Strategizing in the Digital Era: A Strategy-as-Practice Perspective in Marketing

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ABSTRACT  Facing the biggest disruptive technologies force, the field of marketing strategy has neglected the question of what it means the strategizing in the digital era. On the manager side, the understanding of the « strategy » has been blurred and impacts the digital marketing performance of the company. The strategy-as-practice perspective was adopted to better understand this new organizational and social phenomena. In particular, the discursive approach was opted to draw the picture of what the digital marketing strategizing consists of, in the eyes of the practitioners. Considering these elements, we’ve conducted 10 qualitative interviews with digital marketing managers in various fields in order to explore the strategic dimensions of the digital marketing strategizing. The analysis of their discourses brings out six dimensions : the cognitive dimension, the learning dimension, the social dimension, the corporative dimension, the time dimension, and the focus dimension. The main results of our research suggest that the digital marketing strategizing can be conceptualized as the art of balancing the different dimensions.

Keywords : digital marketing, strategizing, strategy-as-practice, discursive approach,
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I. Introduction

The rapid growth of the internet market has made it a significant part of the business strategy of any company that aims to grow its markets and maintain its competitive advantage. The digital transformation is itself a source of threats and opportunities. Internet-based technology allows companies to establish distinctive strategic positioning, whereas it is more challenging to obtain a sustainable competitive advantage than ever because of the nature of internet technology, environmental contingencies, and organizational factors (Leibold & al., 2005). Likewise, it alters the traditional firm-customer dyad, thus influence the company’s Digital Marketing Strategy (DMS). Facing the ongoing challenge of exploring marketing resources and meeting greater expectations of the customers, marketing managers realized that they have to adopt an effective DMS to stay on course (Trainor & al., 2011). However, the definition of DMS remains fuzzy, released by a McKinsey director and leader of the firm’s Strategy Practice in a recent Mckinsey Quarterly article. Furthermore, today’s digital managers have difficult defining the digital marketing strategy. A research showed that only 30% of the interviewers (digital manager) confirmed that they’ve formerly elaborated a digital marketing strategy. Indeed, the literature to date has few concrete conceptualizations of what is DMS.

So how to define the DMS? What are the strategic features of DMS? What are the differentiations between DMS and traditional marketing strategy?

This paper attempts to fill this theoretical gap by seeking to identify the strategic dimensions of DMS. It aims to renew the understanding of strategic management as the capability to deal with the marketing tension in the digital era. To do this, we begin the paper with a theory section that highlights the digital marketing, especially its marketing tension. Then, we review how the practices such as the discourse could be the resources of strategy within the theoretical review of the Strategy-as-Practice. Then we will discuss our methodological considerations. The paper will end up with the conclusion.

II. Literature Review

2.1 Digital marketing and digital tensions

The Internet-based technology has changed the nature of marketing from the traditional product-focused to a customer focused marketing. Accordingly, marketing has evolved from a mass-market perspective toward a customer-centric perspective (Sharma & Sheth, 2004). “Interactive marketing is an integrated exchange process by which an organization uses the understanding of customer behavior, technology, and other resources to create and manage customer value and collaborative relationships and enhance shareholder value through relevant brands, products/service offerings, ideas, and messages communicated and delivered to the right customers through appropriate channels and contact points at appropriate times.” (Shankar & Malthouse, 2006).

1. A research conducted by Omobono agency. They've interviewed 331 senior managers from 12 different markets in England and in U.S.A. 31% of interviewed company have their yearly turnover of over 1 billion dollars.
The digital marketing creates various tremendous challenges for firms which lead to the rising marketing tensions. (Leeflag, 2014). In his article, published in European Management Journal, Leeflag made a survey among 777 marketing executives and pointed out 10 digitals tensions which are the digital revolution, customer insights, breakthrough, social media, online opportunity, price transparency, automated interaction, metrics, talent gap, organization.

The practice that digital marketer develop to copy with the digital marketing tensions constitutes digital strategizing work. The study of the digital marketing practice allows us to define the marketing strategizing in the digital arena.

