specific answers are designated to specify differences among industry sectors. General statements are related to all interview partners, i.e. a common agreement throughout all industries. An overview of the interviewed experts and their qualification can be found in appendix 3.

All questions allowed open answers by the individual interview partner. The first three questions did introduce the dimensionality of a corporate marketing system and experts were invited to share their thoughts on corporate culture, social media usage and knowledge management from their specific point of view and in the context of their industry sector. After this, the experts have been asked for other changes, respectively characteristics, of marketing on an organizational level and how social media can contribute to organizational benefits. The next questions went for performance and how a corporate marketing system – as characterized within the first three questions – could increase the success of the organization. Finally, it has been discussed if a marketing-driven organization is more successful than others and experts could give open remarks or comments. The expert interview got closed by some statistical information.

Expert Opinions on Corporate Culture

Corporate Culture is mainly referred to qualitative aspects of employee's interactions within a managerial framework. It is the principal of openness, agility and actuality and enforces transparency and participation in organization-wide exchange processes. This includes both, the internal as well as the external information flow. For the latest, the systematic extraction and distribution of customer knowledge, respectively information shows a high relevance for

all companies. The accelerated, so-called information (data) society, forces companies to adopt their management procedures systematically. In that context, all experts emphasize that an corporate culture must adopt to the dynamics of the world outside and continuously exchange is not only an organizational requirement but must also happen voluntarily, in a free and casual atmosphere, within the organization but also with external communication groups. Under this premises, experts see designated time schedules and employee training programs as a crucial factor for organizational development. The value of social contacts is increasing – both, for real-life and virtual connections – leading to an aggregation of information and knowledge.

Expert Opinions on Social Media Usage

In times of a paradigm change in communications, all interview partners agree on the necessity of an organization-wide use of and engagement in social media. Social Media are not only seen as a new communication channel, furthermore they play an important role in merging minds of all employees, customers and corporate stakeholders, which shall ultimately increase the companies competitiveness, innovativeness and customer-focused orientation. The engagement of all employees, independent of their departmental belonging and hierarchical standing is necessary to enforce a common understanding for new patterns in internal and external communication. However, social media are not only limited to consumer tools, like Facebook or twitter - expert blogs, wikis or network platforms must be actively used in a decentralized, organization-wide manner. In that way, social media not only contribute general market information and customer insights to the organization, they require organizations to adopt to new communication habits and train all employees for a safe and effective use of social media within their designated duties and within their designated work-time.

Expert Opinions on Knowledge Management

The relevance of knowledge management is seen in an organization-wide learning effect. By the constant flow of knowledge and information between all departments, organizational hierarchies and employees, a competitive advantage can be achieved - especially for business and product development, new technologies and communication tasks. It seems crucial, that all employees are an active part of knowledge management initiatives and contribute their individual expertise. Hence, trainings, continuing education and technological platforms for knowledge management gain in importance. Within that context, some experts speak of the development of a “share culture” to spread relevant knowledge to relevant employees in a constant and dynamic manner. Easily accessible and centralized, electronic storage platforms,

highly promote the organizational-wide knowledge exchange. As for business-to-business companies, highly qualified employees, experts or technicians represent a fundamental asset of the company. Their knowledge must be kept within organizational borders to stay competitive and innovative. All industry experts agree that knowledge management underlies a growing speed factor meaning that the dynamics of knowledge management show a high relevance for competitiveness.

Further challenges in Corporate Marketing

Besides the underlying variables of a corporate marketing system, all interviewed industry experts constitute a high pressure of social media and its coherent paradigm changes on traditional business models. Efficiency, in terms of time-to-market or internal dynamics as well as effectiveness, in terms of qualitative aspects, show an organization-wide relevance. Not only that the basic understanding of marketing performance gets into a new perspective, the fast changing communication landscapes put immense pressure on business performance objectives.

Contribution of a Corporate Marketing System to Organizational Value Creation

Besides communicative aspects of a corporate marketing system as stated above, the interviewed industry experts highly emphasize the necessity of a consequent customer-centered management approach – throughout all departments. And marketing gains increasing importance for management, besides its traditional functions as brand management and communication discipline. Strategic relevance of marketing increases as it becomes part of an existing, organization-wide management philosophy and contributes insights, know-how and information to all organizational departments. In that way, corporate marketing becomes a common organizational understanding, will affect nearly every performance key data and will secure the long-term existence of any company.

After the execution and analysis of the expert interviews, the dimensionality of the proposed model has been reviewed and slightly adopted based on these results. New research items have been added to the underlying variables and research items based on empirical findings of other scholars have been adopted, enriching the construct.

Consequently, the next section presents the operationalization of the dependent and independent variables, resulting of the already presented theoretical foundations and the consecutive expert feedback on them.

3.2.2 Dependent and Independent Variables of the Research Model

The two dependent variables presented in the research model are marketing performance and business performance. In a consequently step the dependent variables get operationalized by defining items. Marketing performance items are based on scientific studies and conceptual frameworks redefining the role and purpose of marketing due to paradigm changes in communications. Business performance items are based on preliminary studies in the context of the research field, the results of the conducted expert interviews as well as on theoretical considerations, representing a common understanding of business performance in new business environments. There are 9 items identified as marketing performance indicators and 8 items as indicators for business performance.

Marketing Performance (9 items)

This section summarizes the operationalization of the dependent variable marketing performance. Within the principal understanding of a corporate marketing system, the measurement of marketing performance requires a progressive approach beyond traditional indicators, as the paradigm change in communication redefines the organizational roles and functions of marketers. The study of Gök and Hacıoglu (2010, p. 299) delivers a useful picture of the new marketing understanding within organizations and quotes several, contemporary key functions of marketers. Besides traditional functions, like marketing mix decisions (1) and strategy development and execution (2), marketers that face the digitalization of economies show an increased exposure to internal/external network management (3), knowledge generation (4) and performance management (5). Consequently, this new understanding of marketing requirements has been operationalized and assigned as defining items of marketing performance. Additionally, the change within organizational marketing is mainly caused by the paradigm change in communication. The digitalization of business environments and the increasing importance of social media highly influence marketing performance, as e.g. Bruhn, Schoenmüller and Schäfer (2012, pp. 782-784) did prove in their studies. Key aspects of their research related to marketing performance are the influence of social media on brand reputation (6) and consumer's purchase intentions (7). This is a tribute to empowered consumers/costumers, which highly use social media throughout their purchase funnel and need to be addressed from a new marketing perspective. Within this context, Sashi (2012, p. 260) emphasizes the rapidly growing importance of a direct connection with social media communities (8) by a company, a core principal within digitalized marketing frameworks and consequently for the intention of increased interactions with this communities (9).

Business Performance (8 items)

Some of the business performance items have been adopted from Peltier, Zahay and Lehmann (2013, pp. 5-10) and represent an accepted measuring instrument for business performance. Basically, business performance within an economic environment is commonly related to financial metrics. Hence, the annual turnover (1) or earnings before income taxes (2) of a company deliver a strong indicator of how successful a company performs in its market. Nevertheless, these financial numbers help to categorize size and profitability of a company but especially within the context new economies, size does not always matter. The nature of social media allows smaller or new companies to address consumers directly and to get awareness and reach for relatively small efforts, which was not possible without big media budgets in traditional, paid communication channels, like newspapers, magazines or television. Consequently, companies are equal in terms of media usage and utilization and get in a direct competition (3) for sales and market shares (4). The better product or the better message will make the deal but it is not about advertising anymore, as the communication recipient uses digital and social media to research, compare, discuss or exchange information about a product or service and bases its purchase decision on that. Successful business need to address this changing consumer behavior to satisfy expectations (5), as purchasing alternatives are just a click away and competition gets globalized in a digital business environment. Companies consequently using new instruments of communication will keep their customers within their brand's digital cosmos and care for higher customer loyalty (6) by the means and possibilities of social media. To run a successful business, competition is not only about products or services, but also for talent, as the results of the conducted expert interviews did indicate. A younger generation of managers is needed in all areas of a company, who already grew up with digital media and show a natural, self-evident attitude towards them. Managers that understand the new media as well as the new consumer. Therefore, business performance is not only about sales numbers or other financial metrics, but also about the people behind a business model. The acquisition and binding of those talents is another indicator of business performance in a digitalized economy. Consequently, employee satisfaction (7) and employee loyalty (8) have been used as measurement items for the operationalization of the dependent variable of business performance.

Because objective information on performance metrics of the investigated companies is not accessible, business performance is measured through self-reporting by the respondents, which did already prove to be an acceptable research practice in literature (Venkatraman and Ramanujam, 1986, p. 808). Table 3-1 summarizes the operationalization of the two depended variables and quotes theoretically related indicators as well as the used measurement scales.

Table 3-1: Operationalization of Dependent Variables

Indicators of Marketing Performance	Source	Scale (5-point-Likert pattern)
Marketing mix management decisions	Gök & Hacıoglu (2010)	From 1 significantly more to 5 significantly less
Internal/external network management	Gök & Hacıoglu (2010)	
Strategy development and execution	Gök & Hacıoglu (2010)	
Knowledge generation	Gök & Hacıoglu (2010)	
Performance management	Gök & Hacıoglu (2010)	
Social media connections	Sashi (2012)	
Social media interactions	Sashi (2012)	
Brand reputation	Bruhn, Schoenmüller and Schäfer (2012)	
Purchase intentions	Bruhn, Schoenmüller and Schäfer (2012)	
Indicators of Business Performance	Source	Scale (5-point-Likert pattern)
Annual turnover	Peltier, Zahay and Lehmann (2013)	From 1 not at all to 5 to a great extent
Net profits (Ebit)	Author	
Market share	Author	
Competitiveness	Author	
Customer satisfaction	Author	
Customer loyalty	Author	
Employee satisfaction	Author	
Employee loyalty	Author	

Source: Author's illustration

As shown in the research model, a total number of three independent variables have been defined to assess the underlying research hypotheses: Corporate culture, Social Media Usage and Knowledge Management. Corporate Culture is operationalized with 8 items, Social Media Usage with 12 items and Knowledge Management with 10 items.

Corporate Culture (8 items)

Considering the theoretical foundations of the concept of a corporate marketing system, the fundament of a company's commitment to face the challenges of digital business environments is its organizational climate and its ability to integrate people, processes and technology in one corporate culture framework (Gorelick and Tantawy-Monsou 2005, p. 129). As the digitalization of business environments and the social media patterns brought a new form of competition to companies, customer centricity (1) is a core aspect of the organizational culture,

i.e. the organizational necessity to reorganize people, processes and technology should be arranged around the needs and wants of today's consumer. Exactly this consumer is more hybrid than ever before. He uses new forms of technology and media to get access to information about a product or service, compares prices, discusses opinions with other consumers or just buys the best price he can get on the web. This all happens real-time because of permanent access to the online cosmos and urges companies to develop a corporate culture that is not stuck in hierarchical procedures but allows dynamic, situational workflows (2) as an answer to the mobility and volatility of today's consumer. The risk of "situational" is the lack of general standards or common guidelines. Therefore, the necessity of employee training for knowledge exchange (3) becomes very important in knowledge-intense industries. The vast amount of data and information accessible by the new media can easily overwhelm one individual's capacity of processing and must not necessarily result in logical, knowledge-based decisions. Hence, companies are urged to define procedures (4) for the processing of information but on the other side, break down rigid structures and foster the individual and dynamic exchange between their employees (5). Especially this non-organized exchange is a major challenge for companies, as the analysis of the conducted expert interviews did reveal. There is awareness that informal information and knowledge exchange is a necessary must-have but is often limited by the physical (6) or temporal (7) absence of its valuation in organizational reality. As for the recognition of the potentials of employee know-how assets (8) this current state is unsatisfying and needs consequently be considered in a cultural framework of organizational transformation within a corporate marketing system.

Social Media Usage (12 items)

The operationalization of the organizations exposure to new business and communication environments is based on several aspects. Firstly, companies must recognize why the usage of social media can add additional value to the organization, besides its function as an advertising channel. Nonaka, Toyama and Konno (2000, p. 12) quote four general forms of how organization are able to foster knowledge and consequently, social media can be used to specify and intensify these ambitions. Socialization (1), in the context of social media, can be used to exchange ideas or have personal discussions – with other colleagues as well as with larger work groups, quickly and uncomplicated in a daily routine. Externalization (2) is the possibility to exploit social media for the gathering of external ideas or opinions, like from relevant consumers or potential target groups. Internalization (3) uses social media to store and distribute knowledge throughout the organization, like knowledge platforms, company blogs or wikis and fosters intra-organizational exchange processes. Finally, combination (4) which can be

regarded as the cumulative application of social media for the above mentioned tasks and inevitably leads to a growth of the organizational knowledge base.

Secondly, companies must understand what benefits they get out of social media usage. Today, most of people's communication is happening in social media, replacing traditional forms of transmission or exchange. As a matter of course, companies must recognize that social media should be regarded as an easy and common way of communication (5), with external communication groups like customers or opinion leaders as well as within staff. The major economic potential herein lies in the broadening of inspirational sources for new business ideas (6) and consistent possibility to improve products or services to reach out for new target groups or markets (7).

And thirdly, companies need to be aware of how social media can be used to harvest the potentials of new forms of communication (Malthouse and Hofacker 2010, pp. 2-3). A managerial commitment is needed to involve the whole organization (8) and motivate all employees for active usage of social media (9). Hence, a common standard can be developed and the usage of social media gets implemented into the corporate governance and will not only be a situative, operational communication tool but also influences strategic decisions (10) throughout all management levels and across departments.

Nevertheless, there is the risk of melting boarders between private and professional use of social media – as many platforms require personal profiles of their users and people do generally not differ between a personal or business account. For that reason it is important to train employees (11) for the proper use of social media within their business functions, so that routines and patterns can be developed and the differentiation between professional and private usage gets secured. Finally, the conducted expert interviews did reveal, that companies stayed passive for a long time, like observing the developments of social media from outside. Now, as their importance got recognized, continuous investments (12) – in technology as well as in people, are necessary to keep up to modern communication and to stay competitive.

Knowledge Management (10 items)

Some aspects of the operationalization of the independent variable knowledge management have been adopted from Sandhawalía and Dalcher 2011 (p. 316), as the authors highly relate knowledge management to technological infrastructures and process capabilities. Knowledge creation, in general, is based on the fostering of new ideas (1) by corporate governance. But corporate knowledge should not be stucked at individuals but accumulated and gathered so everyone can make use of it. Accessible knowledge platforms and idea pools (2) are useful for the centralization of knowledge within organizations. Such tools will only be successful if every

organizational member develops the ability and behavior to actively share his/her ideas (3). This may be a crucial process, as a single employee, especially of lower management or operative levels, may be concerned or unsure about the “value” of his/her idea for the organization. Leadership is needed to demonstrate that the evaluation of ideas is not reserved to upper hierarchical levels and a strategic territory, but enforced in everyday situations and the try-outs of new ideas (4) should be utilized on operational levels as well. Failure may be part this process but it is important to not only share positive ideas or experiences but also negative ones. In that way, shared ideas get enriched with existing experiences and help to develop an internal base of intellectual property (5) which may become a strong strategic and competitive advantage for the company. In the context of the dynamics of social media and the corresponding business opportunities, it appears to be important that knowledge may also arise out of consumer/customer information (6) and must be permanently accessed and processed by a learning organization (7). As this information is in general available for everyone, time gets an essential factor for business and its competitiveness. To become a strong asset, the management of knowledge needs therefore be embedded in an organizational functionality that is time and cost optimized (8) instead of rigid and hierarchical structures. From a management perspective, the increasing importance of trust and responsibility towards managerial and non-managerial levels must be considered to form flat hierarchical orders (9) and to enforce the self-management of organizational units or teams (10), as a consequent response to the nature and dynamics of changing business environments. Table 3-2 summarizes the operationalization of the three independent variables.

