

**The Microfoundations of Marketing Agility:
A Dynamic Capabilities Perspective**

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Abstract

Marketing agility has emerged as an important construct in research for enabling marketing managers to thrive in dynamic markets. So far, however, marketing research has not provided sufficient guidance on how to develop marketing agility. Drawing on the dynamic capabilities view, this study fills this research gap and explores the microfoundations — the specific skills, processes, and organizational features — that enable marketing agility. Based on 26 in-depth interviews with marketers, the findings reveal 17 microfoundations, which constitute a holistic marketing agility framework. Further, the findings demonstrate that marketing agility involves two types of agile market responses: (1) fast and (2) innovative responses. First, fast responses enable marketing managers to react as fast as possible to unpredictable market changes. Second, innovative responses allow marketers to shape their market by seizing innovation opportunities arising from new trends and customer insights. The findings also show that marketing agility is best suited to marketing activities that (1) are conducted in uncertain business environments, (2) can be tested on customers to generate learning, and (3) can be iteratively enhanced based on that learning. Finally, this study contributes to marketing research as well as the dynamic capabilities literature. It provides marketing managers with critical practical insights and identifies promising avenues for marketing research.

Zusammenfassung

Marketing-Agilität hat sich in der Forschung als ein wichtiges Konstrukt erwiesen, um Marketing-Manager dabei zu unterstützen, in dynamischen Märkten erfolgreich zu sein. Bislang hat die Marketingforschung jedoch noch keine ausreichenden Erkenntnisse darüber geliefert, wie Marketingagilität entwickelt werden kann. Die vorliegende Studie schliesst diese Forschungslücke mit Hilfe des Konzepts der dynamischen Fähigkeiten und untersucht die Mikrofundierung — spezifische Fähigkeiten, Prozesse und organisatorische Merkmale — welche Marketing-Agilität ermöglicht. Auf der Grundlage von 26 Tiefeninterviews mit Marketingfachleuten wurden 17 Mikrofundamente ermittelt, die einen holistischen Rahmen für Marketingagilität bilden. Darüber hinaus zeigen die Ergebnisse, dass Marketing-Agilität zwei Arten von agilen Marktansätzen umfasst: (1) einen schnellen und (2) einen innovativen Ansatz. Ein schneller Ansatz ermöglicht es Marketingmanagern, so schnell wie möglich auf unvorhersehbare Marktveränderungen zu reagieren. Durch einen innovativen Ansatz können Marketingverantwortliche den Markt gestalten, indem sie Innovationschancen nutzen, die sich aus neuen Trends und Kundenerkenntnissen ergeben. Die Ergebnisse der Studie zeigen auch, dass Marketing-Agilität am besten für Marketingaktivitäten geeignet ist, die (1) in einem unsicheren Geschäftsumfeld durchgeführt werden, (2) an Kunden getestet werden können, um daraus zu lernen, und (3) auf der Grundlage dieses Lernenprozesses iterativ verbessert werden können. Ausserdem leistet diese Studie sowohl einen Beitrag zur Marketingforschung als auch zur Literatur im Bereich der dynamischen Fähigkeiten. Sie liefert Marketingmanagern wichtige praktische Erkenntnisse und zeigt zukunftsweisende Forschungsansätze für das Marketing auf.

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List of Abbreviations

B2B	Business-to-Business
B2C	Business-to-Consumer
CEO	Chief Executive Officer
CMO	Chief Marketing Officer
COVID-19	Coronavirus Disease 2019
CRM	Customer Relationship Management
e.g.	“for example” (abbreviation for <i>exempli gratia</i>)
et al.	“and others” (abbreviation for <i>et alia</i>)
FMCG	Fast-Moving Consumer Goods
i.e.	“that is” (abbreviation for <i>id est</i>)
IT	Information Technology
MVP	Minimum Viable Product
RQ	Research Question
TIU	Theories-in-Use

1 Introduction

“In today’s era of volatility, there is no other way but to re-invent. The only sustainable advantage you can have over others is agility, that’s it. Because nothing else is sustainable, everything else you create, somebody else will replicate.”

Jeff Bezos, Founder of Amazon

1.1 Problem Orientation

Dynamic business environments are characterized by relentless change, market unpredictability (Eisenhardt & Brown, 1998), and more profound uncertainty (Day, 2011; Schoemaker et al., 2018; Teece et al., 2016). In today’s turbulent environments, firms face challenges from various market forces, such as changing customer needs and behaviors, hypercompetition, technological developments, government regulations, and environmental resources (Jarratt & Fayed, 2001; V. Kumar, 2018). At the same time, organizations operate in fragmented global markets, where new business opportunities can arise anywhere and everywhere (Teece et al., 2016).

The implications of dynamic business environments for marketing managers are twofold. On the one hand, V. Kumar (2018) argued that market forces directly impact the marketing function as they are too powerful to ignore. They compel marketing managers to question the status quo of their business and create a sense of urgency to respond. As a result, marketers identify new market opportunities and respond by engaging in new activities, ultimately creating better customer offerings and benefits for all market stakeholders (V. Kumar, 2018). On the other hand, the rise of digital technologies has altered marketing practice (Day, 2019; V. Kumar, 2018). Such technologies have enabled marketers to gain in-depth customer insights and to connect in a personalized manner with their clients in an omnichannel environment (Day, 2019, p. 121; V. Kumar, 2018). That said, marketers have not yet reached their full digital potential. Traditional firm capabilities have not allowed them to adapt effectively to their business environment, thus widening the gap between organizations and customers (Day, 2011). For instance, marketers have

recognized that it has become increasingly complex to understand, create, and manage the consumer experience in the digital era (Lemon & Verhoef, 2016). Also, firms have faced the challenge of managing their brand and reputation in a world where social media is prevalent (Leeflang et al., 2014).

In this business context, firms seek to remain competitive while adapting to fast-changing market conditions (Eisenhardt & Brown, 1998). Specifically, marketers are willing to be agile enough to keep pace with their customers' constantly changing expectations, which are driven by digital technologies (Lewnes, 2021). To this end, agility has emerged as a major success determinant for firms in dynamic environments (Haeckel, 1999; Teece, 2016; Zaheer & Zaheer, 1997). In marketing research, agility has been referred to as the firm's ability to sense and respond to market changes *quickly* and *flexibly* (Roberts & Grover, 2012; Zhou et al., 2019).

Managers at Swisscom, Switzerland's major telecommunications provider, have recognized that business cycles have become steadily shorter (Liechti, 2019). As a matter of fact, 75% of Swisscom's revenues come from services that did not exist ten years ago (Manager at Swisscom, personal communication, August 6, 2020). In response to a fast-changing business environment, Swisscom has been willing to become more agile — by acting more proactively, faster, and with greater foresight to new market requirements — both at the employee and the organizational level (Liechti, 2019). Similarly, a recent global survey by McKinsey of roughly 2'000 business leaders revealed that agility was a top business priority. Yet only 10% of respondents reported successfully implementing an agile transformation. In addition, two-thirds of the overall sample pursuing such a transformation reported that their organization was treading water, that is, generating little or no benefit for the business (Aghina et al., 2021). Finally, another McKinsey study on consumer firms showed that the coronavirus pandemic (COVID-19) has increased the importance of adopting agile practices among marketers (Callaghan et al., 2021). Overall, then, marketing managers need more guidance from research on how best to become agile.