2.2 Strategy-as-Practice Research and strategizing

Since last decade, a stream of research in strategic management under the label of Strategy-as-Practice (SAP) has focused on activities and practices within an organization. (Golsorkhi, Rouleau, Seidl, & Vaara, 2010; Jarzabkowski, Balogun, & Seidl, 2007; Johnson, Melin, & Whittington, 2003; Whittington, 2010; Vaara & Whittington, 2012). The term of « practice » reveals its endeavor to be close to the professional practitioners and a commitment to sociological theories of practice (Vaara & Whittington, 2012). The SAP research consists of the study of strategy in diverse organizational contexts and lies its theoretical roots in theories of practice.

The « strategic absence in organizations » (Inkpen & Choudhury, 1995) which consists of the lack of consistent, guiding and deliberate plans and goals is an odd phenomenon in the modern organization. However it cloud be explained by the ‘absorbed intentionality’ in the view of human agency and action. Within the SAP perspective, the strategy work, named « strategizing », define also as ‘how managers actually “do strategy” (Vaara & Whittington 2012), which based on the organizational and social practices may considerably affect both the process and the content (Bourgeois,1980) of resulting strategies. Dreyfus (1991) explains that the practices ‘do not arise from beliefs, rules, or principles’; the practices are social skills that everyone inducted into a particular culture and a consequence of everyday interactions. As a forme of practice, the role of reflexive discourse in driving specific conceptions of strategy (Hardy and Philips, 1997) receive more and more attention in the academic literature.

2.2.1 Discursive approaches

The scholars argue that different aspects of ‘reality’ may be constructed via discourse and propose a categorization of concepts, objects, and subjects. Discourse does not merely describe things, it does things (Potter & Wetherell, 1987; Grant et al., 1998), it is both socially constituted and socially constitutive as it produces objects of knowledge, social identities and relationships between people (Fairclough & Wodak, 1997). The manager’s reflexive discourse on their practices (re-)constitutes the very concept of strategy. The discursive representation of strategy and strategizing not only reflects the reality of an organizational but also creates it (Eccles & Nohria,1993). The discursive « objects » are the strategizing activities described by strategists. The discursive representation of strategy and strategizing is a construction of the texts and practices which serve to make sense of the world (Hardy & philips, 1997, 2004). Consequently, strategy as a new forme of rhetoric allows to make sense of, legitimate and produce certain activities. The discursive analysis, as the sense giving activities, reflects different interpretations held by various persons or groups and produce a sense of reality within the organization. The
analysis of digital manager’s reflexive discourse on strategy represents a research opportunity to understand the conceptions of digital marketing strategy.

III. Research Design and Methods

3.1 Research Context and Design

Our research design is congruent with a dualist view of discourse (Fairclough & Wodak, 1997), in which discourses are both socially constituted and socially constitutive. In line with this perspective, we’ve conducted 10 semi-interviews with the senior digital marketing managers in different domains, which are retail, automobile, pure player, energy, telecommunication, bank industry, advertising agency, recruiting agency, real estate, food industry. We’ve chosen 10 different markets to have a better representativity. Furthermore, some markets such as Real estate, Bank industry and telecommunication are the pioneers in the digital arena. And the others such as Retail, Automobile, Recruiting Agency have undergone a remarkable digital transformation. Some interviewed companies have less than 100 employees such as seloger.com, some of them have more than 2000 employees, such as SFR, Renault, Nescafé, Carrefour, Kiabi, Manpower. The respondents are all experimental senior digital managers.

The interviews begin with a collection of information on strategists’ general background and career path before addressing the following subjects: the maturity of firm’s digital marketing; the definition of digital marketing strategy; the use of tools or methods for these activities; and the organizational configuration in marketing service. The interviewees were asked to detail several successful digital marketing projects which they had experienced as strategic within their organization. The duration of the interviews varies from 50 mins to 1h 20. In the 10 semi-structured interviews, digital managers use the term of « strategy » barely and have difficult defining precisely the digital marketing strategy when the question is addressed.