Table 3-2: Operationalization of Independent Variables

Indicators of Corporate Culture	Source	Scale (5-point-Likert pattern)
Customer centricity	Jaworski and Kohli (1993)	From 1 to a great extent to 5 not at all
Dynamic work-flows	Gorelick and Tantawy-Mansou (2005)	
Training of employees for knowledge exchange	Gibbert, Leibold and Probst (2002)	
Defined procedures	Kimmerle, Wodzicki and Cress (2008)	
Individual exchange between colleagues/departments	Snowden (2002)	
Exchange spaces and casual meetings	Author	
Time management	Author	
Employee know-how assets	Gorelick and Tantawy-Mansou (2005)	

Indicators of Social Media Usage	Source	Scale (5-point-Likert pattern)
Socialization = personal idea exchange	Nonaka, Toyama and Konno (2000)	From 1 to a great extent to 5 not at all
Externalization = gathering of external ideas	Nonaka, Toyama and Konno (2000)	
Internalization = intra-organizational exchange	Nonaka, Toyama and Konno (2000)	
Combination = growth in organizational knowledge	Nonaka, Toyama and Konno (2000)	
External/internal communication	Gensler et. al (2013)	
Idea generation	Patino, Pitta and Quinones (2012)	
Evaluation of target groups/new markets	Sashi (2012)	
Organization-wide involvement	Malthouse et al. (2013)	
Active usage by all employees	Malthouse et al. (2013)	
Influence on strategic decisions	Malthouse et al. (2013)	
Training of employees for automatism	Jones and Mahon (2012)	
Continuous Investments	Author	
Indicators of Knowledge Management	Source	
Knowledge Creation = fostering new ideas	Sandhawalialia and Dalcher (2011)	From 1 significantly more to 5 significantly less
Accumulation = idea pools / central knowledge platforms	Sandhawalialia and Dalcher (2011)	
Sharing = Sharing ideas	Sandhawalialia and Dalcher (2011)	
Utilization = try-outs of new ideas	Sandhawalialia and Dalcher (2011)	
Internalization = development of intellectual property	Sandhawalialia and Dalcher (2011)	
Customer facing organization	Author	
Learning organization	Kane, Robinson-Combre and Berge (2010)	
Cost- and time optimized structures	Nonaka and Takeuchi (1995)	
Flat hierarchical structures	Walczak (2005)	
Self-managing teams	Piercy and Gravens (1995)	

Source: Author's illustration

Now that the underlying dependent and independent variables of the conceptualized research model have been presented in detail, the operationalization of the diverse research aspects,

coherent methods of analysis and a detailed sample description will be quoted within the next subchapter.

3.3 Questionnaire, Analysis and Sampling of Quantitative Research conducted

The next step of primary data collection has been the quantitative research phase. For that reason, a standardized online questionnaire has been developed and sent out to potential respondents in Austria between October and November 2015. The invitation email to participate in the survey can be found in appendix 4. For the operationalization of the survey, a customized industry software has been used allowing single answers per respondent only and thus, eliminating the risk of missing values.

The questionnaire existed of in total 76 closed questions. Answers could be contributed either on a 5-point Likert scale or by choosing any of the given options. The questionnaire – which can be found in appendix 5 – was logically structured following the operationalization of the variables and corresponding research items. Furthermore, the formulation of questions did simulate a personal conversation in order to increase the response rate. Basically, as for the main aspects of the proposed research model, 5-point Likert scales have been used consequently throughout the questionnaire, as already shown in the previous chapter. Additionally, descriptive variables and demographic questions have been included.

Analysis existed of qualified statistical methods including descriptive statistics, principal components analysis, simple and multiple regression analysis, correlation analysis as well as ANOVA and post-hoc testings. All analysis has been executed by using SPSS. An overview of the underlying research aspects and corresponding analysis method can be found in table 3-3.

Table 3-3: Operationalization of Research Aspects, Hypotheses and Analysis

Research Aspect	Hypotheses	Independent Variables	Dependent Variables	Analysis
Dimensionality of a corporate marketing system	H1, H1a-H1c	Corporate Culture, Social Media Usage, Knowledge Management	-	Principal Components Analysis

Support of a corporate marketing system for marketing performance	H2, H2a-H4a	Corporate Culture, Social Media Usage, Knowledge Management	Marketing Performance	Multiple linear regression analysis
Support of a corporate marketing system for business performance	H3, H2b-H4b	Corporate Culture, Social Media Usage, Knowledge Management	Business Performance	Multiple linear regression analysis
Promotion of a corporate marketing system	H5	Marketing Performance	Business Performance	Simple linear regression analysis
Promotion of marketing performance dimensionality	H6	Corporate Culture, Social Media Usage, Knowledge Management	Business Performance	Correlation analysis
Small, medium or large sized companies and corporate marketing system integration	H7	Corporate Culture, Social Media Usage, Knowledge Management	Company Size	ANOVA post-hoc testing and descriptive statistics
Industry sector and corporate marketing system integration	H8	Corporate Culture, Social Media Usage, Knowledge Management	Industry Sector	ANOVA post-hoc testing and descriptive statistics

Source: Author's illustration

In order to address the research questions a decent number of companies within industry economy in Austria were approached. Further on, the participants were sampled among companies without micro companies, thus, minimizing confounding factors. An industry-wide database of persons responsible for marketing of the selected companies yielded potential respondents. The interview partners represented each one of the four predominant business models defined by three demographic criteria, namely (1) number of employees, (2) annual turnover and (3) independence. The segmentation of the quantitative sample followed the official dimensions of WKO Austrian Economic Chambers (2015) classifying micro companies to have less than 10 employees and/or less than 2 million Euro annual turnover, small sized companies 10-49 employees and/or less than 10 million Euro, medium sized companies 50-249 employees and/or less than 50 million Euro and finally, large sized companies everything

above. While “number of employees” is generally considered as the main criterion to classify a venture, “annual turnover” represents the impact of a company on the market and its performance. “Independence” can be viewed as an important criterion to distinguish between small to medium companies either affiliated to large corporate groups or not.

Table 3-4: Development of the Quantitative Research Sample

General population*	Number of companies within industrial economy in Austria	426.364
Relevant population*	Number of companies without <u>micro</u> companies	31.460
Accessible population	Industry-wide database of persons responsible for marketing = potential respondents	5.875
Adjusted sample	Persons responsible for marketing representing 4.679 different companies	4.679
Usable sample	4.231 delivered emails	4.231
Response rate		5.51 % (\cong 0.74 % of the relevant population)
Final sample size		233

*Number of companies based on WKO Austrian Economic Chambers (2014)

Source: Author’s illustration

For the sample collection, micro companies - defined by an annual turnover lower than 2 million Euros and less than 10 employees - were excluded as it was expected that the conceptualization of a corporate marketing system and the corresponding research questions will not apply to the nature and organizational structures of those companies. Hence, from a total of 426.364 companies within industrial economy in Austria, 31.460 small to large sized companies remained for further processing. After sampling the outlined 31.460 companies, an accessible sample size consisting of 5.875 potential respondents has been drawn from an industry-wide

database of persons responsible for marketing. It was assumed, that these potential research participants are representing management as well as non-management levels of the respective companies. Next, the database has been electronically screened for multiple email suffix parameters, i.e. that entries with two or more identical email @suffix have been reduced to just one single entry within the database. The elimination of multiple suffixes has been manually checked, based on the proposals of the software. As a result, 4.697 unique email addresses remained representing 4.697 different companies as indicated by email @suffix. An invitation request for participation was sent to these selected potential questionnaire respondents via email. From a total of 4.231 successfully delivered emails, 233 (5.51 %) answered questionnaires were received back, which make up 0.74 % of the relevant population.

The 233 cases, which could further be used for statistical analysis, can be characterized, considering economic and demographic data, as follows:

Business characteristics

Considering the number of employees as the main criterion for classifying a company’s size, the majority of 39.5 % of all respondents who participated were working in large companies (more than 249 employees), followed by small companies with 10 to 49 Employees (33.5 %) and finally medium size companies with more than 50 and less than 249 employees (27.0 %).

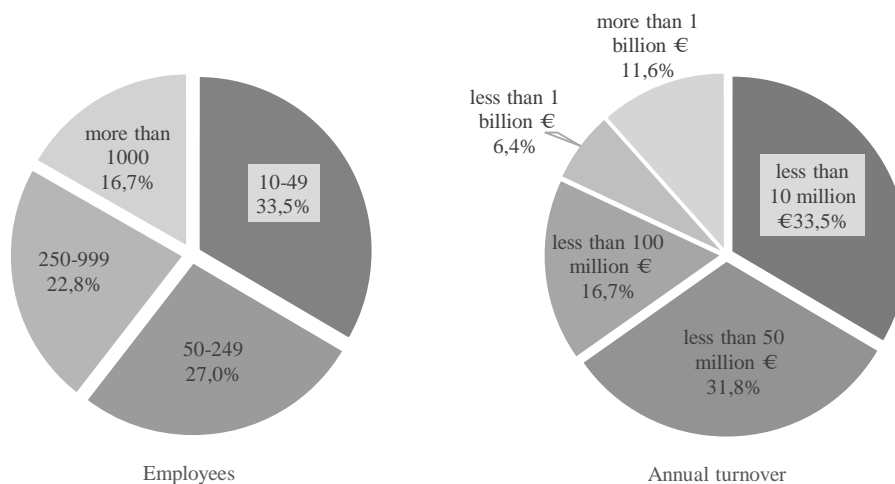


Figure 3-3: Employees Working and Annual Turnover of the Sampled Companies
 Source: Author’s illustration based on own quantitative research

This classification matches largely to the reported numbers for annual turnover, which ranged in similar sizes. The majority of 34.7 % of the respondents were working in companies with a annual turnover of more than 50 million Euros, considered as large, followed by 33.5 %

working in small companies (annual turnover less than 10 million Euros) and 31.8 % working in medium size companies with an annual turnover of less than 50 million Euros.

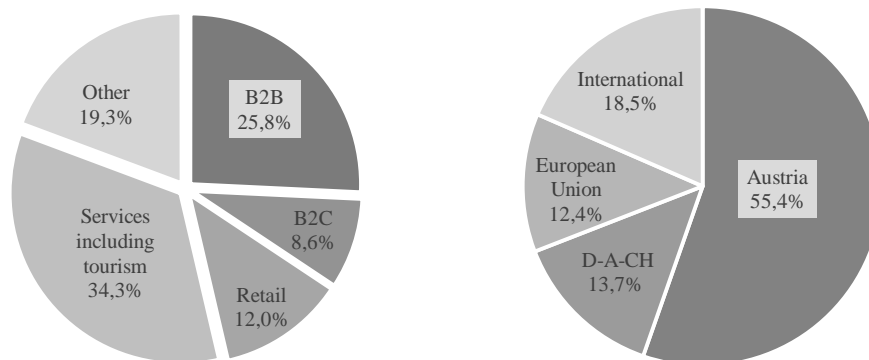


Figure 3-4: Business Segments and Market Presence of the Research Sample

Source: Author's illustration based on own quantitative research

The economic sectors, in which the respondent's companies resided in, are cutting into business to business (25.8 %), business to consumer (8.6 %), retail (12.0 %), services including tourism (34.3 %) and other (19.3 %). Their presence on operating markets can be divided into international (18.5 %), European Union (12.4 %), D-A-CH (Germany, Austria, Switzerland) (13.7 %) and Austria (55.4 %).

Respondent's characteristics

The following paragraphs outline the demographic descriptives of the questionnaire respondents. Out of the 233 samples, the relationship between male and female respondents appeared biased towards men, who account for 67.4 % of the respondents, which is slightly more than two thirds. The age of the majority of the respondents ranged between 36 to 55 years (60.5 %), followed by the group over 56 (28.7 %) and finally the 'youngsters' under 35 years of age (10.7 %). Thus, the majority of respondents represent an experienced work level as indicated by the their age.

The majority of respondents (61.4 %) can be considered as long term employees with duration of their actual employment of more than 10 years. This is followed by 21.0 %, employed between 5 to 10 years and 15.5 %, employed between 1 to 5 years. Only a minority of 2.1 % is employed in their current working place for less than one year. Hence, nearly three quarters of the research sample can be regarded as experienced in their actual jobs as person responsible for marketing.

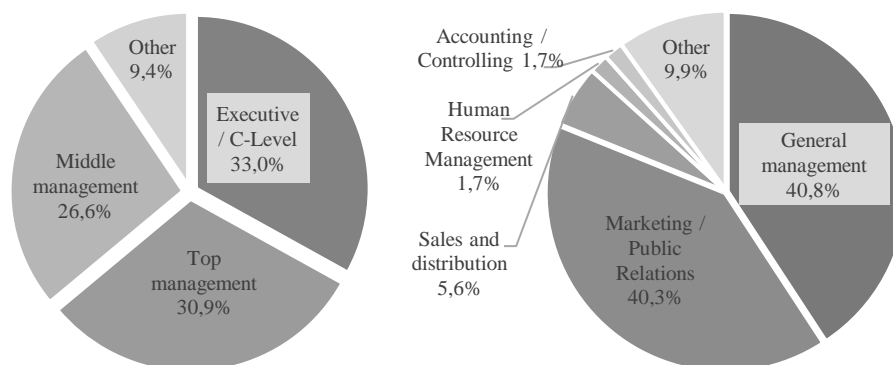


Figure 3-5: Job Descriptives and Fields of Operation of the Respondents

Source: Author's illustration based on own quantitative research

The executive C-level contains most of the respondents (33.0 %) followed by the top management (30.9 %), the middle management (26.6 %) and other (9.4 %). Thus it appears that almost two thirds of all respondents can be regarded as persons responsible for marketing on executive level and sharing their insights and opinions within the primary research conducted is very valuable.

The fields of operation of the respondents is cut into 6 pieces with (40.8 %) general management as the most prominent part. This is followed by marketing and public relations (40.3 %), sales and distribution (5.6 %), human resource management (1.7 %) and finally accounting and controlling (1.7 %). Hence, over 80 % of the respondents represent a general management or marketing function. The category 'other' represents 9.9 % of the respondents and can not be further specified.