1.2 Research Gap and Goals

Existing marketing research has stressed that marketing agility represents a critical factor in achieving marketing excellence (Homburg et al., 2020). Moreover, Lemon and Verhoef (2016) have suggested that organizations need a more flexible organizational model to keep pace with fast technological developments and consumer behavior. Despite these developments, research on agility in the field of marketing is still in its infancy. So far, marketing research has not provided sufficient guidance on how marketing managers can develop marketing agility. Considering the lack of understanding of marketing agility, the Marketing Science Institute (2018) identified marketing agility as a key research priority for the years 2018–2020, in order to understand, for example, how firms “should realign for innovation and faster go-to-market, (...) what strategies enable marketers to become adaptable in the face of disruption, and (...) how the marketing group can re-organize in response to the omnichannel environment” (pp. 15–16). Hence, in light of the aforementioned research gap, this study raises the following main research question:

How can marketing managers successfully develop marketing agility?

Theoretically, this study draws on Teece’s (2007, 2014, 2016, 2017) dynamic capabilities framework. The dynamic capabilities framework has sought to explain the sources of firm-level competitive advantage in dynamic business environments (Teece, 2007). Specifically, dynamic capabilities refer to “the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments” (Teece et al., 1997, p. 516). Teece (2007) suggested that dynamic capabilities can be broken down into three core elements: sensing, seizing, and reconfiguring. Sensing refers to identifying market opportunities, seizing describes how a firm can pursue the identified opportunities, and reconfiguring concerns enhancing and renewing a firm’s existing resources to maintain competitiveness. On a lower level, the three capabilities sensing, seizing, and reconfiguring are constituted by microfoundations, which represent “the distinct skills, processes, procedures, organizational structures, decision rules, and disciplines” (Teece, 2007, p. 1319) underlying each capability’s purpose.

Accordingly, to answer the main research question, this study explores the microfoundations of the dynamic capabilities that enable marketing agility. Based on the three core elements of the dynamic capabilities (sensing, seizing, and reconfiguring; see Section 2.2.6), and on the key characteristics of the marketing agility construct (e.g., speed and flexibility; see Section 2.1.2), the main research question prompts three sub-questions:

RQ 1: How do marketing managers sense new market opportunities that create added value for their customers before other market stakeholders?

RQ 2: How do marketing managers swiftly and flexibly seize new market opportunities that create added value for their customers?

RQ 3: How do marketing managers reconfigure their resources for marketing agility?

1.3 Research Design

The managerial challenges associated with marketing agility, and limited attention in the marketing literature, highlight the need to explore this phenomenon in greater detail. For these reasons, this study calls for theory development and suggests an inductive research approach. The latter has been identified as best suited to understanding phenomena about which only undeveloped knowledge exists (Bonoma, 1985; Zaltman et al., 1982, p. 114). Thus, consistent with the main goal of this study, I apply an exploratory theories-in-use approach (Zaltman et al., 1982; Zeithaml et al., 2020) — in-depth interviews with marketing professionals — to identify the microfoundations of the dynamic capabilities that enable marketing agility. The theories-in-use approach has been considered appropriate to exploring new marketing phenomena and to building new marketing theories (Zeithaml et al., 2020). Examples include Homburg et al. (2020), Tuli et al. (2007), and Ulaga and Reinartz (2011).

Qualitative researchers are increasingly using theoretical lenses as these shape the types of questions that can be asked and how researchers collect and analyze data (Creswell & Creswell, 2018, p.108). As mentioned in Section 1.2, this study adopts

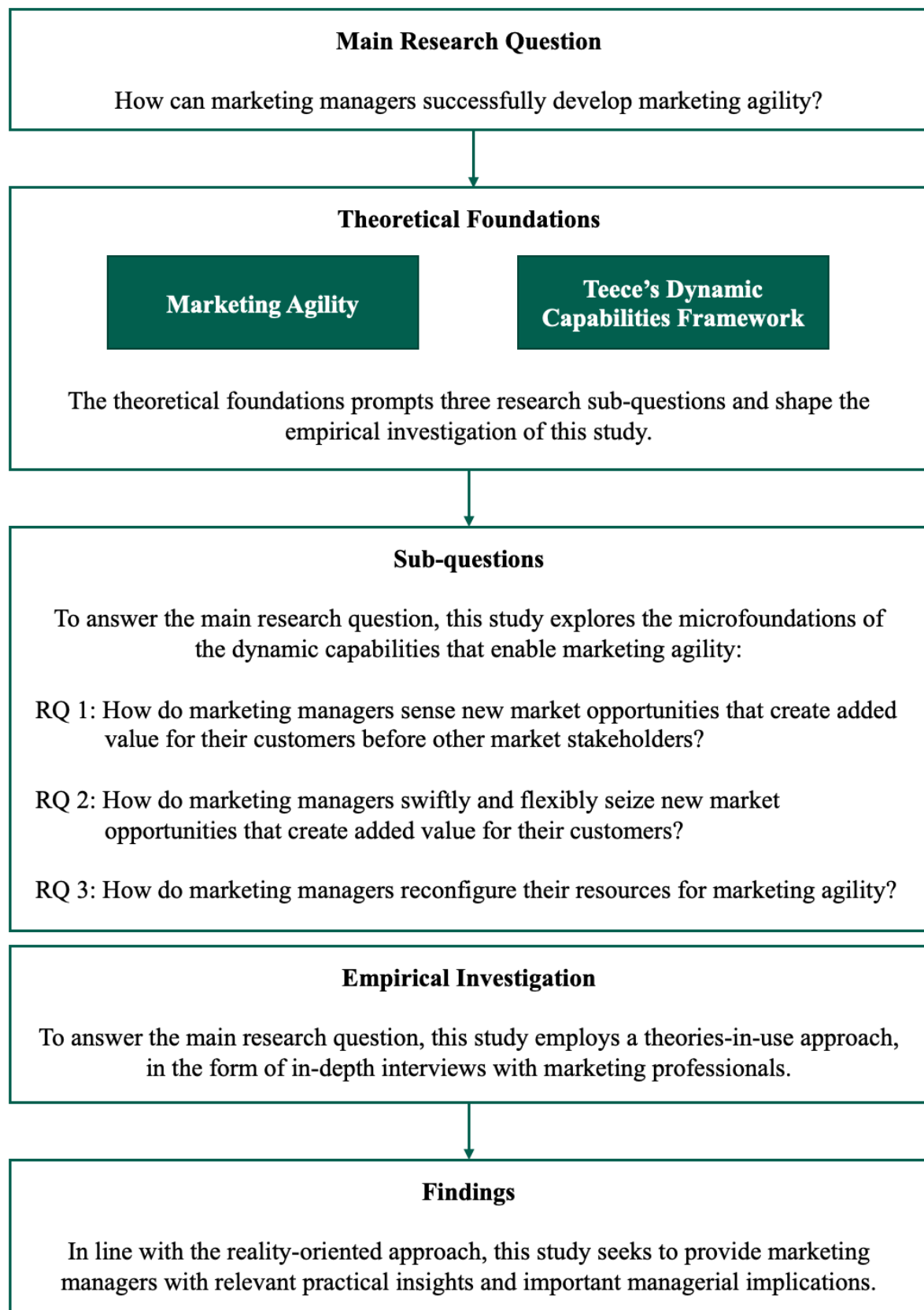
Teece's (2007, 2014, 2016, 2017) dynamic capabilities framework for two reasons. First, previous marketing research has considered agility a dynamic capability (e.g., Roberts & Grover, 2012; Zhou et al., 2019). Second, Teece's dynamic capabilities framework has been recognized as a fruitful way for researchers and practitioners to address complex business challenges (Teece et al., 2016).

