CMO: CHIEF MARKETING OFFICER OR CHIEF "MARGINALIZED" OFFICER

by

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DEDICATION

This dissertation is dedicated to my younger brother, and best friend:

John Corbin Carver (October 5, 1978 – January 15, 2002).

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ABSTRACT

Traditionally, research investigating marketing's role and influence within the firm has focused on the marketing department and its ability to affect future firm strategies. Consequently, little is known about the antecedents of a Chief Marketing Officer's (CMO) role or influence. Yet the position of CMO is quite unique. Unlike other executive officers (e.g., CFOs), no reliable external validation or accreditation is generally recognized, required, or mandated. Similarly, firms are increasingly calling for their CMOs to justify their own existence, and many are even considering abandonment of the position entirely.

The goal of this investigation is to understand how CMOs can generate influence within their respective firms given a lack of reliable external credentials. However, the current business press seems to suggest that there currently exists a great bias towards marketing in general and CMOs in particular. As a result, the current investigation uses a competing models approach to study CMO influence.

Drawing upon the literature pertaining to competition, the author suggests that individuals, like firms, can generate their own competitive advantage by possessing unique bundles of resources (e.g., information).

This is the common element in both models. As the uniqueness of the information provided by the CMO increases, other executive officers within the firm are more likely to confer expertise power to the CMO, which in turn leads to greater influence.

The two models diverge as organizational legitimacy is introduced. In one model, the Socially Contingent model, the CMO can only garner expertise power to the extent that s/he possesses organizational legitimacy. In such a case, CMOs that lack organizational legitimacy will be unable to realize any gains in expertise power regardless of the uniqueness of their informational resources (i.e., organizational legitimacy moderates the relationship between the uniqueness of the information provided and expertise power).

In the second model, the Merit-Based model, organizational legitimacy mediates the relationship between a CMO's expertise power and his/her influence. As a CMO's perceived expertise increases, other executive officers are more likely to support the CMO's initiatives, which in turn lead to greater influence during strategy design and implementation.

CHAPTER 1: INTRODUCTION

To establish oneself in the world, one has to

do all one can to appear established.

– Francois de La Rochefoucauld

Since the early 1980s many have been concerned with marketing's perceived lack of power and influence within the firm, particularly at the level of corporate strategy-making (e.g., Anderson 1982; Varadarajan 1992; Webster 1981, 1992, 2005; Webster, Malter, and Ganesan 2004, 2005). Yet only recently have individuals sought to empirically study the position of the Chief Marketing Officer or CMO (e.g., Nath and Mahajan 2008; Webster, Malter, and Ganesan 2005). This is surprising given that more than three decades ago Webster (1981, p. 13) suggested that the mere presence of a CMO could be used as a proxy for the overall importance placed on marketing within the firm.

If Webster (1981) was correct, it seems marketing may be in real trouble. As recently as 2006, the average tenure of a CMO was 23.3 months – down from 23.6 months in 2004 (Cardona 2004; MacArthur 2006a, b).

Similar studies have also observed that only 14% of CMOs have been with their companies for more than three years; more than half have held their positions for less than twelve months; and the average turnover for a CMO in retail apparel is approximately 10 months (Anonymous 2004). Yet these problems are not systemic to firms lacking a strong customer focus or market orientation. Between 2001 and 2006, Home Depot, and one of America's most recognized brands, employed three different CMOs and even had the position lay vacant after Dick Sullivan left within weeks of his appointment (Frazier 2006b, p. 3).

With this overwhelming turnover and many firms abandoning the CMO position entirely, the question becomes: Is the value of the CMO (and marketing) important to the firm (Workman 1993)? Marketers continue to lack either the ability or desire to provide financial accountability for their actions even in the face of tougher legislation requiring drastically more rigorous financial reporting (e.g., Maddox 2006; O'Sullivan and Abela 2007). Marketers too seem unable to distinguish their contributions beyond that provided by non-marketers performing marketing tasks (e.g., Day 1992). Perhaps today's CMOs have simply failed to learn from marketing's deficiencies in the past (e.g., Webster 1981).

Yet is this CMO problem so simple? Has today's CMO simply neglected to meet the needs of other firm constituents as much of the research would suggest (e.g., McGovern et al. 2004; Webster, Malter, and Ganesan 2005)? Conceivably these CMO inactions may have increased the view of marketing as too important to be left to any one individual or functional area (e.g., Webster 2005). But this "view" speaks to a different CMO problem entirely. It suggests that perhaps marketing in general, and CMOs in particular, lack organizational legitimacy. In fact, recent research suggests that one of the CMO's most immediate challenges upon taking office is not to correct the blurry brand images, shaky marketing relationships, and past strategies that seem to lack any cohesive direction (Cardona 2004), but to justify one's own existence (Raju 2005).

All too often, non-marketing executives are likely to view the new CMO and the one that just left as essentially the same. This is because all organizational members are characterized by the functional areas with which they are affiliated (Fisher et al 1997). Each is seen as implicitly, or explicitly, adopting the cultural norms and overall views of their home bases, regardless of their past or present actions (Dougherty 1992). Consequently, while work output may be one factor affecting the legitimacy of the CMO position (e.g., McGovern et al. 2004; Webster 2005; Webster, Malter, and Ganesan 2005), it is unable to explain how a *new* CMO is likely to be anything other than an eventual failure, particularly if all CMOs are seen as the same.

A comprehensive review of the literature suggests that this investigation most likely represents the first attempt to extensively incorporate legitimacy within the study of CMO (or marketing) influence. Previous research has included similar constructs like institutionalization by including the background of the CEO within their investigations (e.g., Homburg, Workman, and Krohmer 1999); however, legitimacy is different from institutionalization. Legitimacy represents the extent to which others are willing to support an individual actor (e.g., a person, organization, political party, etc.). Consequently, it is quite possible for an actor, say a political party, to be institutionalized yet remain illegitimate; they may have the right to lead, but others may not *willingly* support the actor.

Recognizing this distinction between institutionalization and legitimacy and the importance of providing unique contributions beyond those provided by non-marketing executives, this study uses a competing-models approach to address two research questions: 1) to what extent is

CMO influence affected by social factors (i.e., legitimacy); and 2) to what extent is CMO influence individually achieved or output-based? The conceptual models presented and explained in Chapter 2 illustrate the interrelationship between these two research questions. One model suggests that CMO influence is largely based upon the merits of one's work output; the other suggests that influence is largely based upon the way in which the CMO is generally accepted by non-marketing executives (i.e., it's socially biased).

Such a competing models approach is important given the current CMO problems illustrated earlier. Without an influential CMO at the corporate roundtable, marketing is unlikely to affect future corporate strategy-making. Instead, marketing is likely to continue ceding its span of control to non-marketing executives while simultaneously being absorbed into other functional areas (e.g., strategic planning – Day 1992; Varadarajan 1992; Webster 1992, 2005). Further, by testing competing models, marketing executives and academics are better informed as to the causes for variance in marketing's role and influence within the corporate suite. Thus, theoretically, this investigation contributes to the existing dialogue by questioning whether CMOs lack influence because of a pervasive bias against marketing within the firm (e.g., Schultz 2003, 2005). Moreover, it demonstrates how legitimacy is one mechanism through which CMO resources affect a CMO's future influence.

Prior research along these lines has neglected to account for legitimacy offering instead that influence is contingent upon external factors and a firm's general competitive strategy (e.g., differentiation versus cost-savings – Homburg, Workman, and Krohmer 1999). Further, a majority of the empirical research conducted so far has been either at the level of the strategic-business-unit (e.g., Homburg, Workman, and Krohmer 1999; Moorman and Rust 1999), based upon secondary data and case sampling (e.g., Nath and Mahajan 2008), or relied upon depth interviews and participant observation (e.g., Webster, Malter, and Ganesan 2005). Thus, the existing research, while insightful, has yet to incorporate any form of representative sampling that allows for generalizations to the entire population of CMOs. By relying on survey data gathered using representative sampling techniques, this study enables CMOs to have a better understanding of how to generate influence and impact future corporate strategy.

Summary and Organization of the Dissertation – 1.1

Marketing is increasingly seeing many of its responsibilities annexed by functions like strategic planning, finance, and operations (e.g., Day 1992; Kotler 2004). At the same time, many firms are choosing to abandon their CMO positions entirely. Both instances have pushed some to suggest that perhaps marketing is simply too important to be left to any one individual or department (Webster 2005).

Many have suggested that the mere presence of a CMO inside the corporate suite is important; it provides customers an opportunity to affect future firm strategies (e.g., Nath and Mahajan 2008). Yet for customers' voices to truly be heard, the CMO must have influence. This research study empirically supports at least one possible avenue for CMOs interested in gaining and/or maintaining strategic influence.

The remainder of this dissertation is structured as follows. In Chapter 2, "Theory Development & Hypotheses", two theoretical models of CMO influence are presented along with a discussion of the theoretical basis for each. Chapter 3, "Research Method", concentrates on the two research methods employed in this study, a qualitative stage and a quantitative stage, as well as provides a thorough description of sample participants. Chapter 4, "Analyses and Results", focuses on the analyses and results of the models presented in Chapter 2. Chapter 5, "Alternative Specification of the Merit-Based Model", presents an alternative specification for one of the models and discusses the rationale for these changes. It also presents theoretical justification for one additional hypothesis. Chapter 6, "Discussion and Implications", discusses the possible implications of this dissertation for research and practice, presents limitations of the study, and proposes future research directions. Copies of all survey materials sent to CMOs, as well as a list of scales and relevant statistics is provided in the Appendices.

CHAPTER 2: THEORY DEVELOPMENT AND HYPOTHESES

Theoretical Background – 2.1

A majority of the research investigating marketing's influence tends to underpin their investigations with contingency theory and/or organizational theory suggesting that marketing's influence is a function of the external forces affecting the firm; this study does not. Instead, it relies on Resource Advantage (RA) theory and adopts a resource-based view (RBV) of organizational influence (Barney 1991; Hunt 2002; Hunt and Morgan 1995).

Originally developed to explain interfirm competition and the observed heterogeneity in firms' financial performance, each theory suggests that firms are essentially a bundle of resources. Further, variance in performance is suggested to be a function of the rarity, value, imitability, and substitutability of these resources (Barney 1991, 2001). For instance, increases in the rarity and value of a firm's resources enhance the likelihood that it will be successful, while increases in the imitability and substitutability of its resources negatively affect firm performance. In addition, each theory postulates that 1) firm resources include, but are not limited to, human capital (e.g., knowledge), physical assets, and information; 2) resources are heterogeneous across firms and are imperfectly mobile; 3) strategies that take advantage of a firm's resources will lead to a competitive advantage; and 4) environmental resource factors will influence, yet not determine, an organization's conduct or strategies (Barney 1991; Dickson 1992; Hunt 2002; Hunt and Morgan 1995).

While these theories are almost exclusively utilized to study interfirm competition, it seems probable that they too could be used to explain intrafirm, competitive behavior (e.g., competition between different departments, project teams, etc.). As the conflict management literature suggests, departments[1] often compete to exert control and influence over the strategic direction of the firm or business unit (e.g., Frankwick et al. 1994). Further, different functional units develop distinct areas of expertise for dealing with organizational problems (Dougherty 1992). It is this expertise,

[1] Although one could argue that the terms "department" and "functional unit" are not necessarily the same thing within a firm (e.g., the purchasing department versus the functional area of marketing), this investigation is only concerned with understanding the competition between functional areas such as finance, marketing, accounting, etc. Thus, the terms: department, functional unit, and functional area will be used interchangeably throughout this study to refer to the different areas of business (e.g., marketing).

which is then used to barter for increased power and influence within organizational decision-making (Anderson 1982).

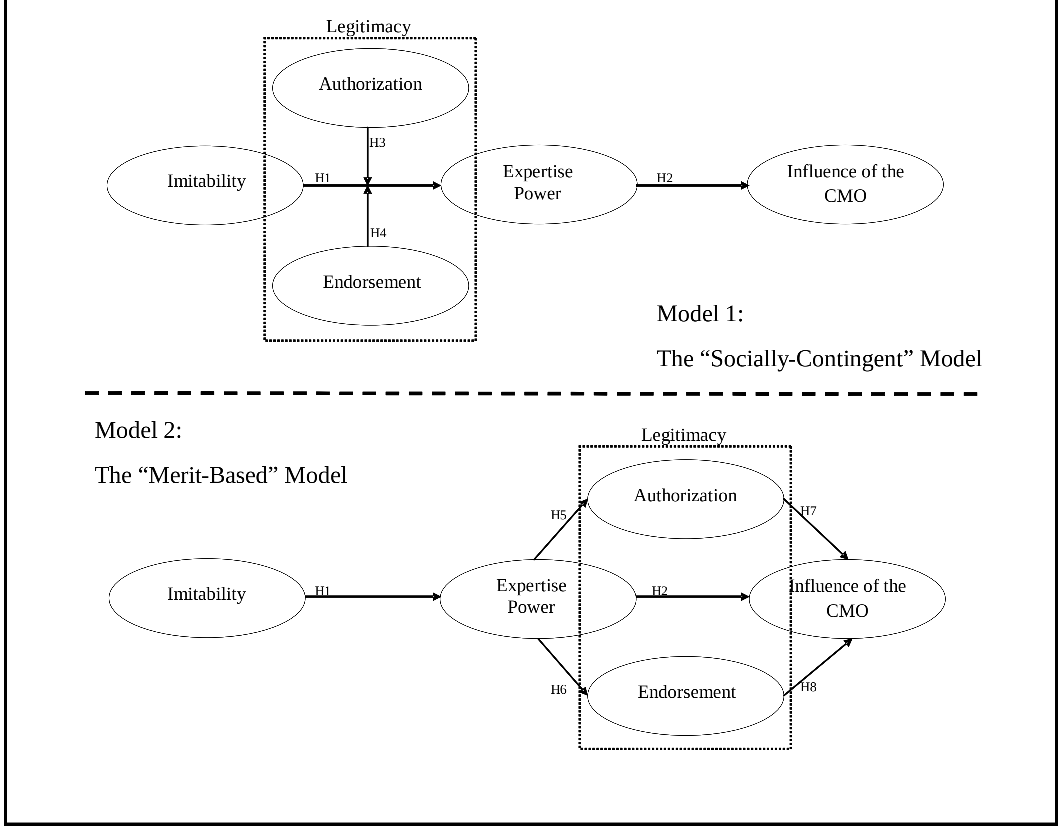
To further substantiate the claim that RA theory allows for the explanation of intrafirm competition, the four aforementioned postulates are applied to the current CMO problem. First, the CMO is responsible for the marketing function, a department which is made up of human, physical, and informational assets. Second, many of these assets (i.e., resources) are unique and were designed to meet the specific needs of the marketing department (i.e., these resources are imperfectly mobile across departments – Dougherty 1992). Third, CMOs that take advantage of their unique resources are likely to be more successful than those that do not (Crosby and Johnson 2005). Finally, environmental (and organizational culture) factors will influence, yet not determine, an organization's conduct or strategies; CMOs must learn to provide information and advice that is valuable given the organization in which they operate.

Taking these postulates into account, this study seeks to understand the extent to which resources affect a CMO's future success. Thus, Resource Advantage theory and the resource-based view are the theoretical basis for the fundamental proposition: a CMO's influence and control over organizational strategy-making is a function of the resources s/he provides in comparison to those provided by other senior, executive officers (e.g., the Chief Financial Officer, etc.).