3.4 Results of self-completion Questionnaire to Marketers

In order to evaluate the actuality of the underlying research topic, two initial questions should underline the relevance of the conceptualized corporate marketing system for businesses. For the first question yielded at the consequences of digitalization and social media for existing business models. The vast majority of respondents agreed on a noticeable impact of that paradigm change in communication within the past five years, e.g by digitalization of economies, changed consumer behavior, development of social media, on business to a great extent (38.6 %) or much (37.8 %). Only 22.7 % did recognize just some impact or none (0.9 %) impact of digitalization on their business.

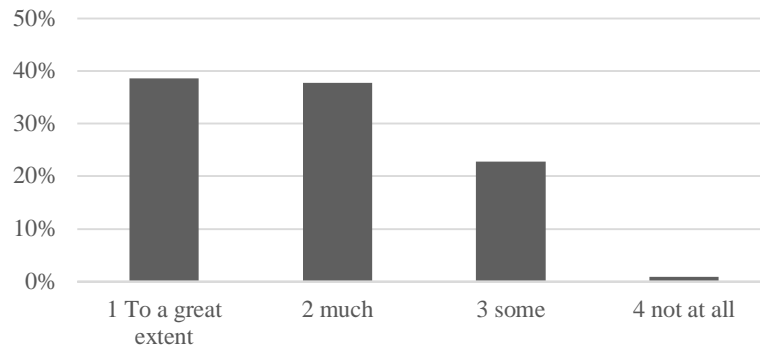


Figure 3-6: Impact of Paradigm Change in Communication for Business
 Source: Author’s illustration based on own quantitative research

As the conceptualization of a corporate marketing systems yields for an organization wide understanding and integration it was the aim of the second question to survey this impact outside departmental boarders. To demonstrate the organization-wide consequences, respondents were asked to quote some traditional organizational departments in which this impact can be detected on a 5-point Likert scale.

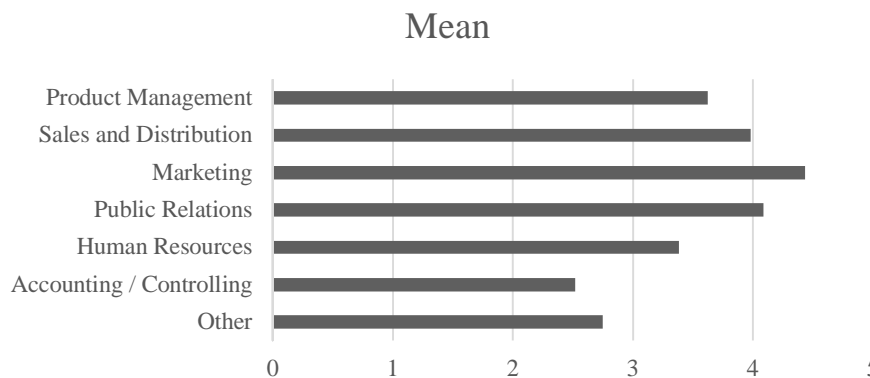


Figure 3-7: Impact on Organizational Levels
 Source: Author’s illustration based on own quantitative research

Marketing and public relations are considered to be most influenced by the paradigm change in communications, followed by sales and distribution, product management and human resources – all showing a significant impact. Even accounting/controlling can be considered to be influenced and other departments, which did not get specified in detail, propose that the digitalization and socialization of media impacts companies at all organizational levels and throughout departmental structures.

Within the next section, the results of principal components analysis are presented and determine the dimensionality of a corporate marketing system for marketing and business performance.

3.4.1 Dimensionality of a Corporate Marketing System

In order to assess the dimensionality of a corporate marketing system within small to large sized companies a principal components analysis has been performed, in order to explore patterns in the collected data (Brown 2009, pp. 28-29; Fabrigar et al., 1999, p. 275). Principal components analysis was executed with Varimax rotation in 6 iterations and a Kaiser normalization. The processing based on the 233 sample elements and included 30 measurement items, theoretically assigned to corporate culture, social media usage and knowledge management. Factorability and correlation of the samples was considered appropriate based upon the values of the Kaiser-Meyer-Olkin measure and Bartlett's test of sphericity which showed values of 0.863 and $p < 0.001$, respectively.

Table 3-5: Factor Loadings from Rotated Component Matrix

Items	Components		
	1	2	3
fr3f: Inter-divisional coworking / multifunctional teams	,644	-,007	,111
fr6f: Development of intellectual capital	,624	,262	,007
fr3h: Focusing on customer needs & wants	,623	-,014	,167
fr6e: Dynamic work processes	,603	,131	,137
fr6b: Sharing / exchange of ideas & information	,597	,291	,106
fr9a: Shared customer insights for intelligent actions	,585	,197	,161
fr6k: The company as "learning organization"	,571	,301	,211
fr6a: Fostering the generation of new ideas	,565	,282	,095
fr3a: Flat hierarchies & short decision pathways	,558	,025	,076
fr6g: Development of idea & knowledge platforms	,555	,309	,092
fr6d: Try-out of new ideas in daily business	,521	,117	,223
fr3b: Restructured processes & work-flows	,446	,096	,149
fr6c: Personal meetings to exchange ideas	,434	,109	,124
fr9c: Systematic exchange of customer/consumer insights	,404	,229	,304
fr7c: Time management for knowledge exchange	,083	,838	,134
fr7e: Fostering exchange of ideas throughout organization	,169	,778	,112
fr7b: Training of employees for knowledge exchange	,135	,749	,141
fr7f: Atmosphere for voluntary, open information exchange	,228	,724	,138
fr7d: Recognition of knowledge as organizational asset	,244	,659	-,025
fr7g: Usage of internal knowledge platforms	,147	,595	,305
fr7a: Defined procedures for information exchange	,287	,588	,064
f10d: Social media as source of external opinions	,213	-,036	,703
f10c: Professional engagement in social media	-,005	-,018	,698
f10f: Social media as idea source for new products / services	,290	,030	,660
f10e: Social media to analyze / determine target groups	,274	-,026	,655
fr9d: Engagement of all employees in social media	,050	,248	,628
fr9b: Social media information for strategic decisions	,180	,095	,600
fr6j: Training of employees for use of social media	,238	,182	,537
fr3c: Investments in social & digital media	,042	,203	,502
fr3d: New media for internal/external communication	,129	,205	,486

Source: Author's illustration based on own quantitative research

Cronbach's Alpha was used to assess the internal reliability of the model. It is basically considered as a function of the number of items, the covariance between paired items and the variance of the total score. Simply, it is the expectation of an inherent correlation of two tests measuring the same. It can be used as a measure for reliability of the internal consistency of a model. The analysis of the underlying research model exhibited values ranging from 0.811 – 0.866, which can be considered as indicative for a high internal consistency of the measurement scales of corporate culture, social media usage and knowledge management within the underlying sample. Only components showing Eigenvalues above 2.0 have been accepted and items with factor loadings above 0.5 have been included. Eight main components have been extracted, but only three have been considered for further consideration, as the others showed Eigenvalues only slightly above 1.

The cumulative value of the three dimensions is explaining 46.8 % of the total variance of the construct. Knowledge management explains 16,8 % followed by corporate culture (16,2 %) and social media usage (13,8 %). (Fr3f) Inter-divisional co-working and multifunctional teams, (Fr3b) time management for knowledge exchange and (F10d) usage of social media as source of external opinions showed the highest factor loadings (0.644, 0.838 and 0.703) of the first three components.

Subsequent to the analysis of factor loadings three items of the research dimension, (1) corporate culture (1: Fr3b Restructured processes and work-flows, 2: Fr6c Personal meetings to exchange ideas and 3: Fr9c Systematic exchange of customer/consumer insights throughout the company) as well as one item of the research dimension (2) social media usage (1: Fr3d New media and technologies for internal/external communication) have been removed from further analysis. Thus, based on an analysis of item loadings, the original 30 measurement items have been reduced to 26 items showing impact on the research dimensions.

Analyzing the individual contribution of each variable to the respective dimension, component score coefficients have been calculated with positive values indicating an above average contribution compared to all other dimensions. The beta values of the principal component regression figured out the influence of the independent variables knowledge management, corporate culture and social media usage. While corporate culture is the only variable with an impact on business performance (beta = 0.279), in case of marketing performance social media

usage has a much more pronounced impact (beta = 0.524) than knowledge management (beta = 0.221).

Summarized, the result of the principal component analysis indicates three dimensions of the research construct, operationalized by 26 variables, as shown in figure 3-8.

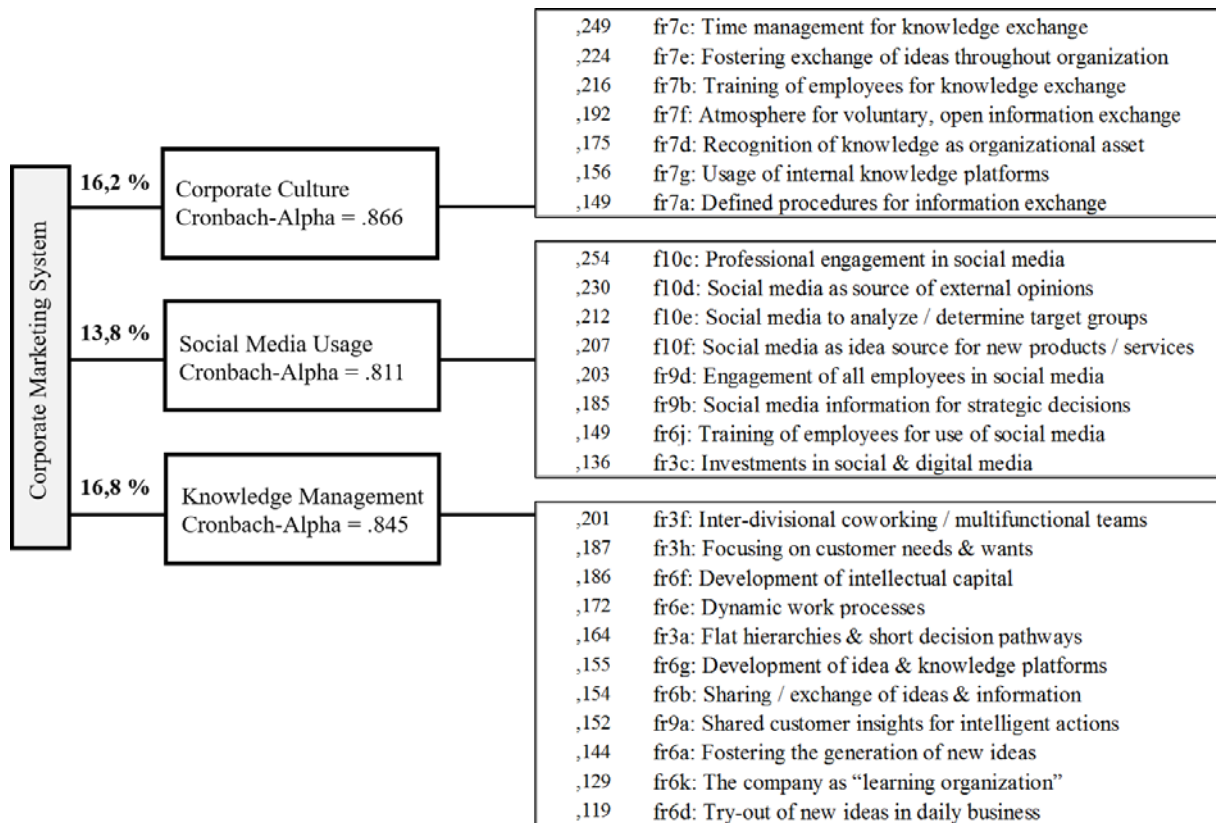


Figure 3-8: Impact of Components on Main Dimension indicated by Variance and Contribution of Single Variables to the Research Dimensions indicated by Factor Scores
Source: Author's illustration based on own quantitative research

Now that the research model of a corporate marketing system has been validated, the next section presents deeper analysis by the means of multivariate statistics in order to explore the underlying research questions further.

3.4.2 Influencing Factors of Marketing and Business Performance

To determine the impact of the independent variables on the dependent variable marketing performance, all three independent variables, namely corporate culture, social media usage and knowledge management have been included in the model. Selection of these variables has been

based on the theoretical foundations and conceptualization of a corporate marketing system as identified in the literature review as well as on empirical findings of the previously presented principal component analysis.

In order to calculate factor scores, the items included in the respective dimensions, which resulted from the previous principal component analysis, were averaged. Therefore, corporate culture consisted of seven items, social media usage of eight and knowledge management of eleven items. The following regression analysis was performed to test the null-hypothesis (no relationship between independent and dependent variables). The F-test resulted in 57.3 ($p = 0.000$), thus rejecting the null-hypothesis and indicating relationships between independent and dependent variables. Further on, the three dimensional model possesses of a Durbin-Watson value of 1.9 no auto-correlation was detected, meaning that the residuals are uncorrelated and justifying multiple regression analysis (Backhaus et al. 2008, p. 51). P-plot and histogram analysis point at normal distributions of data within the model. The table below summarizes the results of multiple regression analysis regarding the three-dimensional model, involving social media usage, corporate culture and knowledge management.

Table 3-6: Results from Multiple Regression Analysis: Impact on Marketing Performance of the 3-dimensional Model involving Social Media Usage, Corporate Culture and Knowledge Management

Model	Unstandardized coefficients		Standardized coefficients	t-value	p-level	Collinearity statistics	
	B	Std. Error	Beta			Rol.	VIF
Constant	0.799	0.122		6.564	0.000*		
Social Media Usage	0.430	0.046	0.530	9.357	0.000*	0.778	1.285
Corporate Culture	-0.27	0.037	-0.042	-0.721	0.472	0.731	1.369
Knowledge Management	0.208	0.054	0.239	3.893	0.000*	0.659	1.518
R ² = 0.429 ($p < 0.05$)							

Source: Author's illustration based on own quantitative research

Results show, that the three-dimensional model explains 42.9 % of the total variance in marketing performance. The independent variables social media usage and knowledge management have a significant positive influence on marketing performance. However, there was no relationship found between corporate culture and marketing performance. The beta values figured out, that social media usage appears to be the best predictor for marketing performance (beta = 0.530), followed by knowledge management (beta = 0.239). However, corporate culture (beta = -0.046) appears to have a negative influence on marketing

performance, indicating that related measurement items may negatively influence marketing performance. The following sections presents the research results on influencing factors of business performance.

Influencing Factors of Business Performance

In analogy to the estimation of relationships between the independent variables corporate culture, social media usage and knowledge management on the dependent variable marketing performance, a similar approach for the multiple regression analysis for the dependent variable business performance was performed. Factor scores of the items of each dimension (corporate culture: 7 items; social media usage: 8 items; knowledge management: 11 items) were calculated based upon the results from principal component analysis. Regression analysis to test the null-hypothesis (no relationship between independent and dependent variables) yielded an F-value of 7.5 ($p = 0.000$), thus rejecting the null-hypothesis and indicating relationships between independent and dependent variables. Again, P-plot and histogram analysis point at normal distributions of data within the model. Like in the case of marketing performance, the Durbin-Watson value of 1.9 of the three-dimensional model suggested no auto-correlation among the residuals and justifying multiple regression analysis (Backhaus et al. 2008, p. 51). Considering the beta values, corporate culture appears to be the best predictor for business performance ($\beta = 0.228$), followed by knowledge management ($\beta = 0.133$).