Marketing research has faced two principal challenges: capturing real-world phenomena in a scientifically correct manner and demonstrating the practical benefit of research (Levitt, 1988, p. 354). Hence, epistemologically, this study constitutes reality-oriented marketing research, which focuses on solutions to concrete problems in practice (Popper, 1962; Ulrich, 1981, p. 11). As Tomczak (1992) has stressed, "reality-oriented marketing research attempts to describe, explain, and solve practically relevant problems and phenomena by means of theory-based empirical research" (p. 83).¹

In line with the reality-oriented paradigm, this study intends to answer its main research question as follows: First, the literature review defines marketing agility based on existing marketing research. Second, as existing marketing research has considered agility a dynamic capability (e.g., Roberts & Grover, 2012; Zhou et al., 2019), this study builds theoretically on Teece's dynamic capabilities framework and illuminates its main characteristics. Most importantly, the theoretical foundations of this study shape the subsequent empirical investigation, i.e., how I frame the questions for the in-depth interviews with marketers and how I analyze the collected data. Finally, this study seeks to provide marketing managers with relevant practical insights and important managerial implications. Figure 1 summarizes the research design of this study.

¹ Original statement in German, translated by the author.

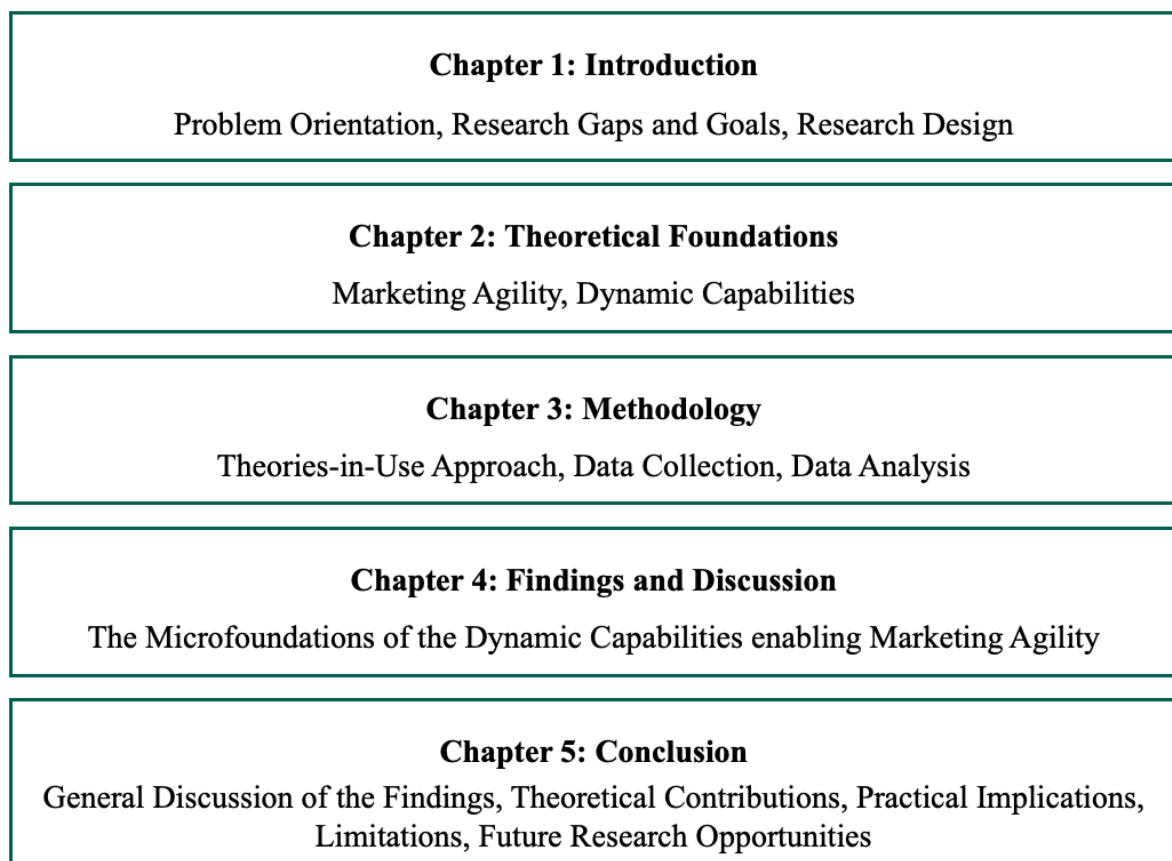
Figure 1. The research design of this study



1.4 Structure of the Study

This study is structured as follows (see Figure 2): Chapter 2 reviews existing research on marketing agility. Further, it introduces the dynamic capabilities view and describes Teece's dynamic capabilities framework in more depth. It also summarizes the key findings of relevant previous research. Chapter 3 describes the theories-in-use approach, which was applied in the form of in-depth interviews with marketing professionals, and the data collection and analysis procedures. Chapter 4 presents the main findings, the microfoundations of marketing agility. Taken together, these constitute a holistic marketing agility framework. This chapter also distinguishes two types of agile market responses that are associated with marketing agility: on the one hand, fast responses; on the other, innovative ones. Chapter 5 discusses the main findings and summarizes the results according to each research question. It discusses the theoretical and practical implications of the findings, considers their limitations and points out avenues for future research.

Figure 2. The structure of the study



2 Theoretical Foundations

This chapter provides a comprehensive review of the theoretical foundations based on which this study explores the microfoundations that help develop marketing agility. It first discusses the origins of marketing agility, defines its construction, and describes its main characteristics. Next, it distinguishes marketing agility from other existing marketing concepts. Second, this chapter introduces the dynamic capabilities view and describes Teece's dynamic capabilities framework. Finally, this chapter summarizes the key findings of existing research, and thereby introduces the theoretical framework underpinning this study.

2.1 Agility Research

Agility can be understood as “the ability of an organization to thrive in a constantly changing, unpredictable environment” (Rigby et al., 2000, p. 178). Research on agility originated in the field of manufacturing at the beginning of the 1990s. Agile manufacturing sought to replace the concept of mass production (Nagel & Dove, 1991) and was seen as an entirely new way of conducting business (Kidd, 1996). This allowed manufacturers to quickly respond to the demand for highly customized products in rapidly changing markets (Nagel & Dove, 1991, p. 2). Since then, a significant number of scholars have researched the construct of agility in the field of manufacturing (e.g., Braunscheidel & Suresh, 2009; Sharifi & Zhang, 1999).

Agility research has then spread to other research fields, such as information technology (e.g., Gassmann et al., 2006; Lu & Ramamurthy, 2011; Sambamurthy et al., 2003), strategic management (e.g., Doz & Kosonen, 2010; Teece et al., 2016), and more recently in marketing (e.g., Homburg et al., 2020; Zhou et al., 2019). Overall, a general lack of understanding (due to the large number of definitions and disagreements about the concept of agility across the aforementioned research fields) has made it challenging to build on existing research findings (Walter, 2021). Therefore, this study draws primarily on existing marketing research, but also on important insights of strategic management, to conceptualize marketing agility.

2.1.1 Background on Agility

The construct of agility is still in its infancy in the field of marketing. Research on agility in marketing research took off after the Marketing Science Institute identified marketing agility as a research priority for the years 2018–2020 (Marketing Science Institute, 2018). To date, only few papers have conceptualized marketing agility broadly and pertaining to all marketing activities (e.g., Homburg, et al., 2020; Kalaignanam et al., 2021; Zhou et al., 2019). Other studies have focused on specific applications of agility in the field of marketing, such as customer agility (Roberts & Grover, 2012), which focuses solely on customer-based changes in the marketplace; on social media agility (Chuang, 2020), which involves investigating how agility can be achieved through the use of social media; and on international marketing agility, that is, on companies willing to expand their marketing operations to new markets (e.g., Asseraf et al., 2019; Gomes et al., 2020; Hagen et al., 2019; Osei et al., 2019).

In the field of strategic management, major contributions to agility have referred to Doz and Kosonen's (2010) work on "strategic agility" and, more recently, to that of Teece et al. (2016) on "organizational agility." On the one hand, strategic agility has aimed to provide managers with the tools needed to constantly adjust their strategic commitments, and thus to adapt to market changes and to prevent firm inertia. On the other hand, organizational agility has focused on "the capacity of an organization to efficiently and effectively redeploy/redirect its resources to value-creating and value protecting (and capturing) higher-yield activities as internal and external circumstances warrant" (Teece et al., 2016, p. 17).