Framework and Construct Definitions – 2.2

Framework – 2.21. The unit of analysis is a single CMO. Using a competing-models approach, the effect of a CMO's informational resources on his/her overall influence is studied. Common to both models is a causal chain with three constructs: imitability, expertise power, and influence of the CMO. The models diverge once two dimensions of the construct legitimacy are included. In one model, the Socially-Contingent model, legitimacy is hypothesized to act as a moderator. In the other, the Merit-Based model, legitimacy is hypothesized to act as a mediator between the perceived expertise of the CMO and his/her overall influence. Figure 1 provides a general overview of the framework and constructs involved.

Figure 1: Two Competing Models of CMO Influence



Construct: Imitability – 2.22. Imitability refers to the capability of others to provide resource outputs that are the same as or similar to that which is provided by another (Barney 1991). It represents a perceptual assessment describing any particular resource offering (e.g., information). To the extent that information provided by one actor (e.g., an individual, or an organizational unit, etc.) is the same as or identical to that provided by another, the information in question is characterized as *perfectly imitable*. Conversely, when information is provided that is highly unique or "one-of-a-kind," the information is considered *perfectly non-imitable*. Thus, imitability can be thought of as the inverse of providing unique resource outputs.

Consequently, within this framework, imitability describes the type of information routinely supplied by CMOs. To the extent that a CMO's information is imitable, redundancy exists. In such a situation, the CMO no longer represents the only information junction for supplying marketing output. Instead, non-marketing executives are able to source their market intelligence from other executive officers or supply it on their own.

Construct: Expertise Power – 2.23. Expertise power is defined as the perception that one has some special knowledge or superior ability in very specific areas (e.g., marketing – French and Raven 1959, p. 156, 164). Thus, expertise power represents an assessment of an *individual*, not a characteristic of the output s/he provides.

For instance, it is possible to have two marketing experts where each provides unique, or non-imitable, informational resources. It is also possible to have two marketing experts where each provides perfectly-imitable, or identical, information. In the first instance, the two experts may each be beneficial to the firm given they provide different insights; however, it would be redundant to employ both experts in the second case because each would provide the same insights as the other. Consequently, expertise power within this framework is an assessment of the individual CMO and his/her ability to uniquely understand the marketplace, the needs and wants of target customers, the firm's competitors, and/or the firm's offerings in comparison to his/her constituents.

Construct: CMO Influence – 2.24. CMO influence is defined as the exercised power of the CMO, relative to other senior executives, over strategies important to the overall success of the organization (Homburg, Workman, and Krohmer 1999). Thus, CMO influence represents the overall impact that the CMO possesses during strategy design and implementation phases. As the CMO's span of control over distinct strategic issues increases (e.g., pricing and distribution strategies), his/her influence increases relative to other senior executives. However, it should be noted that the term "control" is used quite loosely here.

One does not have influence only over the areas where s/he is able to make the final decision. Instead, one can still have influence without being in the position to make "go/no-go" decisions. For instance, one can influence another simply by giving advice regarding a future choice to be made regardless of whether that advice is actually followed. Therefore, to the extent that the CMO is consulted prior to final decisions being made, the CMO is said to have influenced the decision

Construct: Legitimacy – 2.25. In order to better understand the role of social networks within organizations as well as their effect on CMO influence, this study incorporates two distinct dimensions of the construct, legitimacy. Johnson and Ford (1996, p. 128) state that organizational legitimacy is garnered from two groups of employees, those above an individual in the organizational hierarchy and those below or equal to an individual in the organizational hierarchy. *Authorization* is defined as the collective support given to those lower in the organizational hierarchy by their superiors (i.e., CEO support). Similarly, *endorsement* is defined as the collective support given to those that are higher or peers within the organizational hierarchy (i.e., support given by other senior executive officers). Consequently, one can gain legitimacy through the support provided by not only those below one's self in the organizational hierarchy, but also from those above.

Marketing's Influence within the Firm – 2.3

As alluded to in Chapter 1, marketing's role within the firm is being questioned (e.g., Hyde, Landry, and Tipping 2004; Murphy 2005; Schultz 2003, 2005). In an attempt to rectify this perceived problem, many have suggested that marketing can redeem itself only through the performance of specific tasks that to this point it has neglected to carry out – or what is termed here as role modification. For instance, it has been suggested that one of the biggest problems facing marketing is its inability, or unwillingness, to account for and justify its annual expenditures (e.g., Moorman and Rust 1999; Verhoef and Leeflang 2008). As the department begins to adopt these accountability tasks as part of their standard operating procedures, marketing's influence increases (e.g., Moorman and Rust 1999; O'Sullivan and Abela 2007).

Other common role modifications suggested within the literature include: marketing innovativeness (Selden and MacMillan 2006; Verhoef and Leeflang 2008); cross-collaboration and sharing of marketing information (e.g., Srivastava, Shervani, and Fahey 1998); the development of customer connections (e.g., customer-product or customer-financial – Achrol and Kotler 1999; Moorman and Rust 1999); internal marketing of departmental ideas (e.g., Hauser, Simester, and Wernerfeldt 1996); and an ability to decrease future market uncertainty (e.g., Hambrick 1981; Homburg, Workman, and Krohmer 1999). In each of these instances, marketing is seen as essentially in need of an overhaul; the current approach to the performance of marketing in most firms is simply seen as inadequate.

While each of these role modifications are likely to lead to an increase in marketing's influence, others have found that marketing's organizational utility is affected by factors internal and external to the firm (e.g., Homburg, Workman, and Krohmer 1999) –or what is termed here as contingency factors. For instance, as the external environment becomes more unpredictable or the frequency of major market-related changes increases, marketing tends to be more influential (Homburg, Workman, and Krohmer 1999). Similarly, firms operating in the business-to-business (b2b) sector tend to view marketing as less important as compared to those competing in the business-to-consumer (b2c) sector (Verhoef and Leeflang 2008). Presumably this occurs because the b2c market tends to be more dynamic as products and consumer tastes change rapidly.

Yet not all external factors are necessarily concerned with the industry in which a firm operates. For instance, a country's societal view towards marketing and competition will have a significant impact on whether or not marketing is valued within the firm (Homburg, Workman, and Krohmer 1999). Additionally, the country's economy can impact whether marketing is likely to be influential. As domestic and global economies continue to suffer, it is plausible that firms will focus even more on short-term financial results. When this occurs, marketing is often seen more as a cost than an investment and a shortfall in strategic thinking about the customer ensues (Verhoef and Leeflang 2008; Webster, Malter, and Ganesan 2005).

Alternatively, CMOs must also contend with a multitude of internal issues that can effectively circumvent their necessity. One of the largest issues is the overall market orientation of the firm (e.g., Kohli and Jaworski 1990). As the firm's market orientation increases, many of the strategic aspects of marketing are absorbed by other functional areas (e.g., sales or finance – Day 1992; Sheth and Sisodia 2005a, 2005b). Additionally, the type of competitive strategy pursued by the firm (e.g., differentiation versus cost leadership – Verhoef and Leeflang 2008); the functional background of the CEO (e.g., marketing – Homburg, Workman, and Krohmer 1999); and whether the CEO was recruited from within or outside the firm (Nath and Mahajan 2008), can all impact whether marketing and the CMO are influential. Thus, in each of these instances, marketing and the CMO's influence are contingent upon the organization and culture of the firm.

Resource Imitability and CMO Influence – 2.4

Traditionally, marketers have seen managing the customer-firm relationship as their chief responsibility; yet there are an increasing number of non-marketers that believe customer responsibility must be shared throughout the entire organization (e.g., Brown 2005; Gulati and Oldroyd 2005; and Shah el al. 2006). As a result, more non-marketing executives are performing tasks traditionally thought of as falling under the umbrella of marketing (Kotler 2004; Webster 1992). No longer are many CMOs able to provide the only cross-functional information necessary for placing the customer at the center of organizational activities (Moorman and Rust 1999; Webster, Malter, and Ganesan 2005). When this situation occurs, CMOs often begin to lack information control and their perceived expertise deteriorates (Atuahene-Gima and Evangelista 2000; Dubin 1963; Emerson 1962).

In order to correct this problem, CMOs must develop unique, or non-imitable, information about the customer that no other executive is able to provide while simultaneously communicating the availability of this information to non-marketing executives (Crosby and Johnson 2005). Only by possessing a more useful fund of information can CMOs enhance their chances of uniquely solving problems within the organizational network (Emerson 1962; Kerin 2005). This is because CMOs in possession of greater amounts non-imitable information will become an information junction, or “gatekeeper” of market intelligence (Dawes, Lee, and Dowling 1998; Mechanic 1962; Pettigrew 1972). This gatekeeper status then affords the CMO a more central position within the organizational network as others must routinely turn to the CMO for marketing assistance (Atuahene-Gima and Evangelista 2000; Emerson 1962; Mechanic 1962). It is this centrality that provides the CMO with expertise power because firms instinctively seek to reduce risk during their strategy-making attempts (e.g., Hambrick 1981; Smith, Carroll, and Ashford 1995).

When CMOs are seen as experts concerning the customer's needs and wants, they become highly influential during strategy-making (Kerin 2005; Dawes, Lee, and Dowling 1998). This is because strategy design and implementation is a cross functional exercise involving a large number of distinct points of view. Executive officers from each functional area compete with one another through the use of information bartering (Fisher et al. 1997; Frankwick et al. 1994). Those bartering information that is valuable yet unique are then able to transform their expertise power into increased influence during strategy-making (Achrol and Kotler 1999; Davis 2004). This belief is further supported by French and Raven (1959) who suggest that influence is kinetic power, and power is latent, or potential, influence. Thus,

H_1: The imitability of the CMO's information is negatively related to the possession of expertise power.

H_2: The expertise power of the CMO is positively related to the overall influence of the CMO.

Legitimacy's Role in Determining CMO Influence – 2.5

Legitimacy is a force that establishes, constrains, and empowers organizational actors to alter and change future organizational direction (Suchman 1995). Yet, recall that Figure 1 depicts two possible positions for legitimacy within the causal chain: one prior to possession expertise power; the other following the attainment of expertise power. Further, in one scenario, legitimacy is hypothesized to act as a moderator, while in the other legitimacy is believed to mediate the relationship between expertise power and influence.

Unbalanced models, with regards to the placement and hypothesized effects of legitimacy, were used to account for the differing perspectives opined within the existing literature. Suchman (1995) suggests that legitimacy is a function of two different inputs – explicit actions designed to manipulate and deploy resources in order to garner support (i.e., the strategic tradition); or sector-wide, cultural pressures that transcend any one organizational actor's purposive control (i.e., the institutional tradition). It is this institutional perspective that has dominated the existing influence literature within marketing (e.g., Homburg, Workman, and Krohmer 1999; Schultz 2003).

Adopting a more cognitive stance toward legitimacy, institutionalists argue that organizational or industry culture determines an actor's (i.e., an organization, political regime, or individual) ability to act. It establishes a set of internalized norms within the super-ordinate group (e.g., society, industry, or organization) which are used to understand and determine an actor's congruence with accepted social values (Dowling and Preffer 1975; Suchman 1995). To the extent that an actor's behavior is congruent with accepted norms, the actor is viewed as legitimate, and the behavior is accepted without overwhelming question (Johnson, Dowd, and Ridgeway 2006).

Conversely, those that adopt a strategic perspective of legitimacy view legitimacy as an operational resource generated by the prospective value of an actor's output to a particular set of constituents (i.e., exchange legitimacy; Suchman 1995). Thus, the strategic perspective is largely similar to a materialistic power-dependence relationship where constituents support the actor not because it supplies favorable exchanges but because it is seen as responding to their larger interests (Suchman 1995, p. 578). Those that provide more valuable resources are seen as legitimate.

Given these two divergent perspectives, this dissertation seeks to understand which approach provides greater explanatory power in determining the role and influence of CMOs within their respective organizations. However, as the recent marketing literature suggests that top management respect is often lacking when it comes to CMOs (O'Sullivan and Abela 2007; Verhoef and Leeflang 2008), and the fact that many believe that "misguided marketing strategies have destroyed more shareholder value, and probably more careers, than shoddy accounting or shady fiscal practices," (McGovern et al. 2004, p. 70), hypotheses are first developed to determine whether legitimacy may affect the evaluation of a CMO's informational output (i.e., an institutionalist perspective). Following this discussion, a strategic perspective will be offered and hypotheses developed that position CMO legitimacy is the byproduct of expertise power.

Legitimacy as a "Biasing Agent" – 2.51. Departmental affiliation is expected to affect not only how one is viewed within the firm, but also how one characterizes particular organizational problems (e.g., Fisher et al. 1997; Frankwick et al. 1994). Yet, this is not to suggest that different functional units merely attend to distinct facets of a strategic problem. Instead, each functional unit focuses inward to solve the firm's problems. They draw on their complete set of information and frame situations in light of what is known internally (Dawes, Lee, and Dowling 1998).

By allowing this inward focus to fester, units hamper their ability to share ideas and increase the likelihood that they view other's (i.e., outsiders) opinions and information as esoteric. Dougherty (1992, p. 187-89) further argues, "People do not ignore the activities they do not deal with directly, and do not merely argue over relative priorities. Rather, they gloss over the concerns of others, and tend not to appreciate their complexities." As a result, their limited fund of knowledge creates what is known as a "thought world" stifling cross-functional dialogue and appreciation (Dougherty 1992). This inference was further supported by an interview conducted with the CMO of a national retailer. He stated that his predecessor was not successful due to the continuous lack of support and internecine struggles that took place whenever his predecessor's information and ideas were counter to the Chief Merchandising Officer's initiatives.

A common understanding or theme throughout each unit's fund of knowledge is necessary for unit efficiency; this is also true for organizations as a whole (Suchman 1995). However, executives often rely so heavily on this fund of shared-knowledge or values that they are more prone to emphasize information that is congruent with core group beliefs, regardless of whether the information is objectively accurate (Brown 1999; Golant and Sillince 2007). Consequently, CMOs may have a tough time altering firm strategy when a pervasive stigma against marketing exists within the firm (Boeker 1989).

If the firm is viewed as an internal marketplace where departmental ideas are bartered for influence (e.g., Hauser, Simester, and Wernerfeldt 1996), CMOs are selling MARKETING; a "product" that may be viewed skeptically (e.g., Murphy 2005; Schultz 2005). Unlike for CFOs, there exists no external validation or accreditation suggesting that the CMO's information is necessary for the firm to be successful (Boeker 1989; Zorn 2004). As a result, value must be seen in the marketing output provided by CMOs (e.g., Dubin 1963; Kohli and Jaworski 1990).

Yet, previous observation would suggest that many firms are unhappy with their past CMO experiences (Hyde, Landry, and Tipping 2004). They may value a market orientation, or customer focus, but instead prefer to split up the primary activities of marketing among strategists, financial experts, operations managers, and marketers (Kotler 2004). This dividing up of marketing effort then erects barriers that constrain cross-functional dialogue and collaboration as different units begin to question the appropriateness of employing a CMO (Dougherty 1992; Kotler, Rackham, and Krishnaswamy 2006). Instead, non-marketing executives tailor their marketing efforts to meet the organization's predetermined values which are seen as legitimate.

Legitimacy therefore implies justification which lies beyond the scope of the CMO's questioning and establishes a set of commonsense categories or scripts that rationalize the organization's beliefs (Golant and Sillince 2007, p. 1150). Cultural values are seen as conferring resource availability and prestige; CMOs lacking legitimacy are "taken for granted" as incapable of making a meaningful contribution (Dowling and Pfeffer 1975; Suchman 1995). This is because legitimacy confers a sense of qualification in social systems; that is, a sense of knowledge, skills, or competence to be a member of the governing group. Illegitimate CMOs will immediately have their actions and information perceived as undesirable or inappropriate within the organization's social system (Deephouse and Carter 2005, p. 331). This will occur regardless of whether the CMO's information is unique or not.