3.2 Coding Process:

First of all, we translated the discourse from French to English. Then we practiced the open coding technique which allows us to obtain the codes (dimensions). Then, these codes were used to compare with the 10 digital marketing tension of Leeflang (2014). The discursive analysis of a digital marketing strategy may combine two or more dimensions. When a recurrent combination emerges, we attribute a new code to it. Each combination may represent a type of digital marketing strategy.

Digital marketing strategizing : the art of balancing the different dimensions.

Our study highlight mainly six dimensions which represent the different facets of the digital marketing strategizing: the cognitive dimension, the corporative dimension, the learning dimension, the social dimension, the time dimension and the focus dimension.
<table>
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<tr>
<th>Digital Strategic Dimensions</th>
<th>Digital marketing tensions stem from the coding</th>
<th>The differentiation of digital marketing strategy</th>
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<tr>
<td>Cognitive dimension</td>
<td>Digital technology vs. Manager capability</td>
<td>The technology allows companies to measure their digital strategy performance in real time. Consequently, the digital marketing strategizing could be changed or adapted continuously in real time.</td>
</tr>
<tr>
<td>Corporative dimension</td>
<td>internal skill development vs. digital project outsourcing</td>
<td>External digital partner become an important stakeholder of the digital marketing strategy.</td>
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<td>Learning dimension</td>
<td>Data culture vs. Learning organisation</td>
<td>The data culture reinforces the accountability of the marketing actions and requires an appropriate organizational structure to increase company’s overall performance.</td>
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<tr>
<td>Social dimension</td>
<td>Technology leading vs. Change management</td>
<td>Digital marketing strategizing break down the traditional boundary organization and federate the marketing department with the other departments.</td>
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<tr>
<td>Time dimension</td>
<td>Long term strategic vision vs. Agility</td>
<td>The proactive approach and continuously adaptation feature of digital marketing strategy challenges the long-term vision as the traditional view of strategy.</td>
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<tr>
<td>Focus dimension</td>
<td>Environment based view vs. Resource based view</td>
<td>The customer is at the heart of the digital marketing. The digital technology such as social listening, the e-tracking allow company to better understand the needs of their customer and adapt their digital marketing strategy accordingly.</td>
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The cognitive dimension: digital technology vs. manager capability. The digital marketing strategizing is the mental process of the digital marketing manager. This dimension emerge from the digital managers’ discursives analysis. Increase technology complexity is creating a digital talent gap. Quite a few digital managers mentioned their incompetence to managing their business effectively facing the rapid technology growth. However, they count on their intuition and their experience when elaborating the digital marketing strategy

« Thanks to the data and the analytical tool, now we’ve been better acknowledged, but when I elaborate the digital strategy, especially when I have to make an important decision, I count mainly on my intuition » (Digital manager in the bank industry).

In order to manage this tension, digital manager tends to have recourse to the external competence.

The corporative dimension: internal skill development vs. digital project outsourcing. The digital marketing strategizing is the corporative work in between the company’s internal resource and the external resource. This tension linked closely with the cognitive dimension. In most cases, the digital managers don’t have the full skill or specialized digital team to manage the digital project in its entirety, they have recourse to the external digital agency. Many digital managers emphasize the importance of their digital agency and explained that their relation is far beyond the client and supplier relation. In order to have a successful project, they have to develop a real partnership relation.
« I work very closely with my digital business partner. They provide us the technology expertise and insight that we don’t have. Their input is a crucial part of our strategy setting » (Marketing manager in the food industry).

This kind of partnership may also skill up the internal competence of the organization. However, the over-reliance on external partners may represent a dangerous strategy. (Leeflang, 2014).

The learning dimension: data culture vs. Learning organization. The nature of the digital technology allows the digital marketer to learn what does work and what does not work. However, it requires that the organizations be designed in a different manner. Digital marketing requires a boundary spanning structure and break down the traditional silos in businesses” (Hayes, 2011). Some companies on a higher level of digital maturity incorporate 'lessons learned' into their overall plan of action. The strategizing may result from the emergent learning process.

