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Configuration and coordination of international marketing activities

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ABSTRACT

With this paper, we contribute to the literature of configuration and coordination in international firms. While previous literature emphasized that headquarters decide upon the configuration and coordination of their foreign *subsidiaries*, we suggest that the configuration–coordination decision takes place at the level of *activities*. With a focus on *international marketing activities*, our study on German firms from the automotive industry comes up with the following major findings: (1) With respect to configuration, firms tend to centralize the planning and the control of marketing activities, but to decentralize the implementation of marketing activities. (2) For the coordination of marketing activities, direct personal supervision and informal communication are preferred to other approaches, such as socialization or formal bureaucratic coordination. (3) When combining configuration and coordination of marketing activities, we identified distinct clusters. Firms that have a high decentralization of marketing activities and that use a high level of coordination yield better coordination results than firms from other configuration–coordination clusters.

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1. Introduction

When going and operating abroad, international firms have to decide upon the appropriate organization of their activities. In this paper, we focus on the organization of one important activity in the international value chain, i.e. marketing (Gnizy & Shoham, 2014). While the organization of marketing has been previously explored in literature (Homburg, Vomberg, Enke, & Grimm, 2015; Ruekert, Walker, & Roering, 1985; Workman, Homburg, & Gruner, 1998), with few exceptions the international perspective of marketing organization has been neglected (Hewett, Roth, & Roth, 2003). This is why the present article sheds light on two important dimensions of international marketing organization, i.e. the dimensions of international configuration and international coordination of marketing activities (Sinkovics, Roath, & Cavusgil, 2011; Zou & Cavusgil, 2002). With the emphasis on the cross-border management of specific activities, the paper is first of all an IB (international business) paper, contributing to the management of the international firm. As the activity in question is the marketing activity, the paper also adds to international marketing literature, by focussing on the organizational aspect of the

international marketing function (and not on the content aspect of international marketing, such as questions of standardization or adaptation of the marketing mix).

Like for all other activities of the value chain, such as R&D, production, logistics, sales, HR, finance or planning, international firms have to choose in how far they concentrate and centralize their marketing activities (for instance in their home country or in one host country) or in how far they disperse and decentralize them across various countries (Buckley & Hashai, 2005; Porter, 1985, 1986a, 1986b). In addition, for each of the activities, management has to make sure that they are coordinated across borders in an appropriate way (Grosche, 2012). Although IB research has come up with many suggestions of how to coordinate headquarters and foreign *subsidiaries* (Brenner & Ambos, 2013; Harzing, 1999; Martinez & Jarillo, 1989; Martinez & Jarillo, 1991; Mayrhofer, 2013; Schmid & Kretschmer, 2010), there is little knowledge about the coordination at the level of value chain *activities* (St. John & Young, 1995; John, Young, & Miller, 1999). However, strong evidence exists that international marketing activities are coordinated in a different way as compared to other activities (Egelhoff, 1984; Kim, Park, & Prescott, 2003; Moon & Kim, 2008; Moon, 1994; Porter, 1986a, pp. 25–27 and p. 35). In addition, different categories of the marketing activities spectrum, such as marketing planning, marketing implementation and marketing control activities, may not necessarily share the same approach to international configuration and coordination.

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The appropriate configuration and coordination of activities can contribute to the competitive advantages a firm has (Craig & Douglas, 2000; Yaprak, Xu, & Cavusgil, 2011), but little research has been carried out in the past. Hence, with the present paper, we want to answer the following research questions:

- Which *configuration* do firms choose for their marketing activities across borders in terms of centralization and decentralization?
- Which *coordination mechanisms* do firms apply for their marketing activities across borders?
- Which *clusters of configuration–coordination* can be identified for organizing marketing activities across borders and do the clusters differ in terms of *coordination performance*?

These questions are not only of scholarly interest; they are also of high relevance for international firms. Around ten years ago, a McKinsey survey found out that growth opportunities abroad usually entail a dispersion of activities and call “for extensive coordination across product, functional and geographic lines” (Bryan & Zanini, 2005, p. 54). Ralf Kalmbach, Partner and Member of the Board at German-headquartered Roland Berger Strategy Consultants stated in an interview a few years ago: “The geographical distribution of value creation is a central topic in discussions of the demands globalization places on companies. Another crucial factor, however, is how value activities are managed worldwide, and in practice this issue is all too frequently neglected” (cited in Bertelsmann Foundation, 2008, p. 61).

We will answer our questions with the following logic of our paper. In Section 2, we will outline in more detail our understanding of configuration and coordination, and we will formulate our hypotheses related to the three research questions. In Section 3, we will present our empirical study which is based on a questionnaire research in the German automotive industry. Using a sample of 95 firms, our results on configuration, coordination and the configuration–coordination clusters will be presented in Section 4 and discussed in Section 5. Finally, we will not only come to a conclusion, but also provide some avenues for future research and managerial practice.

By answering our research questions, we intend to make the following contributions: Our first two contributions are of conceptual nature. By portraying the international configuration–coordination profile for one specific value chain activity, i.e. marketing, we add to existing literature which has mostly neglected the differentiation of activities. We argue that IB literature should transcend the level of the subsidiary, and we suggest that headquarters are not necessarily dispersing and coordinating all activities in their subsidiaries in the same way. Hence, we follow Birkinshaw and Morrison’s (1995, p. 750) call that “research needs to focus below the subsidiary level, preferably at a single value-adding function”, by taking the marketing function as the focus of the present paper. However, it is not only this emphasis on activities which is novel. Bringing together configuration and coordination at the level of activities is also filling a research gap. While quite many studies exist on *either* the configuration *or* the coordination across borders, it is surprising that combined investigations of configuration *and* coordination have been scarce so far.¹ Based on this conceptualization, our additional contributions are of empirical nature. With our data from the automotive industry, i.e. an industry in which value chains are increasingly dispersed across countries, we are able to show that distinct patterns of international configuration and coordination can be identified in managerial practice. Applying cluster analysis to our sample, we include several contextual

factors which are helpful to better characterize existing configuration–coordination clusters. Since we draw on the systemic fit approach (Drazin & Van de Ven, 1985, pp. 519–522; Van de Ven & Drazin, 1985, pp. 347–357), we also bring a theoretical perspective to the research field which assumes that different, functionally equivalent solutions may be found (Doty, Glick & Huber, 1993). Functional equivalence means that instead of having a one-best way solution, several solutions may exist, each of these solutions being characterized by a different, but distinct set of contextual factors (Gresov & Drazin, 1997). Hence, in our setting, the systemic fit approach incorporates the view that there are several successful approaches of how to configure and how to coordinate marketing activities. The systemic fit approach is continuing the tradition of contingency approaches; however, unlike traditional contingency approaches, it assumes reciprocal (and not linear) relationships between constructs and variables in question (Meyer, Tsui, & Hinings, 1993, pp. 1176–1179). However, we will show that our data critically challenge the view of equifinality: our empirical results reveal that different solutions are linked to different levels of coordination performance.