From an institutional perspective of legitimacy, congruence with the other organizational members' goals and values is paramount, and illegitimacy will trump the uniqueness of output provided by the CMO (e.g., Boeker 1989; Crosby and Johnson 2005). Thus,

> H_3: In the case of high (low) authorization, the relationship between the imitability of the CMO's information and the possession of expertise power will be less (more) negative.

> H_4: In the case of high (low) endorsement, the relationship between the imitability of the CMO's information and the possession of expertise power will be less (more) negative.

Legitimacy as the Byproduct of Expertise Power – 2.52. Although ample evidence exists demonstrating that external validation and accreditation are useful in establishing industry- or organization-wide legitimacy for organizational actors (e.g., CFOs – Suchman 1995; Zorn 2004), this institutionalist perspective neglects to account for the individual work output of actors (Johnson, Dowd, and Ridgeway 2006; Tyler 2006).

Additionally, such a perspective neglects to explain how legitimacy is established when new types of organizational actors are introduced or when existing actors' legitimacy is in question (Suchman 1995).

Suchman (1995) purports that legitimacy is not unidimensional; rather, there exist three levels of legitimacy which tend to blur around the edges – pragmatic; moral; and cognitive or "taken-for-granted" status. Traditionally, as the legitimacy of an actor increases, one moves from a pragmatic, or evaluative, basis, where actors are legitimatized based upon their ability to produce that which is deemed necessary by constituents; to a moral, or normative, legitimacy; and finally taken-for-granted status, where no other option is even seen as viable (Suchman 1995). With much of the existing business press highlighting the expanded turnover for CMOs, the strategic perspective would suggest that CMOs must first demonstrate pragmatism if they are to become legitimated (e.g., Tyler 2006).

The strategic perspective argues that CMOs are able to manage, to some degree, the legitimacy they receive by providing outputs that are perceived as superior by their non-marketing counterparts (Suchman 1995). Those seen as possessing knowledge resources which act as a proverbial blueprint for organizing and conducting the firm's marketing actions are likely to experience greater organizational support (Johnson, Dowd, and Ridgeway 2006; Tyler 2006). This is particularly true when external regulative or normative legitimacy is lacking (e.g., governmental guidelines or professional accreditation respectively – Deephouse and Carter 2005; Dowling and Pfeffer 1975). In such cases, legitimacy is a contested process; legitimacy boils down to those that provide superior insights that are necessary for firm survival (Suchman 1995).

In most cases, organizational actors, particularly those of executive status, feel accountable to the firm rather than their functional area of expertise (Brown 1999). This is especially true when organizational actors adopt firm-specific goals and seek input from any individual or group perceived as possessing necessary knowledge or skills (Dougherty 1992; Fisher et al. 1997). In this instance, strategic decision-making becomes less a battle over departmental “turf” and more an exercise in efficient, cross-functional collaboration (Frankwick et al. 1994). Executives seek to optimize firm performance possibly at the expense of functional control and increases in their own legitimacy.

Consequently, CMOs must show why they should be legitimated rather than rely on normative rules for legitimacy (e.g., Zorn 2004), particularly if the norm is to question the CMO's existence (e.g., Davis 2004; MacArthur 2006a, b; Maddox 2006; Schultz 2003). In the absence of perceived expertise, other organizational members are likely to argue that CMOs deserve subordinate status because "they are 'lazy' or '*not intelligent*,' and holding higher status is associated with possessing more favorable traits, such as *competency*," (Tyler 2006, p. 385 – emphasis added). To combat such a view, CMOs must routinely seek to become and remain legitimated by reference to their substance and expertise; they must be seen as increasingly providing prototypicality in all outputs so as to provide a "compelling rationality" for their output as truth (Tyler 2006, pp. 384, 387). As Suchman (1995, p. 574 – emphasis in original) argues, "Legitimacy is a *perception* or *assumption* in that it represents a reaction of observers to the [CMO] as they see [him or her]; thus, legitimacy is possessed objectively, yet created subjectively."

Consequently, to the extent that the CMO is *perceived* as meeting the needs of non-marketing executives in such a way that no other executive is able to perform, s/he is likely to be seen as an expert – s/he is performing tasks which are unique and necessary for the performance of marketing within the firm (Johnson, Down, Ridgeway 2006). As expertise rises, CMOs are increasingly likely to be the only individual within the organization to solve particular firm problems (Suchman 1995). As pragmatic legitimacy often simplifies to a power-dependence relationship, those seen as experts are more likely to garner organizational support from their constituents (Tyler 2006). Thus,

H_5: Expertise power of the CMO is positively related to the overall level of authorization s/he receives.

H_6: Expertise power of the CMO is positively related to the overall level of endorsement s/he receives.

Presuming others accept the generic and broad framework of beliefs, values, and norms adopted by the firm, and the CMO is seen as legitimate within the firm's overarching social system, CMO influence is likely to expand into multiple areas of firm behavior. This is because as long as the apparent correspondence between the CMO's knowledge and skills and overall firm needs is not explicitly challenged, the correspondence appears consensual and accepted as valid social fact. Yet, this is not to suggest that support from all organizational executives is necessary. Instead, a *perceived* preponderance of individuals in support of the CMO is acceptable, at least initially (Johnson, Dowd, and Ridgeway 2006).

As stated previously, CMOs are likely to gain acquiescence and initial legitimization from the collective by highlighting discretionary control over vital resources and insights (Golant and Sillince 2007). Once the emergent legitimacy is situationally validated, diffusion of the CMO's legitimacy is carried across to new contexts. As legitimacy for the CMO increases, other executive officers will eventually take on the conviction that most believe the CMO is acceptable or necessary, thus culminating in a "reservoir of support" (Tyler 2006). This reservoir of support allows the CMO widespread acceptance for his/her right to influence (Johnson, Dowd, and Ridgeway 2006). Further, this reservoir of support establishes a buffer against attempts at upheaval from individually, discontent executives because the collective recognizes that absolute perfection in the CMO's authored direction is improbable (Tyler 2006).

Following repeated trials of CMO legitimacy-testing, successful CMOs are likely to transition from pragmatic legitimacy to moral legitimacy (Suchman 1995). In this instance, CMOs are no longer assessed on their ability to address individual scenarios (e.g., pricing); rather, the collective normatively accepts that the CMO *should be* consulted prior to firm action. Ultimately, successful periodic, post-hoc review of strategy or firm performance following the inclusion of CMO insights will likely culminate in taken-for-granted status and routine influence in those areas deemed appropriate by past experience. Thus,

> H_7: The level of CMO authorization is positively related to the overall influence of the CMO.

> H_8: The level of CMO endorsement is positively related to the overall influence of the CMO.

Summary and Looking Forward – 2.6

A CMO's informational resources and legitimacy are hypothesized to affect one's overall influence during strategy design and implementation. As discussed, these topics, particularly legitimacy, are relatively novel within the extant study of marketing or CMO influence. In the following chapter, particular attention is paid to the method used to test these hypotheses. In addition, the development and refinement of the scales required to test the hypotheses is presented. Finally, issues of nonresponse bias are addressed.

CHAPTER 3: RESEARCH METHOD

This study incorporates two types of data, qualitative and quantitative, collected during two different phases. In the first phase (the summer of 2007), qualitative interviews were conducted with six Chief Marketing Officers (CMOs) and one Chief Merchandising Officer, a former CMO. There were two main objectives for these interviews. First, they allowed for a better understanding of the role of the CMO within the firm. Second, interviews were used to determine whether the proposed models were complete. Care was also taken to sample interviewees from multiple firm types (e.g., retailers versus manufacturers) in order to gain different insights. The interviews revealed that the models were complete, and in particular, legitimacy was a critical determinant of CMO influence.

The second phase of this study involved a small-scale, mail survey of Chief Marketing Officers and other top marketing executives from firms based within the United States. Possible participants sampled included those from not only manufacturing firms, as is often the case within most of the influence literature, but also domestic retail firms. Surveys were administered between the second week of October 2007 and the second week of March 2008.

Although this investigation was designed to study the influence of CMOs, some firms do not employ a formal Chief Marketing Officer. In instances such as these, the most common title used was either Executive Vice President (EVP) or Senior Vice President (SVP) of Marketing. In the event that a firm did employ a CMO, a single survey was sent to this individual. When a firm did not employ a CMO, the survey was sent to the most senior marketing executive – determined by phone calls. For ease of discussion, the term CMO will be used throughout the remainder of this text to refer to the most senior, marketing executive within the firm, regardless of formal title.

Sampling Frame – 3.1

Six sources were used to develop the sampling frame. Potential firms were first identified using three readily-available lists: the S&P 500, *Business Week's Best Performers* (2007 ed.), and the ANA think-tank (www.ana.net). After developing a list of possible firms, three independent sources were used to ascertain the name and business address of each firm's CMO: 1) the company's website or SEC filings, 2) Spoke.com, and 3) Jigsaw.com. Convenience sampling of the last two sources was also used to include "key competitor" firms that were privately held.

Viability of each address was determined following the mailing of formal invitations to participate in the study (a topic that will be elaborated upon shortly). Any invitation that was returned due to turnover within the position or an incorrect address was removed from the sample, and an alternative CMO's address was used in its place. Alternative CMOs were identified using the convenience sampling techniques alluded to previously. Following these procedures, a sampling frame of 500 CMOs was established.

Scale Development – 3.2

Given the current investigation sought to apply theories originally developed for contexts other than one studied here (e.g., the explanation of interfirm competition), it was necessary to construct several new scales. To do so, dominant themes across the seven depth-interviews were identified. From these themes, a list of possible items was developed for each construct.

Item-editing procedures, like those detailed by Churchill (1979), were then employed to refine the measures while simultaneously eliminating those deemed redundant or obscure. The first stage involved a “matching” exercise. Individual items were printed out and pasted on note cards. Similarly, each construct and its formal definition were printed out and pasted on individual envelopes. Packets consisting of six envelopes (one for each of the five constructs plus one envelope labeled “does not belong to any one construct”) and 55 note cards were then assembled.

Following this procedure, packets were mailed to eight individuals that were neither a part of this study nor had any specific information concerning its particular goals. In this matching exercise, participants were asked to read each measure and match it to its corresponding construct (i.e., the construct it was designed to tap). After all packets were returned, individual items were examined for their ability to be consistently placed within the appropriate envelope. Those items that failed to be consistently placed within the appropriate envelope (i.e., less than 75%) were examined.

After talking with each of the eight individuals involved with this matching exercise, changes were made to individual items; the most common change was rewording. Once consensus met the 75% threshold, individual item editing was ended. Only two items were eliminated due to an increased chance of tapping more than one construct (e.g., endorsement item: other senior executives willingly provide support to my operations in the form of information, advice, etc. – some of the individuals involved with the matching exercise believed that this measure could tap not only endorsement, but also imitability).

The second stage involved a pretest to assess wording precision and length of time to complete the survey (Churchill 1979). This step was performed exclusively by three of the CMOs that had previously participated in the interview portion of this study. It was believed that by returning to these individuals, insights unique to CMOs would be gained, and themes considered critical for this investigation would be maintained (given they knew the goals of this study). Changes were again made to the wording of questions as well as the format of the entire survey; however, changes made primarily focused on the wording of instructions, the statement of the study's purpose at the start of the survey, and the presentation order of scales. Finally, drafts of the completed survey were returned to these CMOs to ensure that all necessary changes had been addressed.

Survey Packet Design – 3.3

Understanding that CMOs are extremely time-pressed and therefore highly unlikely to fill out any survey that crosses their desks, great care was taken in designing the survey. The primary goal of this step was creativity. It was believed that if the survey packet was developed in such a way as to entice that all-important "second look", chances for participation would greatly increase.

The Survey Booklet – 3.31. Given the strategic nature of the study and the desire to understand how strategic maneuvers made by CMOs affect their overall level of influence, a choice was made to integrate a chess theme throughout the entire booklet. A professional graphic artist was used to design the survey booklet which included pictures of chess pieces moving about the board. Special care was also taken in hiring a professional printing house to develop the actual survey booklet. A copy of the actual survey's pages is included in Appendix A.

Additional Packet Materials – 3.32. In addition to the survey booklet, other packet materials included: a custom-made, wooden chess piece; a mockup of the personalized output file that would be provided to each survey respondent; and a charity donation form (included at the end of the survey booklet), and a cover letter. It was believed that providing all these additional materials was necessary to achieve a meaningful response rate from such a difficult population to sample.

Survey Implementation – 3.4

After the development of study materials had finished, formal letters of notification were sent to each individual targeted for participation. Included within these letters was a formal invitation to participate. Surveys were administered during two phases. The first phase corresponded to the initial mailing of all survey materials and began the second week of October 2007. In the second phase, non-respondents were sent a follow-up packet consisting of another survey, a letter requesting their participation, and a monetary thank-you. The second-mailing was performed the first week of January 2008. Active collection of surveys ended the second week in March

2008. In total, 84 respondents participated in the survey resulting in a response rate of 16.8% for the total list of targeted CMOs. However, if CMOs that are employed by firms with a strict policy of nonparticipation are removed (i.e., the probability of response from these firms is equal to zero), the response rate increases to approximately 19% (84/443).

Phase 1 Procedure – 3.41. Although great care was taken to develop survey packet materials that would (hopefully) entice maximal CMO participation, not every survey recipient received the entire packet. Recognizing that CMOs are seldom the basis for much of the extant empirical work done in marketing, it was believed that this study might also provide possible methodological insights to those seeking to tap this population in the future. To this end, the type of survey packet received by any one CMO was randomly manipulated.

Of the 500 targeted CMOs, 400 received the entire survey packet, while 100 received only a survey booklet. The decision to employ an unbalanced approach in manipulating those (not) receiving the entire survey packet was two-fold. First, it was believed that a balanced approach (i.e., 250 full packets versus 250 survey booklets only) would only curtail the number of possible study participants while providing very little in the form of value-added information. This belief was critical given the study focused on 500 CMOs. Second, the number 100 was chosen because of its ability to provide a reasonably accurate representation of likely survey responses in future studies without inflating response percentages (i.e., had 50 CMOs received only a survey booklet, each returned survey would increase response percentages by two percent thus overestimating likely response for future samples). In total, 38 CMOs participated during phase 1 of this study. Further, as shown in Table 1, CMOs that received the entire survey packet were significantly more likely to participate (n=35) than those that received only the survey booklet (n=3) (χ^2 (1) = 3.77, p = .05).

Table 1: Response Tendencies across Study Phases

Phase	Manipulation	N	Chi-Square Statistic	Sig.
Phase 1: Sample = 500	Full Survey Packet [a]	35	3.767	.05
	Survey Booklet Only	3		
Phase 2: Sample = 405	$10 Thank You	30	3.990	.04
	$20 Thank You	16		

[a] note the full survey packet was only sent during phase 1 even though it could have predicted response rates during phase 2

Phase 2 Procedure – 3.42. Recognizing that phase 1 had resulted in too few responses to test the proposed theory, phase 2 was designed to further enhance CMO response. In addition to mailing a second survey booklet and letter requesting participation, a monetary "thank you" was also included. However, it was unclear what monetary denomination was likely to entice CMO participation.

The choice was made to test two monetary values – $10 and $20. 203 CMOs were randomly selected to receive $20 while the remaining 202 received $10.[2] Phase 2 resulted in an additional 46 responses. Interestingly, CMOs that received $10 (n=30) were significantly more likely to participate than those that received $20 (n=16) ($\chi^2$ (1) = 3.99, p < .05). Upon further thought, it seems possible that $10 was seen as a nice gesture of thanks while $20 was seen as an attempt to compensate for one's time which is extremely more valuable than $20.