2.1.2 Definition of Marketing Agility

Although research on agility in marketing research is scarce, its definitions have already differed from one another. Table 1 presents the different definitions of agility in the field of marketing. Despite the differences, common characteristics emerge from these definitions. Agility can be described by:

- the capacity of *both* sensing and responding to market-based opportunities (Chuang, 2020; Gomes et al., 2020; Hajli et al., 2020; Kalaignanam et al., 2021; Roberts & Grover, 2012; Zhou et al., 2019);
- acting quickly (Gomes et al., 2020; Hajli et al., 2020; Homburg et al., 2020; Kalaignanam et al., 2021; Roberts & Grover, 2012; Zhou et al., 2019);
- and remaining flexible (Chuang, 2020; Gomes et al., 2020; Kalaignanam et al., 2021; Zhou et al., 2019).

These characteristics provide a basic understanding of what agility seeks to achieve. In light of the above, this study defines marketing agility as the firm's ability to *sense market-based opportunities and to respond to them quickly and flexibly so as to create added value for customers*. This definition may appear less specific than recent definitions, including those suggested by Homburg et al. (2020) and by Kalaignanam et al. (2021). However, given the explorative nature of this study, a more general definition seems more appropriate.

2.1.3 Differentiation from other Marketing Constructs

In marketing research, other theoretical concepts similar to the construct of marketing agility are dedicated to guiding companies and their managers to thrive in an ever-changing marketplace. They include market orientation (Kohli & Jaworski, 1990; Narver & Slater, 1990), adaptive marketing capabilities (Day, 2011), and marketing exploitation and exploration capabilities (Vorhies et al., 2011). Below, I present these existing concepts, as well as their similarities and differences with marketing agility.

Table 1. Definitions and applications of agility in marketing research

Authors	Year	Journal	Construct	Definition
Chuang	2020	Industrial Marketing Management	Social media agility	“(…) a multi-dimensional construct composed of two critical constructs: internal and external social media agility rooted in the micro and macro environment, defined as the ability of firms using social media to cope with demands and changes.” (p. 204)
Gomes et al.	2020	International Marketing Review	International marketing agility	“(…) a process triggered by agile logic (a nonconformist and open mental stance) and facilitated by agile learning (being able to search and interpret data) to cause agile actions (being able to commit, coordinate and respond quickly with flexibility to ever-changing conditions).” (p. 263)
Hajli et al.	2020	Industrial Marketing Management	Customer agility	“(…) the firm’s capability to not only sense but also to respond in expeditious way to customer-based opportunities for innovation and competitive action is of great importance.” (p. 136)
Homburg et al.	2020	Journal of Marketing	Marketing agility	“(…) a firm’s strategic means for executing growth activities by the marketing organization and its members through simplified structures and processes, fast decision making, and trial and error learning.” (p. 10)
Kalaignanam et al.	2021	Journal of Marketing	Marketing agility	“(…) the extent to which an entity rapidly iterates between making sense of the market and executing marketing decisions to adapt to the market.” (p. 36)
Roberts & Grover	2012	Journal of Business Research	Customer agility	“(…) the degree to which a firm is able to sense and respond quickly to customer-based opportunities for innovation and competitive action.” (p. 580)
Zhou et al.	2019	Industrial Marketing Management	Marketing agility	“(…) a firm’s ability to proactively anticipate and sense marketing opportunities, and to respond quickly and flexibly to these opportunities to better satisfy customer needs.” (p. 33)

Market Orientation

Marketing orientation represents the organization-wide generation, dissemination of and response to market intelligence pertaining to current and future customer needs (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990). Similarities and differences with regard to agility have been acknowledged in the literature. Regarding similarities, Overby et al. (2006) argued that both constructs focus on changes in customers, competitors, and other factors (e.g., technology and regulatory developments). Further, both contain a response element to environmental changes (Overby et al., 2006).

As to the differences, research has argued that marketing agility differs from marketing orientation in two main ways. First, market orientation does not refer to speed and flexibility, which characterizes marketing agility (Zhou et al., 2019). Second, the dissemination of information within the company is an important feature of marketing orientation (Kohli & Jaworski, 1990). However, agile firms may not necessarily rely on information dissemination to delineate a response. Information dissemination may delay a firm's response and therefore impede agility (Overby et al., 2006).

Adaptive Marketing Capabilities

According to Day (2011), enhanced marketing capabilities are required due to ongoing technological developments, the accelerating velocity, and the complexity of markets. Day also suggested that adaptive marketing capabilities comprise three elements: (1) vigilant market capability, which describes how marketers can cognitively and technologically foresee and generate customer insights, market changes, and unarticulated customer needs; (2) adaptive market experimentation capability, which refers to generating learning and new insights through market experimentation; and (3) open marketing capability, which enables firms to leverage knowledge and resources from networks of partners and to open up the marketing organization (Day, 2011).

These three adaptive marketing capabilities exhibit most of the characteristics of marketing agility. Specifically, both constructs focus on sensing and responding to

market changes. Further, flexibility is achieved through market experimentation as well as through leveraging knowledge and resources from external partners. Nevertheless, the conceptualization of adaptive marketing capabilities does not emphasize the aspect of speed (Kalaighnam et al., 2021).

Marketing Exploitation and Exploration Capabilities

Research in marketing and organizational learning has stressed the importance of developing exploitation and exploration capabilities (Kim & Atuahene-Gima, 2010; Kyriakopoulos & Moorman, 2004; Raisch & Birkinshaw, 2008). As defined by Vorhies et al. (2011), “exploitation refers to the development of new knowledge about the firm’s existing markets, products, and capabilities, while exploration refers to the development of new knowledge that goes beyond what is currently known about markets, products, technologies and capabilities” (p. 736). Marketing exploitation and exploration are considered important higher-order marketing capabilities (Aspara et al., 2011; Kyriakopoulos & Moorman, 2004; Vorhies et al., 2011). Such capabilities allow firms to adapt dynamically to market changes through higher levels of market knowledge (March, 1991; Vorhies et al., 2011).

There are two main differences between these two concepts. First, a central aspect of organizational learning theory is the balance between exploitation and exploration that a firm must achieve (on so-called ambidexterity, see Birkinshaw & Gibson, 2004; Raisch & Birkinshaw, 2008; Tushman & O’Reilly, 1996). Although adaptation through acquiring new knowledge is viewed as crucial in the marketing agility construct, its conceptualization does not include a tension between exploitation and exploration capabilities. Second, neither marketing exploration nor marketing exploitation capabilities include the speed and flexibility characteristics of marketing agility.

2.2 Dynamic Capabilities View

Firms must focus on constantly reinventing themselves in dynamic business environments (Hunt & Madhavaram, 2020). To this end, the dynamic capabilities framework developed by Teece (2007, 2014, 2016, 2017) has been identified as one major approach for developing marketing strategy (Hunt & Madhavaram, 2020) and as one of the leading perspectives in strategic management research (Di Stefano et al., 2010). In addition, Teece et al. (2016) have argued that “considering agility within this framework will help managers make higher-quality decisions” (p. 18). Before describing Teece’s dynamic capabilities framework in more detail, the next section returns to the origins of the dynamic capabilities view.