« We’ve spent a lot of time and energy to define our KPIs. For our company, the management of the key indicators in real time of each digital project is crucial. We’ve learned a lot with the study of theses indicators. It happened that we changed the strategy for some digital projects because the KPIs showed that something goes wrong with the initial strategy » (Marketing and Digital manager in the energy industry)

The structural change represents a prevalent issue when companies become more digitally equipped. (Leeflang, 2014).

The social dimension: technology leading vs. change management. The digital marketing strategizing is about the negotiation between the marketing department and the other service. In the digital era, marketing has to be boundless and lead the digital transformation in the firm. It creates the tensions between marketing and other departments.

« It may be complicated for me to define the strategy for my digital project because the IT department plays an important role in my company. So, sometimes I have to change strategy if the IT department has the disagreements » (Marketing manager in the recruiting agency)

The stronger cooperation between marketing and other functions benefits compagnie’s overall performance and guarantees the success of the digital marketing strategizing.

The time dimension: long-term strategic vision vs. agility. The digital officers struggle between taking time to think and plan or acting to be proactive.

« Because of the speed of the internet, we have no time to plan. The traditional marketing planning is dead. We have to be very proactive in the digital era. » (Pure player)

« Six-month marketing planning cycles are a thing of the past: Your digital strategy has to be adaptive and relevant. The digital officers struggle between taking the time to think and plan or acting to be proactive.» (White paper of SAS)

Traditionally, the strategy represents the goal-oriented activity commonly tie up with long-term outcomes and deliberate planning (Shivakumar, 2014). The long-term strategic vision has been challenged by the speed and agility of the digital marketing.
The focus dimension: environment based view vs. resource-based view. The discourses which differ the inside and outside organization issues in strategic thinking highlight the tension between an environmental-based view of strategy and resource-based view of strategy.

The customer is the core environmental-based strategic element. The customer journey map as a strategic tool allows the company to follow their customers performing from awareness on a product, to the purchase and then becoming loyal to the product or even advocacy for the brand. The tracking and the analysis of customer data have become an important feature for digital marketing. Nevertheless, its' success require not only the technology resource but also the human resource especially the capabilities in digital marketing analytics.

« When we elaborate the digital strategies, the study of our competitor and our market is the first step, we have to know what our competitors are doing and understand what our clients are waiting for us, and then we can elaborate an efficient strategy » (Marketing manager in the food industry)

The increasing use of social media empowers the customer and changes the landscape for the brand management (Gensler & al., 2013). The brands are more and more defined by customers than by the marketer's positioning statement. A skillful digital marketer should be able to understand and satisfy the customer needs base on the data analysis, indeed he has to integrate the customer as a real stakeholder into their digital strategy.

The marketing strategizing in the digital era is about the art of balancing between those different dimensions.

VI Conclusion

The complexity of strategy work, especially in the digital era, calls for a more integrative perspective on the nature of strategizing. The strategy as practice research offers us an appropriate theoretical framework for our research. Digital is not just a tool but a real strategizing work which raises different digital tensions. The digital manager develops the deliberate and non-deliberate actions to practical coping with the digital marketing tensions. The deductive and interpretative approach of analyzing the digital manager discourses provides us a particular lens to understand the marketing strategizing in the digital age. Our analysis states six strategic dimensions: the cognitive dimension, the learning dimension, the social dimension, the corporative dimension, the time dimension, and the focus dimension. Our research suggests that the digital marketing strategizing can be conceptualized as the art of balancing the different dimensions. Our research contributes to the understanding of marketing strategizing in digital era, and enable further SAP research to elaborate the tension-base view of strategy. However, this perspective generates a solo unique insight of DMS. The other limitation resides in the size of the sample. 10 interviews remain insufficient to ensure the representativity. We plan to conduct a further research with a larger sample and we'll use the multiple sources of data which combine the strategists' discourses and white papers of the leading digital consulting companies. Moreover, we may practice the member check and data triangulation in order to increase the trustworthiness of our research.
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