It is important to note that although significant response tendencies were observed across the study's two phases, the data fails to suggest any

[2] Note a total of 405 CMOs were targeted during phase 2 of this study. This is because 38 had already participated in the survey, and 57 CMOs had responded stating that they were unable to participate due to firm policies. Consequently, response rates reported here are based upon the 405 targeted during Phase 2.

nonresponse bias is present. Following Armstrong and Overton (1978), significance tests were run comparing the responses of early and late participants across all included constructs (both within phases and across phases). The tests concluded that no significant differences were observed (p > .05). See Appendix F.

Tests for Common Method Bias – 3.43. Two procedures were used to test whether the instrument employed, i.e., the survey, entered into or affected the scores or measures that were gathered during this study (i.e., common method bias). First, responses to two different survey questions regarding the respondent's educational attainment and the number of industries the respondent had worked in during his/her career were included (e.g., "During your career, within how many distinct industries have you worked?"). These questions were selected because: 1) each elicited a continuous response that was objective rather than based on respondents' attitudes or perceptions; 2) the questions were not specifically related to constructs of interest within the study; and 3) the use of two questions provides greater evidence for a lack of common method bias beyond the single-variable requirement. Correlations were then calculated between these questions and the five important constructs within the study. Each correlation failed to reach significance as shown in Table 2. Second, an exploratory factor analysis (EFA) of all included items was run. The EFA discovered that six factors were derived and explained 76% of the observed variance. Conversely, when one general factor is derived, it explains only 31% of the observed variance. Consequently, these two tests suggest that no common method bias exists (e.g., Lindell and Whitney 2001; Griffith and Lusch 2007).

Table 2: Correlation Test for Common Method Bias

	Construct / Measure	1	2	3	4	5	6	7
Marker Variables	Age (1)	1	-.19	-.06	-.07	-.02	.04	-.01
	Industries (2)	-.19	1	.05	-.01	-.13	-.11	.02
Constructs of Interest	Imitability (3)	-.06	.05	1	-.22*	-.18	-.15	-.08
	Expertise (4)	-.07	-.01	-.22*	1	.50**	.58**	.16
	Authorization (5)	-.02	-.13	-.18	.50**	1	.61**	.50**
	Endorsement (6)	.04	-.11	-.15	.58**	.61**	1	.32**
	Influence (7)	-.01	.02	-.08	.16	.50**	.32**	1

*p<.05, **<.01

Note: Two marker variables were used to test for common method bias.The shaded areas within the table represent the correlations between each marker variable and the constructs of interest within the study.

Sample Description – 3.5

Of the individuals that chose to participate in this study: 44% had the formal title – Chief Marketing Officer; 23% had the title Senior- or Executive Vice President of Marketing; and the remaining 33% were Vice Presidents. The sample was also comprised mostly of men (75%) and those employed by B2B firms rather than in retail (55% versus 45% respectively). Consistent with the recent literature regarding CMO tenure, the mode of time spent in the reported position was 2 years (approximately 11% of respondents); however, 50.4% of survey respondents had held their current position for 3 or more years with the longest reported tenure being 25 years.

Contrary to the recent discussions concerning the lessening of marketing's involvement in areas outside of pricing, promotions, and customer support (e.g., Sheth and Sisodia 2005a; Verhoef and Leeflang 2008), a majority of the respondents in this study report that they share at least some responsibility in each of the 15 strategic issues affecting most firms today (a complete breakdown of respondents' influence by strategic issue is detailed in Appendix G).[3] For instance, all reported that they had at least some control over: 1) the strategic direction of the firm; 2) customer segmentation and targeting; 3) the development and maintenance of the brand; 4) the collection and management of competitive intelligence; and 5) advertising and promotions. While it seems reasonable that the two most common issues outside the reach of CMOs in this study were 1) choices concerning products and materials sourcing (20.2%) and 2) decisions regarding major capital expenditures (10.7%), it is interesting to note that some stated they had no input when it came to: the development of vendor partnerships (3.6%); decisions concerning distribution channels (8.3%); the determination of future product offerings (3.6%); or customer service and support (4.8%) – all topics common within marketing journals.

Finally, although most of the literature concerning CMOs tends to paint a somewhat dismal picture of the position, a majority of participants in this study report they are, at least, more satisfied than dissatisfied with their role within the firm. For instance, a score of 7 or higher was given on a ten-

[3] Like Homburg, Workman, and Krohmer (1999) this study examines several strategic issues. These include: pricing, distribution, strategic direction, customer segmentation/targeting, advertising/promotion, brand definition, development of vendor partnerships, product offerings, customer service/support, store layout/design, competitive intelligence, product/materials sourcing, major capital expenditures, expansion into new markets, and new product development.

point scale by: 88% when rating satisfaction with their job; 75% when asked about the recognition they receive for a job well done; 74% concerning the amount of say they have in the direction of their firms; and 83% when rating satisfaction with their pay and benefits. However, this last statistic is not too surprising given the average reported income of study participants was just under $435,000 annually. It is also interesting to note that none of the study participants gave a score of 4 or higher on three 7-point scales regarding their desire to leave their current position or firm. Consequently, while it is possible that some CMOs are quite upset with their current position, the current study neglects to find evidence of this (a topic to be elaborated upon further in Chapter 6).

Summary and Looking Forward – 3.6

With the assistance of six CMOs and one Chief Merchandising Officer, a survey instrument was designed and later administered to 500 CMOs in the U.S. The creativity used in developing the survey, as well as the monetary “thank you” included during the second wave of survey mailings, significantly affected response tendencies. In total, 84 CMOs selected to participate in the current investigation.

Although a sample of 84 CMOs is considerable given the difficultly in sampling such a population, it is small from a statistical standpoint. Chapter 4, “Analysis and Results”, pays particular attention to this fact while describing the techniques used to test this dissertation’s overriding proposition – a CMO’s influence and control over organizational strategy-making is a function of the resources s/he provides and the legitimacy s/he possesses.

CHAPTER 4: ANALYSIS AND RESULTS

Measurement Model – 4.1

Traditionally, scores assigned to latent constructs are called "differentially-weighted" factor scores to call attention to the fact that each indicator is not equally weighted in the composite. These differential weights are the results of different factor loadings, or lambda coefficients, assigned to the indicators by the factor model; each indicating its degree of convergent validity with respect to the construct. However, a problem arises when this technique is used for moderate (i.e., $x \leq 250$), and particularly small (i.e., $x \leq 100$), sample sizes (Gorsuch 1983). In these instances, standard errors for the different loadings tend to be quite large leading to instability and an inability to discriminate between similar factor loadings (Figueredo et al. 2000a). As a result of the small-scale survey implemented here, an alternative method was used to estimate factor scores – unit weighting.

Previous Monte-Carlo studies have shown that unit-weighted scales not only correlate roughly 95-percent with differentially-weighted scales, but also overcome the problems typically associated with small datasets while simultaneously allowing for greater generalizability across independent samples (Figueredo et al. 2000a; Gorsuch 1983). To use this approach, indicators were first assigned to constructs based upon *a priori* theory. Next, item-total correlations were computed for each indicator with its corresponding composite factor scale and tested for significance. Only those items which correlated reasonably high (i.e., statistically significant at $p < .05$ and greater in magnitude than $r = .25$) and made theoretical sense were retained. Factor scores for each of the five constructs of interest were then calculated as “unit-weighted” factor scales, which are the arithmetic means of the standardized (Z) scores of all significant indicators (Figueredo et al. 2000b).

Convergent and Discriminant Validity – 4.11. Following past literature concerning small-scale datasets, convergent validity was examined in two steps (Figueredo et al. 2000a). First, the bivariate correlations of the indicator scores with the factor scores were used to ascertain each construct’s factor structure (i.e., a table of lambda coefficients). Next, a factor intercorrelation matrix, or phi matrix, was constructed using bivariate correlations of the constructs’ factor scores with each other. Discriminant validity was then examined using a series of nested models where the correlation between two latent factors is constrained to 1 (e.g., Bagozzi, Yi, and Phillips 1991). All executed χ^2 difference tests showed significantly better model fits without the correlation restrictions (e.g., Anderson and Gerbing 1988; Bagozzi, Yi, and Phillips 1991; and Verhoef and Leeflang 2008).

Table 3: The Factor Intercorrelation Matrix

Construct	1	2	3	4	5
Imitability (1)	1	-.22*	-.18	-.15	-.08
Expertise (2)	-.22*	1	.50**	.58**	.16
Authorization (3)	-.18	.50**	1	.61**	.50**
Endorsement (4)	-.15	.58**	.61**	1	.32**
Influence (5)	-.08	.16	.50**	.32**	1

*p<.05, **<.01

Structural Models and Results – 4.2

As mentioned earlier, two causal models were constructed; each consisting of five factors. The five constructs were: 1) imitability (see Appendix B); 2) expertise power (see Appendix C); 3) authorization (see Appendix D); 4) endorsement (see Appendix E); and CMO influence (see Appendix F).

Models were assessed using confirmatory path analysis (CPA) rather than traditional structural equation modeling techniques (SEM). Doing so allowed each model to be assessed based upon its overall goodness-of-fit indices while simultaneously controlling for the likely standard error inflation problems discussed earlier.[4]

The General Model's Results – 4.21. Before turning attention to the two models of interest (i.e., the Socially-Contingent model and the Merit-Based model), tests were first run to determine whether RA theory in its

[4] The author acknowledges that some view partial-least-squares (PLS) analysis as a better tool for analyzing small data samples. Consequently, these individuals might question whether the results discussed here are consistent with those that would be found using PLS. The results are consistent across both types of analysis. Therefore, I chose to report those using CPA for two reasons: 1) CPA adopts the goal of "maximizing fit" rather than "minimization of error terms" (i.e., the "prediction" goal of PLS); and 2) the CPA used here is conceptually and computationally easier to understand.

current form could explain the variance observed in CMO success/influence. Recall RA theory states that the competitive advantage enjoyed by a firm is a function of its ability to develop strategies that utilize resources which are unique, or imperfectly imitable, to the firm (Barney 1991; Hunt and Morgan 1995). Similarly, Hypothesis 1 suggests that a CMO's competitive advantage, or expertise power, is negatively related to the imitability of the information s/he provides. Further, as the expertise power of the CMO increases, s/he is met with greater success, or influence (H2).

Hypotheses 1 and 2 were tested using AMOS 7.0 in SPSS and generalized least squares estimation. The results indicate that the model fits the data well (χ^2 = .214, df = 1, p =.64; NFI = .959; CFI = 1.00; RMSEA = .00). However, upon closer inspection, the results indicate that H1 is supported (β = -.219, t = 2.039, p = .04) while H2 fails to find support (β = .158, t = 1.451, $p > .05$).

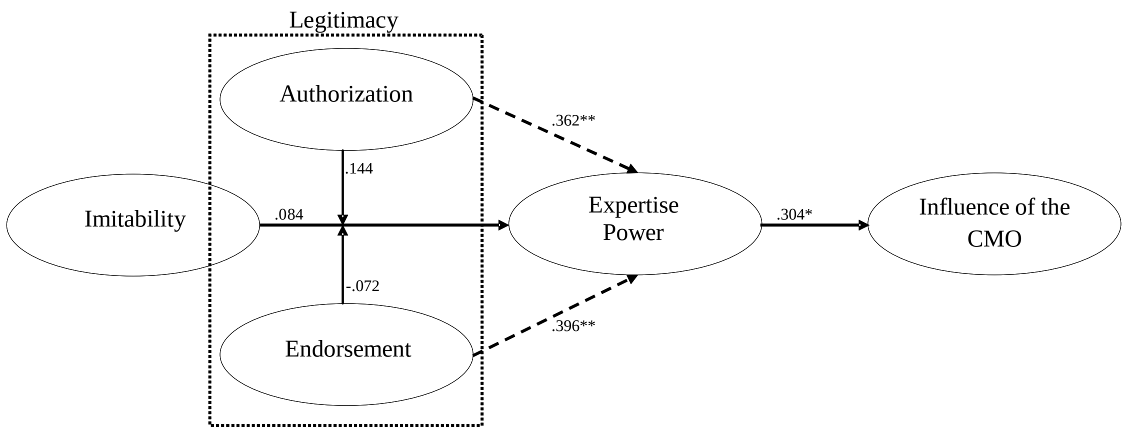
Although it is pleasing to see that RA theory explains a significant proportion of the observed variation in a CMO's expertise power, it is not surprising that it fails to explain CMO success or influence. This is because RA theory, as it is primarily concerned with firms, does not include the construct, legitimacy. Consequently, given legitimacy was a theme brought up in nearly every interview conducted with CMOs, amendments must be made if RA theory is to explain the likely success of individuals within a group (or organization).

The Socially-Contingent Model's Results – 4.22. Recall the keystone argument of the socially-contingent model is: perceived expertise of a CMO is not simply based upon the work output one provides, but it is also contingent upon the other executive officers' general view of, or willingness to support, the CMO (i.e., H3 and H4). Consequently, this model views legitimacy as an exogenous, "biasing-agent" moderating the relationship between the CMO's work output and others' perceptions of the CMO (i.e., expertise). For instance, if legitimacy for the CMO is low, other executive officers are unlikely to afford the CMO opportunities to present his/her unique information given their general distaste for the individual (and vice versa). The remainder of the model is identical to the general model presented earlier (i.e., H1 and H2).

As stated previously, each factor score is equal to the average of the indicators' Z-scores. Consequently, the interaction terms were the product of two identically distributed, independent factors so as not to create bias due to uneven distributions or variances. In addition to the two interaction terms, the main effects of authorization and endorsement on expertise power were also included to ensure appropriate model specification; however, no formal hypotheses were created for these effects.

Hypotheses 1 through 4 were again tested using AMOS 7.0 in SPSS and generalized least squares estimation. The results indicate that the model fails to fit the data (χ^2 = 44.456, df = 12, *p* < .01; NFI = .350; CFI = .316; RMSEA = .181). In addition, the results indicate that H1 (β = .084, t = .988, *p* > .05), H3 (β = .144, t = 1.079, *p* > .05), and H4 (β = -.072, t = -.591, *p* > .05) all fail to be supported. Interestingly, H2 is significant (β = .304, t = 2.203, *p* = .02) as are the main effects of authorization (β = .362, t = 3.295, *p* < .01) and endorsement (β = .396, t = 3.756, *p* < .01) on expertise power. A graphical depiction of these results is available in Figure 2.

Figure 2: Results for the Socially Contingent Model



* = *p* < .05; ** = *p* < .01

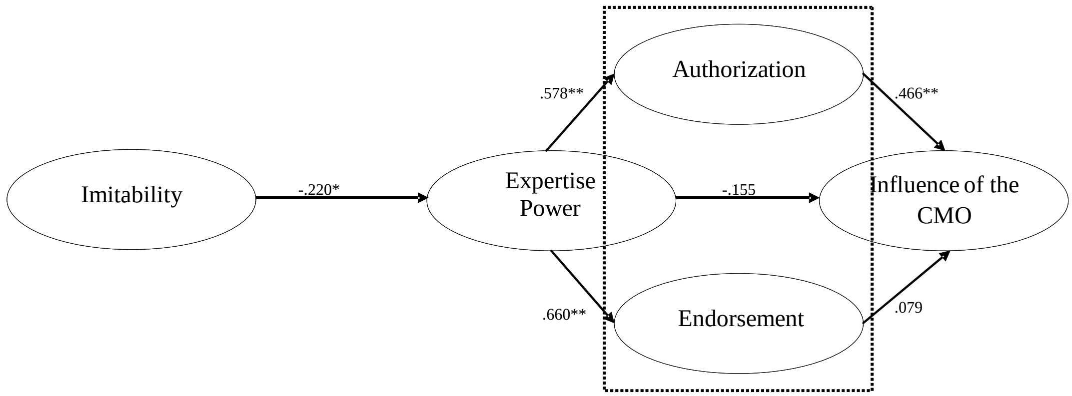
Indicate main effects included in estimation yet not specifically hypothesized

Note: All beta weights reported here are standardized.