2.2.1 Origins of the Dynamic Capabilities View

Research and practice have spent many decades exploring how firms gain and maintain competitive advantages (Nelson, 1991; Teece, 2007). Accordingly, resource-based theory (e.g., Amit & Schoemaker, 1993; Barney, 1991; Chandler, 1962; Penrose, 1959; Rumelt, 1984; Selznick, 1957; Wernerfelt, 1984) has constituted an important theoretical foundation in marketing research to explain and predict the firm’s sustainable competitive advantage and performance outcomes (e.g., Barney et al., 2011; Kozlenkova et al., 2014; Slotegraaf et al., 2003; Vorhies & Morgan, 2005).

In resource-based theory, a sustainable competitive advantage arises only if resources — defined as tangible or intangible assets and competencies (Teece, 2007) — are simultaneously valuable, rare, imperfectly imitable, and exploitable by a firm (Barney & Clark, 2007; Barney & Hesterly, 2012). In other words, a competitive advantage results from differences in the existing resources of companies in the same market (Barney, 1991; Wernerfelt, 1984).

Resource-based theory has long been criticized for being too static (Priem & Butler, 2001; Schulze, 1994). Such staticity can be explained by the fact that the resource-based view has adhered to the research tradition of neoclassical economics (Hunt & Madhavaram, 2020). Put simply, if a firm’s resources and capabilities are too static, this is because they are considered as *given* in this research tradition (Barney &

Clark, 2007, p. 257). According to neoclassical economics, firms compete in their market by *imitating* the resources of the most advantaged firms (Hunt & Madhavaram, 2019). In other words, this tradition considers the *creation* of resources (i.e., *innovation*) exogenous to competition (Hunt & Madhavaram, 2019). This implies that companies do not seek to respond to changes in consumers' needs, wants, and tastes by creating variations of their marketed products. Instead, innovation originates from non-profit-seeking entities in the market, such as the state (Hunt & Madhavaram, 2019). Overall, firms do not create resources but rely on those existing in the market. Relying on given resources thus contributes to the staticity of the resource-based view.

Nevertheless, and most importantly, Houston and Gassenheimer (1987) argued that neoclassical economics run counter to the purpose of marketing because marketers' success arises from escaping from a purely competitive market situation (i.e., by creating new resources). Hence, the dynamic capabilities view has emerged in research to overcome the limitations imposed by the static nature of the resource-based view.

Several scholars have contributed to the theoretical development of the dynamic capabilities concept (e.g., Eisenhardt & Martin, 2000; Helfat, 1997; Helfat & Peteraf, 2003, 2009; Peteraf, Di Stefano, & Verona, 2013; Schilke, 2014; Teece et al., 1997; Winter, 2003). They have called for a profound dynamization of the firm's resource base. This involves reconfiguring existing resources and creating new resources (Helfat & Peteraf, 2003; Schilke, 2014). Overall, dynamic capabilities help firms strategically change and align with their business environment (Helfat, 1997; Zahra et al., 2006), usually in turbulent global markets with intense competition for innovations (Helfat et al., 2007, pp. 8–9; Teece, 2014). Teece's dynamic capabilities framework has emerged as one of the leading perspectives within the dynamic capabilities view. I describe this framework in more detail below.

2.2.2 Teece's Dynamic Capabilities Framework

Teece's dynamic capabilities framework helps researchers and practitioners understand how a firm can create and sustain value, and thereby generate competitive advantage (Teece, 2007, 2014). Specifically, Teece (2007) argues that generating sustainable competitive advantage in dynamic business environments requires more than the "ownership of difficult-to-replicate (knowledge) assets" (i.e., resources) (p. 1319). Unique and difficult-to-replicate dynamic capabilities are also essential. They represent "the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments" (Teece et al., 1997, p. 516). Teece's framework, which is embedded in Austrian-Schumpeterian theories of economic competition, challenges the equilibrium imposed by classical theories of economic competition (Teece, 2007).

2.2.3 The Concept of Capability

Capabilities are a central concept in Teece's framework (Teece, 2014). They are integrally linked to the firm's *resources* (Teece, 2014). Resources can be represented as tangible or intangible assets and competencies (Teece, 2007), which companies possess to design and implement their strategies (Barney & Arikan, 2001, p. 138). Furthermore, Barney and Hesterly (2012) suggested four main categories of resources: physical, financial, human, and organizational. In marketing research, previous studies have shown the growing importance of market-based intangible resources, such as brands, customer relationships, and market knowledge (Kozlenkova et al., 2014).

As for the capabilities, they represent a *subset* of the firm's resources (Teece, 2014). A capability describes "an organizationally embedded non-transferable firm-specific resource whose purpose is to improve the productivity of the other resources possessed by the firm" (Makadok, 2001, p. 389). Generally, capabilities are information-based, tangible, or intangible processes (Makadok, 2001). The company creates its capabilities through learning, based on the firm's history and its resources (Teece, 2014). Figure 3 displays the main differences between resources and capabilities as well as the differences between ordinary and dynamic capabilities discussed in more detail below.

Figure 3. The main differences between resources and capabilities

Resources		Capabilities	
Definition “A firm's resources at a given time could be defined as those (tangible and intangible) assets which are tied semipermanently to the firm” (Wernerfelt, 1984, p. 172).		Definition “An enterprise capability is a set of current or potential activities that utilize the firm's productive resources to make and/or deliver products and services” (Teece, 2014, p. 328).	
Tangible With physical existence	Intangible Without physical existence	Ordinary Make a living	Dynamic Alter how to make a living
Examples • Property • Plant • Equipment • Financial assets • IT systems	Examples • Knowledge • Sales orientation • Client involvement • Reputational capital • Leadership skills	Examples • Administer • Operate • Govern • Purchase • Manufacture	Examples • Orchestrate • Adapt • Innovate • Recognize opportunities

Note: Adapted from Guesalaga et al. (2018), p. 161

2.2.4 Ordinary Capabilities and Dynamic Capabilities

Theory differentiates between ordinary and dynamic capabilities (Teece, 2014). Ordinary capabilities are regarded as first-level capabilities (Teece, 2014). They allow companies to operate in the present and to generate revenue by efficiently performing routine-related activities (Helfat & Winter, 2011; Teece, 2012; Winter, 2003). Specifically, ordinary capabilities allow firms to perform administrative, operational, and governance-related tasks (Teece, 2014). Teece (2014) argues that efficiency is the fundamental purpose of ordinary capabilities. Ordinary capabilities are about “doing things right” (Teece, 2014, p. 331). Finally, ordinary capabilities

can usually be measured against internal benchmarks or against external industry best practices (Teece, 2007, 2014). This implies that a firm can acquire the necessary knowledge behind ordinary capabilities through hiring consultants and by investing in training (Bloom et al., 2013; Teece, 2014).

According to Teece (2014), companies need ordinary capabilities, which usually support them for a certain number of years. However, ordinary capabilities will not yield long-term success on their own unless competition is weak (Teece, 2014). Indeed, strong and differentiated ordinary capabilities and best practices are not sufficient to achieve a competitive advantage (Teece, 2014). Managers who focus on building ordinary capabilities, and hence prioritize efficiency, may distract themselves from leading change, which may lead their firm to become inert (Teece, 2014).

In contrast to ordinary capabilities, dynamic capabilities are considered future-oriented higher-level capabilities (Ambrosini & Bowman, 2009). They help firms remain aligned with the latest market developments and societal goals as well as be innovative (Teece, 2014). Further, dynamic capabilities are about “doing the right things, at the right time” (Teece, 2014, p. 331). Finally, firms need to build dynamic capabilities. Dynamic capabilities cannot be bought, nor are they easily imitable (Teece, 2014). Table 2 summarizes the main differences between ordinary and dynamic capabilities.

2.2.5 Characteristics of the Dynamic Capabilities Framework

Three important aspects characterize Teece’s dynamic capabilities framework. Previous research has considered Teece’s framework (1) an integrative approach, which helps managers achieve (2) evolutionary fitness, and which also has a particular (3) managerial focus. I describe these characteristics in more detail below.