2. Literature and hypotheses development

2.1. Conceptual framework

As the main framework for our paper, we use Porter’s configuration–coordination matrix (Porter, 1985, 1986a, 1986b), which has received considerable attention in the international business and management literature (Holtbrügge, 2005; Moon & Kim, 2008; Moon, 1994; Taggart, 1998; Zou & Cavusgil, 2002). Drawing on the value chain (Porter, 1985, pp. 35–53), the configuration–coordination matrix shows that firms have to answer the following questions: (1) To what degree do they want their value chain activities being concentrated (i.e. centralized) in one location or dispersed (i.e. decentralized) around the world? (2) What degree of coordination do they wish to use in order to coordinate the value chain activities? The answers to these questions span a typical matrix with configuration of activities ranging from “centralised” to “decentralised” and coordination ranging from “low” to “high”. Centralization exists if comparable activities are carried out only at a certain (central) location of the firm; decentralization means that comparable activities are geographically dispersed and take place parallel to one another at a variety of units in the international firm. Low coordination usually exists in so-called multinational firms while higher levels of coordination are needed in so-called global and transnational firms (Bartlett & Ghoshal, 2002).

The configuration–coordination matrix can be found in Fig. 1. Although a superficial reading of Porter’s publications could give the impression that configuration and coordination decisions are relevant at the level of the firm (see left part of Fig. 1), a closer analysis clearly reveals that configuration and coordination decisions have to be taken at the level of each activity (see right part of Fig. 1).

While Andersson and Pedersen (2010, p. 432) praise Porter for “being one of the first on to draw our attention to the organizational, architectural and design aspects of globalization, and more specifically, to the connection between the choice of configuration and the challenges in terms of coordination”, his framework can only serve as a starting point for our research. Coordination is more than just a question of coordination degree or extent of coordination. It concerns the character of mutual adjustment of activities in order to contribute to the functioning of the value chain. Coordinating activities in an international context appears to be particularly challenging, mainly due to the geographic, cultural, institutional and administrative distance that

¹ In a detailed literature review conducted by the authors, this has already been outlined (see Schmid & Grosche, 2009).

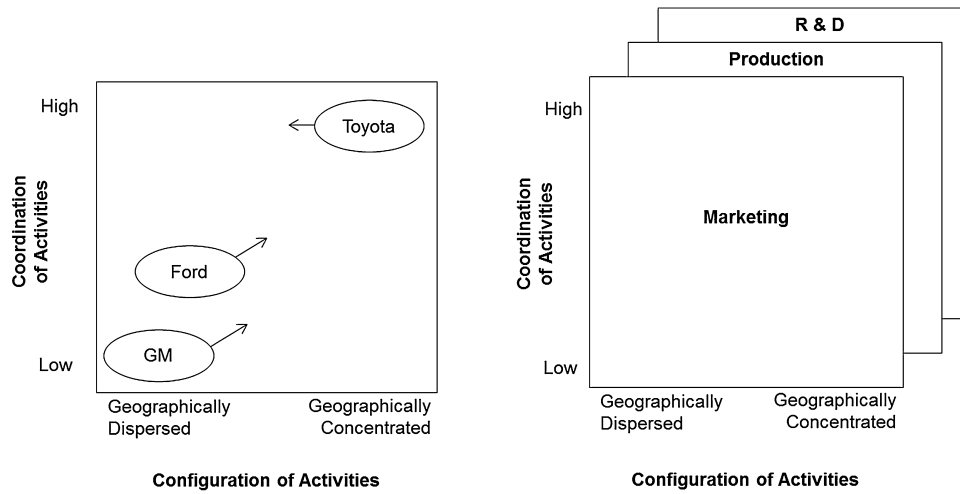


Fig. 1. International configuration and coordination (based on Porter, 1986a, p. 27 and Porter, 1986b, p. 19).

separates different units belonging to the same firm (Beddi & Mayrhofer, 2013; Ghemawat, 2001; Jaussaud & Schaaper, 2006). The classification proposed by Harzing (1999) allows to better describe the character of coordination and to distinguish between alternative ways to coordinate across borders. Clearly, while Porter (1985, 1986a, 1986b) covers the degree of coordination, other concepts are needed to identify the way of how to coordinate.

Harzing (1999) differentiates between four main categories of coordination mechanisms according to their degree of orientation towards individuals and their explicit (direct) or implicit (indirect) character: (1) personal centralized mechanisms, (2) socialization and networks, (3) bureaucratic formalized mechanisms and (4) output oriented mechanisms (see Table 1). Hence, by building upon Harzing (1999) and applying her work at the level of value chain activities, we can enrich Porter's original framework and provide a more detailed analysis of the type of coordination (instead of only taking the extent of coordination into account).

Several authors have emphasized the central role of three major activities for value creation: technology development (i.e. R&D), production and marketing activities (Buckley & Ghauri, 2004; Choi & Yenyurt, 2015; Kim et al., 2003; Malnight, 1995). Whereas the configuration and coordination of R&D and production activities in international firms have already been analyzed previously (e.g. Abele, Meyer, Näher, Strube, & Sykes, 2008; Colovic & Mayrhofer, 2011; Enright, 2009; Flaherty, 1986; Li & Yue, 2005; Meijboom & Vos, 1997), the configuration and coordination of marketing activities remain a rather unexplored field of research. Since

marketing covers a broad spectrum of activities, it is appropriate to differentiate between sub-activities. In line with the authoritative literature (Cravens, 1998; Hite & Fraser, 1990; Kotler & Keller, 2012, p. 59), we differentiate between marketing planning, marketing implementation and marketing control.

2.2. Hypotheses

Based on the extended configuration–coordination framework, we will present hypotheses for (1) the configuration of marketing activities across borders, (2) the coordination of marketing activities across borders, and (3) combined international configuration/coordination sets of marketing activities. The three hypotheses correspond to the three research questions articulated above.

2.2.1. Configuration of marketing activities

For a long time, in most international firms, marketing activities have shown a higher geographic dispersion than R&D and production activities (Enright, 2009; Morrison & Roth, 1993; Yip, 1994). It is often argued that marketing activities require some proximity with local markets allowing to better understand customer preferences and to adapt certain elements of the marketing mix (Alcácer, 2006; Cayla & Penalzoza, 2012; Porter, 1986c). However, different sub-categories of marketing activities may even have different degrees of centralization or decentralization (Takeuchi & Porter, 1986). Like in other areas of the value chain, the planning and the control of marketing activities tend to

Table 1
Typology of coordination mechanisms.