The Merit-Based Model's Results – 4.23. In contrast to the previous model, the Merit-Based model views legitimacy, or the willingness to support an individual, as an outcome based upon one's work output and contributions to the overall group (i.e., it's based upon one's merit). In this model, the more the CMO provides in the form of unique knowledge or ability, the greater the likelihood that others will support, or at least consider, the CMO's suggestions (i.e., H5 through H8). Consequently, legitimacy is hypothesized to mediate the relationship between the CMO's perceived expertise and his/her overall influence within the firm. The remainder of the model is again identical to the general model presented earlier.

Using the same statistical program and estimation procedures as before, hypotheses 1, 2, and 5 through 8 were tested for significance. The results indicate that this model too fails to fit the data (χ^2 = 14.729, df = 4, p < .01; NFI = .611; CFI = .615; RMSEA = .180). However, the results indicate that H1 (β = -.220, t = 2.040, p = .04), H5 (β = .578, t = 5.184, p < .01), H6 (β = .660, t = 6.484, p < .01), and H7 (β = .466, t = 3.076, p < .01) are supported. Conversely, H2 (β = -.155, t = -.797, p > .05) and H8 (β = .079, t = .482, p > .05) fail to find support. Figure 3 depicts these results.

Figure 3: Results for the Merit-Based Model



* = *p* < .05; ** = *p* < .01

Note: All beta weights reported here are standardized.

While it was pleasing to find improved overall fit compared to that of the Socially-Contingent model and significance for a majority of the hypotheses, all goodness-of-fit indices suggested considerable changes were necessary if the model was to provide adequate explanatory power (See Table 4). As a result, alternative specifications were made. However, it is important to note that all changes made were guided by *a priori* theory and themes initially overlooked within the CMO interviews rather than based on the *post hoc*, modification indices produced by the software.

Table 4: Estimation Results for Initially Proposed Models

	GM		SCM		MBM	
	β (SE)	t-value	B (SE)	t-value	β (SE)	t-value
H1: Imitability of the CMO's information → expertise power	-.219* (.115)	2.039	.084 (.092)	.988	-.220* (.116)	2.040
H2: Expertise power → the overall influence of the CMO	.158 (.111)	1.451	.304* (.109)	2.203	-.155 (.189)	-.797
H3: Authorization moderates the relationship between imitability and expertise power			.144 (.356)	1.079		
H4: Endorsement moderates the relationship between imitability and expertise power			-.072 (.214)	-.591		
NH: Authorization → expertise power			.362** (.140)	3.295		
NH: Endorsement → expertise power			.396** (.110)	3.756		
H5: Expertise power → the level of CMO authorization					.578** (.085)	5.184
H6: Expertise power → the level of CMO endorsement					.660** (.088)	6.484
H7: CMO authorization → the overall influence of the CMO					.466** (.193)	3.076
H8: CMO endorsement → the overall influence of the CMO					.079 (.184)	.482
χ^2	.214		44.456		14.729	
df.	1		12		4	
P-value	.644		.000		.005	
NFI	.959		.350		.611	
CFI	1.00		.316		.615	
RMSEA	.00		.181		.180	
GFI	.998		.847		.929	
AGFI	.990		.643		.734	

Notes: * = p < .05; ** = p < .01; βs reported here are standardized; (NH) = not explicitly hypothesized, but included to ensure appropriate specification; "GM" is the "general" model (H1 & H2); "SCM" is the "socially-contingent" model (H1 – H4);"MBM" is the "merit-based" model (H1, H2, & H5 – H8)

Summary and Looking Forward – 4.3

Using techniques designed to test theoretical models with small-scale datasets, the results indicate that neither the socially-contingent model, nor the merit-based model fit the data well. Interestingly, the general, RA model does demonstrate appropriate fit; however, it is unable to predict the key dependent variable, CMO influence, and neglects to incorporate a key construct mentioned within almost every depth interview, legitimacy.

Recognizing that fit did improve for the merit-based model, when compared to that of the socially-contingent model, the depth interviews were revisited to determine whether alternative specifications for the original merit-based model could improve model fit. The interviews revealed that legitimacy may perhaps be more nuanced than initially predicted. Consequently, changes were made to reflect such nuance within the legitimacy construct. A model depicting such changes is introduced and tested in the following chapter.

CHAPTER 5: ALTERNATIVE SPECIFICATION OF THE MERIT-BASED MODEL

As previously stated, changes to the proposed Merit-Based model were guided by topics initially overlooked within the interview transcripts. One such topic centered on the way in which strategic decisions tend to be made. As within the conflict management literature (e.g., Dougherty 1992; Frankwick et al. 1994), most interviews emphasized that strategy-making is a group exercise consisting of many individuals from disparate areas within the firm. Further, these interviews suggested that although the President/CEO is often seen as possessing some form of “final say” in strategic matters, s/he is unlikely to independently decide the appropriateness of future firm strategies. Instead, CEOs are more likely to look to the other executive officers for encouragement before adopting a strategy proposal.

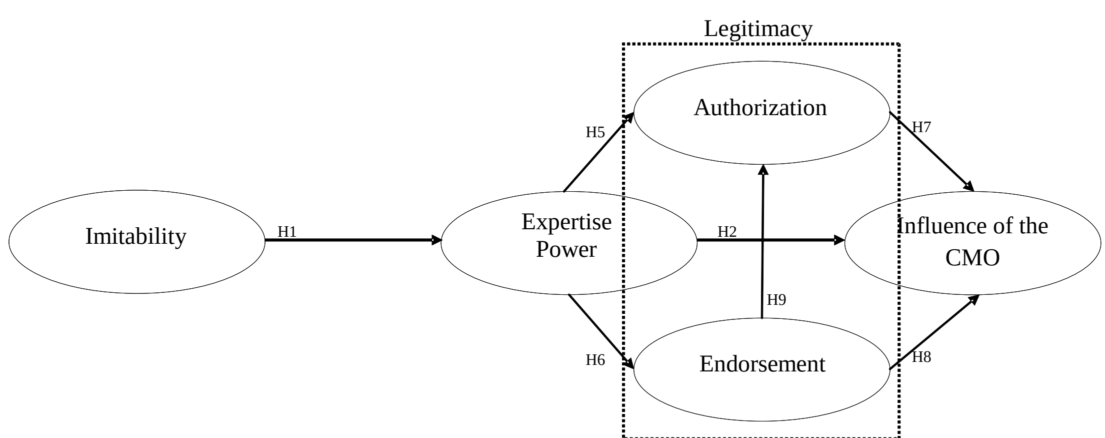
In conjunction with this line of reasoning, one retail CMO stated during her interview:

> *[My] CEO said, "Look, we have the CMO of Coke on our Board. I believe in marketing; I just don't quite know what it is. I need somebody who can come in and create it for the company, create the organization, create the capability,* ***but you don't have any authority. So you've now got to come in and sell everybody in the firm on why they should want to listen to you, because I'm not. I'll support you, but you've got to make them want to work with you.****" So I did. I spent the first two months out in the field interviewing people, saying "What do you want from marketing?" Then I did a quantitative survey, asking "What do you want to see from us," and everybody loved it.*

As this quote suggests, the role legitimacy plays in strategy-making may be more nuanced than the straightforward approach initially proposed (i.e., as legitimacy increases either at the level of the CEO or with other executive officers, the CMO is likely to garner greater influence). Instead, it is quite possible that CEO support (i.e., authorization) could increase due to changes in perceived CMO expertise, yet the CMO's influence would remain unchanged due to a lack of endorsement. Thus, endorsement from other executive officers may act as a control mechanism deterring CEOs from "going it alone". Following this line of reasoning, changes were made to the proposed Merit-Based model to include a path from endorsement to authorization (as shown in Figure 4). Further, this interview led to the creation of one additional hypothesis:

H_9: Endorsement by other executive officers is positively related to the level of Authorization given to the CMO.

Figure 4: The “Adjusted” Merit-Based Model



Alternative Specifications and Results – 5.1

As seen in Figure 4, the "Adjusted" Merit-Based model accounts for the possible relationship between authorization and endorsement. However, with the introduction of this path, the model becomes quite inclusive (i.e., df. = 3). This was intentional. While a more parsimonious model could have been constructed based upon the findings of the initial merit-model, the two models may not have been equivalent (Gorsuch 1983). Consequently, it was imperative that fit of the inclusive model be determined first. [5] Once this was done, more parsimonious, nested models could be constructed and compared for equivalency with the inclusive model (Gorsuch 1983).

Inclusive Model Results – 5.11. The inclusive model and its corresponding hypotheses were tested using AMOS 7.0 in SPSS with general least squares estimation. The results indicate that the model fits the data well (χ^2 = .541, df = 3, p > .05; NFI = .986; CFI = 1.00; RMSEA = .000). Further, the results indicate that H1 (β = -.220, t = 2.040, p = .04), H5 (β = .215, t = 2.055, p = .04), H6 (β = .580, t = 6.484, p < .01), H7 (β = .515,

[5] The term "inclusive model" corresponds to the model depicted in Figure 4. No other models were necessary to nest both the original Merit-Based model and the new model to be discussed momentarily.

$t = 4.191$, $p < .01$), and H9 ($\beta = .486$, $t = 4.656$, $p < .01$) are supported. However, just as in the original merit-model, H2 ($\beta = -.148$, $t = -1.243$, $p > .05$) and H8 ($\beta = .086$, $t = .660$, $p > .05$) fail to find significance.

Path Decomposition of the Inclusive Model – 5.12. As parsimony should be the goal of every model, path decomposition of the inclusive model began with the development of two nested models: Model 1 eliminated the path between Expertise Power and CMO influence (df = 4); and Model 2 eliminated an additional path between Endorsement and CMO Influence (df = 5). Although each path was found to be insignificant in the inclusive model, simple insignificance is not an appropriate reason for the elimination of a path. Rather, the choice to test each model was guided by *a priori* theory (Model 1) or evidence gleaned after revisiting interview transcripts (Model 2).

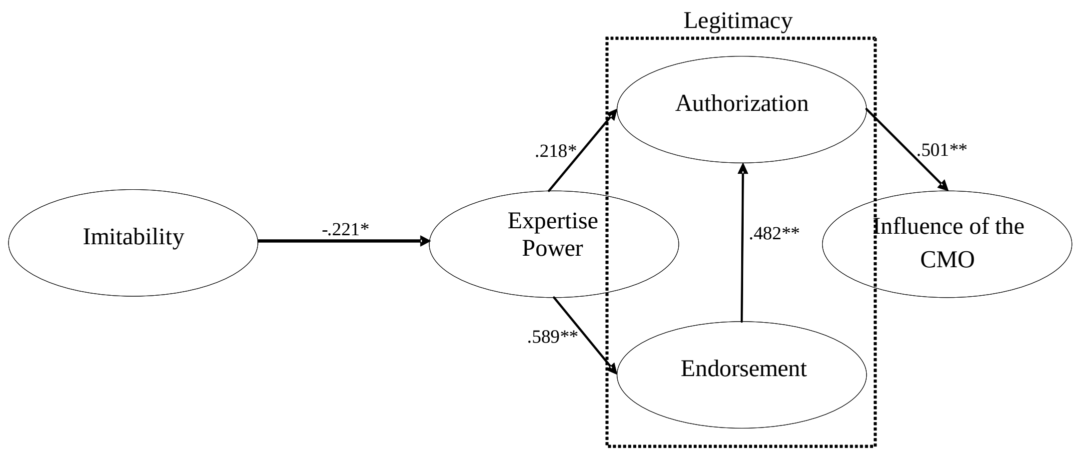
As discussed in Chapter 2, it was believed that legitimacy would act as a mediator between the perceived expertise of the CMO and his/her overall influence. However, what remained unclear was whether this relationship would be partially or fully-mediated. Acknowledging that full-mediation was the goal *a priori* and that full-mediation was observed within the data, the path corresponding to H2 was eliminated (*r* = 0). This new model was simply termed – Model 1.

Model 2 was nested within Model 1. Its structure mirrored that of Model 1 except that the path between Endorsement and CMO Influence was eliminated (*r* = 0). The choice to remove this path was based upon previous interviews. As stated previously, Presidents/CEOs often possess some form of final say in strategic matters; yet they are extremely unlikely to make firm decisions unilaterally. Instead, endorsement from other executive officers is necessary to entice the President/CEO to act. Taking this interviewee's statements and applying them to the model, it is quite possible that endorsement leads to CEO support, but the CEO is the ultimate "decision maker". If this is true, Authorization should only lead to greater influence, and Endorsement should be the mechanism which translates Expertise power into Authorization.

Equivalency Tests and Results of Nested Models – 5.13. Before testing each of the models detailed above, it was necessary to first determine whether each model differed significantly from the inclusive model. To do so chi-square difference tests were run comparing the inclusive model with each of the constrained models. This comparison produced the following change-in-fit statistics: Model 1 ($\Delta\chi^2 = .5$, $\Delta df = 1$, $p = .48$); and Model 2 ($\Delta\chi^2 = 1.6$, $\Delta df = 2$, $p = .45$). These changes in chi-square suggested that the two nested models were equivalent with the inclusive model, and the differences, if any, could not be reasonably attributed to the elimination of the aforementioned paths.

Noting that Model 2 provided a more parsimonious explanation than that of Model 1, Model 2 was assessed using AMOS 7.0 in SPSS using generalized least squares estimation. The results indicate that the model fits the data well ($\chi^2 = 2.058$, df = 5, $p > .05$; NFI = .946; CFI = 1.00; RMSEA = .000). Further, the results indicate all included paths are significant and in the appropriate direction: H1 ($\beta = -.221$, t = 2.047, $p = .04$), H5 ($\beta = .218$, t = 2.042, $p = .04$), H6 ($\beta = .589$, t = 6.580, $p < .01$), H7 ($\beta = .501$, t = 5.157, $p < .01$), and H9 ($\beta = .482$, t = 4.552, $p < .01$). The structure and results of this "New" Merit-Based Model can be seen in Figure 5.

Figure 5: The “New” Merit-Based Model



* = *p* < .05; ** = *p* < .01

Note: All beta weights reported here are standardized.

Summary and Looking Forward – 5.2

After revisiting the depth interviews conducted earlier in this study, changes were made to the initial, merit-based model. These changes account for the more nuanced role legitimacy may play during strategy design and implementation. Following the introduction of these changes, the results indicate that the new merit-based model performs extremely well in replicating the data. The theoretical and managerial implications of this model are discussed in the following chapter.

CHAPTER 6: DISCUSSION AND IMPLICATIONS

The purpose of this dissertation was to address the current CMO problem by answering the following two questions: 1) to what extent is CMO influence affected by social factors (i.e., legitimacy), and 2) to what extent is CMO influence individually achieved (i.e., output-based)? Using a small-scale survey of domestic CMOs, the results identify that the development of non-imitable information is critical in garnering the support of non-marketing executives; CEO support is the sole predictor of CMO influence; and support from non-marketing executives is the key driver of CEO support.