Table 2. Some differences between ordinary and dynamic capabilities

	Ordinary capabilities	Dynamic capabilities
Goals/Purpose	Operational (Technical efficiency in basic business functions)	Strategic (Achieving congruence with technological opportunities and market needs)
Mode of attainability	Buy or build (operational learning)	Build (dynamic learning and adjustment)
Tripartite schema	Operate, administer and govern	Sense, seize, and transform
Key activities	Best practices	Signature processes and activities (beyond best practices)
Managerial emphasis	Static optimization	Entrepreneurial asset orchestration and leadership
Priority	Doing things right	Doing the right things
Imitability	Relatively imitable	Relatively inimitable
Result	Efficiency and technical fitness	Innovation and evolutionary fitness

Note: Adapted from Teece (2014), p. 332 and Teece (2017), p. 700

Integrative Approach

Given its roots in resource-based theory, Teece's dynamic capabilities framework is considered an "integrative approach." Integrative because a dynamic capability by definition includes *both* static and dynamic elements (Schreyögg & Kliesch-Eberl,

2007; Teece et al., 1997). On the one hand, static processes represent the mechanisms for mobilizing and coordinating available resources. On the other, so-called dynamic processes refer to enhancing or altering the firm's resource base (Helfat et al., 2007).

Schreyögg and Kliesch-Eberl (2007) have criticized Teece's integrative approach as it may prevent the firm from effectively dynamizing its resources and capabilities. In their view, Teece's framework rests on two opposing logical notions. On the one hand, a dynamic capability seeks to exploit the positive effects of resources and capabilities (reliable replication). On the other, it adds a dynamic dimension to overcome its inherent staticity (continuous change). According to the same authors, these two logical notions are not congruent. Including a static element in the concept of dynamic capability may prevent managers from questioning the basic reasoning underlying existing resources. As a consequence, managers may not radically transform the firm's resources, which may ultimately lead to path dependency or firm inertia (Schreyögg & Kliesch-Eberl, 2007).

Schreyögg and Kliesch-Eberl (2007) acknowledges that Teece et al. (1997) were aware of this theoretical challenge. Teece et al. (1997) mitigated it by arguing that change was generally costly and that innovation tended to emerge from the firm's current and past activities.

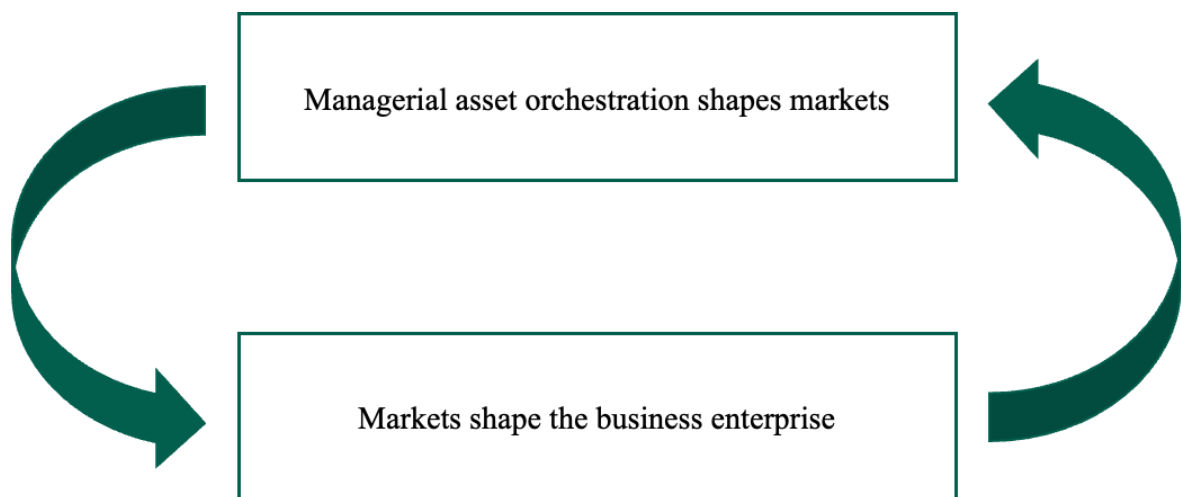
Evolutionary Fitness

Evolutionary fitness is the firm's capacity "to make a living by creating, extending, or modifying its resource base" (Helfat et al., 2007, p. 7).² Firms can achieve this fitness in two ways: firstly, by *adapting* to customer and market changes; secondly, as a more entrepreneurial aspect, by *shaping* the ecosystem in which a company

² Evolutionary fitness should not be confused with business performance. Dynamic capabilities and business performance are not inherently linked. A dynamic capability can have a positive, neutral and negative effect on the firm's business performance (Ambrosini & Bowman, 2009; Eisenhardt & Martin, 2000; Jurksiene & Pundziene, 2016; Zahra et al., 2006).

operates by engaging in new activities, from which emerge new products, processes, and business models (Helfat et al., 2007, p. 26; Teece, 2007). Both ways are assumed to be equally important in the dynamic capabilities framework (Teece, 2007). In sum, so-called asset orchestration (i.e., managers' coordinating, enhancing, and reconfiguring of the firm's resources) ultimately shapes the market as much as the market shapes a company (Chandler & Hikino, 1994; Simon, 1993). A firm and its market coevolve (Helfat et al., 2007, p. 26), as shown in Figure 4.

Figure 4. The coevolution of firms and markets



Note: From Helfat et al. (2007), p. 26

Managerial Focus

The strength of dynamic capabilities is influenced by their managers' abilities (Augier & Teece, 2009). According to Teece (2017), managers must be able to adopt an entrepreneurial role in identifying a new key trend or a market change and then respond to it. Specifically, entrepreneurial managers act as orchestrators within their organization, providing sufficient guidance and coordination for the initiatives undertaken (Teece, 2017). Entrepreneurial managers can gain superior skills through the learning opportunities that come with experience, but also through the social capital they acquire by developing personal relationships (Adner & Helfat, 2003; Bourdieu & Wacquant, 1992; Lin, 2002).

A key problem that firms face in dynamic environments is not economic, but rather cognitive and even emotional (Baden-Fuller & Teece, 2019; Porac et al., 1989). In other words, the capacity of managers to imagine, or dream up new things, to develop new ideas, and then to inspire, align, and motivate their employees (cognitive aspect) to sense and seize new market opportunities is more important than assuming that superior resources (economic aspect) are key to successful strategy (Baden-Fuller & Teece, 2020). While Teece does not frame his dynamic capabilities framework as a cognitive theory, it nevertheless includes these cognitive and emotional dimensions (Baden-Fuller & Teece, 2020).

2.2.6 The three Dimensions of Dynamic Capabilities

Teece (2007) suggested that dynamic capabilities may be disaggregated into three core elements: “(1) to sense and shape opportunities and threats, (2) to seize opportunities, and (3) to maintain competitiveness through enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise’s intangible and tangible assets” (p. 1319).

Sensing

In rapidly changing environments, shifting customer demands, increased competition, and technological advancements open up new opportunities for incumbents and newcomers (Teece, 2007). Sensing capability represents the firm’s ability to sense and shape new opportunities and threats. It involves scanning, creating, learning, and interpreting. These activities not only focus on understanding articulated customer needs or existing technological possibilities, but also involve exploring latent customer needs and the future business environment (Teece, 2007).

Seizing

According to Teece (2007), a new opportunity that has been sensed by the company should be addressed through new products, processes, or services. This requires the company to invest in development and to delineate the corresponding business model.