Personal mechanisms (founded on social interaction)		Impersonal mechanisms (founded on instrumental artefacts)	
Explicit coordination	Implicit coordination	Explicit coordination	Implicit coordination
Personal centralized mechanisms	Socialization and networks	Bureaucratic formalized mechanisms	Output oriented mechanisms
Centralisation of decisions	Socialization: organizational culture, shared values etc.	Standardization of processes	Fixed objectives
Direct personal supervision	Informal communication	Formalization of processes: written rules, etc.	Evaluation of results: reporting systems, control systems
	Formal networks: work groups, project teams, etc.		
	Expatriation		
	Management training		

Source: Adapted from Harzing (1999), pp. 16–24 and pp. 186–189.

be more centralized than the implementation of these activities. The centralisation of planning and control activities at headquarters allows maintaining some coherence not only for strategic, but even for operational marketing actions that are conducted in different geographic markets (Sinkovics et al., 2011). However, in most industries, it seems necessary to decentralize the implementation of marketing activities in order to respond to the specific needs of local customers. When dispersing their activities, companies can more easily adapt marketing-mix elements such as product and service attributes, communication tools or price discount approaches to match requirements of local customers (Ghauri & Cateora, 2014, pp. 305–420). Since many companies tend to continue diversifying their portfolio of geographic markets, also aiming at benefitting from growth perspectives in emerging countries, their performance often depends on their capacity to adapt to local market conditions. While a high degree of centralization of activities is not necessarily linked to standardization, a high degree of decentralization with regard to the implementation of marketing activities is nevertheless more favourable to local adaptations (Katsikeas, Samiee, & Theodosiou, 2006). Hence we hypothesize:

H1. The implementation of international marketing activities is more decentralized than the planning and control of international marketing activities.

2.2.2. Coordination of marketing activities

It is evident that companies in general need to be flexible, and be responsive in recognizing new trends. They have to adapt to market requirements, and they have to test their innovations, technologies and products before launching them (Kim et al., 2003). Marketing actions should contribute to reach the objectives fixed by the firm, and marketing decisions are often linked to the vision, the values and experiences shared by marketing managers at headquarters and subsidiaries (Ghauri & Cateora, 2014, pp. 185–208). Thus, personal coordination mechanisms are likely to play an important role in the marketing field. For marketing elements that tend to be managed at the headquarters level (product positioning, branding, etc.), personal mechanisms allow to increase the coherence of local actions in regard to strategic orientations set at the corporate level. Socialization, based on common values being shared between marketing managers at home and marketing managers abroad (Roth, Jayachandran, Dakhli, & Colton, 2009; Welch & Welch, 2006), as well as networks facilitate the regular circulation of information between marketing managers, but also between marketing teams and other units. Therefore, strategic and operational decisions can be coordinated efficiently, also by taking into account market trends, competition or changes in the environment (Buckley, 2011; Buckley & Ghauri, 2004). Hence, personal mechanisms as well as socialization and networks seem to be appropriate for the coordination of marketing activities across borders. As Hewett and Bearden (2001) have argued, bureaucratic formalized coordination, often efficient for production activities, is less relevant in coordinating marketing across borders. This leads to the following hypothesis:

H2. For the coordination of international marketing activities, personal centralized mechanisms as well as socialization and networks are the most widely used coordination mechanisms.

While our first hypothesis concentrated on the configuration of activities, the second hypothesis focussed on the coordination of these activities. However, as outlined before, previous literature on the combined analysis of configuration and coordination is scarce. Therefore, we intend to analyze in how far configuration and coordination can be linked.

2.2.3. Configuration and coordination sets of marketing activities

Drawing on the systemic fit approach and the idea of equifinality (Doty et al., 1993; Drazin & Van de Ven, 1985, pp. 519–522; Van de Ven & Drazin, 1985, pp. 347–357), we can assume that there is no “one fit solution”. Instead there may be several solutions of how to combine configuration and coordination for marketing activities (Veliyath & Srinivasan, 1995). These solutions can emerge in the form of clusters. As for other combinations of variables, such as strategic or organizational variables in general (Dess, Newport, & Rasheed, 1993; Macharzina & Engelhard, 1991; Short, Payne, & Ketchen, 2008), it can be assumed that several clusters of configuration and coordination exist. Furthermore, we can expect that the clusters show no significant differences as for the analyzed coordination performance. In other words: different combinations of configuration and coordination of marketing activities allow achieving a similar level of overall coordination performance. Coordination performance does not only relate to the effectiveness of coordination, but also to its efficiency and its potential to leverage the resources of the firm. As has been demonstrated by IB scholars in other contexts (Birkinshaw & Morrison, 1995; Harzing, 1999), despite having a similar performance level, clusters may differ when it comes to contextual variables. For instance, the position of the firm in the production chain (e.g. manufacturer, type of supplier), its size and its level of internationalization are likely to be linked to the way companies choose to combine the configuration and coordination of marketing activities. Based on this argumentation, we can develop our hypothesis on the international configuration and coordination of marketing. Unlike other hypotheses, this hypothesis is formulated in an open way that takes into account the rather explorative nature of cluster-based research (Hagen, Zucchella, Cerchiello, & De Giovanni, 2012, pp. 373–374; Kaufman & Rouseeuw, 2005; Meyer et al., 1993).

H3. Different clusters of international configuration and coordination of marketing activities exist and do not differ significantly with regard to coordination performance.

3. Empirical study

3.1. Data source

To test our hypotheses, we used an empirical study with a quantitative research design, based on a questionnaire (see for more details also Grosche, 2012). We have chosen the automotive industry as our empirical setting for many reasons. First, fierce competition has led many companies from the automotive industry to spread their activities (more or less) across borders (Bélis-Bergouignan, Bordenave, & Lung, 2000). Companies from traditional automotive regions (North America, Western Europe, Japan) face the competition of powerful actors from Korea as well as from newly emerging markets such as India (e.g. Tata Group) or China (e.g. Geely), who also seek to conquer international markets (Colovic & Mayrhofer, 2011). Second, most car manufacturers have decoupled tasks and jobs even within a specific value chain activity, and hence, they have created highly complex value chain networks, including interfaces with their suppliers (Dietl, Royer, & Stratmann, 2009; MacDuffie, 2013; McDermott, Mudambi, & Parente, 2013). Third, like firms in many other industries, companies in the automotive industry increasingly recognize that coordinating their activities across countries is a challenge already today and will be of rising importance in the future (Novak & Stern, 2009).

Our population is the automotive industry in Germany, a country in which automotive companies not only have a very long tradition, but also account for a significant part of the GDP. German

automotive companies have been internationally active for a very long time and have located some value chain activities in foreign countries. The sample relies on a data-base provided by Hoppenstedt, the first commercial supplier of company addresses in Germany. Out of the 2547 automotive companies registered in Germany, we excluded firms with 10 employees or less, since preliminary studies indicated that companies of this size did neither clearly distinguish between different functions of the value chain nor develop a differentiated coordination of their activities. This led to a sample of 1989 firms. Due to several reasons (wrong classifications by Hoppenstedt (now being part of Bisnode), companies having gone out of business or having been acquired, etc.), the final sample consisted of 1812 firms, including both car manufacturers and suppliers. Manufacturers and suppliers cooperate in different fields of the value chain and share the increased pressure to reduce costs and to multiply product innovation. Suppliers frequently follow car makers in their international expansion and contribute to the adaptation of products for foreign markets (Coronado Mondragon & Lyons, 2008; Roland Berger, 2006).