Table 3-7: Results from Multiple Regression Analysis: Impact on Business Performance of the 3-dimensional Model involving Social Media Usage, Corporate Culture and Knowledge Management

Model	Unstandardized coefficients		Standardized coefficients	t-value	p-level	Collinearity statistics	
	B	Std. Error	Beta			Rol.	VIF
Constant	2.104	0.234		8.986	0.000*		
Social Media Usage	-0.057	0.088	-0.046	-0.646	0.519	0.778	1.285
Corporate Culture	0.219	0.071	0.228	3.094	0.002*	0.731	1.369
Knowledge Management	0.177	0.103	0.133	1.718	0.087	0.659	1.518
R ² = 0.09 ($p < 0.05$)							

Source: Author's illustration based on own quantitative research

However, no significant relationships were found between both knowledge management and social media usage and the dependent variable business performance. Hence, the total variance of 9.0 % in business performance is explained by just one independent variable, namely corporate culture. While a positive influence on business performance can be attributed to the dimensions of corporate culture, the beta value of -0.046 of social media usage points at a

negative influence on business performance. In turn, this means that the measurement items related to the factors of social media usage may have a negative impact on business performance.

Summarized Influencing Factors on Business and Marketing Performance

Testing the influence of independent variables social media usage, corporate culture and knowledge management on the dependent variables marketing and business performance a multiple regression analysis was performed, showing significant positive relationships between the independent and dependent variables. However, considering the beta values, the impact of the single independent variables on either marketing or business performance, are not consistent. While social media usage (beta = 0.228) has an influence on marketing performance ($p = 0.000$), this effect cannot be observed when it comes to business performance. The same is true in case of knowledge management (beta = 0.239), where an impact on marketing performance is detectable ($p = 0.000$), while the impact on business performance is weak (beta = 0.139) but not statistically significant ($p = 0.087$). Corporate culture (beta = 0.228) is the only dimension having an influence on business performance ($p = 0.002$).

Consequently, combining the results, hypotheses H3a (There is a significant relationship between social media usage and marketing performance), H4a (There is a significant relationship between knowledge management and marketing performance) and H2b (There is a significant relationships between an organization's corporate culture and business performance) could have been confirmed while H2a (There is a significant relationships between an organization's corporate culture and marketing performance), H3b (There is a significant relationships between social media usage and business performance) and H4b (There is a significant relationships between knowledge management and business performance) had to be rejected.

Relationship of Business and Marketing performance

While the dimensions knowledge management, corporate culture and social media usage showed an impact on both dependent variables, marketing performance and business performance, a correlation of the latter two variables appeared to be likely. Performing a simple linear regression analysis between the independent variable marketing performance and the dependent variable business performance identified a significant positive relationship between the two variables (F-value = 5.3 at $p = 0.022$) explaining 2.3 % of the total variance ($b = 0.23$; $t = 2.3$; $p = 0.022^*$).

Table 3-8: Linear Regression Analysis: Impact of Marketing Performance on Business Performance

Model	Unstandardized coefficients		Standardized coefficients	t-value	p-level
	B	Std. Error	Beta		
(Constant)	2.424	0.228		10.633	0.000
Marketing Performance	0.230	0.099	0.150	2.301	0.022

Source: Author’s illustration based on own quantitative research

Figure 3-11 illustrates the results of multiple and simple linear regression addressed to the underlying three dimensional research model showing the significant positive influence of the independent variables social media usage and knowledge management on marketing performance and of the independent variable corporate culture an business performance, as indicated by the respective beta values. Furthermore, marketing performance positively influences business performance as indicated by the respective t-value.

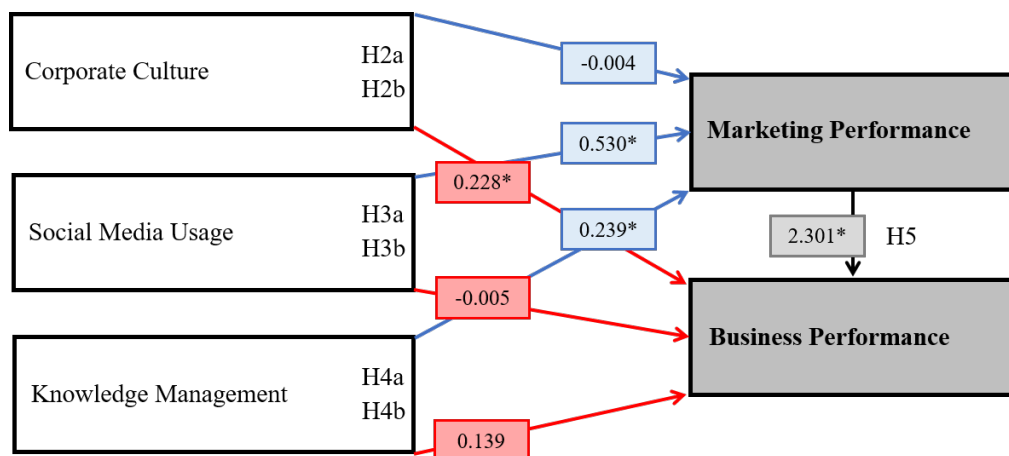


Figure 3-9: Summary of the Multiple and Simple Linear Regression Analysis

Arrows indicate the impact (beta-values) of the independent variables corporate culture, social media usage and knowledge management; t-value for marketing performance; sig. p <0.05*

Source: Author’s illustration based on own quantitative research

Correlation of Single Dimensions with Business Performance

Because the dimensions of a corporate marketing system seem to have an influence on business performance, the single dimensions of marketing performance were checked for correlations to business performance and for inter-correlations. After performing a Pearson correlation analysis, significant positive correlations between knowledge management and corporate culture and business performance (R-values are 0.227 and 0.279 at p = 0.000, respectively) could have been observed, while in case of social media usage there was no correlation

detectable. Inter-correlations among the dimensions of marketing performance were seen between corporate culture and knowledge management ($R = 0.503$, $p = 0.000$), corporate culture and social media usage ($R = 0.343$, $p = 0.000$) and social media usage and knowledge management ($R = 0.452$, $p = 0.000$).

Table 3-9: Pearson Correlation Analysis: Correlation of Knowledge Management, Corporate Culture and Social Media Usage with Business Performance

Correlations				
		Knowledge Management	Corporate Culture	Social Media Usage
Business Performance	Pearson Correlation	0.227**	0.279**	0.092
	Sig. (2-tailed)	0.000	0.000	0.160
	N	233	233	233
Knowledge Management	Pearson Correlation		0.503**	0.452**
	Sig. (2-tailed)		0.000	0.000
	N		233	233
Corporate Culture	Pearson Correlation			0.343**
	Sig. (2-tailed)			0.000
	N			233

Source: Author's illustration based on own quantitative research

Following the just presented findings on the dimensionality of a corporate marketing system and its contributing factors to marketing and business performance, potential differences of the research model for different company sizes and industry sectors have been analyzed in order to get a better understanding of the relevance of a corporate marketing system for different companies.

Company Size and the three Dimensions of a Corporate Marketing System

Because the size of a company could have an influence on the integration of a corporate marketing system, the underlying three dimensions, namely knowledge management, corporate culture and social media usage were tested. Analysis of variance (ANOVA) for group differences has been performed, considering the two main criteria for the classification of a company and the impact of a company on the market and its performance, which is (1) annual turnover (table 3-10) and (2) number of employees, respectively (table 3-11). In both ANOVA, there were no significant group differences detectable, suggesting no effects of company size regarding the research construct.

Table 3-10: ANOVA of three Dimensions of a Corporate Marketing System and Annual Turnover.

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Knowledge Management	Between Groups	1.277	4	0.319	1.073	0.371
	Within Groups	67.849	228	0.298		
	Total	69.126	232			
Corporate Culture	Between Groups	1.797	4	0.449	0.789	0.533
	Within Groups	129.794	228	0.569		
	Total	131.591	232			
Social Media Usage	Between Groups	2.658	4	0.665	1.975	0.099
	Within Groups	76.720	228	0.337		
	Total	79.378	232			

Source: Author's illustration based on own quantitative research

The ANOVA does not reveal any differences concerning the three dimensions of a corporate marketing system and different types of companies as indicated by staff size or annual turnover.

Table 3-11: ANOVA of three Dimensions of a Corporate Marketing System and Number of Employees

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Knowledge Management	Between Groups	2.047	3	0.682	2.329	0.075
	Within Groups	67.080	229	0.293		
	Total	69.123	232			
Corporate Culture	Between Groups	3.711	3	1.237	2.215	0.087
	Within Groups	127.880	229	0.558		
	Total	131.591	232			
Social Media Usage	Between Groups	0.321	3	0.107	0.310	0.818
	Within Groups	79.057	229	0.345		
	Total	79.378	232			

Source: Author's illustration based on own quantitative research

Industry Sectors and the three Dimensions of a Corporate Marketing System

Because the industry sectors in which the respondent's companies resided in could exhibit specific issues, regarding the corporate marketing system integration, an ANOVA with a Games-Howell post-hoc-testing has been applied. Significant differences between the groups could point towards diverging characteristics among the sectors business to business (B2B), business to consumer (B2C), retail, services including tourism and other. The results of the ANOVA showed differences in corporate culture ($p = 0.09$) and social media usage ($p = 0.015$). Post-hoc-testing specified these results as being mainly caused due to (1) the differences between retail and services including tourism ($p = 0.020$) for the corporate marketing system

dimension corporate culture and (2) the differences between B2B and retail versus services including tourism (p-values are 0.045 and 0.014, respectively) for the dimension social media usage. The localized group differences point at industry specific characteristics of the dimensions corporate culture and social media usage. This implicates that the related measurement items are of different relevance for companies in the respective industry sectors.

Table 3-12: The three Dimensions of a Corporate Marketing System and their Implementation in Industry Sectors. Games-Howell Post-hoc tests following ANOVA.
Significant findings are highlighted in red and marked with asterisk

		Multiple Comparisons						
Dependent Variable			Mean Difference	Std. Error	Sig.	95% Confidence		
						Lower Bound	Upper Bound	
Knowledge Management	B2B	B2C	-0.042	0.116	0.996	-0.373	0.288	
		Retail	-0.233	0.131	0.397	-0.604	0.138	
		Services including tourism	0.010	0.096	1.000	-0.257	0.276	
		Other	-0.094	0.104	0.896	-0.383	0.195	
	B2C	Retail	-0.191	0.143	0.669	-0.596	0.214	
		Services including tourism	0.052	0.111	0.990	-0.266	0.370	
		Other	-0.052	0.118	0.992	-0.387	0.284	
	Retail	Services including tourism	0.243	0.127	0.323	-0.117	0.603	
		Other	0.139	0.133	0.831	-0.236	0.515	
	Services including tourism	Other	-0.104	0.099	0.830	-0.378	0.170	
	Corporate Culture	B2B	B2C	-0.267	0.158	0.454	-0.719	0.185
			Retail	-0.475	0.177	0.073	-0.978	0.028
Services including tourism			0.083	0.123	0.961	-0.257	0.424	
Other			-0.094	0.148	0.968	-0.506	0.317	
B2C		Retail	-0.208	0.200	0.835	-0.776	0.360	
		Services including tourism	0.350	0.154	0.178	-0.092	0.792	
		Other	0.172	0.174	0.860	-0.322	0.666	
Retail		Services including tourism	0.558*	0.174	0.020	0.064	1.052	
		Other	0.380	0.192	0.289	-0.161	0.922	
Services including tourism		Other	-0.178	0.144	0.729	-0.578	0.222	
Social Media Usage		B2B	B2C	0.260	0.183	0.618	-0.273	0.794
			Retail	-0.043	0.105	0.994	-0.337	0.251
	Services including tourism		0.285*	0.102	0.045	0.004	0.567	
	Other		0.095	0.106	0.896	-0.198	0.389	
	B2C	Retail	-0.304	0.182	0.470	-0.836	0.229	
		Services including tourism	0.025	0.180	1.000	-0.503	0.553	
		Other	-0.165	0.182	0.892	-0.698	0.367	
	Retail	Services including tourism	0.329*	0.100	0.014	0.048	0.609	
		Other	0.138	0.104	0.677	-0.154	0.431	
	Services including tourism	Other	-0.190	0.101	0.330	-0.470	0.089	

Source: Author's illustration based on own quantitative research

Within the next section, the primary research results will be interpreted and discussed from many different standpoints, delivering a holistic, profound and empirically appraised picture of the dimensionality of a corporate marketing system, its underlying variables and its implications for marketing and business performance.

3.5 Interpretation of Primary Research Results

Companies of all industry sectors are exposed to the paradigm changes of digital communication landscapes and the eminent importance of new economies for business. The so-called information, respectively data society, forces companies to adopt their management procedures systematically to the evolution of internet-based networking. Considering that roughly one third of earth's entire population is connected to the usage of social media, one cannot ignore the implications of this fact for marketing systems. Since the value of social contacts is increasing, the systematic extraction and distribution of customer knowledge, respectively information shows a high relevance for all companies. However, apart from the common notion that the usage of social media is of high value as a marketing tool, there is confusion of how to achieve a well-suited application of this instrument into organizational structures. Hence, managerial challenges arise on an organization-wide level and especially the application of social media and web 2.0 is an important occasion for organizational change. Thinking outside the box is necessary and hardened organizational structures need to be questioned when organizations face these challenges caused by strong external factors and a fundamentally changing environment. An absolute customer-centric approach and dialogue-orientated procedures are necessary for organizations to adopt their strategies but also their internal structures, hierarchy levels, functions and work- and information-flows to the web 2.0 challenge. Dynamic work processes should allow multifunctional teams to constantly exchange ideas and information, derived either from professional engagement in social media or from individuals within the organization. There should be no functional, structural nor technological borders to understand the organization as a dynamic and permanently learning construct. Management must consider time management issues and an open atmosphere for their employees and encourage instant and dynamic information exchange through specified procedures.

Regardless of the fact, that marketing is often considered to be a practical discipline with a vast spectrum of specification, the possibilities of a new marketing understanding address many organizational challenges for development, which ultimately result in business metrics like competitiveness, growth and sustainability. The changes in a holistic conceptualization of marketing meet the development of the information technology, from its beginning to current state and give many hints for organization-wide implementation (e.g. Brown 1993; Piercy and Cravens 1995; Thomas 2006; Singer 2006; Gök and Hacıoglu 2010; Shultz II 2012). Within the next sections, findings from primary research regarding the dimensionality of a corporate marketing system and its support for marketing and business performance are explained.