The seizing capability of the dynamic capabilities framework focuses mainly on the ability of managers to overcome challenges around decision-making and resource allocation so that firms can effectively seize new market opportunities (Teece, 2007). On the one hand, a new business idea may receive very little internal enthusiasm, which requires partisans to convince the opponents. On the other, the current decision-making and resource allocation processes might simply impede innovation. For example, cross-functional committees in hierarchically organized companies, which base their decisions on reporting and written justifications, tend toward balancing and compromise. Compromise is likely to strengthen the status quo and impede innovation (Teece, 2007).

Reconfiguring

Reconfiguring refers to the semicontinuous improvement, combination, and transformation of the firm's organizational resources and assets to ensure that a company remains aligned with its business environment (Teece, 2007).

According to Teece (2007), profitable growth will lead companies to an increasing number of resources and assets, which implies the creation of structures, routines, and rules in order to ensure operational efficiency. If not regularly reconfigured, these resources and assets are likely to push a firm into path dependency, leading it to disregard or misinterpret changes in the marketplace (Teece, 2007). For example, this happens when employees become solely accountable to their managers instead of their customers. Or when organizational silos prevent the company from creating integrated solutions for customers. Further, centralized strategic decision-making, which is concentrated in the top management, might not reflect current market conditions as senior executives are too far removed from these. This distance could further impede managers' responsiveness to changing customer needs and technological advancements. Therefore, the ability to reconfigure resources and assets is critical to sustaining evolutionary fitness (Teece, 2007).

Overall, dynamic capabilities involve sensing, seizing, and reconfiguring capabilities. Considering a lower level allows dissecting these three capabilities into the microfoundations representing the specific skills, process, and organizational

features inherent in each dynamic capability's purpose (Teece, 2007). Figure 5 displays these different levels.

2.2.7 Agility in relation to the Dynamic Capabilities Framework

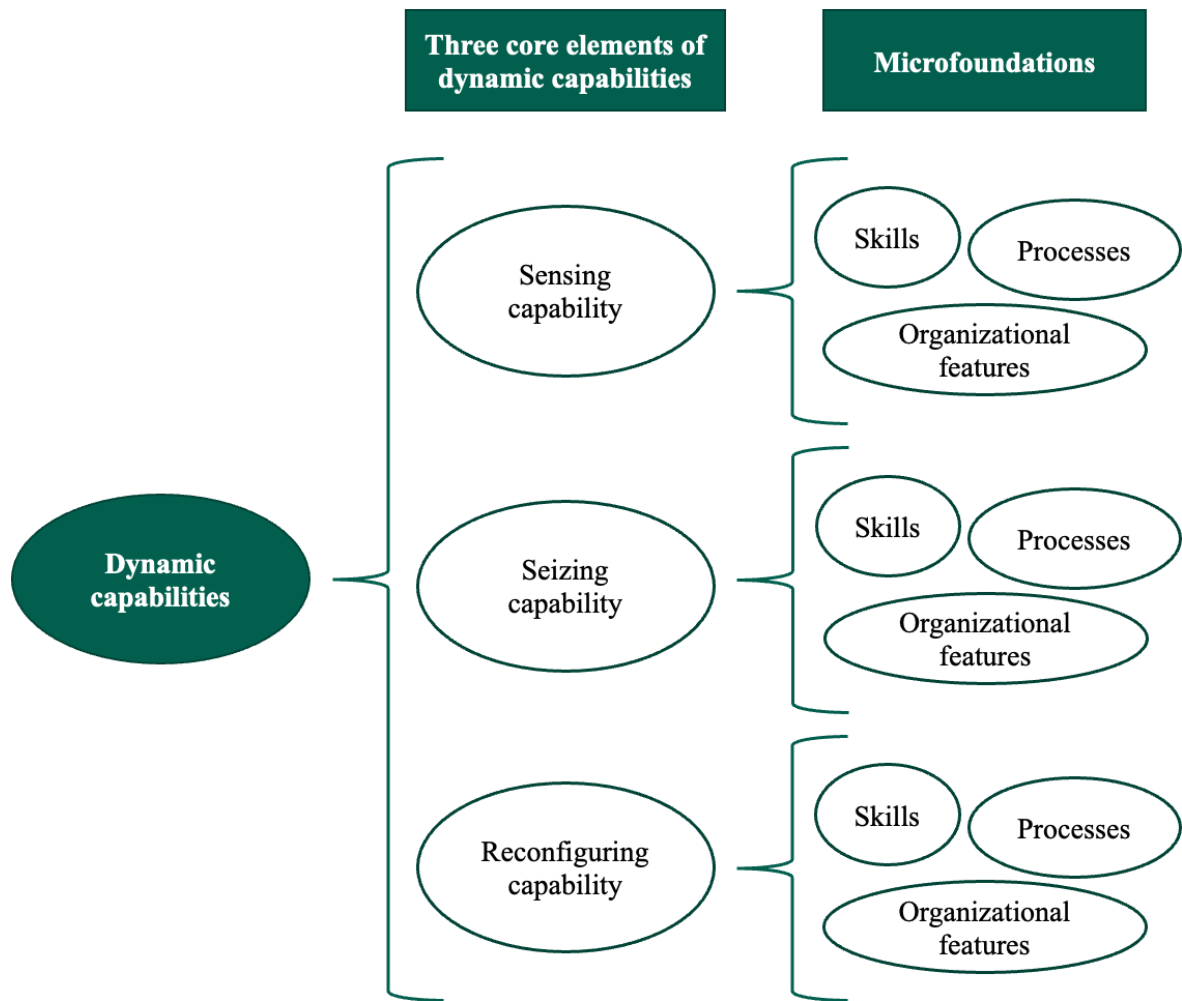
Many scholars have claimed that companies must become agile at any cost and constantly undergo radical change (e.g., Hamel & Välikangas, 2003; Sull, 1999). Nevertheless, Teece et al. (2016) argued that organizing continuously for agility may not be necessary as it entails losing efficiency and involves costs. It is, therefore, necessary to understand when managers need agility.

To this end, one critical aspect of managers thriving in dynamic environments is their ability to understand whether market changes are associated with *uncertainty* or *risk* (Teece et al., 2016). According to Van Oosterhout et al. (2006), uncertainty can be linked to three specific situations in the marketplace: (1) uncertainty whether and when a certain market event might occur; (2) uncertainty about how a particular market event impacts the business environment; (3) uncertainty about how a firm should respond to that event. According to the same authors, while an event may be predictable (e.g., a regulatory change in the marketplace), the exact requirements that a firm must meet to adapt may not be predictable (Van Oosterhout et al., 2006). Uncertainty leads to unpredictable turbulence, disruption, and hypercompetition in the market (Teece et al., 2016). When managers face uncertainty, firms should become more agile through dynamic capabilities (Teece et al., 2016).

In contrast, managers deal with risk if a market change is perceivable and *associated with known or probable outcomes* (Teece et al., 2016). Risks should be managed by building strong ordinary capabilities. For example, a company may enter into arrangements with external contractors in order to hedge against events that are likely to occur (Teece et al., 2016).

Overall, this shows that managers do not need agility continuously but only in situations linked to uncertainty. Understanding the uncertainty/risk trade-off is an effective way for managers to understand when they should build agility and when they should refrain from doing so (Teece et al., 2016).

Figure 5. The dissection of Teece's dynamic capabilities



2.3 Summary: Theoretical Framework

This section summarizes the key aspects of the literature review and integrates them into the theoretical framework guiding the subsequent empirical investigation. Figure 6 reviews the key insights of existing knowledge and restates the research sub-questions.