After having been subject to pre-tests, a questionnaire was received by all these 1812 German companies of the automotive industry (for more information on the questionnaire, see also Section 3.2, the appendix and Grosche, 2012). Companies having several business units were asked to respond at the level of business units and choose one of these business units, since configuration and coordination may differ across business units (Morrison & Roth, 1993; Roth, 1992). The questionnaires were sent by post and by e-mail to a member of the management team (CEOs, CFOs, Directors Management Accounting, Managing Directors/ Presidents) in 2010. Several reminders were made by phone or e-mail and other techniques (such as personalization) were used so as to increase the response rate (Dillman, 1991; Harzing, 2002, p. 202). In total, 95 questionnaires could be collected, corresponding to a response rate of 5.24%, which can be considered acceptable for a “cold call mail survey” in Germany (Gammelgaard, McDonald, Stephan, Tüselmann, & Dörrenbächer, 2012, p. 12, Gammelgaard, McDonald, Stephan, Tüselmann, & Dörrenbächer, 2012, p. 1164).

Rugman & Verbeke, 2004): Western Europe, Eastern Europe, North America, South America, Asia-Pacific, Africa & Middle East.

The *coordination* of activities was captured by using the constructs developed by Harzing (1999, 2002), based on previous IB studies by Martinez and Jarillo (1989, 1991). Personal centralized mechanisms were operationalized by the variables of centralisation of decisions and direct personal supervision. To cover socialization and networks, we included questions on corporate culture/shared values, informal communication, formal networks, expatriation and training actions. For the field of bureaucratic formalized mechanisms, companies were asked to what extent processes were standardized and formalized (importance of written rules). Output oriented mechanisms were measured by the existence of precise objectives and the evaluation of results. For all items, a seven-point Likert scale was chosen.

For *coordination performance*, we opted for a differentiated picture of performance, and we relied on the constructs effectiveness, efficiency and resource supportiveness and developed items based on existing literature (Davis & Pett, 2002; Hult et al., 2008). For coordination effectiveness, the following indicators were used: the orientation of activities and decisions towards company/divisional objectives, the coordination of activities and decisions within business functions, and the achievement of objectives set for functional units. The efficiency of coordination was measured by the use of resources for coordination, by coordination efforts in the coordination process, and by the cost efficiency of coordination of functional units. To cover the resource-supportiveness, we developed four items, based on Barney (1991) and Luo (2002), which revealed in how far coordination supports the use of resources and competences.

The main variables and the literature on which these variables are based can be found in the appendix.

3.3. Data analysis

To make configuration between firms more comparable, we established the configuration index CI, which was calculated in the following way:

$$CI = \frac{\sum_{i=1}^n x_i}{n} \quad \text{with} \quad \begin{array}{l} x_i = 0 \text{ if the marketing activity is not developed in region } i \\ x_i = 1 \text{ if the marketing activity is developed in region } i \end{array} \quad (1)$$

Being aware that relying on key informants also has drawbacks (Welch, Marschan-Piekkari, Penttinen, & Tahvanainen, 2002), we checked our data for the so-called key informant bias. We also controlled for the non-response bias (Armstrong & Overton, 1977). To avoid problems of common method bias (Podsakoff & Organ, 1986; Podsakoff, MacKenzie, Jeong-Yeon, & Podsakoff, 2003), we followed the recommendations from literature (Dillman, Smyth, & Christian, 2014). For instance, as far as possible, we used established constructs and operationalizations (as can be seen from Section 3.2 and from the appendix), we formulated our questions in a way that problems of so-called social desirability of answers were minimized, and we checked whether a different sequence of questions produced different results.

3.2. Variables and measurement

To measure the *configuration* of marketing activities, companies were asked to indicate whether they conducted marketing planning, implementation and/or control activities in each of the following six geographic regions, mainly based on the classification proposed by Rugman (2005) and his co-authors (Rugman & Collinson, 2004;

The index is applied to all three sub-activities of the marketing spectrum. Hence, our configuration index CI indicates the relative number of regions of the world in which a specific marketing activity (i.e. planning, implementation and control) is carried out.

Concerning the coordination of marketing activities, a correlation analysis was conducted to measure the reliability of the constructs used for coordination mechanisms. A reliability test for the four constructs of coordination mechanisms resulted in Cronbach α values of .62 for socialization and networks, .64 for formal bureaucratic coordination and .82 for output oriented control. Since a minimum value .40 is recommended for constructs with two or three items, the results are more than satisfactory and also comparable to values reached in similar studies (Harzing, 1999, 2002). However, the Cronbach α value for personal centralized control was only .10, which is problematic. Hence, further analyses showed that working with six major coordination mechanisms provided the best solution. While these six coordination mechanisms are not identical to the typology developed by Harzing (1999), they are nevertheless quite close. The six coordination mechanisms are the following: the centralisation of decisions, direct personal supervision, formal bureaucratic

coordination, output oriented coordination, socialization and networks, and informal communication.

To identify clusters for the coordination of geographically dispersed activities, we performed a series of latent class cluster analyses, a subset of structural equation modelling (Vermunt & Magidson, 2003, 2005b), having been applied increasingly in marketing and management research during the last years (Baum, Schwens, & Kabst, 2015). Based on conditional probability distributions, latent class cluster analysis finds out homogenous segments in the sample. Compared to traditional cluster analyses, such as K-Means cluster analysis or hierarchical cluster analysis, latent class cluster analysis is model-based (and not heuristics-based) and provides criteria for the optimal number of clusters, such as the BIC (Bayesian Information Criterion) or the CAIC (Consistent Akaike Information Criterion) criteria, overcoming some of the weaknesses often found in configurational research (Ketchen & Shook, 1996). The Latent GOLD software package was used to carry out the latent class cluster analyses (Vermunt & Magidson, 2005a). It allows including variables to be nominal, ordinal, continuous, count or any mixture of these. This is important in our research setting, in which the variables for configuration, coordination, coordination performance and the company characteristics have to be included in the cluster analysis.

4. Results

The descriptive statistical analysis of the collected data indicates that nearly all German automotive companies possess marketing activities in Western Europe. The implementation of marketing activities is more decentralized than the planning and control of these activities: 31.5% of companies implement marketing actions in Central and Eastern Europe, 33.7% in North America, 29.2% in the Asia-Pacific region and 21.3% in South America. Conversely, planning and control activities appear to be more concentrated in Western Europe. In all other regions, the percentage for companies having marketing implementation activities is higher than for marketing planning and marketing control activities. By using the configuration index CI (introduced above), we can conclude that the respective value for the implementation of marketing activities (CI = .38) is higher than the value for the planning of marketing activities (CI = .31) and the value for the control of marketing activities (CI = .31). Hence our data confirms hypothesis 1 suggesting that the implementation of marketing activities is more decentralized than the planning and control of marketing activities. German automotive companies seek to decentralize the implementation of the marketing policy to respond to the specific requirements of local markets, but prefer to have a higher centralisation of the planning and controlling of marketing activities.