The remainder of this chapter is structured as follows. First, limitations of this investigation are offered while providing possible suggestions for future research. Next, possible implications that this dissertation has for marketing theory are detailed. Finally, the chapter concludes with a brief discussion of this dissertation's implications for practice.

Limitations and Future Research – 6.1

Before discussing the implications of this dissertation's findings, it should be noted that this study does not account several factors which may qualify its results. First, this study only investigates the effect of non-imitable information resources on CMO influence. It does not consider how different characteristics of information such as distinctiveness, diagnosticity, and accessibility might affect perceived expertise (e.g., Herr, Kardes, and Kim 1991). Second, this study is only able to speak to one predictor of legitimacy, perceived expertise. With the increasing amount of interest in marketing accountability and the development of cross-functional, customer connections (e.g., Moorman and Rust 1999; Srivastava, Shervani, and Fahey 1998; Verhoef and Leeflang 2008), it remains unclear how these factors may affect a CMO's organizational legitimacy.

Third, although *post hoc* analyses show no significant relationship between CMO legitimacy or influence and CMO tenure, much has currently been written on this topic. Future investigations may wish to investigate the relationship between CMO turnover, both voluntary and involuntary, and

CMO expertise, background experience, and satisfaction. In doing so, future research may untangle the reasons for such CMO turnover.

Fourth, although not empirically tested here, some interviewees stated that CMO charters may impact CMOs' ability to gain legitimacy within the firm. As one CMO of a nationally recognized, computer technology firm suggested during his interview, one of the main reasons for the low level of organizational support for CMOs is "they have not thoroughly defined, with the CEO and the rest of the organization, what their mission, role, and objectives are… I think CMOs get into trouble when no one is for sure what they're doing; what they're responsible for; what they're accountable for." Future investigations may wish to understand whether the type of charter used affects a CMO's ability to not only generate non-imitable information, but also garner organizational support from non-marketing executives. Perhaps explicitly defined charters could assist in the development non-imitable resources as expectations are clearly laid out. However, it is also possible that by having one's chief responsibilities so clearly articulated, non-marketers may begin to mimic the CMO's offerings thus deteriorating the uniqueness of the CMO's output and further diminishing his/her organizational standing.

Finally, this study relies on responses from key informants in marketing. While this is quite common, particularly when informants are high-ranking officers, future research should seek to pair CMO responses with those from another officer within the CMO's firm. In doing so, response biases may be controlled for while achieving a more nuanced understanding of firm dynamics. To the extent that others seek to replicate these findings, future research may consider sampling non-marketing executives with the intent of understanding how marketing is viewed by "outsiders" (e.g., Verhoef and Leeflang 2008); however, others should be cautious when using non-marketers as key informants to study legitimacy. Previous research suggests that legitimacy represents a form of *average* support given to an individual, not the idiosyncratic willingness of any one individual to support another (e.g., Suchman 1995). Consequently, while it would be beneficial to understand how others might view the legitimacy of a CMO, it is important to consider that the CMO may have the most insights concerning this factor less the sampling of multiple corporate constituents (e.g., the CFO, CIO, COO, etc.).

Implications for Theory – 6.2

To date, a majority of the existing literature pertaining to influence has sought to identify particular roles that, if performed, should lead to an increase in responsibility and influence within the firm. Most of these investigations have focused exclusively on the marketing department (e.g., Homburg, Workman, and Krohmer 1999; Moorman and Rust 1999; Workman 1993). Few have empirically studied the position of Chief Marketing Officer (e.g., Verhoef and Leeflang 2008; Webster, Malter, and Ganesan 2005). Consequently, while each of these role modifications could be seen as an addition to one's resource offering, none have yet to underpin their investigation with a resource-based perspective.

Legitimacy also represents a construct yet to be incorporated in any systematic fashion within the existing influence literature. This is surprising given that influence is a social phenomenon. Some have incorporated the background of the President/CEO to acknowledge the possibility that marketing, as an ideal, may be institutionalized within the firm (e.g., Nath and Mahajan 2008; Verhoef and Leeflang 2008); yet a single measure is unlikely more than window-dressing when it comes to addressing the social networks that persist within firms.

Acknowledging these gaps within the literature, this dissertation explores these phenomena and contributes to the existing dialogue concerning the influence of marketing, in general, and CMOs, in particular, within the firm. In doing so, this study identifies several meaningful insights for future influence research. Each of which will now be discussed in detail.

First, a comprehensive review of the existing literature suggests that this study represents the only attempt to test RA theory or a resource-based perspective (e.g., Barney 1991, 2001; Hunt 2002; Hunt and Morgan 1995) in the study of an individual's influence. Previous investigations have fleetingly mentioned resources in general or positioned their theoretical arguments using Emerson's (1962) dependency theory or French and Raven's (1959) sources of power (e.g., Hickson et al. 1971; Hinings et al. 1974); yet, even when this perspective has been included, much of the theorizing reverts back to role modification and measures intended to tap the performance of particular tasks.

Prior to this dissertation, it was unclear whether theories designed to explain interfirm competition translated to individuals or even groups. In doing so, this dissertation demonstrates that not only firms, but also individuals, can generate their own competitive advantage. Further, in contrast to previous empirical studies, this dissertation finds that no particular role modification is necessary for the achievement of strategic influence (reference Sample Description). Instead, it finds that CMOs which possess more unique, or non-imitable, funds of information are capable of generating a competitive advantage during strategy design and implementation. By focusing more on a general set of resources, future studies should be able to overcome likely firm- or industry-specific factors (e.g., the inclusion of retailers). In so doing, existing theories can be tested across contexts thus allowing for a more meaningful assessment of generalizability (Bagozzi 1984).

Second, this dissertation contributes to future theory construction by explicitly incorporating the construct legitimacy. In doing so, it seeks to answer Workman's (1993) question – Is the value of marketing (and the CMO) important to the firm? Existing research would suggest that a stigma exists when it comes to marketing and the CMO (e.g., Schultz 2003, 2005). Yet existing empirical investigations have not explicitly tested this assertion.

Instead, they have been content to include a single measure indicating marketing's institutionalization within firms (i.e., background of the CEO).

Institutional factors such as CEO background suggest the presence of a function's inward focus (e.g., Brown 1999). However, past research suggests that an inward focus is unlikely to last over the long-term (Fisher, et al.1997). This is potentially why only mixed results have been found for this indicator (e.g., Homburg, Workman, and Krohmer 1999; Nath and Mahajan 2008; Verhoef and Leeflang 2008). In contrast, legitimacy is likely to be less sensitive to the timing of an individual study. For instance, the results of this dissertation suggest that legitimacy is largely determined by the work output of the individual or group in question.

Assuming work output tends to be somewhat repetitive, legitimacy is likely to be more stable and allow for a better understanding of how social factors impact organizational influence. Thus, this dissertation would caution acceptance of the prevailing belief that marketing is losing stature within the firm due to some overriding bias. This belief was further substantiated by one of the CMOs interviewed for this investigation. He stated, "This 'CMO Problem' is likely the result of *poor performers yelling loudly* relative to a soft-spoken majority that do their jobs effectively and contribute to the firm's needs." Therefore, while a healthy level of skepticism of marketing and the CMO may exist within firms today, executives, as reported here, seem quite objective when it comes to influencing future firm direction.

Finally, although not discussed in the formal results section, this dissertation contributes to the existing dialogue concerning the use of proxies to investigate CMO influence. Following the recent barrage of articles suggesting CMO problems as evidenced by increased turnover (e.g., Cardona 2004; Frazier 2006a, b; Hyde, Landry, and Tipping 2004), models were developed *post hoc* to test whether the aforementioned results would be consistent if position tenure was substituted for CMO influence; they were not ($p > .05$)[6]. Consequently, future studies are cautioned not to rely solely on proxy estimates of influence until more appropriate testing is performed. Previous research has suggested one possible proxy for influence, presence of a CMO (Nath and Mahajan 2008; Webster 1981); however, given neither explicitly measures influence, its appropriateness remains unclear.

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[6] Insignificant results were found across all models (i.e., the "Socially-Contingent" model, the (original) "Merit-Based" model, and the (final) "Merit-Based" model). Additionally, insignificant results were also found across all models when internal/external hire was entered as a control.

Implications for Practice – 6.3

This dissertation illustrates that the recent reporting of CMO turnover is not necessarily a “problem”. Perhaps, a “thinning of the herd” is in need to insure only effective CMOs are present. Instead of concerning one’s self with the possibility of negative stereotyping, CMOs should focus on the creation of non-imitable, informational resources. This study demonstrates how developing and maintaining a unique flow of market information can impact the overall influence of CMOs during strategy design and implementation. However, it is clear that organizational legitimacy is the critical determinant of influence. The question is how can this be achieved? This study suggests three solutions.

1. CMOs must ensure that the information they gather/possess is unique when compared to that of non-marketing executives.
2. CMOs must continually market themselves internally to non-marketing executives, which means being attentive to their changing needs and wants from the marketing function.

3. CMOs must be involved in the development and maintenance of the CMO charter.

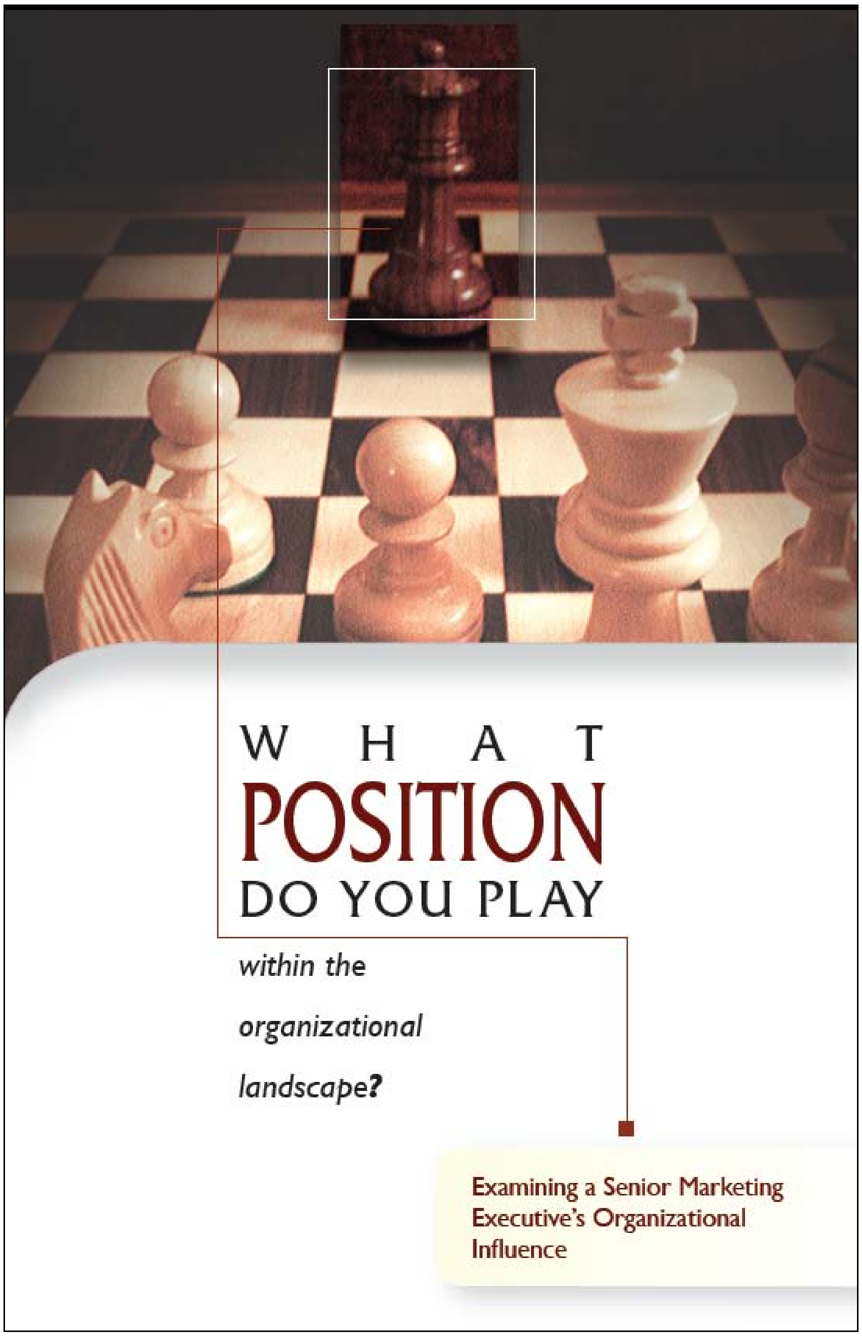
Regarding the CMO charter, interviews suggested that charters enable not only the CMO, but also non-marketing executives to know exactly what the CEO expects from the performance of marketing within the firm. By ensuring that all expectations are addressed during its creation, CMOs are more likely to be successful. This is because charters not only provide for a more objective instrument when it comes to evaluation from non-marketing executives, but also supply a proverbial checklist for the CEO when attempting to assess the output of the CMO. This is critical given the results of this dissertation suggest that CEO support is the single determinant of whether a CMO will be influential.

However, the CMO charter alone will not ensure legitimacy. In order to enhance one's chances of gaining organizational support, the CMO must also market one's self to the other executive officers and functional areas (Hauser, Simester, and Wernerfeldt 1996). By maintaining contact with non-marketing executives and continuously monitoring their needs and wants, the CMO is better prepared to gain the legitimacy needed to affect future firm decisions. Further, by treating the other executive officers as internal customers, the CMO is better prepared to gather information that is not only non-imitable, but also of immediate value to others' needs – critical for those attempting to demonstrate pragmatism in order to gain legitimacy (Suchman 1995).