Dimensionality of a Corporate Marketing System

Throughout literature, marketing is mainly discussed from functional or organizational level in many different ways. These discussions are unrewarding for the research purpose of this dissertation, as marketing must be regarded as a very complex system with different levels of aggregation and complex structures and set of values. For a better understanding of the construct of a corporate marketing system, it is necessary to define its components and characteristics, namely exchange logics, flows/roles, networks and governance. These principal ideas have been adopted to corporate level and primary research results of this dissertation show three components of a corporate marketing system explaining 46,8 % of the construct. Hence, the dimensionality of a corporate marketing system for companies in Austria can be explained by corporate culture, social media usage and knowledge management. All determinants show similar variance, with knowledge management just slightly higher than corporate culture and – with a little gap – social media usage. Both, expert interviews and principal component analysis confirmed the importance of all three components.

Dimensionality of Corporate Culture

Firstly, corporate culture is determined by seven different aspects, which specify corporate culture as the overall framework of the integration of people, processes and technology. Additionally, corporate culture is the main supporting factor for cooperation and knowledge sharing in an everyday work and implicates values, beliefs, models for activity and behavior as well as visionary aspects of an organization. Research findings confirm these aspects. Surprisingly, time management – which originally got contributed by the results of expert interviews – shows the highest factor score and is a strong contributor to corporate culture.

The same is true for employee training for knowledge exchange. As an organization recognizes that the time factor and training programs are elementary for knowledge exchange, the fostering of idea-exchange is possible. Procedures and infrastructure capabilities are a contributor to corporate culture as well, indicating the importance of an overall corporate culture framework. Nevertheless, information exchange has not only to happen through defined processes as an open atmosphere, for voluntarily exchange, is at least of same importance.

Finally, this all may not happen, if there is not a managerial recognition that information and knowledge represent a strong organizational asset and contribution to corporate culture.

Dimensionality of Social Media Usage

Secondly, social media usage refers to the organizational application of new technologies and the recognition of possibilities of digital communication landscapes, respectively social media.

The dimension of social media usage exists of eight aspects, which start with investments in social and digital media and is the allocation of proper infrastructures. The integration of marketing and IT is necessary to allow data sharing within organizations. In this context, marketing experts maintained the need to not only consider external media but also internal possibilities of social media, like wikis or blogs. Data from social media will be integrated into company's marketing data to receive a maximum harvest potential. This aspect gets confirmed by the research results showing that social media is an elementary source for the gathering of external opinions or even of ideas for new products or services. Hence, social media can be used to facilitate market research and to gain deeper insights into markets, customers or even competitors.

In that way, social media are not only treated as a modern form of communication, which is highly appreciated by today's consumers but represent a valuable source of innovation and can form huge external/internal knowledge pools. Information, derived from social media, is necessary for strategic decisions and the determination of business potentials. Today, social and economic systems merge. The resulting new economies require an intensified customer-centric approach and a new understanding of market orientation. Expert interviews did already show that the organization-wide use and application of social media play an important role in the merging of minds between customers and employees. Hence, the professional engagement in social media, as verified in the quantitative research as well, is a must-have to stay competitive, innovative and customer-orientated.

Nevertheless, it is a managerial task, to allow employees to do so and trainings are necessary for a proper and effective use of social media throughout the organization. In that way, data and information can transform into knowledge.

Dimensionality of Knowledge Management

The third component of a corporate marketing system is knowledge management and is very complex, as it exists of organizational, process-oriented and infrastructural aspects, 11 in total. Experts did qualify knowledge management as an instrument for organizational learning. This to happen, knowledge must be collected, accumulated and made accessible for re-application throughout the organization, as literature suggests (e.g. Gorileck and Tantawy-Monsou 2005; Snowden 2002). A basic managerial commitment is necessary to recognize that the whole company as a learning organization and that the development of intellectual capital is a strong knowledge asset. Thus, collective intelligence can be used to create value. Considering the results of expert interviews, this even gets of higher relevance, when highly qualified employees contribute their knowledge and expertise so that a competitive advantage can arise.

Organizational issues address structures that allow organizational learning. Some authors propose a modular structure for flexible and organizational connectivity or a knowledge organization hierarchy, where teams are formed by knowledge workers from different departments and functions (e.g. Sanchez and Mahony 1996; Walczak 2005). Research results show that flat hierarchies and short decision pathways are indeed a contributor to knowledge management and that any departmental or functional borders can limit the constant flow of knowledge. Further, flat hierarchies support inter-divisional co-working or the compilation of multifunctional teams. In that way, different expertise and skill sets come together and can form a powerful constellation for the solving of work tasks.

In a more and more complex business world, the insights and experience of two or more individuals are more valuable than those of one are. However, complexity even gets fortified by the aspect of time. Knowledge management environments require dynamic work processes and rapidly adoptable structures that involve every employee. A proper infrastructure can help to address these issues. Centralized and easy accessible idea or knowledge platforms help people to exchange information, share expertise or to simply communicate with each other, dynamic and in real-time. Thus, the flow of knowledge can be facilitated by information technology. Companies can also use information technology to exchange knowledge with their customers. Research findings show that focusing on customer needs and wants is a strong contributor to knowledge management and that shared customer insights result in actions that are more intelligent. Hence, the exchange with external groups is very important and a corporate marketing system necessity.

Finally, knowledge management is exposed to the dynamics of markets. Research results show, that not only the generation of new ideas but also their try-out in daily business got accelerated by social media. Try out means, that new ideas are generated and introduced quickly, even considering a high risk of failure. Data mining tools can be used to separate useful information from data, especially for the mediation of shared marketing knowledge from customers/consumers/markets and managerial marketing tasks, like marketing mix decisions. This may improve the quality of knowledge management application and reduce the risk of wrong decisions.

Summarizing it can be stated, that research did approve the dimensionality of a corporate marketing system determined by corporate culture, social media usage and knowledge management.

Now that the dimensionality of a corporate marketing system has been elaborated, its contribution to marketing and business performance within companies in Austria will be interpreted in the next section.

Influencing Factors on Marketing and Business Performance

As the conceptualization of a corporate marketing system is adopted from the principals of a marketing system characterized by Layton (2011), no directly comparable studies, which empirically investigate the impact of such a system on company performance can be found yet. Nevertheless, many studies have investigated the impact of partial aspects of a corporate marketing system on quantifiable performance metrics.

On the one hand, some studies already investigated the impact of social media either on business performance (e.g. Chevalier and Mayzlin 2006; Liu 2006; Dellacros, Zhang and Awas 2007; De Bruyn and Lilien 2008) or marketing-related performance issues (e.g. Chatterjee 2011; Jin 2012; Bruhn, Schoenmueller and Schäfer 2012). As for the impact of knowledge management, results approve that knowledge creation and knowledge internalization are significantly related to quantifiable business performance metrics and that there is a positive influence of organizational culture on business performance. Within this research, the influence of a corporate marketing system on marketing and business performance has been analyzed and these two dependent variables have been separated from each other.

Dimensionality of Marketing Performance

Marketing performance has been defined by aspects of a new role inventory of marketing managers, which refers to an integrative and coordinative marketing understanding with increased responsibilities of marketing managers throughout the organization. More precisely, marketing managers are supposed to execute external and internal network management, data and knowledge management and management of marketing productivity and performance – besides their traditional functions existing of marketing mix decisions and strategy development and execution. Further aspects of marketing performance included an increased connection and interaction with social media communities, as an indicator for customer engagement with companies and increased brand reputation and purchase intentions as a result of social media communications. Summarized, marketing performance refers to how companies address marketing in an organizational process, which can be fostered through an intensified contention with social media. In that context, marketing performance can be the result of corporate marketing system integration, which has been found partially true for companies in Austria. Beyond that, results show a significant relationship between marketing performance and social

media usage and knowledge management. No significant relationship between corporate culture and marketing performance can be attested. Hence, relating only two components of a corporate marketing system (without corporate culture) to marketing performance, a significant relationship appears. This might be explained by the circumstance that corporate culture is often understood as organizational framework and common mind-set, which rather represent prerequisites for marketing performance in the context of the described measurement items.

Main Influencing Factors of Marketing Performance

Social media usage appears to be the best predictor for marketing performance and showing a significant positive influence. Professional engagement in social media throughout organizational functions and positions, by all employees of a company, who understand to utilize the derived information for daily work as well as for long-term oriented strategic considerations, highly influence marketing performance of companies in Austria. Thus, organizational value can arise.

Considering that marketing managers are often not able to measure the return of investment of social media activities in general (and this aspect got partially considered in the expert interviews) research results might give a hint that social media activities should not solely be evaluated by quantifiable financial metrics but contribute immense value when evaluated from a marketing performance perspective. However, to recognize this value, corporate marketing must be approached from an innovative angle, considering the elaborated marketing performance metrics of this work.

The second contributor to marketing performance is knowledge management. Interfunctional communication enhances tacit knowledge exchange and innovations in marketing, which lead to a higher marketing productivity. Indeed, considering knowledge management, the impact of interdivisional co-working, supported by flat hierarchies and dynamic work processes on marketing performance is empirically proven. This implicates, that marketers, within a knowledge organization become flexible knowledge workers, supporting different knowledge teams and groups throughout the organizational structure. In that context, companies must abandon traditional approaches, which probably were successful in the past and aim for new organizational structures, hierarchies and processes to meet the contemporary challenges in business environments. Thus, knowledge management gets intensified and marketing performance increases.

Main Influencing Factors on Business Performance

Business performance, the second dependent variable, has been under investigation as well and financial metrics, like annual turnover, growth and profit and other quantifiable metrics like increased number of loyal customers, growth in market share or improved market position have been considered. The results of the regression models show, that business performance is only positively influenced by one independent variable, namely corporate culture, as knowledge management just shows a very weak, but not statistically significant impact. However, there is no influence of social media usage on business performance at all. This means, that companies which care for an open exchange atmosphere, which train their employees and define procedures, which support the infrastructural as well as personal exchange of ideas and information and which allocate proper time resources for doing so are more successful than others.

Corporate culture is the integration of people, processes and technology in one framework – and the foundation of a knowledge management system. Research results show that if doing so with one cultural background, higher levels of business performance can be achieved. Hence, this conceptualization gets empirically confirmed. Although, knowledge management did not show impact on business performance, a significant positive correlation between knowledge management, corporate culture and business performance could have been observed. This means that knowledge management initiatives to be successful in terms of business performance need to be addressed and positioned to a “meta-level” of the organization, namely its corporate culture.

Inter-correlation of Main Influencing Factors on Business Performance

This argument is supported by the results of inter-correlation, showing a slightly strong inter-correlation of corporate culture and knowledge management. Within the context of business performance, knowledge management and social media usage also showed a moderate inter-correlation, confirming that the principals of Web 2.0 coincide very well with the concepts of knowledge management. Social media as a platform for active participation can be matched with the technological requirements of knowledge management. As results show, business performance will be positively influenced.

Finally, a moderate inter-correlation between corporate culture and social media usage in the context of business performance was detected. Social media require companies to show a new managerial commitment for cultural and organizational transformation. Empirical findings show, that this aspect can be confirmed and that social media impact organizations in many ways, not only that new economies open new markets, but even an organizational development,

which starts with cultural changes, in combination with the possibilities of social media shows an impact on business performance.

In general, inter-correlations also address the organization-wide dependencies of the proposed new role inventory of marketing managers, as already discussed, and relate them to business performance. Considering the underlying dimensions, a holistic approach of corporate marketing integration seems appropriate.

Summarizing, marketing performance shows a significant positive relationship with business performance confirming all above elaborated aspects. The next sections interprets the findings for different companies.

Impact of Company Size and Industry Sector on Corporate Marketing System

Research results did prove a significant influence of a corporate marketing system on marketing and business performance within small to large sized companies in Austria, in general. And indeed, ANOVA did show, that there is no difference regarding marketing performance between different company sizes, indicated by number of employees and annual turnover. This means that a company with more than 10 employees is facing the same organizational challenges in a corporate marketing system context than an enterprise with more than 1000 employees. The paradigm changes caused by digitalization and social media are ubiquitously for all companies. In fact, other studies covering partial aspects of the dimensionality of a corporate marketing system did also present no influence of company size (e.g. Ho 2009; Bruhn, Schoenmueller and Schäfer 2012; Peltier, Zahay and Lehmann 2013).

This is different when considering different industry sectors. Especially service industries including tourism show a difference when comparing them to retail in terms of corporate culture and when comparing them to retail and B2B in terms of social media usage. A fundamental, detailed analysis of these differences would be far beyond the scope and aim of this dissertation, nevertheless, industry comparison shows differences in effect sizes. This means that decisions about the further development of corporate culture or social media usage should be driven by industry characteristics, especially within service and tourism industries.

After the analysis and interpretation of the questionnaire's results, the next sub-chapter presents a critical reflection of these empirical research results with experts.

3.6 Critical Reflection of Empirical Results with Marketing Experts

In order to evaluate the research results even further, the same marketing experts, as used for the evaluation of the research construct, have been considered in a second wave of in-depth interviews. Experts did represent main industry sectors, such as retail, consumer brands, business-to-business and services including tourism and thus guarantee an industry unbiased evaluation. The personal interviews did take place between October and November 2016 and have been executed semi-structured with 10 open questions and remarks upon validity – the coherent interview guideline can be found in appendix 2. Hence, the second wave of interviews allowed a critical discussion of the theoretical and empirical results and confronted them with practical experiences and opinions of business professionals.

Within the research construct of a corporate marketing system, the integration of people, processes and technology – as represented in the independent variable of corporate culture – did prove to have a significant influence on business performance. Experts did absolutely agree and emphasized that a corporate culture must be business driven as well in order to be successful. That means that aspects of profit-orientation need to be integrated in a common cultural understanding and that especially for people, business targets and goals need to be transparent and communicated to the workforce. Nevertheless, experts critically acclaim that not every employee is “a born manager” and ready to understand profit goals and according numbers. Therefore, integrating the right people into the right processes using the right technologies was a stepwise approach for the experts and a long-term strategic issue to sustainably influence the values of a company. Nevertheless, it is very important to continuously inform employees about the business success, development or even failures of a venue, at least. In that way, employees can develop a common understanding of the importance of business success, especially in times of dynamic markets and increasing competition and thus, corporate culture becomes a real business performance driver. Summarized, experts of all industry sectors stated that technology becomes more and more a common standard and that a differentiation by means of technology is hardly to achieve as most of the technologies are accessible for every company. Hence, the focus in strategic considerations lies on processes of know-how transfer and supporting systems, shortly the transformation of a company into a learning system, and of course on the people dimension. In times of actual full employment in Austria, to acquire, to integrate, to motivate, to foster and to bind employees to a company is very important and these aspects need to be considered in a corporate culture framework – striving for better business performance – as well.