Hypotheses 2 assumed that personal mechanisms as well as socialization and networks are the preferred mechanisms for coordinating marketing activities. T-tests were conducted to compare the average value of all six coordination mechanisms. Our statistical analysis shows that direct personal supervision (average value of 5.50 on the seven-point Likert scale) and informal communication (4.80) represent the most widely used coordination mechanisms for marketing activities. Socialization and networks receive the lowest value (3.80). Thus, hypothesis 2 is only partly validated. The differences with the average values of the other coordination mechanisms (centralisation of decisions 4.47 and formal bureaucratic coordination 4.09) are significant for direct supervision and informal communication.

To achieve the appropriate number of clusters in our analysis for testing hypothesis 3, we applied the so-called BIC and CAIC criteria. While using the BIC criteria would lead to a four cluster solution, the application of CAIC criteria would result in a three

cluster solution. However, since even the CAIC value for the four cluster solution is only marginally above the value for the three cluster solution, we opted for the four cluster solution (as suggested by the BIC criteria application). The four cluster solution is summarized in Table 2. Cluster 1 comprises 53 firms, while Cluster 2 includes 24 firms, and Cluster 3 shows 10 firms. The fourth cluster consists of 3 firms only. The four clusters vary considerably in terms of configuration. Cluster 1 has firms which strongly centralize all their marketing activities, i.e. marketing planning, implementation and control. Conversely, firms in Cluster 2 strongly decentralize their marketing activities. Cluster 3 firms take an intermediate position when it comes to the centralisation of marketing activities. In terms of coordination, companies in Cluster 1 use more personal supervision and informal communication than firms in the other clusters. Cluster 2 firms rely on formal bureaucratic and output oriented coordination to a high degree. Socialization and networks are more important for Cluster 2 and Cluster 3 firms as compared to Cluster 1 firms.

According to the equifinality approach leading to hypothesis 3, different clusters of international configuration and coordination should not differ significantly with regard to coordination performance, but should be characterized by differences in contextual variables. Our findings, however, show that the four clusters do differ when it comes to coordination performance. These differences depend upon the performance measures used (i.e. effectiveness of coordination, efficiency of coordination, resource supportiveness of coordination). It seems interesting to note that all three measures show an above-average coordination performance for Cluster 2 firms which strongly decentralize their marketing activities and highly rely on formal bureaucratic and output oriented coordination. For Cluster 1 firms, which strongly centralize their marketing activities and use more personal supervision and informal communication, the effectiveness and efficiency of coordination appear to be above-average, but the resource supportiveness of coordination is below-average. Conversely, for Cluster 3 firms, the effectiveness and efficiency of coordination is below-average, but the resource supportiveness of coordination is above-average. Cluster 4 firms (whose number is limited to three firms) show negative results for all three coordination performance measures.

When also integrating additional company-related variables, one can observe that Cluster 1 mainly includes component and subsystem suppliers, Cluster 2 car manufacturers and system suppliers, Cluster 3 different types of automotive companies, and Cluster 4 component suppliers and car manufacturers. The four clusters show important differences as far as firm size and internationalization are concerned. Cluster 1 covers smaller companies which mainly employ people in Germany and whose foreign sales are limited. They are less international (in terms of turnover and employees) than companies that belong to the other clusters. Their overall performance is below-average. Cluster 2 consists of large automotive companies who have a higher number of employees abroad and whose foreign sales are important. They appear to perform better than the average firm. In Clusters 3 and 4, we can find medium-sized companies who also employ a significant number of people abroad and who realize an important part of their turnover in foreign markets. Cluster 3 covers the companies showing the highest overall performance, whereas Cluster 4 firms have the lowest overall performance.

According to our results, hypothesis 3 which assumed the existence of equifinal clusters albeit differing in terms of characteristics cannot be supported. Our findings demonstrate that the four clusters of international configuration and coordination of marketing activities vary significantly with regard to coordination performance, while being characterized by several contextual factors.

Table 2
Clusters for configuration and coordination of marketing activities.

Variables	Mean values/percentages				U-/χ ² tests (testing for differences) (p ≤ .05) ^a
	Cluster 1 (n = 53)	Cluster 2 (n = 24)	Cluster 3 (n = 10)	Cluster 4 (n = 3)	
<i>Configuration</i>					
CI planning of marketing activities	.18	.57	.30	.50	1/2; 1/3; 1/4; 2/3; (3/4)
CI implementation of marketing activities	.20	.76	.42	.50	1/2; 1/3; 1/4; 2/3; (2/4)
CI control of marketing activities	.18	.63	.30	.33	1/2; 1/3; 1/4; 2/3; (2/4)
<i>Coordination</i> ^c					
Centralisation of decisions	4.53	4.17	4.60	4.67	
Direct personal supervision	5.85	5.21	4.80	4.33	1/2; (1/3)
Formal bureaucratic coordination ^b	-.1485	.6328	-.8289	.1542	1/2; 1/3; 2/3
Output oriented coordination ^b	-.2628	.8210	-.1146	-1.6459	1/2; 1/4; 2/3; 2/4; 3/4
Socialization and networks ^b	-.2185	.4681	-.1464	-1.4227	1/2; 1/3; (1/4); 2/4; 3/4
Informal communication	5.09	4.29	4.70	4.00	(1/2); (1/3)
Overall coordination ^d	-.2786	.8245	-.0736	-1.4292	1/2; 2/3; 2/4; 3/4
<i>Coordination performance</i>					
Effectiveness of coordination	.0301	.1379	-.1305	-1.2236	
Efficiency of coordination	.1215	.0545	-.2063	-1.8827	1/4; 2/4; (3/4)
Resource supportiveness of coordination	-.1157	.2478	.3865	-1.1373	(2/4); (3/4)
<i>Company characteristics</i>					
Company type (percentages)					
• Manufacturer	17.0%	41.7%	20.0%	33.3%	Significant differences in the distribution of frequencies 1/2; 2/3; 2/4
• System suppliers	18.9%	50.0%	20.0%	.0%	
• Subsystem suppliers	22.6%	4.2%	10.0%	.0%	
• Component suppliers	34.0%	4.2%	30.0%	66.7%	
• Toolmakers	5.7%	.0%	.0%	.0%	
• Material suppliers	1.9%	.0%	20.0%	.0%	
Number of employees	2246	63,835	6041	6033	1/2; 1/3; 2/3
Foreign ratio employees	2.00	5.25	4.78	5.33	1/2; 1/3; 1/4
Yearly turnover	204.0 m €	18.1 bn €	679.8 m €	315.0 m €	1/2; 1/3; 2/3
Foreign ratio turnover	2.73	4.21	4.00	4.33	1/2; 1/3; (1/4)
Overall performance ^e	-.1298	.1418	.5727	-.6451	(1/2); (1/3)

^a For instance, "1/2" means that there are significant differences between the means for Cluster 1 and Cluster 2 (p ≤ .05). The group comparisons put in brackets are marginally significant (.05 < p ≤ .10).