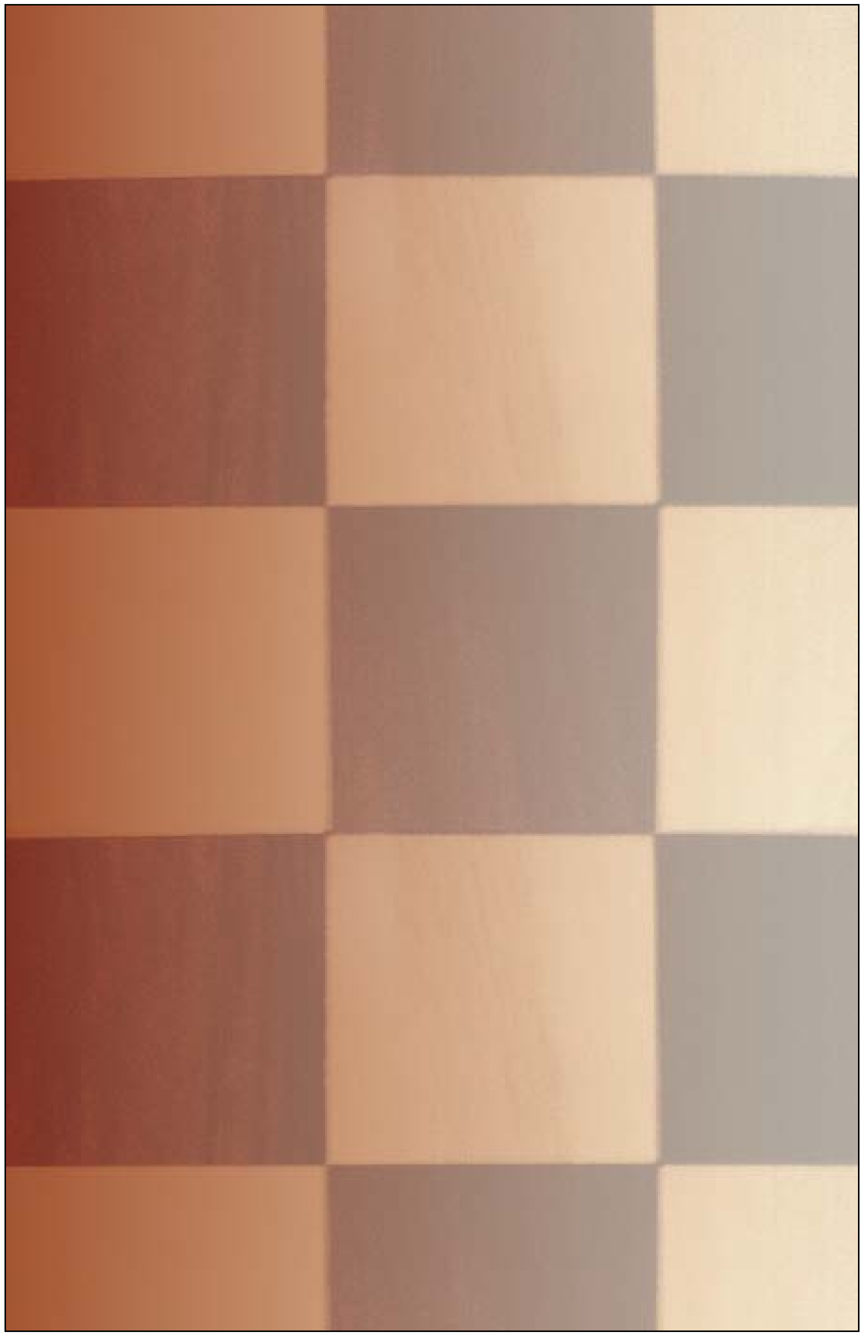
Conclusion – 6.4

The existing research pertaining to CMOs has painted a somewhat dismal picture suggesting that either particular role modifications are necessary (e.g., Webster, Malter, and Ganesan 2004, 2005; Nath and Mahajan 2008), or that an overriding negative bias exists against CMOs and marketing in general (e.g., Schultz 2003, 2005). Perhaps both are true; however, this study demonstrates that CMOs need not necessarily perform any particular task to enhance their overall influence. Similarly, if negative stereotyping of CMOs does exist, the results of this study suggest that it does not bias whether a CMO will be influential. Instead, this study suggests that CMOs must concern themselves with the creation and provision of non-imitable information. In doing so, the CMO is likely to garner legitimacy based upon his/her pragmatism. By meeting the needs of other firm constituents and internally marketing the availability of non-imitable market information, other executive officers, including the CEO, are more likely to allow the CMO to effectively alter future firm strategies.

APPENDIX A: SURVEY PROOFS



APPENDIX A: SURVEY PROOFS (continued)



APPENDIX A: SURVEY PROOFS (continued)

A Research Study

James Carver
Doctoral Research Scholar and Director
The University of Arizona

Dr. Robert Lusch
Lisle and Roslyn Payne Chaired Professor of Marketing and Department Head
The University of Arizona

APPENDIX A: SURVEY PROOFS (continued)

How do we, as marketers, make a difference in the strategic landscape of our firm?

Arriving at an answer to this question is not a simple task. Senior marketing executives often face extreme scrutiny and limited time with which to make a positive difference within their respective organizations.

In a 2004 study conducted by executive recruiter, Spencer Stuart, it was reported that the average tenure for a Chief Marketing Officer (CMO) was 23.6 months. In a series of follow-up investigations in 2005 and 2006, the news became even more dismal. Spencer Stuart found that the average tenure had shrunk during each period with an average CMO tenure equaling 23.5 months and 23.2 months respectively.

Given that senior marketing executives (e.g., the CMO or VP of marketing) often have a short period of time in which to make a substantive impact and strategic decisions often cut across departmental areas, it is imperative that they possess tremendous organizational support.

How can this research study help to answer this important question?

After speaking with several Chief Marketing Officers and Vice Presidents of Marketing across a spectrum of industries, we have developed a list of possible factors critical to the success of senior marketing executives. It is our hope to not only share some of these insights, but also allow you to compare yourself with those in similar positions both within and outside your industry.

Upon completion of this personal and confidential evaluation, we would like to provide you with a personalized scorecard. This scorecard will allow you the ability to compare your progress, performance, influence, and success with those in similar positions. Rather than provide you with generic advice, we wish to allow you the ability to privately compare yourself with your peers.

Second, this information allows you the ability to personally know how competitive you are relative to your peers - a valuable set of information if you ever choose to make lateral moves within or across industries.

What if I don't need a personalized scorecard, or I need it mailed to another address?

While we would like to provide you with a personalized scorecard, you can opt out of receiving this material; however, we do request that you still complete the personal evaluation. By doing so, you not only provide valuable information to the marketing community concerning the role of senior marketing executives, but also contribute helpful insights to Mr. Carver's doctoral dissertation and precious funds to the charity of your choice. In addition, space is provided if you would like the scorecard mailed to another address (e.g., your home).

Address for scorecard and charity donation acknowledgement.

☐ No thanks, I will complete the evaluation, but I don't need a scorecard.

Name: ____________________

Address Line 1: ____________________

Address Line 2: ____________________

APPENDIX A: SURVEY PROOFS (continued)

Part 1: Uniqueness of Marketing Information

Directions: *In this section, we ask questions regarding your ability to provide unique marketing information during the decision-making process. We define marketing information as process information intended to suggest the most efficient and/or effective ways for marketing your product/service. For each of the following questions, please indicate how strongly you agree or disagree with each statement when it comes to* **strategic decisions**.

1. Many of the non-marketing executives possess the exact same marketing information as provided by your subordinates.

   Strongly Disagree — Strongly Agree

   1 2 3 4 5 6 7

2. My subordinates directly report to multiple, senior executives.

   Strongly Disagree — Strongly Agree

   1 2 3 4 5 6 7

3. The marketing information I provide during strategic decision-making is unique if compared to the marketing information provided by non-marketing executives.

   Strongly Disagree — Strongly Agree

   1 2 3 4 5 6 7

4. Non-marketing executives often possess the exact same information as provided by your subordinates.

   Strongly Disagree — Strongly Agree

   1 2 3 4 5 6 7

5. I often find that the information I gather/possess is already known by non-marketing executives.

   Strongly Disagree — Strongly Agree

   1 2 3 4 5 6 7

6. I often rely on non-marketing executives to provide me with marketing information.

   Strongly Disagree — Strongly Agree

   1 2 3 4 5 6 7

7. Few senior executives possess the same marketing information as provided by my subordinates.

   Strongly Disagree — Strongly Agree

   1 2 3 4 5 6 7

APPENDIX A: SURVEY PROOFS (continued)

Part 2: Collective Support

Directions: *Given that many senior executives are often involved in strategic decision-making, we seek to understand the collective support given to you by those in executive positions lower and higher in the organizational hierarchy. For each of the following questions, please indicate how strongly you agree or disagree with each statement when it comes to* **strategic decisions.**

8. When I seek out information and advice from non-marketing executives, they are willing and supportive.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

9. Non-marketing executives are supportive of my efforts in this organization.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

10. The CEO/President often elicits my advice while making strategic decisions.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

11. While all my recommendations may not be implemented, the CEO/President always carefully considers my input before making strategic decisions.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

12. My strategic advice and recommendations are well respected by non-marketing executives.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

13. Non-marketing executives actively seek out my advice when attempting to make strategic decisions.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

14. Non-marketing executives often possess a negative view of my strategic recommendations.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

APPENDIX A: SURVEY PROOFS (continued)

15. Non-marketing executives are quick to dismiss my strategic advice or recommendations.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

16. Marketing receives the appropriate funding and resources necessary to perform its *assigned* role and duties.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

17. The CEO/President is supportive of my efforts in this organization.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

18. The performance of all marketing tasks and activities report directly or indirectly to me.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

19. All marketing information of a strategic nature, regardless of the department that generates such information, passes by my desk.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

Part 3: Expertise

Directions: *Given that many senior executives possess a diverse set of skills and knowledge, in this section we ask questions regarding how your particular skill set is perceived by other executives within your organization. For each of the following questions, please indicate how strongly you agree or disagree with each statement when it comes to* **strategic decisions**.

20. Non-marketing executives view me as a knowledgeable source for marketing insight and advice.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

21. When it comes to individuals within my organization, I am considered an expert in the field of marketing.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

APPENDIX A: SURVEY PROOFS (continued)

22. Non-marketing executives believe I am the most knowledge when it comes to marketing practices and ideas.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

23. Non-marketing executives perceive that I possess unique insights concerning the marketplace and our target customers.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

24. I am seen as possessing superior knowledge or ability when it comes to marketing thought and best practices.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

Part 4: Influence

Directions: *Given that strategic decisions often encompass ideas and information from many senior executives and departments, we seek to understand the extent to which you are able to have your ideas heard and incorporated during the strategic decision-making process. For each of the following questions, please indicate how strongly you agree or disagree with each statement when it comes to* **strategic decisions**.

25. The role I perform is generally considered to be more critical than those performed by the non-marketing executives.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

26. Non-marketing executives consider my recommendations and advice to be more important than those provided by other senior executives.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

27. I tend to dominate the other executives in the affairs of the organization.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

28. I am generally regarded as being more influential than the non-marketing executives.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

APPENDIX A: SURVEY PROOFS (continued)

29. This organization's strategic decisions generally reflect my views.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

30. In general, I have little influence when it comes to the strategic direction of the organization.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

31. In general the CEO/President has little influence when it comes to the strategic direction of the organization.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

32. In general the CFO has little influence when it comes to the strategic direction of the organization.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

33. In general the COO has little influence when it comes to the strategic direction of the organization.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

34. In general the head of information technology has little influence when it comes to the strategic direction of the organization.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

35. In general the head of Sales has little influence when it comes to the strategic direction of the organization.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

36. In general the General Counsel/Secretary has little influence when it comes to the strategic direction of the organization.

Strongly Disagree Strongly Agree

1 2 3 4 5 6 7

APPENDIX A: SURVEY PROOFS (continued)

37. **(For Retailers Only)** In general the head of Merchandising has little influence when it comes to the strategic direction of the organization.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

38. Below is a list of typical strategic issues. Please indicate ***how important the following strategic decisions*** are to the overall success of your firm.

Issue:	Overall Importance										
		Low									High
a. Pricing	N/A	1	2	3	4	5	6	7	8	9	10
b. Distribution	N/A	1	2	3	4	5	6	7	8	9	10
c. Strategic Direction	N/A	1	2	3	4	5	6	7	8	9	10
d. Customer Segmentation/Targeting	N/A	1	2	3	4	5	6	7	8	9	10
e. Advertising/Promotion	N/A	1	2	3	4	5	6	7	8	9	10
f. Brand Definition	N/A	1	2	3	4	5	6	7	8	9	10
g. Developing Vendor Partnerships	N/A	1	2	3	4	5	6	7	8	9	10
h. Product Offerings	N/A	1	2	3	4	5	6	7	8	9	10
i. Customer Service/Support	N/A	1	2	3	4	5	6	7	8	9	10
j. Store Layout/Design	N/A	1	2	3	4	5	6	7	8	9	10
k. Competitive Intelligence	N/A	1	2	3	4	5	6	7	8	9	10
l. Product/Materials Sourcing	N/A	1	2	3	4	5	6	7	8	9	10
m. Major Capital Expenditures	N/A	1	2	3	4	5	6	7	8	9	10
n. Expansion into New Markets	N/A	1	2	3	4	5	6	7	8	9	10
o. New Product Development	N/A	1	2	3	4	5	6	7	8	9	10

APPENDIX A: SURVEY PROOFS (continued)

39. Below is a list of typical strategic issues. Please indicate the **degree of influence** you typically possess on each of the following strategic decisions.

Issue:	Overall Influence										
		Low									High
a. Pricing	N/A	1	2	3	4	5	6	7	8	9	10
b. Distribution	N/A	1	2	3	4	5	6	7	8	9	10
c. Strategic Direction	N/A	1	2	3	4	5	6	7	8	9	10
d. Customer Segmentation/Targeting	N/A	1	2	3	4	5	6	7	8	9	10
e. Advertising/Promotion	N/A	1	2	3	4	5	6	7	8	9	10
f. Brand Definition	N/A	1	2	3	4	5	6	7	8	9	10
g. Developing Vendor Partnerships	N/A	1	2	3	4	5	6	7	8	9	10
h. Product Offerings	N/A	1	2	3	4	5	6	7	8	9	10
i. Customer Service/Support	N/A	1	2	3	4	5	6	7	8	9	10
j. Store Layout/Design	N/A	1	2	3	4	5	6	7	8	9	10
k. Competitive Intelligence	N/A	1	2	3	4	5	6	7	8	9	10
l. Product/Materials Sourcing	N/A	1	2	3	4	5	6	7	8	9	10
m. Major Capital Expenditures	N/A	1	2	3	4	5	6	7	8	9	10
n. Expansion into New Markets	N/A	1	2	3	4	5	6	7	8	9	10
o. New Product Development	N/A	1	2	3	4	5	6	7	8	9	10

APPENDIX A: SURVEY PROOFS (continued)

Part 5: General Information Section

Directions: *In this section, we seek to understand your background, your position, as well as the overall design or your organization's management. Please note that some questions in this section are optional.*

Organizational Design:

40. Please indicate the title of any and all individuals you report directly to.

____

____

41. What departments report directly to you?

____

____

Your Position:

42. What is your title? ____

43. How long have you held your current position approx.? __________yrs__________mo.

44. Approximately, how long was your predecessor's tenure? __________yrs__________mo.

45. How long have you been employed by this organization? __________yrs__________mo.

46. What was your previous title before assuming your current position?

____

47. Below is a list of aspects commonly used to assess one's employment. Please indicate how satisfied you are with your:

	Very Dissatisfied									Very Satisfied
a. Your job	1	2	3	4	5	6	7	8	9	10
b. Your pay/benefits	1	2	3	4	5	6	7	8	9	10
c. The recognition you receive for a job well done.	1	2	3	4	5	6	7	8	9	10
d. The amount of say you have in the direction of your firm.	1	2	3	4	5	6	7	8	9	10

48. I am planning to leave this firm in the near future.

Strongly Disagree						Strongly Agree
1	2	3	4	5	6	7

APPENDIX A: SURVEY PROOFS (continued)

49. I am thinking of quitting this position and finding other employment.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

50. I would like to quit this job and find another in the near future.

Strongly Disagree — Strongly Agree

1 2 3 4 5 6 7

Your Background:

51. During your career, within how many distinct industries have you worked? ________

52. Please indicate your highest level of education.

High School   Associate's Degree   Bachelor's Degree   Master's Degree   PhD.

53. Which of the following best represents your age range?

20–30   31–40   41–50   51–60   61–70   70 +

54. Please indicate your gender.   Male   Female

55. Complete the following sentence by checking all that apply. "During my career, I have worked in or managed…"

- ☐ A consumer packaged goods company
- ☐ Production/Operations
- ☐ Multiple, strategic business units (e.g., P&L centers)
- ☐ Marketing Communications (e.g., MARCOM activities)
- ☐ Multiple line positions
- ☐ Multiple staff positions
- ☐ Finance/Accounting
- ☐ Multiple industries
- ☐ Distribution/Supply Chains
- ☐ Strategic Planning/Economic Analysis

56. ***Optional*** What is your total annual compensation? ________________

Note salary information, just like all your responses, will be completely confidential and used only to generate an average to include in your personal scorecard. However, if you choose not to respond to this question, we will not include a salary comparison for your industry in your personalized scorecard results.