With regard to marketing performance, research results did show a significant impact of social media usage and knowledge management. All experts agree, that the development of social media, and the digitalization too, did strongly impact existing business models within the last 10 years. However, it is almost impossible for businesses to catch up with the speed of recent media developments. Consumers/Customers switch their preferred communication channels instantly within very short periods of time, making it difficult for companies to develop long-term strategies. Nevertheless, having good customer relations, especially in the online world as well, is a main goal for marketing experts. Benefits of social media are seen in the quick and reliable availability of information and customer knowledge, which gets approved to be the most important asset of a modern company and underlining the necessity of a consequent customer-centricity. Interestingly, some experts critically state that the usage of social media is overrated in their industry and that the benefits of knowledge management are underrated. Discussions showed, that this is the case when social media are approached with economic interests only. For many industries, social media are a very poor sales channel, but an indispensable platform of communication. In that context, knowledge management becomes more important as it defines how data and information can be derived from such media and how the internalization can aggregate knowledge out of it, which – in consistency with the research findings – is a strong supporter of market-driven organizations. Summarized, experts generally agree on the identified performance drivers but as discussions did show, there is a strong correlation of different aspects of corporate culture, social media and knowledge management, which often mesh in managerial reality, forming a complex system of interdependencies and requiring a holistic point of view, which underlines the proposed organization-wide consideration of a corporate marketing system.

Finally, research results did show that marketing performance positively influences business performance and experts agree on that. Whereas some experts state, that this has been the case ever since, some emphasize that especially the rise of social media did tremendously accelerate the importance of marketing and strengthen its positions with respect to business performance. Products and services are easily comparable, the cheapest price is just one mouse click away and the opinion of others highly influence purchasing decisions when considering product reviews and ratings – all this claims for an improved marketing performance to foster business potentials.

Experts consider the customer journey and coherent touchpoints as vital for today's marketing. Even if the final stage of this journey is an offline, real-world purchasing act, social media allow positive brand experiences in earlier stages. It appears of practical importance that (potential)

customers get tracked and monitored in real-time by the means of today's technology, resulting in a complete transparency of customers. But as many other companies use this instruments as well, it is crucial what the own company makes out of it. Within the dynamics and complexity of today's markets, experts highly agree that marketing becomes an organization-wide task, i.e. that volatile and rapidly changing consumer behaviors need to be addressed to diverse positions within a company and that these positions strongly collaborate internally to commonly work on the derived tasks for product development, communications, public relations, sales and after-sales services, for instance. This may happen by the means of technological exchange and discussions platforms but experts still prefer the personal exchange, as many aspects of tacit knowledge exchange, cannot be transmitted digitally. Either way, exchange is a time-sensitive issue but the dynamics and expectation-driven actions of many businesses strongly limit the temporal resources or physical presence. The discussions did reveal the paradox that lies herein. On the one hand, experts positively acclaim the necessity and benefits of dedicated time resources for intra-organizational exchange, on the other hand are often multiple-task-driven themselves so that exchange does not happen as theoretically desired. Although technology may shorten communication pathways internally, the proper appliance of them is also a time intensive circumstance that many experts acknowledge. Hence, it is not possible yet to derive a general conclusion on that specific issue but as research results did also indicate, the fostering of exchange, either externally or internally, and having time for doing so is contemporary challenge for many businesses, an acknowledged necessity on the one hand, a practical difficulty on the other.

Again, the availability and allocation of the "right" people seems crucial for an organization. Experts identified the interaction of employees as important linkage between intelligent actions based on knowledge and customer needs. In that context, results did show that organizational structures, flat hierarchies and data-driven decisions positively influence the productivity of marketing. Experts agree and maintain that within the dynamics of today's economy it is almost impossible to cover all market developments at one time. An organization would need many experts of different backgrounds to reflect that big market picture – in reality, personnel resources are limited and thus, making the best out of the existing talents is important. That's why, some experts see an actual shift from product management to people management, meaning managing customers as well as employees. The just mentioned marketing productivity factors did find a common acceptance among experts in order to promote the managerial tasks that lie herein. Additionally, it got mentioned that in reverse, dynamic structures, flat hierarchies as well as intelligent and quick decisions, can strongly represent the thinking and values of a company and thus, stand for the cultural understanding that meets the dynamics of today's

markets. Many of the new and successful business players, like facebook, amazon, apple, google, ... to name a few, already apply this kind of marketing-driven organization and experts recognize that EU big players, like Volkswagen, Mercedes, Lufthansa or Lidl, are now jumping onto this new organizational understanding as well, hence expert discussions did confirm the potential of different aspects of a corporate marketing system and did reveal the high managerial actuality.

Special attendance should be given to the dimension of people as in spite of digitalization and technological developments, it are still humans that operate a system. Research results did already indicate motivational factors and continuously education of employees highly influence business performance. This aspect gets further strengthened by the reflection of experts, who see human resources, respectively the whole workforce, as the most powerful asset of a company. Smaller organizations may strive for a familiar atmosphere whereas larger organizations need to overwind anonymity. Experts recognized, that in many companies (including their own) the formal salutation (Note: formal “Sie” in German language vs. “Du” informal) gets replaced by an informal form of address – as an noticeable industry trend. This represents a new cultural understanding but furthermore appraises the achievements of employees especially of subordinated levels, who may now address even the CEO at eye level. Additionally, it strengthens the team spirit and promotes an open atmosphere in which respect and trust are a common corporate value. Experts highly acknowledged people related research results and – based on their experience – identified them as strong supporters for business performance. Nevertheless, obstacles are located in the proper application of “knowing-that” in managerial reality. The huge variety of talents and skills between employees claims for continuous investments in trainings, the application of technological standards, the very clear definition of procedures for infrastructural and personal exchange and the allocation of adequate time resources for personal development outside any job description – aspects of modern organizations and successful companies, as research results show and experts agreed.

Concluding, the dimensionality of a corporate marketing system and its underlying factors cover many aspects of managerial challenges in today’s economy, as the expert reflections did indicate. The integration of the presented aspects of a corporate marketing system appears meaningful in the eyes of experts. However, it also got clear that adjustments need to be done individually as markets and working styles are changing continuously and any system can only be as good as the correct conclusions out of it are. In that context, experts appreciated the

holistic approach of corporate culture, social media and knowledge management and acknowledged the presented implications for business performance.

Within the next section, a brief summary of the key findings and their coherent addressing towards the underlying main research hypotheses is presented.

3.7 Summary of Key Findings and Statements on Main Hypotheses Testing

In this research, a conceptualized model of a corporate marketing system and its implications for business performance should be analyzed. The dimensionality of a corporate marketing system consisting of the dimensions corporate culture, social media usage and knowledge management should be investigated. The first wave of semi-structured in-depth interviews, executed between July and August 2015, finalized the research construct and its underlying variables by the opinions of 10 designated marketing experts of different industry sectors and company sizes.

In order to address the research questions to a broader base of persons responsible for marketing, small to large sized companies within major industrial sectors in Austria were approached between October and November 2015. Out of 31.460 companies in Austria within the relevant population, 4.679 single companies have been sampled based on an available industry database. 233 answered questionnaires were sent back, representing 0,74 % of the relevant population. Data were collected using a questionnaire and statistically analyzed using descriptive and multivariate analysis methods. In a consecutive step, the obtained research results have been critically discussed with the experts in a second wave of semi-structured, in-depth interviews between October and November 2016, allowing a holistic and profound picture on the research topic.

Dimensionality of a Corporate Marketing System

Considering the Cronbach's Alpha of the applied questionnaire in the range of 0.811 – 0.866, the reliability of the internal consistency of the measurement scales (corporate culture; social media usage; knowledge management) can be labelled "high". A principal component analysis extracted three main components explaining 46.8 % of the variation (knowledge management (16.8%), corporate culture (16.2%) and social media usage (13.8%). Subsequent to the analysis of factor loadings, four variables have been excluded, leaving 26 variables to the research dimensions.

Factors influencing Marketing and Business Performance

A multiple regression analysis showed, that the independent variables (social media usage, corporate culture and knowledge management) generally exhibited significant positive relationships to the dependent variables marketing and business performance. All the more, the dependent variables business and marketing performance, showed inter-correlation. Considering the impact of the single independent variables on the dependent variables, only social media usage and knowledge management have an influence on marketing performance while business performance is influenced just by corporate culture.

Further, a detailed Pearson correlation analysis detected significant correlations between knowledge management and corporate culture and business performance, which had been not the case for social media usage. As well corporate culture and knowledge management, corporate culture and social media usage and social media usage and knowledge management exhibited inter-correlations.

Company sizes, indicated by annual turnover and number of employees, seem to have no effects on marketing performance. This is different when it comes to industry sector and corporate marketing system integration. An analysis of variance detected corporate culture and social media usage as being influenced by sectors. Post-hoc tests figured out specifically the impact of the industry sectors retail and services including tourism on corporate culture and B2B, services including tourism and retail on social media usage.

Summarized, research findings show that a corporate marketing system is determined by aspects of corporate culture, social media usage and knowledge management within small to large sized companies. Interdivisional co-working / multifunctional teams, respecting employee's time schedule for knowledge exchange and the usage of social media as source for external opinions showed the highest factor loadings of these three components. Social media usage and knowledge management are important contributors to marketing performance, whereas corporate culture is an important contributor to business performance. Nevertheless, marketing performance shows a significant positive relationship to business performance in linear regression.

Addressing research results to underlying hypotheses

Based on the empirical findings, the main hypotheses of this research work, namely, "H0 Multiple dimensions of corporate marketing systematically promote business performance." can be confirmed. In detail, the working hypotheses, namely "H1 The dimensionality of a

corporate marketing system is determined by an organization's corporate culture, social media usage and knowledge management", "H2 It is expected that there is a significant relationship between a corporate marketing system and marketing performance", "H3 It is expected that there is a significant relationship between a corporate marketing system and business performance" and "H5 Marketing performance is positively related to business performance" can be confirmed. However, main hypothesis "H6 There is a significant relationship between the dimensions of marketing performance and business performance" can only be partly confirmed, as analysis did only show a correlation of social media usage and knowledge management with marketing performance and corporate culture with business performance. Furthermore, company size does not affect corporate marketing integration, hence H7 needs to be rejected. As industry sectors slightly influence the variables corporate culture and social media usage, H8 can only be partly confirmed. An overview of the hypotheses testing can be found in appendix 6.

Subsequently, the theses – as a result of primary research – for defense are:

1. The dimensionality of a corporate marketing system is determined by aspects of corporate culture, social media usage and knowledge management.
2. Marketing performance is positively influenced by a corporate marketing system.
3. Business performance is positively influenced by a corporate marketing system.
4. Company size and industry sector do not significantly influence the application of a corporate marketing system for business performance.

Finally, based on the presented research results and critical reflections, the following conclusions can be drawn and suggestions for management can be given.

CONCLUSIONS AND SUGGESTIONS FOR MANAGEMENT

The subsequent conclusions are based on the findings from primary research.

General Conclusions

1. Based on the primary research findings, it can be stated that a corporate marketing system promotes marketing and business performance across all industrial sectors and company sizes.
2. The dimensionality of a corporate marketing system has been reflected with many aspects of contemporary management challenges in a digitalized business environment considering structural, cultural, technological and strategic issues to allow a holistic approach towards the system.
3. When approaching corporate marketing systematically, different perspectives including information technology, organizational structure and culture, and strategy and leadership are required. Each approach will contribute various aspects to the construct, which in combination aim to increase business performance through organizational renewal, development and learning. Thus, a new understanding of marketing evolves, fostering the creation of organizational value.
4. A corporate marketing system aims for a holistic, organization-wide integration, as its determined dimensions involve management and departmental structures. General commitment and acceptance within the whole organization is necessary for corporate marketing system integration, application and operationalization.
5. Complexity of a corporate marketing system is allocated to the interdependencies of people, processes and technologies within the construct. Understanding the relationships will affect managerial decisions and strategy directions in a way that openness for change, creativity and courage is needed to scrutinize existing governance and behavior on corporate level.

6. As many research studies investigate the impact of social media from a brand management, consumer behavior or psychology perspective, this dissertation highlights the impact of social media on organizational structures and presents potentials for organizational learning and development within the scope of a corporate marketing system.
7. To foster the capabilities of a corporate marketing system in terms of business performance, traditional structures need to be questioned. The dynamics of the world outside, respectively the business environment generate empowered consumers, transparent business models and increased global competition. Organizational adoption faces these challenges and puts corporate marketers into a central, strategic position to gain an advantage of business potentials.
8. Marketing performance, in the focus of a corporate marketing system, combines the necessities for organizational change due to the paradigm changes brought by social media and simultaneously considers the business potentials of new economies. Thus, the integration of a corporate marketing system aims at leveraging business performance.
9. Relating the concept for a corporate marketing system to marketing performance, a constructive transformation process and dialectic change in organizations can be determined, which generally starts with an external force, here social media, that urges organizational adoption. Next, marketers recognize an opportunity (or are forced to, because the external change shows an expansive global impact, which is true in the case of social media). Finally, the (forced) opportunity is used to create new business models involving the whole organization and new marketing output is generated and evaluated by marketing performance.
10. Nevertheless, marketing performance in a context of a corporate marketing system must not consider quantifiable metrics solely. Organization-wide responsiveness to external influencing factors of social media includes internalization of information and customer knowledge and appropriate reaction to it. Generally, corporate marketers are the first and the last at communication interfaces and thus, capture an important role as gatekeepers in data societies.

11. External and internal multilayer exchange and information flows characterize a corporate marketing system. The role of corporate marketers cannot be limited to functional levels in such a system. It is their determination to cross hierarchical and functional borders, support and assist other organizational levels and departments and guide the organization to a customer-centric, dialogue-oriented approach. Thus, corporate marketers contribute to organizational value creation.
12. Corporate culture as a framework of common backgrounds in knowledge systems, social media as source of external/internal information and communication platform and finally, knowledge management in the sense of continuous learning and generation of organizational knowledge characterize the dimensionality of a corporate marketing system. The combination of different aspects determine the level of corporate marketing system integration and thus its influence on marketing and business performance.

Specific Conclusions in the context of corporate marketing system integration

1. A corporate marketing system can increase organizational value creation in terms of marketing and business performance if inter-organizational dependencies and relationships are considered and properly applied. Hence, the integration and expansion of a corporate marketing system within organizational structures is a predictor of business performance.
2. Social media usage and knowledge management significantly influence marketing performance and corporate culture significantly influences business performance. Recognition of these impacts should determine managerial expectations on corporate marketing system integration.
3. Corporate culture and knowledge management initiatives should always be considered simultaneously to foster a higher business potential that lies herein. Considering knowledge management as a process of organizational learning, which needs to integrate people, processes and technology, a de-separation of these components from departmental borders is necessary and changes the corporate culture in reverse.

4. Corporate culture needs to be addressed in a context with knowledge management and social media usage in order to stimulate marketing and performance. Thus, business challenges are met and competitiveness is raised.
5. Social media offer many possibilities for engagement and interaction with external and internal communication groups and can gather inspirational information which can be versatily used for daily-business as well as strategic decisions. However, organizational value of social media usage can be increased when considering knowledge management aspects in their organization-wide integration and application.
6. Service / tourism industries must pay special attention towards corporate culture and social media usage and consider industry characteristics to stimulate marketing and performance.