^b The variable served as a manifest variable in the cluster analysis.

^c We indicate scale values for single item constructs and factor scores for multi item constructs.

^d The overall coordination results from summarizing the six categories of coordination via factor analysis.

^e Overall performance was measured by the average performance of the company (in terms of sales growth, return on sales and return on investment) in regard to direct competitors.

5. Discussion

The field of international marketing is characterized by extensive research around the question of how to offer products and services abroad. Standardization and/or adaptation of various elements of product, pricing, distribution or communication policies have a very long research tradition. Numerous studies have been presented during the last decades, albeit with partially inconsistent results (Birnik & Bowman, 2007; Schmid & Kotulla, 2011; Tan & Sousa, 2013; Theodosiou & Leonidou, 2003; Waheeduzzaman & Dube, 2004). However, international firms do not only have to find a balance between standardization and adaptation of their marketing-mix, they also have to decide upon their marketing organization.

The findings of our empirical study show that a majority of German car manufacturers and suppliers continue to locate marketing activities in Western Europe, i.e. in their home region. In particular, German automotive companies still show a preference for centralizing marketing planning and control, while decentralizing marketing implementation to a higher degree. This result can be explained by the fact that, unlike their European counterparts, German automotive companies continue to concentrate a large part of their R&D and a comparably high share of production activities not only in their home-region, but even in their home-country (Colovic & Mayrhofer, 2011). Having still many value chain activities carried out at home, increases the likelihood to keep marketing planning and control at headquarters. The choice also demonstrates companies' general tendency to consider

marketing activities as a low-autonomy function (De Jong, van Dut, Jindra, & Marek, 2015). It seems that this is linked to automotive companies' willingness to maintain a strong coherence of all their marketing activities. This is in line with the positioning adopted in different geographic regions. Both car manufacturers and suppliers from Germany often tend to have a standardized premium positioning, focusing on high quality products and services (Löffler & Decker, 2012). Planning and controlling marketing activities at headquarters level enables consistency across countries.

Although, during the last decades, sales activities of many German automotive firms have been globalized to some extent, marketing activities in general are still far from being spread around the globe. This raises a number of questions about what is sometimes claimed to be a general trend towards globalization (Milliot & Tournois, 2010; Rugman, 2005). It has to be noted that globalization in the sense of a global presence of activities does not relate to all activities of the value chain. Hence, our study highlights that a highly differentiated investigation of value chain activities and their centralisation and decentralization is required. For instance, sales and marketing activities (and also various sub-activities of the sales and marketing spectrum) may show very different degrees of concentration or dispersion, and combining these activities in empirical studies can lead to distorted results (Turner & Henry, 1994). While some companies may sell products nearly worldwide and have sales units spread over all continents, even related activities, such as marketing are still far more concentrated. Hence, scholars should take a differentiated, activity-based position towards internationalization. Porter's

(1985) value chain still is useful in this respect, making scholars and practitioners aware of the variety of activities in a firm and their varying degrees of internationalization.

Our results confirm that, over the entire industry and over all clusters, automotive firms mainly use direct personal supervision to coordinate marketing activities across borders. This preference seems compatible with the traditional German management approach which is characterized by a high degree of specialization, clear hierarchical levels and explicit communication (Barmeyer, 2004; Wood & Lane, 2011). Direct supervision as a coordination mechanism is frequently combined with informal communication, which facilitates the exchange of information being particularly necessary for the successful implementation of marketing actions across borders. Informal communication may in general foster cooperative behaviour between the home country managers and the marketing managers abroad (Hewett & Bearden, 2001). However, although being used less than direct personal supervision and informal communication, centralisation of decisions and output-oriented coordination are also of high importance. This indicates that many of the German automotive firms still have some preference for an ethnocentric orientation (Perlmutter, 1969), which can transfer the results-orientation being typical of German firms in general abroad (Fritz, 1996). Therefore, elements of the home-country culture may explain the rather high degree of output-oriented coordination mechanisms found in the era of marketing. In general, in line with Egelhoff (1984), Kogut and Zander (1996) and Pihl, Bornholt, Elfversson, and Johansson (2010), we can assume that culture has considerable influence on coordination and the coordination mix. Unlike many

studies, we are not interpreting culture as having either positive or negative consequences (Stahl & Tung, 2015); we are just highlighting that culture is a contextual factor that matters and that helps to better explain firms' internationalization in terms of coordination.

With our study, we also confirm that the centralisation and decentralization of activities should not be mixed up with the centralisation and decentralization of decisions. While activities may be to some extent decentralized, strategic and/or operational decisions regarding these activities are often more centralized (Chan & Holbert, 2001). Locating activities in specific countries is clearly a question of configuration, while centralizing or decentralizing decisions is a question of coordination.

The cluster analysis helped us to observe that there are different types of automotive firms, which also use specific approaches towards configuration and coordination. Most of the smaller firms, many of them being subsystem or component suppliers, still have a quite low degree of dispersion of marketing activities (Cluster 1 firms). Having also a relatively low degree of internationalization for their activities (turnover and employees), these firms do not reveal a strong degree of coordination across borders. Direct personal supervision and informal communication dominate their cross-border coordination. The larger firms, often car manufacturers or system suppliers, display a much stronger dispersion of their marketing activities, and also coordination is consequently much more important to them (Cluster 2 firms). It may be their size and their complexity which also leads to a much stronger use of formal-bureaucratic and output-oriented coordination. This is interesting to note, because in line with previous literature

Table 3
Combining clusters for configuration and coordination of marketing activities with strategy.

Variables	Mean values/percentages				U-/ χ^2 tests (testing for differences) ($p \leq .05$) ^a
	Cluster 1 (n=53)	Cluster 2 (n=24)	Cluster 3 (n=10)	Cluster 4 (n=3)	
Competitive advantages					
• Innovative products	4.55	5.50	5.50	5.33	1/2; (1/3)
• High quality	5.17	5.63	5.60	5.33	
• Low price level	3.30	3.42	2.80	5.33	1/4; (2/4); 3/4 (1/3)
• Positive image	4.92	5.38	5.60	5.67	
• Reliability	5.38	5.63	5.70	5.67	
• Broad range of services	4.70	4.96	5.20	5.00	
Overall international strategy ^b					
• Concentration of activities	4.56	3.33	4.00	4.67	1/2
• Global market strategy	4.42	6.42	4.89	3.33	1/2; 2/3; 2/4
• Local competition	3.67	5.67	5.56	4.67	1/2; 1/3
• Adaptation to local markets	3.42	5.46	5.22	5.67	1/2; 1/3; (1/4)
Major market entry mode ^b					
• Indirect exports	8.7%	0.0%	0.0%	0.0%	Significant differences in the distribution of frequencies: (1/2); 2/4; (3/4)
• Direct exports	30.4%	16.7%	22.2%	100.0%	
• Contractual manufacturing	8.7%	0.0%	0.0%	0.0%	
• Licensing	0.0%	0.0%	0.0%	0.0%	
• Strategic alliance	0.0%	0.0%	0.0%	0.0%	
• Joint venture	8.7%	4.2%	0.0%	0.0%	
• Minority stake	0.0%	0.0%	0.0%	0.0%	
• Branch	0.0%	0.0%	11.1%	0.0%	
• Subsidiary	43.5%	79.2%	66.7%	0.0%	
Roles of foreign locations ^b					
• Access to information	2.57	5.17	5.11	4.00	1/2; 1/3; 1/4
• Access to technologies	2.39	4.08	2.56	3.67	1/2; 1/3
• Access to raw material/primary products	2.91	4.25	3.78	4.33	1/2
• Cost-efficient production	3.75	5.29	4.78	5.67	1/2
• Political-legal requirements	3.61	5.63	4.56	4.00	1/2; 2/3
• Follow clients	4.30	6.17	6.11	5.33	1/2; (1/3)
• Access to markets	3.87	4.83	5.11	5.67	
• Hub for conquering other markets	2.87	4.33	5.11	4.00	1/2; 1/3