APPENDIX A: SURVEY PROOFS (continued)

Charity Information

We chose these charities because they help others make "moves" to battle for and better their lives, just like we hope to assist you in making the most of your organizational "moves." Once you complete this personalized evaluation and mail in your responses, we will make a charitable donation in your honor. Below is a list of possible organizations, as well as a short description, detailing their mission. ******Please note the donation will be in the form of an aggregate donation and a list of names will be attached to each donation sum.***

Please Make My Donation Here

☐ **Susan G. Komen for the Cure**
Website: http://www.komen.org

Nancy G. Brinker promised her dying sister, Susan G. Komen, she would do everything in her power to end breast cancer forever. In 1982, that promise became Susan G. Komen for the Cure and launched the global breast cancer movement. Today, Komen for the Cure is the world's largest grassroots network of breast cancer survivors and activists fighting to save lives, empower people, ensure quality care for all and energize science to find the cures. Thanks to events like the Komen Race for the Cure, we have invested nearly $1 billion to fulfill our promise, becoming the largest source of nonprofit funds dedicated to the fight against breast cancer in the world. For more information about Susan G. Komen for the Cure, breast health or breast cancer, visit www.komen.org or call 1-800 I'M AWARE.

☐ **Texas Scottish Rite Hospital for Children**
Website: http://www.tsrhc.org

www.tsrhc.org

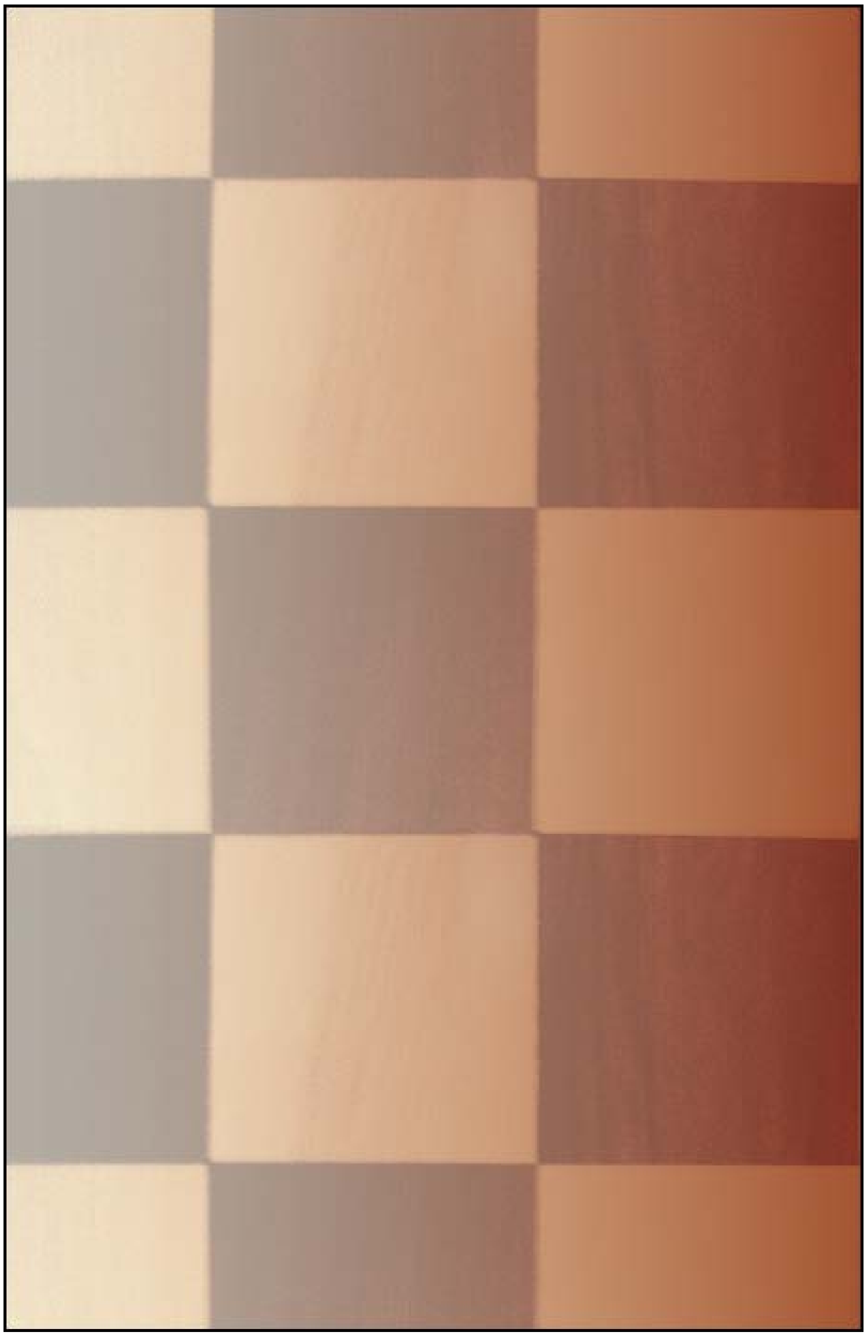
Texas Scottish Rite Hospital for Children is one of the nation's leading pediatric centers for the treatment of orthopedic conditions, certain related neurological disorders and learning disorders, such as dyslexia. There is no charge to patient families for treatment at the hospital, and admission is open to Texas children from birth to 18 years of age. For more information, to volunteer or to make a donation, please call (214) 559-5000 or (800) 421-1121 or visit www.tsrhc.org

☐ **The Cancer Research Institute**
Website: http://www.cancerresearch.org/

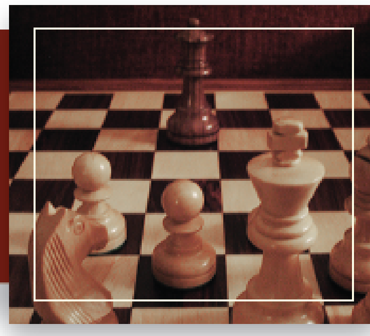
Advancing Immunology. Conquering Cancer.

The Cancer Research Institute (CRI) is the world's only non-profit, private organization dedicated exclusively to the support and coordination of scientific and clinical efforts that will lead to the immunological treatment, control, and prevention of cancer. Guided by a world-renowned Scientific Advisory Council that includes five Nobel Prize winners and twenty-eight members of the National Academy of Sciences, CRI supports the finest cutting-edge cancer research at top medical centers and universities throughout the world. As the initiator and steward of unprecedented global laboratory and clinical programs like the Cancer Vaccine Collaborative, a partnership with the Ludwig Institute for Cancer Research, and the Coordinated Cancer Initiatives, the Cancer Research Institute is ushering in a new era of scientific progress, hastening the discovery of effective cancer vaccines and other immune-based therapies that are providing new hope to cancer patients.
The Cancer Research Institute has one of the lowest overhead expense ratios among non-profit organizations, with the majority of its resources going directly to the support of its science, medical, and research programs. This has consistently earned CRI an A grade or higher for fiscal disclosure and efficiency from the American Institute of Philanthropy and top marks from other charity watchdog organizations.

APPENDIX A: SURVEY PROOFS (continued)



APPENDIX A: SURVEY PROOFS (continued)



Study # ________________

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APPENDIX B: SCALE – IMITABILITY

Individual Items	Scale Mean & Standard Deviation	Item-Total Correlation
Imit. 1: Many of the non-marketing executives (e.g., COO) possess the exact same marketing information as provided by your subordinates.	2.857 (1.354)	.771
Imit. 2: My subordinates directly report to multiple, senior executives.	2.357 (1.854)	.209[a]
Imit. 3: The marketing information I provide during strategic decision-making is unique if compared to the marketing information provided by non-marketing executives. (Reverse Coded)	2.345 (1.047)	.300
Imit. 4: Non-marketing executives often possess the exact same information as provided by your subordinates.	2.810 (1.426)	.790
Imit. 5: I often find that the information I gather/possess is already known by non-marketing executives.	2.667 (1.175)	.608
Imit. 6: I often rely on non-marketing executives to provide me with marketing information.	3.179 (1.709)	.220[a]
Imit. 7: Few senior executives possess the same marketing information as provided by my subordinates. (Reverse Coded)	3.095 (1.526)	.392

* Note: Responses were coded on a seven-point scale with: 1 = Strongly Disagree, and 7 = Strongly Agree
[a] Items removed from final factor score due to insignificant correlations with other scale items.

APPENDIX C: SCALE – EXPERTISE POWER

Individual Items	Scale Mean & Standard Deviation	Item-Total Correlation
Expert 1: Non-marketing executives view me as a knowledgeable source for marketing insight and advice.	6.11 (.836)	.719
Expert 2: When it comes to individuals within my organization, I am considered an expert in the field of marketing.	6.05 (.877)	.685
Expert 3: Non-marketing executives believe I am the most knowledgeable when it comes to marketing practices and ideas.	5.81 (.975)	.729
Expert 4: Non-marketing executives perceive that I possess unique insights concerning the marketplace and our target customers.	5.86 (.959)	.529
Expert 5: I am seen as possessing superior knowledge or ability when it comes to marketing thought and best practices.	5.81 (.963)	.818

* Note: Responses were coded on a seven-point scale with: 1 = Strongly Disagree, and 7 = Strongly Agree

APPENDIX D: SCALE – AUTHORIZATION

Individual Items	**Scale Mean & Standard Deviation**	**Item-Total Correlation**
Auth. 1: The CEO/ President often elicits my advice while making strategic decisions.	5.35 (1.668)	.694
Auth. 2: While all my recommendations may not be implemented, the CEO/President always carefully considers my input before making strategic decisions.	5.33 (1.417)	.700
Auth. 3: Marketing receives the appropriate funding and resources necessary to perform its assigned role and duties.	4.15 (1.800)	.363
Auth. 4: Many of the departments perform marketing tasks and activities that are better suited for marketing department. (Reverse Coded)	5.92 (1.244)	.578
Auth. 5: The performance of all marketing tasks and activities report directly or indirectly to me.	5.44 (1.759)	.577
Auth. 6: All marketing information of a strategic nature, regardless of the department that generates such information, passes by my desk.	4.96 (1.675)	.572

* Note: Responses were coded on a seven-point scale with: 1 = Strongly Disagree, and 7 = Strongly Agree

APPENDIX E: SCALE – ENDORSEMENT

Individual Items	**Scale Mean & Standard Deviation**	**Item-Total Correlation**
End. 1: When I seek out information and advice from non-marketing executives, they are willing and supportive.	5.89 (1.064)	.619
End. 2: Non-marketing executives often seek out my advice or recommendations while attempting to make strategic decisions.	5.61 (1.242)	.749
End. 3: My strategic advice and recommendations are well respected by non-marketing executives.	5.56 (1.293)	.795
End. 4: Non-marketing executives actively seek out my advice when attempting to make strategic decisions.	4.93 (1.306)	.685
End. 5: Non-marketing executives often possess a negative view of my strategic recommendations without attending to the information or rationale used to support my contention. (Reverse Coded)	5.46 (1.256)	.669
End. 6: Non-marketing executives are quick to dismiss my strategic advice or recommendations. (Reverse Coded)	5.60 (1.318)	.697

* Note: Responses were coded on a seven-point scale with: 1 = Strongly Disagree, and 7 = Strongly Agree

APPENDIX F: SCALE – GENERAL INFLUENCE

Individual Items	Scale Mean & Standard Deviation	Item-Total Correlation
G. Inf. 1: The role I perform is generally considered to be more critical than those performed by the non-marketing executives.	3.70 (1.619)	.797
G. Inf. 2: Non-marketing executives consider my recommendations and advice to be more important than those provided by other senior executives.	3.54 (1.392)	.851
G. Inf. 3: I tend to dominate the other executives in the affairs of the organization.	3.00 (1.513)	.742
G. Inf. 4: I am generally regarded as being more influential than the non-marketing executives.	3.51 (1.639)	.905
G. Inf. 5: This organization's strategic decisions generally reflect my views.	4.65 (1.187)	.433

* Note: Responses were coded on a seven-point scale with: 1 = Strongly Disagree, and 7 = Strongly Agree

APPENDIX G: SCALE – DECISION INFLUENCE

Strategic Issue	CMO Score	Marketing Score (HWK 1999)[a]	Marketing Score (VL 2008)[a]
Pricing	55	30	20
Distribution	44	34	18
Strategic Direction	71	38	34
Customer Segmentation/Targeting	63	N/A	55
Advertising/Promotion	61	65	69
Brand Definition	73	N/A	N/A
Development of Vendor Partnerships	40	33	26
Product Offerings	59	N/A	N/A
Customer Service/Support	45	31	28
Store Layout/Design	27	N/A	N/A
Competitive Intelligence	52	N/A	N/A
Product/Materials Sourcing	23	N/A	N/A
Major Capital Expenditures	29	13	N/A
Expansion Into New Markets	45	39	26
New Product Development	54	32	30

[a] Average scores reported in Homburg, Workman, and Krohmer (1999) and Verhoef and Leeflang (2008)

* Note: While HWK (1999) and VL (2008) report the average score using a constant-sum scale from 1 to 100, the CMO score was attained using the product of two reported scores (importance and influence) on scales ranging from 0 to 10. Consequently, minor fluctuations may be the result of changes in scale.

APPENDIX F: TESTS OF NONRESPONSE BIAS

Factor	Item	Phase 1 Avg.	Phase 2 Avg.	Test of Equality of Means T	df	Sig	Levene's Test for Variance Equality F	Sig
Imitability	1	2.68	3.00	-1.064	82	.290	.007	.932
	2[a]	2.63	2.13	1.237	82	.220	1.594	.210
	3	2.34	2.35	-.025	82	.980	.004	.951
	4	2.71	2.89	-.576	82	.566	1.509	.223
	5	2.53	2.78	-.995	82	.323	1.514	.222
	6[a]	3.00	3.33	-.869	82	.387	1.352	.248
	7	2.82	3.33	-1.538	82	.128	3.780	.055
Expertise Power	1	6.00	6.20	-1.068	82	.289	1.126	.292
	2	6.11	6.00	.545	82	.587	.590	.444
	3	5.79	5.83	-.170	82	.865	2.142	.147
	4	5.92	5.80	.553	82	.582	.184	.669
	5	5.84	5.78	.280	82	.780	1.242	.268
Endorsement	1	5.92	5.87	.219	82	.827	.015	.904
	2	5.58	5.63	-.188	82	.851	.022	.883
	3	5.55	5.57	-.044	82	.965	2.007	.160
	4	5.05	4.83	.789	82	.432	2.740	.102
	5	5.61	5.35	.934	82	.353	.110	.741
	6	5.76	5.46	1.062	82	.291	1.355	.248
Authorization	1	5.39	5.30	.246	82	.806	.673	.414
	2	5.37	5.30	.205	82	.838	.218	.642
	3	4.11	4.20	-.228	82	.820	.015	.902
	4	5.89	5.93	-.146	82	.884	.110	.741
	5	5.24	5.61	-.964	82	.338	.015	.902
	6	5.00	4.93	.177	82	.860	.031	.861
Influence	1	3.79	3.63	.446	82	.657	.585	.447
	2	3.63	3.46	.571	82	.569	2.142	.147
	3	3.11	2.91	.577	82	.565	3.613	.061
	4	3.61	3.43	.472	82	.638	.021	.886
	5	4.55	4.74	-.714	82	.477	.394	.532

[a] Items removed from final factor score due to insignificant correlations with other scale items
* Note: Tests run following Armstrong and Overton's (1977) "wave" technique.

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