General Suggestions

1. As the empirical findings show, a corporate marketing system positively influences business performance of companies throughout company sizes and industry sectors. Hence, it is suggested that all companies consider the integration of a corporate marketing system on an organization-wide level to meet current business challenges resulting of digitalized economies and the continuously growing importance of social media.
2. Preparing a corporate marketing system integration, companies should critically reflect their current organizational culture, strategy and leadership procedures and used infrastructures. To meet the dynamics of new economies and the coherent paradigm changes in communication, the installation of a knowledge-based, flat organizational matrix is necessary.
3. To foster marketing performance, it is suggested to implement a corporate marketing system that is not bound to departmental or hierarchical borders but is embedded in the organizational matrix and that allows continuous and active participation of all potential knowledge contributors, like customers, suppliers, distributors and most

important, colleagues of all departments. The proper use of social media throughout the organization can facilitate these principals of a corporate marketing system.

4. Based on research findings, it is suggested to take a holistic approach of a corporate marketing system integration. As this may create a complex and protracted process, endurance is needed and partial failure, as part of organizational renewal must be accepted but should not question the overall necessity of organizational development.
5. Considering knowledge management is generally about the organization and social media are about people, it is suggested that corporate marketing efforts are directed towards convergence. Thus, the new consumer mindset can be understood and customer knowledge can be distributed via multiple channels and by new forms of communication that deliver inspiring information which can lead to new or improved products or services, satisfying existing customers and even targeting at new customer groups. Hence, corporate culture, social media usage and knowledge management merge in a proactive corporate marketing system, ultimately aiming for business performance.
6. Corporate marketing leadership should exemplify the major aspects of corporate culture, social media usage and knowledge management in daily business and thus, represent the organizational transformation process top-down, so that all people within organizational structures get involved and can develop a common understanding of the necessities and consequences of changing co-working procedures.

Suggestions for Executive Management

1. Executive Managers are recommended to individually define the integration of a corporate marketing system in their company and to involve the whole organization. The company's need to face a new, empowered customer/consumer mind-set concerns every department and every hierarchical level to maintain or increase competitiveness in today's dynamic economies. Resource-wise, executive managers can make use of corporate marketers to overwind departmental borders and install them to jump between work- and knowledge-groups or to engage in different project teams, so that their insights and knowledge from external market places and

communication groups gets widespread throughout the organization as well as the collaboration and exchange of internal communication groups gets coordinated and controlled. Thus, executive managers can break up rigid organizational structures and form a competitive, market-knowledge based inner-organizational workforce network striving for the same goal.

2. It is recommended to executive managers, who strive for a marketing-driven and customer centricity based organization, to care for flat hierarchies, dynamic work processes and multifunctional teams, existing of different talents and skills, as these factors did prove to significantly promote the integration of a corporate marketing system in daily work routines. Thus, organizational transformation – as an executive task – can meet the necessities of dynamic workspaces, promote a common understanding of corporate culture and allow to develop a commonly accepted and appreciated knowledge base.
3. It is recommended to executive management levels to actively face the challenges of social media and digitalization personally. It is important to not delegate coherent management issues to subordinated levels but achieve a profound understanding and affinity for these new forms of communication and their possibilities in person. Speaking of an enduring paradigm change that reaches out to almost every segment of society, it is suggested that executives continuously expand their understanding and perspective of digitalized economies and new forms of media communications. In that context, they should approach economic change with an open mind, consider fresh – and maybe even unconventional – strategies and demonstrate an executive commitment for coherent business challenges.
4. Executive managers are suggested to consider behavioral and motivational factors of their employees. Managers should not only care for proper infrastructures and technologies to promote a constant flow of information and knowledge, but should consider that the training of their workforce for efficient use of the provided means, dedicated time schedules and proactive participation incentives are strong motivators for subordinated employees and positively stimulate organizational transformation processes.

Suggestions for Corporate Marketers

1. Based on research findings, it is suggested that marketing managers actively face the organizational transformation necessities of a corporate marketing system, meaning that they should overwind departmental or functional borders and seek for connection and interaction with other departments, colleagues and management levels to establish strong knowledge networks, in which exchange cross-fertilizes the generation of ideas and marketing innovations.
2. In that context, it is suggested to redefine marketing performance beyond brand management, communication or marketing mix metrics in a way that addresses effectiveness, in terms of marketing organization and efficiency, in terms of marketing operationalization, simultaneously.
3. The distribution and utilization of insights from and between external and internal networks is crucial in a corporate marketing system. It is suggested that the possibilities of digitalization and social media are used to facilitate an accelerated exchange process meeting the high dynamics of new economies, reducing time-to-market from strategies and innovations, and ultimately driving business performance.
4. Paradigm changes in communication and the rise of social media expansively increased the complexity of designated marketing functions on strategic and operational levels. Hence, it is suggested that decisions should not base on the experience or artisanship of marketing individuals but need to be addressed to a broader corps of knowledge teams for critical reflection and for the purpose of leveraging marketing performance.

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APPENDIX

Appendix 1: Interview Guideline for Expert Interviews – 1st Wave

(translated from German by the author)

Name: _____ Company: _____ Date: _____

Introduction

Dear Mr. ... / Mrs. ...

Thank you for spending a couple of minutes of your valued time. The reason why I am here today is, to seek some valuable insights and opinions from a marketing expert – as you are. Your answers will present a fundamental contribution to my research topic of the impact of a corporate marketing system integration on organizational value creation in terms of marketing performance and business performance. As marketers, we have experienced a lot of paradigm changes in communications in the recent years. Under these external premises, it is supposed that Social Media, Knowledge-Management and your Corporate Culture have a strong impact on current marketing and performance issues.

1 A corporate marketing system is supposed to be defined by ...

- a) a corporate culture that is actively aware of the paradigm change in communication**
- b) social media usage (external/internal) throughout the organization**
- c) knowledge management e.g. for generating, processing and validation of new ideas**

Q1a: What does corporate culture in this context mean for you in your business?

Q1b: What does social media usage mean for you?

Q1c: What does knowledge management mean for you?

Q1d: Do you think there are currently other changes in organizational marketing going on?

Q1e: What organizational benefit do see in social media? How can (or is) social media become an essential part in your marketing?

2 With regard to the success of your business:

How do you think can a corporate marketing system, as described above, raise the success of your organization?

3 With regard to a general marketing definition:

Do you think, marketing driven organizations are more successful than others? Why?

4 Thank you very much. Do you have any comments or remarks?

5 Last Question:

Just for statistical reasons – may I ask your total number of employees and your last year's annual turnover? All data will be kept strictly confidential.

Appendix 2: Interview Guideline for Expert Interviews – 2nd Wave

(translated from German by the author)

Name: _____ Company: _____ Date: _____

Introduction

Dear Mr. ... / Mrs. ...

Thank you for taking time again. Last year, your insights have been of great value to specify the underlying dimensionality of a corporate marketing system from different standpoints. Constructively, a research model has been developed and empirically appraised. The coherent study aimed at the investigation of a corporate marketing system and its impact on marketing and business performance. Your colleagues, respectively responsible persons for marketing, have answered over 230 questionnaires. Now that the study results are on hand, I would like to take another chance to discuss and reflect them with you. Again, your answers will be kept strictly confidential and anonymously used for statistical purposes only.

1 As study results show, the concept of a corporate marketing system has a significant influence on marketing and business performance and is defined by aspects of corporate culture, social media usage and knowledge management. Within this context, corporate culture (identified as overall framework for the integration of people, processes and technology) shows a significant influence on business performance whereas social media usage (identified as the organizational application of new technologies) and knowledge

management (identified as the organizational application of process-oriented and infrastructural capabilities) show a significant influence on marketing performance.

Q1a What is your opinion on this specific business performance driver?

Q1b What is your opinion on these specific marketing performance drivers?

Q1c Where do you see the correlation of marketing performance with business performance?

2 With regard to marketing performance, an organization-wide, professional engagement in social media did prove to be a strong predictor for customer centricity thinking, which seems necessary to stay competitive in today's business environments.

Q2a What is your specific experience on that?

Q2b What is your specific opinion on that?

3 With regard to marketing performance, knowledge management proved to enhance productivity if organizational structures, hierarchies and data-driven decision-making processes are adopted to the increasing dynamics of markets.

Q3a What is your specific experience on that?

Q3b What is your specific opinion on that?

4 With regard to business performance, an open exchange atmosphere, training of all employees on new technologies, definition of procedures for infrastructural and personal exchange of information and finally, the allowance of proper time resources for doing so, proved to be a strong predictor not only for economic success but for customer and employee loyalty too.

Q4a What is your specific experience on that?

Q4b What is your specific opinion on that?

5 With respect to the just discussed aspects of a corporate marketing system and its implications for business performance, do you think that companies, which consider the integration of such a system (or certain aspects of it), will be more successful than others? Please justify your answer.

6 Thank you very much. Do you have any comments or remarks?

Appendix 3: List of Experts and Dates of Interview

Note: All respondents were located in Austria. The interview language was German.

	Date 1st Wave	Date 2nd Wave	Industry	Position	Number of Employees	Annual Turnover 2014
1	07.08.15	27.10.16	Retail	Division Manager Marketing & Purchase	4.500	> 1 Billion Euros
2	31.07.15	31.10.16	B2B	Head of Marketing	2.500	> 1 Billion Euros
3	07.08.15	28.10.16	B2B	CMO	175	350 Million Euros
4	07.08.15	03.11.16	Services/ Tourism	Head of Marketing	50	25 Million Euros
5	14.08.15	04.11.16	B2B	CEO	95	< 500 Million Euros
6	31.07.15	07.11.16	B2C	Head of Marketing	350	< 1 billion Euros
7	31.07.15	04.11.16	Services/ Tourism	Head of Marketing and PR	65	25 Million Euros
8	14.08.15	28.10.16	B2C	CMO	690	750 Million Euros
9	14.08.15	07.11.16	Retail	Head of Marketing	500	> 1 billion Euros
10	17.08.15	02.11.16	Services/ Tourism	Head of Marketing	50	10 Million Euros

Appendix 4: Email Invitation for Participation in Quantitative Survey



Bernd Löschenbrand <b.loeschenbrand@bluforce.at>

Ihr Wissen ist gefragt: Einladung zur Teilnahme an einer wissenschaftlichen Studie

An: bl@bluforce.at

Sehr geehrte Damen und Herren,
liebe Marketing-Kollegen,

Sie sind eingeladen, an einer wissenschaftlichen Studie zu aktuellen Veränderungen des Marketing teilzunehmen. Ziel der Studie ist, die Auswirkungen von Sozialen Medien, Wissensmanagement und Informationsverteilung auf die Leistungsfähigkeit des Marketing zu untersuchen.

Die Umfrage wird im Rahmen eines Doktoratsstudiums im Fachbereich „International Management and Leadership“ der staatlichen Universität Lettlands, Riga sowie der Diploma Hochschule, München durchgeführt. Die Beantwortung der Fragen beansprucht einige wenige Minuten Ihrer geschätzten Zeit.

Alle Antworten werden streng vertraulich und anonymisiert verarbeitet. Die Ergebnisse dienen ausschließlich statistischen und nicht-kommerziellen Zwecken.

Unter nachfolgendem Link kommen Sie zur Umfrage: [LINK](#)

Vielen herzlichen Dank für Ihre Teilnahme.

Sollten Sie Interesse an den Studien-Ergebnissen haben, senden Sie uns bitte eine eMail an: bl@bluforce.at

Mit freundlichen Grüßen
Mag. Bernd Löschenbrand MBA

Translation (translated from German by the author):

Subject: Your expertise is needed: invitation for participation in a scientific study.

Dear Sirs,

Dear marketing colleagues,

You are invited to participate in a scientific study, which examines the current changes in corporate marketing. It is the aim of the study, to analyze the impact of social media, knowledge management and information sharing on marketing performance.

The survey is done within the scope of doctoral studies in “International Management and Leadership” at the University of Latvia, Riga and the Diploma Hochschule, München. It should only take a couple of minutes of your much valued time.

All answers are treated confidential and will be processed anonymously. The results are for statistical and non-commercial use only.

Please follow the link to reach the survey: [LINK](#)

Thanks a lot for your participation.

If you are interested in the study results, please send an email to bl@bluforce.at

Yours sincerely,
Bernd Löschenbrand

Appendix 5: Questionnaire of Quantitative Online Survey

(Translated from German by the author)

Status:

Wenn man die letzten 5 Jahre zurückblickt, wie sehr hat der Paradigmen-Wechsel in der Kommunikation – bspw. die Digitalisierung der Medien, verändertes Medien-Konsum-Verhalten der Verbraucher, Entwicklung der Sozialen Medien – Ihr Unternehmen bzw. Geschäft beeinflusst?

Sehr
 Ziemlich
 Etwas
 Gar nicht

<< Zurück Weiter >>

Page 1: Referring to the past 5 years, how strong was the influence on your business caused by the paradigm change in communication, respectively the digitalization of media, changed media consumption, changed consumer behavior or development of social media?

– Much – Fairly – Slightly – Not a bit

Status:

In welchen der nachfolgenden Unternehmensbereiche ist Ihrer Meinung nach dieser Einfluss zu bemerken?

	sehr stark	stark	etwas	kaum	gar nicht
Produktmanagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vertrieb	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PR	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Personal / HR	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Rechnungswesen / Controlling	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sonstiges: <input type="text"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<< Zurück Weiter >>

Page 2: In which of the following divisions do you recognize this influence?

Rate from (1) to a great a extent to (5) not at all

- Product Management
- Sales and Distribution
- Marketing
- PR
- Human Resources
- Accounting / Controlling
- Other:

Werden wir nun konkreter. Welche der nachfolgenden Schlagwörter beschreiben am treffendsten, Veränderungen, die Ihrer Meinung nach im Unternehmen stattfinden bzw. in den letzten 5 Jahren stattgefunden haben. Bewerten Sie nach (1) sehr stark (2) stark (3) etwas (4) kaum (5) gar nicht

	sehr stark	stark	etwas	kaum	gar nicht
Flache Hierarchien und kurze Entscheidungswege	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Restrukturierte Arbeitsprozesse und Work-Flows	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Investitionen in Soziale und Digitale Medien	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Neue Technologien / Medien bei interner / externen Kommunikation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Intensivierung des persönlichen Austauschs mit Kollegen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bereichsübergreifende Zusammenarbeit / Projekt-Teams	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dynamisierung von Arbeitsprozessen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Verstärkte Fokussierung auf Wünsche / Anforderungen der Kunden	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page 3: Let's get more in detail. Which of the following characters properly describe these changes within your company in the past 5 years. Please rate from (1) to a great extent to (5) not at all.