^a For instance, "1/2" means that there are significant differences between the means for Cluster 1 and Cluster 2 ($p \leq .05$). The group comparisons put in brackets are marginally significant ($.05 < p \leq .10$).

^b This information only concerns companies of a cluster, which are internationally active.

(Hewett & Bearden, 2001), we expected that formalized bureaucratic mechanisms would be less important for coordinating marketing activities. Our results, however, contradicted our assumption. So we can tentatively conclude that, with increasing size and internationalization, the relative importance of personalized coordination and informal communication decreases, while the relative importance of formalization and output-oriented coordination increases. As the Cluster 2 type of firm is further characterized by a high coordination performance, this demonstrates that the coordination mix being in place enhances not only effectiveness and efficiency, but also contributes to use and even leverage the resources and competences of the firms across borders.

As Morrison and Roth (1993) have argued bringing together configuration and coordination with strategy is helpful. In this way, we can better interpret the clusters which we identified. Hence, we included traditional strategic variables in our analysis. This allows us to identify links between the configuration and coordination of marketing activities on the one hand and competitive advantages, international strategic orientations, market entry modes and roles of foreign locations on the other hand (see also Table 3).

As shown by Table 3, not surprisingly German automotive companies base their strategy on the following competitive advantages: reliability, high quality, a positive image, innovative products and a broad range of services. Companies in Cluster 1 (which centralize their marketing activities and use personal supervision and informal communication to a high degree) concentrate their overall activity spectrum more than firms of the other main clusters do. While for the majority of firms the foreign subsidiary is the main market entry mode, many of them also still rely on exports. They often establish foreign locations to follow their clients. Companies in Cluster 2 (highly decentralizing their marketing activities and using formal bureaucratic and output oriented coordination, but also socialization and networks), tend to follow a global market strategy. However, with their high emphasis on local competition and on adaptation to local markets, they seem to correspond to the type of the transnational firm in Bartlett and Ghoshal's (2002) terms. Despite their focus on global integration, they also score high on local adaptation. They mainly have established their own subsidiaries abroad to follow not only their clients, but also to meet political and legal requirements. Companies in Cluster 3, which take an intermediate position in terms of centralisation of marketing activities and use socialization and networks to a comparatively high extent for coordination, score slightly lower on the "local dimension" than Cluster 2 firms. Their main market entry mode is the foreign subsidiary. Thus, it can clearly be seen that different approaches to configuration and coordination of marketing activities are linked to different international strategic orientations, the use of specific market entry modes and the reasons why foreign activities exist.

6. Conclusion and outlook

6.1. Main contributions

The organization of international value chains has become a topic of interest to many disciplines, including economics, economic geography or political science (Antràs & Chor, 2013; Azmeh & Nadvi, 2014; Timmer, Erumban, Los, Stehrer, & de Vries, 2014; Yamawaki, 2004). The contribution of management scholars lies in investigating not just the dispersion of activities and their consequences at the macro-level (for instance on international division of labour, productivity gains, etc.), but on investigating the consequences for coordination and, hence, taking a micro-level perspective. Organization theory as well as IB literature has

provided us with abundant knowledge on coordination and coordination mechanisms (Jaussaud & Schaaper, 2006; Khandwalla, 1973; Martinez & Jarillo, 1991). However, coordination does not take place at the level of legal units, such as foreign subsidiaries. It is rather applied at the level of activities, given the fact that coordination varies across activities (Moon & Kim, 2008).

With our research we have extended Porter's configuration–coordination matrix. Since Porter's work in general is rooted in Industrial Organization (and hence in the tradition in which the environment dominates over the firm), his configuration–coordination matrix provides a starting point for having a stronger focus on the firm. However, it is only by including the nature and type of coordination that the Porter framework can really become more "managerial". Our research has shown that it is necessary to specify the different ways of coordination by investigating various coordination mechanisms (Harzing, 1999). It is not just important to what degree firms coordinate their activities across borders, but also how they do this and whether this is efficient, effective and leveraging the resources of the firm. In this respect, one specific activity, such as marketing, may well differ from other activities of the value chain.

Having a focus on activities is also relevant in the context of the vast literature on subsidiary roles and subsidiary initiatives (Pananon, 2014; Paterson & Brock, 2002; Strutzenberger & Ambos, 2014). Specific roles may only apply to specific activities, and initiatives in subsidiaries may only concern specific activities. Hence, the way how headquarters approach and manage their subsidiaries is often highly dependent on the activity in question. In the case of marketing activities, for instance, it also seems that modifying the classification suggested by Harzing (1999) proves to be helpful. Centralizing decisions and using direct personal control are both part of the category which Harzing labelled "personal centralized coordination mechanisms"; however, Cluster 1 as well as Cluster 2 firms engage in direct personal supervision even more than in centralisation of decisions for their marketing activities.

6.2. Implications for future research

While one major contribution of our paper is the focus on a specific activity within the value chain, i.e. marketing activities, placing these activities in a broader context of all activities of the value chain, such as R&D or production, would be a helpful empirical endeavour for future research. In this way, we could better understand the overall architecture of international firms (McDermott et al., 2013). For instance, in most firms, R&D activities are still less dispersed than marketing activities; production activities, however, are sometimes even more decentralized than marketing activities. Previous studies on the coordination of other functions of the value chain, such as R&D and production, focused all too often on the level of the subsidiary, on the R&D unit role or on the factory unit type (Abele et al., 2008; Ambos & Schlegelmilch, 2007; Manolopoulos, Söderquist, & Pearce, 2011). Therefore, future studies using an activity perspective for all functions will be promising, more specifically in the light of their increasing geographic dispersion and important investment flows in emerging markets such as the BRIC (Brazil, Russia, India, China) or the MINT (Mexico, Indonesia, Nigeria, Turkey) countries (Cavusgil, Ghauri, & Akcal, 2013; Dunning, 2009; Hadjikhani, Elg, & Ghauri, 2012). In particular, recent years have featured an increasing internationalization of production and R&D activities. Despite the economic crisis in many Western countries, international firms continue to develop their activities abroad, with the tendency to diversify their geographic scope. Statistics provided by UNCTAD (2014) show that developing and transition economies account for more than half of FDI (foreign direct investment) inflows. In fact, territorial attractiveness is undergoing far-reaching changes, and is

linked in particular to the growing importance of emerging markets.

With an additional dataset, preferably automotive companies from other home-countries, we could also carry out cross-national and cross-cultural analyses and either see the results confirmed or challenged. US-American, Japanese, Korean or French firms in the automotive industry, for instance, may have different approaches towards their configuration and coordination practices, also resulting from different approaches to supply chain management within and across countries (Kim, Sohn, Roemer, & Yassine, 2006). Again, it may well be the national culture and other home-country factors which influence the way of how firms configure their activities and how they coordinate them. For instance, Shim and Steers (2012) show that national culture strongly shapes the strategic and organizational orientations of automotive companies. Their findings indicate that Toyota emphasizes planning and work systems that mitigate the impact of environmental turbulence, while Hyundai tends to accept environmental uncertainty and risk as a part of daily business operations. These differences are likely to influence configuration and coordination choices.

As it is the case for many IB studies, the present study is the result of headquarters' assessment. Configuration, coordination and coordination performance of marketing activities may, however, be viewed differently by managers abroad. Including both perspectives in future research can give us additional insights and can also reveal whether perception gaps exist (Birkinshaw, Holm, Thilenius, & Arvidsson, 2000; Chan & Holbert, 2001).

6.3. Implications for management

As our research showed, marketing activities, over all firms, are still strongly concentrated in the home region. With an increasing internationalization of sales, production and R&D, it is to be questioned whether marketing activities can continue to have a home-region or even home-country oriented configuration. Firms from Cluster 2 show that an increasing decentralization of

activities is even not going hand in hand with low coordination performance. It is rather the appropriate coordination mix which matters. Contrary to our expectation, over all firms in our sample, socialization and networks are currently used to quite a low degree for coordinating marketing activities. However, the more firms will develop in the future towards the transnational type (Bartlett & Ghoshal, 2002) or the Global Factory type (Buckley, 2011), the more it will be important for them to also use corporate culture as for normative integration (Hedlund, 1986; Welch & Welch, 2006). Hence, in the next years and the next decades, we may expect a rising importance of socialization and networks as coordination mechanisms in practice.

It is self-evident that our research only considered parts of the coordination challenges which exist in management practice. Companies face the problem that they have to transcend the perspective of vertical coordination adopted in this paper and include cross-functional coordination, such as the interplay between R&D or production activities in headquarters and marketing activities abroad. While vertical coordination alone is difficult to achieve, cross-functional coordination increases the complexity and may lead to even more sophisticated sets of coordination mechanisms (Carr, Kaynak, & Muthusamy, 2008), also in the context of offshoring (Linares-Navarro, Pedersen, & Pla-Barber, 2014).

Continuing descriptive, explanatory and normative research in the area of international configuration and coordination of marketing will be fruitful, since not only the appropriate decisions in terms of standardization and adaptation, but also the appropriate organization of marketing activities can help firms to gain and build a competitive advantage (Hewett et al., 2003). While many authors have shown that strategy and structure of firms are related (Claver-Cortés, Pertusa-Ortega, & Molina-Azorín, 2012; Grøgaard, 2012; Miller, 1996), IB research that further investigates this relationship at the level of the value chain activities, will be helpful for international firms. Many firms are not managing legal entities, such as subsidiaries, abroad; they are managing various activities.

Appendix. List of main variables, their operationalization and literature base

Construct/variable	Operationalization	Major references
Configuration of marketing planning activities	Existence or not of marketing planning activities in six geographic regions: Western Europe, Eastern Europe, North America, South America, Asia-Pacific, Africa & Middle East	Division of regions: Rugman (2005), Rugman and Collinson (2004), Rugman and Verbeke (2004). Classification of marketing activities: Cravens (1998), Hite and Fraser (1990), Kotler and Keller (2012). Calculation of configuration index: Bühner (1987).
Configuration of marketing implementation activities	Existence or not of marketing implementation activities in six geographic regions: Western Europe, Eastern Europe, North America, South America, Asia-Pacific, Africa & Middle East	Division of regions: Rugman (2005), Rugman and Collinson (2004), Rugman and Verbeke (2004). Classification of marketing activities: Cravens (1998), Hite and Fraser (1990), Kotler and Keller (2012). Calculation of configuration index: Bühner (1987).
Configuration of marketing control activities	Existence or not of marketing control activities in six geographic regions: Western Europe, Eastern Europe, North America, South America, Asia-Pacific, Africa & Middle East	Division of regions: Rugman (2005), Rugman and Collinson (2004), Rugman and Verbeke (2004). Classification of marketing activities: Cravens (1998), Hite and Fraser (1990), Kotler and Keller (2012). Calculation of configuration index: Bühner (1987).
Coordination by the use of personal centralized mechanisms ^a	- Centralisation of decisions - Direct personal supervision	Harzing (1999, 2002), Martinez and Jarillo (1989, 1991).
Coordination by the use of socialization and networks ^a	- Socialization - Informal communication - Formal networks - Expatriation - Training actions	Harzing (1999, 2002), Martinez and Jarillo (1989, 1991).
Coordination by the use of bureaucratic formalized mechanisms ^a	- Standardization of processes - Formalization of processes	Harzing (1999, 2002), Martinez and Jarillo (1989, 1991).

Appendix (Continued)

Construct/variable	Operationalization	Major references
Coordination by the use of output oriented mechanisms ^a	- Existence of precise objectives - Evaluation of results	Harzing (1999, 2002), Martinez and Jarillo (1989, 1991).
Effectiveness of coordination ^a	- Optimal orientation of activities and decisions towards company/divisional objectives - Optimal coordination of activities and decisions within business function	Ostroff and Schmitt (1993), Roth and Nigh (1992), Ruekert and Walker (1987).
Efficiency of coordination ^a	- Objectives of functional units are achieved - Optimal use of resources for implementation of coordination - Double coordination efforts are avoided in the coordination process - Coordination of functional units is cost efficient - Optimal use of functional units for implementation of activities	Ostroff and Schmitt (1993), Schäffer (2007).
Resource supportiveness ^a	- Optimal use of resources and competences of functional units - Optimal use of scarce and firm-specific resources and competences of functional units - Optimal use of resources and competences of functional units which are difficult to imitate or substitute by competitors - Optimal use of resources and competences of functional units which allow to achieve higher long-term profitability	Barney (1991), Luo (2002).

^a Coordination mechanisms, effectiveness, efficiency and resource supportiveness were measured by seven-point Likert scales (weak to strong).

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