- Flat hierarchies and short decision pathways
- Restructured processes and work-flows
- Investments in Social and Digital Media
- New Technologies and Media at internal/external communication
- Intensified personal exchange with coworkers
- Inter-divisional coworking / multifunctional teams
- Dynamic adjustment of work processes
- Strengthened focusing on customer needs and wants

Welche Rolle spielt Marketing im Management bzw. im gesamten Unternehmen und hat es dabei -

	sehr an Bedeutung gewonnen	etwas an Bedeutung gewonnen	besitzt eher gleichbleibende Bedeutung	etwas an Bedeutung verloren	stark an Bedeutung verloren
Marketing als Basis für unternehmerische Entscheidungen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing als internes / externes Netzwerkmanagement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing als Basis für Strategie-Entwicklung und Exekution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing als Wissenslieferant für das gesamte Unternehmen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marketing als „Performance-Manager“	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page 4: Which development did marketing undergo in your company compared to relevance for general management? From (1) significantly more to (5) significantly less

- Marketing as fundament for general management decisions
- Marketing as internal/external network management
- Marketing as fundament for strategy development and execution
- Marketing as knowledge source for the whole company
- Marketing as performance manager / indicator

Nach klassischer Definition stützt sich Marketing ja auf verschiedene Bereiche. Wie schätzen Sie den aktuellen Einfluss von Marketing auf nf. Tätigkeiten ein.

	sehr an Bedeutung gewonnen	etwas an Bedeutung gewonnen	besitzt eher gleichbleibende Bedeutung	etwas an Bedeutung verloren	stark an Bedeutung verloren
Produktentwicklung und Sortimentsgestaltung	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Preisgestaltung und Aktionspolitik	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Vertriebsstrategie und Distribution	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Werbung und Kommunikation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page 5: In a more traditional view, marketing is considered to influence several areas. How do you estimate the current development of relevance of marketing on these activities? from (1) significantly more to (5) significantly less

- Product development and selection
- Pricing
- Sales and distribution
- Advertising and communications

Nachfolgend finden Sie verschiedene Schlagwörter im Zusammenhang mit einer offenen Unternehmenskultur. Welche davon haben (1) sehr an Bedeutung gewonnen, (2) etwas an Bedeutung gewonnen, (3) besitzen eher gleichbleibende Bedeutung, (4) etwas an Bedeutung verloren bzw. (5) stark an Bedeutung verloren.

	sehr an Bedeutung gewonnen	etwas an Bedeutung gewonnen	besitzen eher gleichbleibende Bedeutung	etwas an Bedeutung verloren	stark an Bedeutung verloren
Einbringen neuer Ideen von jedem Mitarbeiter	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Teilen und Austausch von Ideen und Informationen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Persönliche Meetings zum Austausch von Ideen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ausprobieren von neuen Ideen im Alltagsgeschäft	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Dynamische Arbeitsprozesse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Entwicklung von intellektuellem Kapital (wie bspw. Wissen)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Aufbau zentraler Wissensplattformen / Ideen-Pools	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Definition von Prozessen zum regelmäßigen Informationsaustausch	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training / Schulung von Mitarbeitern im Umgang mit Wissensaustausch	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training / Schulung von Mitarbeiter im Umgang mit Sozialen Medien	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Das Unternehmen als lernende Organisation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Page 6: Below you will find some essential characteristics relating to corporate culture.

Which of them currently gained or lost relevance for your company.

from (1) significantly more to (5) significantly less

- Fostering new ideas everyone can bring in
- Sharing and exchange of ideas and information
- Personal meetings to exchange ideas
- Try-out of new ideas in daily business
- Dynamic work processes
- Development of intellectual capital
- Development of central idea pools / knowledge platforms
- Definition of processes for constant information exchange
- Training of employees for knowledge exchange
- Training of employees for use of social media
- The company as “learning organization”

Soziale Medien haben auch stark die Entwicklung der sog. Wissens- und Informationsgesellschaft beeinflusst. Doch welchen Stellenwert nimmt Wissen in Ihrem Unternehmen ein? Bewerten Sie nach (1) sehr stark (2) stark (3) etwas (4) kaum (5) gar nicht

	sehr stark	stark	etwas	kaum	gar nicht
Unser Unternehmen hat definierte Prozesse zum regelmäßigen Informationsaustausch.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unser Unternehmen trainiert und schult Mitarbeiter im Umgang mit Wissensaustausch.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unser Unternehmen räumt jedem Mitarbeiter Zeit für Wissensaustausch ein.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Unser Unternehmen schätzt den Wert des Wissens jedes einzelnen Mitarbeiters.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Das Management fördert jeden Einzelnen Informationen und Ideen mit Kollegen auszutauschen.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Alle Abteilungen beteiligen sich an einem freiwilligen, offenen Information-Austausch.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wir nutzen interne Wissensplattformen, wie bspw. Wikis, Blogs, Intranets, ..., um sich innerhalb des Unternehmens auszutauschen.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<< Zurück Weiter >>

Page 7: Social Media have highly influenced the development of the so-called knowledge society. Which role does knowledge play in your company? Please rate the following statements from (1) to a great extent to (5) not at all.

- Our company has defined processes for constant information exchange.
- Our company trains employees for knowledge exchange.
- Our company respects employee's time schedule for doing so.
- Our company fosters the knowledge of every single employee.
- Our management fosters every single employee to exchange ideas with others.
- All departments participate in a voluntary, open information exchange.
- We use internal knowledge platforms like wikis, blogs, other for exchange.

Die Digitalisierung, Stichwort „Data Intelligence“ ist auch innerhalb der Unternehmen stark fortgeschritten. Welche der nachfolgenden Aussagen treffen auf Ihr Unternehmen zu?

Alle unsere Kundendatenbanken sind mit einem Abfragetool / Software zugänglich.
 Alle unsere Datenbanken sind in ein zentrales Datenverwaltungssystem integriert.
 Alle unsere Datenbanken sind einfach zugänglich, für jeden Mitarbeiter der sie benötigt.

<< Zurück Weiter >>

Page 8: Digitalization and data intelligence rapidly gain relevance within companies. Which of the following statements apply to your company, please select.

- All our databases are accessible by a single data query tool.
- All our databases are integrated in a single data repository.
- All our databases are easily accessible by those who need them.

Wenn Sie nun an das Marketing-Management denken, welcher der unten genannten Aussagen haben (1) sehr an Bedeutung gewonnen, (2) etwas an Bedeutung gewonnen, (3) besitzen eher gleichbleibende Bedeutung, (4) etwas an Bedeutung verloren bzw. (5) stark an Bedeutung verloren.

	sehr an Bedeutung gewonnen	etwas an Bedeutung gewonnen	besitzen eher gleichbleibende Bedeutung	etwas an Bedeutung verloren	stark an Bedeutung verloren
Geteilte Kunden-Informationen tragen zum Wissenswachstum bei und resultieren in intelligenteren Entscheidungen.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information aus Sozialen Medien sind nützlich bei allgemeinen strategischen Entscheidungen des Unternehmens.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Systematischer Austausch von Kunden- / Zielgruppen-Einblicken über alle Unternehmensbereiche hinweg.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Engagement aller Mitarbeiter – unabhängig von Position oder Abteilung – in Sozialen Medien.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<< Zurück Weiter >>

Page 9: Now, thinking of marketing management. Which of the following statements have gained or lost relevance within your company. From (1) significantly more to (5) significantly less

- Shared customer insights generate knowledge and result in more intelligent actions
- Information from social media for general strategic decisions
- Systematic exchange of customer/consumer insights throughout the company
- Engagement of all employees in social media

Vor allem die Sozialen Medien sind in den letzten 5 Jahren sehr stark in den Fokus von Marketing- und Kommunikationstreibenden gerückt. Bitte gewichten Sie den Wachstum bzw. die Zunahme nachfolgenden Parameter Ihrer Einschätzung nach von (1) sehr stark (2) stark (3) etwas (4) kaum bis (5) gar nicht

	sehr stark	stark	etwas	kaum	gar nicht
Die Verbindung (Fans, Follower, etc.) mit Social Media Communities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Die Interaktionen mit Social Media Communities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Das beruflich-bedingte Engagement in Sozialen Medien	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Soziale Medien als Quelle für externe Meinungen und Diskussionen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Soziale Medien zur Analyse und Bestimmung von Zielgruppen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Soziale Medien als Ideenlieferant für neue Produkte oder Leistungen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<< Zurück Weiter >>

Page 10: Especially social media got into focus of marketers within the past 5 years. Please rate their increasing importance by the following parameters. From (1) To a great extent to (5) not at all

- Connections with social media communities
- Interactions with social media communities
- Professional engagement in social media
- Social media as source of external opinions
- Social media to analyze and determine target groups
- Social media as source of new ideas for products / services

In diesem Zusammenhang stellt sich oftmals die einfache Frage, welchen Wert haben Soziale Medien für Unternehmen bzw. Marketingtreibende: Image oder Geld – wie bewerten Sie nf. Schlagwörter mit Hinblick auf (1) sehr an Bedeutung gewonnen, (2) etwas an Bedeutung gewonnen, (3) besitzen eher gleichbleibende Bedeutung, (4) etwas an Bedeutung verloren bzw. (5) stark an Bedeutung verloren.

	sehr an Bedeutung gewonnen	etwas an Bedeutung gewonnen	besitzen eher gleichbleibende Bedeutung	etwas an Bedeutung verloren	stark an Bedeutung verloren
Marken-Image	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Höhere Kunden-Nachfrage / gesteigertes Kaufinteresse	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wert eines „digitalen Kontakts“ (Fans / Followers / Abonnenten)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<< Zurück Weiter >>

Page 11: In that context, the evaluation of social media is evident. Which value do social media have for companies – image or money? Please rate the following aspects by their current development. From (1) significantly more to (5) significantly less

- Brand image / reputation
- Higher demand / increased purchase intentions
- Value of a digital contact (i.e. fan, follower, recipient)

In den letzten zwei Jahren hat Ihr Unternehmen (1) keine (2) geringe (3) durchschnittliche (4) große oder (5) sehr große Wachstumsraten/Zunahmen bei nachfolgenden Schlagwörtern erzielt:

	keine	geringe	durchschnittliche	große	sehr große
Umsatzwachstum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Gewinnwachstum (EBIT)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Marktanteilswachstum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Wettbewerbsfähigkeit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kundenzufriedenheit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Kundenloyalität	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mitarbeiterzufriedenheit	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mitarbeiterloyalität	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

<< Zurück Weiter >>

Page 12: Within the past two years, your company experienced growth/increase: from (1) not at all to (5) to a great extent

- Turnover
- Net profits (Ebit)
- Market share
- Competitiveness
- Customer satisfaction
- Customer loyalty
- Employee satisfaction
- Employee loyalty

Status:

Persönliche Angaben für statistische Zwecke

Ihre Position innerhalb des Unternehmens:

Geschäftsführung / C-Level

Top-Management

Mittleres Management

Sonstiges

Page 13: Personal data for statistical purpose only. Please specify your position within your company.

- Executive / C-Level
- Top management
- Middle management
- Other

Status:

Für welche Tätigkeiten sind Sie hauptsächlich in Ihrem Unternehmen verantwortlich:

Allgemeines Management / Unternehmensführung

Marketing / PR

Vertrieb

HR / Personal-Management

Rechnungswesen / Controlling

Sonstiges

Page 14: What are your main responsible activities within your company.

- General Management
- Marketing / Public Relations
- Sales and distribution
- Human Resource Management
- Accounting / Controlling
- Other

Status:

Ihr Geschlecht:

männlich

weiblich

Page 15: Your gender

- Male
- Female

Status: 

Ihr Alter:

- 18-25 Jahre
- 26-35 Jahre
- 36-45 Jahre
- 46-55 Jahre
- 56-65 Jahre
- 65 Jahre und älter

<< Zurück

Weiter >>

Page 16: Your age

- 18-25
- 26-35
- 36-45
- 46-55
- 56-65
- 65+

Status: 

Für wie lange arbeiten Sie bei Ihrem aktuellen Arbeitgeber bzw. sind Sie selbständig?

- weniger als 1 Jahr
- zw. 1 – 5 Jahren
- zw. 5-10 Jahren
- mehr als 10 Jahre

<< Zurück

Weiter >>

Page 17: For how long have you been working at your current company?

- less than 1 year
- between 1 to 5 years
- between 5 to 10 years
- more than 10

Status: 

Statistische Angaben zum Unternehmen

Der aktuelle Jahresumsatz liegt bei:

- unter 10 Millionen
- unter 50 Millionen
- unter 500 Millionen
- unter 1 Mrd.
- über 1 Mrd.

<< Zurück

Weiter >>

Page 18: The annual turnover of your company is:

- less than 10 million €
- less than 50 million €
- less than 500 million €
- less than 1 billion €
- more than 1 billion €

Status: 

Die aktuelle Mitarbeiter-Anzahl in Österreich liegt bei:

- 10 bis 49
- 50 bis 249
- bis 1000
- über 1000

<< Zurück

Weiter >>

Page 19: The number of employees working for your company in Austria is

- 10 to 49
- 50 to 249
- less than 1000
- more than 1000

Status: 

In welcher Branche ist ihr Unternehmen hauptsächlich tätig?

- B2B
- B2C
- Handel
- Dienstleistung inkl. Tourismus
- Sonstiges

<< Zurück

Weiter >>

Page 20: The industrial sector of your company is

- B2B
- B2C
- Retail
- Services including Tourism
- Other

Status: 

In welchen Märkten ist Ihr Unternehmen hauptsächlich tätig?

- Österreich
- D-A-CH Region
- EU-weit
- International

<< Zurück

Weiter >>

Page 21: Where are the core markets of your company?

- Austria
- Germany, Austria, Switzerland („D-A-CH“-region)
- European Union
- International

Vielen herzlichen Dank für Ihre Teilnahme!

Page 22: Thank you for your participation.

Appendix 6: Summary of Hypotheses Testing

Main hypotheses are marked with grey;

H1	The dimensionality of a corporate marketing system is determined by an organization's corporate culture, social media usage and knowledge management.	Confirmed
H1a	A corporate marketing system is partly determined by an organization's corporate culture.	Confirmed
H1b	A corporate marketing system is partly determined by social media usage.	Confirmed
H1c	A corporate marketing system is partly determined by knowledge management.	Confirmed
H2	It is expected that there is a significant relationship between a corporate marketing system and marketing performance.	Confirmed
H2a	There is a significant relationship between an organization's corporate culture and marketing performance.	Not confirmed
H3a	There is a significant relationship between social media usage and marketing performance.	Confirmed
H4a	There is a significant relationship between knowledge management and marketing performance.	Confirmed
H3	It is expected that there is a significant relationship between a corporate marketing system and business performance.	Confirmed
H2b	There is a significant relationship between an organization's corporate culture and business performance.	Confirmed
H3b	There is a significant relationship between social media usage and business performance.	Not Confirmed
H4b	There is a significant relationship between knowledge management and business performance.	Not Confirmed
H5	Marketing performance is positively related to business performance.	Confirmed
H6	There is a significant relationship between the dimensions of marketing performance and business performance.	Partly confirmed
H7	Company size has an impact on corporate marketing system integration.	Not confirmed
H8	Industry sectors have an influence on corporate marketing system integration.	Partly confirmed

Source: Author's illustration based on own quantitative research