The marketing literature has shown that agility has three main characteristics: (1) the capacity to both sense and respond to market changes; (2) acting quickly, and (3) flexibly. On this basis, I have defined marketing agility as the firm's ability to *sense market-based opportunities and to respond to them quickly and flexibly so as to create added value for customers.*

Based on existing marketing research on agility, I have selected Teece's dynamic capabilities framework as the theoretical foundation of this study. The dynamic capabilities framework comprises five important characteristics. First, this integrative approach emanates from the resource-based view and implies that a dynamic capability includes both static and dynamic elements. On the one hand, the static element helps exploit, mobilize, and coordinate existing firms' resources. On the other, the dynamic element helps managers reconfigure existing resources and create new ones. Second, evolutionary fitness can be attained by adapting to as well as shaping the business environment. Indeed, dynamic capabilities not only help a company to react to changes in its environment and to defend itself against competition. They also allow the company to shape the market and competition. Third, the dynamic capabilities framework focuses on the cognitive abilities of managers because these abilities significantly influence the quality of the company's dynamic capabilities. Fourth, dynamic capabilities can be decomposed into three core sets of activities: sensing, seizing, and reconfiguring. Finally, Teece's framework assumes that the dynamic capabilities enabling agility are only useful in situations where uncertainty reigns.

Figure 6. The theoretical framework guiding this study



3 Methodology

The current state of knowledge in marketing research and the business challenges facing marketing managers necessitate further exploring the construct of marketing agility. In line with previous research pursuing similar explorative objectives (e.g., (Homburg et al., 2020; Tuli et al., 2007; Ulaga & Reinartz, 2011), this study employs an exploratory theories-in-use (TIU) approach to define the microfoundations of the dynamic capabilities enabling marketing agility (Zaltman et al., 1982; Zeithaml et al., 2020).

According to Zeithaml et al. (2020), the TIU approach relies on two different perspectives to create theoretical propositions. First, it considers the views of respondents. Second, those of the researcher. In other words, the research process is grounded in two mindsets, which makes a TIU approach a unique way of co-creating theory (Zeithaml et al., 2020).

First, the TIU approach aims to develop theoretical propositions from individuals who are close to the phenomenon being studied. As noted by Zaltman et al. (1982), “the basic idea [of the TIU approach] is simple: if you want a good theory of, say, selling, you should understand what a successful salesperson thinks and does” (p. 114). Study participants are considered “active partners in the theory development process, allowing for the presence of implicit and explicit causal thinking among them about the ideas they consider important” (Zeithaml et al., 2020, p. 34). Causal thinking refers to elaborating causal connections between the phenomenon being researched and other constructs. In other words, people usually think in “if-then” statements (Zaltman et al., 1982, p. 114). These “if-then” statements are causal connections that describe “the ‘hows’ and ‘whys’ supporting particular construct pairings” (Zeithaml et al., 2020, p. 48). Further, causal connections can refer to antecedent, consequence, mediating, or moderating variables of the phenomenon being researched (Zeithaml et al., 2020). In this regard, this study aims to understand how marketing managers can develop marketing agility. Its theory-building process therefore seeks to identify the antecedents and moderators of marketing agility, that is, the skills, processes, and organizational features enabling marketers to develop marketing agility. Table 3 provides guidance how researchers

might formulate their questions to define antecedent and moderating variables of the phenomenon being studied.

Second, in the TIU approach researchers do not simply listen passively to respondents' theoretical propositions. Rather, researchers' theoretical lenses allow them to evaluate and challenge participants' causal connections (Zeithaml et al., 2020). Put simply, researchers elaborate on the causal statements or apparent reasonings made by the different respondents to define which theoretical propositions might underlie the phenomenon being researched. Further, in this approach, researchers rely on other sources of insights to amend or supplement participants' theoretical propositions (Zeithaml et al., 2020). In this study, the findings of previous research have been integrated to extend and discuss participants' theoretical propositions.

Table 3. Key questions for developing theories using the TIU approach

Research goals	Sample questions for interviews
Find general antecedents	“How do you develop X in your firm?” “What contributes to achieving X in your firm?” “What fosters X in your firm?”
Find “positive” X antecedents	“What are the key drivers of X?” “Which factors help you develop X in your firm?”
Find “negative” X antecedents	“What are the key barriers of X?” “Which factors prevent you from developing X in your firm?”
Find moderators	“Under what conditions does X work best? Why?” “When does X not lead to Y? Why?”

Note: Adapted from Zeithaml et al. (2020), p. 38

As described by Zeithaml et al. (2020), theory construction is iterative. It starts with a few interviews, where participants make preliminary theoretical propositions. These propositions influence the focus of the researcher's data collection during the next round of interviews. Also, the type of required participants becomes clearer based on the theoretical proposals being developed. The new insights gathered from the second phase of interviews allow the researcher to validate, refine, or change the preliminary propositions or to develop new theoretical propositions. The theoretical construction process continues in successive phases of data collection and analysis until the researcher is satisfied with the resulting theory (Zeithaml et al., 2020).

Since the findings originate from marketing professionals' knowledge and experience, this approach is suited to understanding important phenomena in the practical world of marketing (Zeithaml et al., 2020). Further, experts are usually able to provide valuable insights into the origins of the research phenomenon, for instance, by describing what has failed or succeeded, or which trends are worth observing (Patton, 2018, p. 648). Therefore, this approach is particularly suitable when researchers aim to generate marketing theories for new topics emerging from practice (Zeithaml et al., 2020). The remaining of this section describes in detail the data collection and data analysis procedures of this study.

3.1 Data Collection

In line with the TIU approach as well as prior qualitative work in marketing research (e.g., Homburg et al., 2020; Kohli & Jaworski, 1990; Tuli et al., 2007), I used theoretical sampling to identify study participants (Glaser & Strauss, 1967). As noted by Glaser and Strauss (1967) "theoretical sampling is the process of data collection for generating theory whereby the analyst jointly collects, codes and sampling analyzes his data and decides what data to collect next and where to find them, to develop his theory as it emerges. The process of data collection is controlled by the emerging theory, whether substantive or formal" (p. 45).

In this study, theoretical sampling aimed primarily to identify and recruit informants who were especially knowledgeable about marketing agility and willing to share their experience and expertise (Zeithaml et al., 2020). In addition, the sampling strategy aimed to fulfill five criteria. First, it sought to select marketing experts

from a wide range of positions, which enabled exploring the concept of marketing agility from different angles. Second, the strategy focused on firms whose business environments were considered dynamic by the author because of digitalization, high competition, rapid changes in customer behavior and needs, or on account of the considerable effects of the COVID-19 pandemic. Third, the sampling strategy focused on marketers from business-to-consumer (B2C) companies. Since business-to-consumer and business-to-business (B2B) markets have been considered different (Lilien & Grewal, 2012, p. 4), I assumed that B2C and B2B marketing strategies differed as well. Fourth, interviews were conducted in the same company whenever possible, which allowed triangulating the information gathered from respondents. Finally, a fifth criterion emerged while conducting the first interviews. As the managerial authority and the centralization of decision-making turned out to be important in the context of marketing agility, marketing experts from different hierarchical levels were selected.

Participants were recruited based on desktop research, recommendations, and personal contacts. Senior executives also helped identify appropriate respondents within their firm. Respondents and their company were kept anonymous, on the one hand, to convince prospective respondents to participate and, on the other, to foster an atmosphere in which they felt free to disclose strategic and sensitive information. The quotes displayed in the results section were adapted accordingly.

A study employing a TIU approach typically requires conducting between 15 and 25 interviews in successive phases (Zeithaml et al., 2020). Accordingly, I collected data through 26 in-depth interviews with marketing professionals in three successive phases. This procedure is in line with the TIU approach (Zeithaml et al., 2020) and with the recommended sample size for exploratory research (McCracken, 1988). The main sample characteristics (see Appendix A) show that respondents represent various marketing positions and hierarchical levels across 18 different companies. All interviewed companies were based in Switzerland, although most of them operated internationally. The companies also ranged in different sizes across a variety of industries, such as telecommunications, insurance, fast-moving consumer goods, tourism, and retail.

Semi-structured interviews were used for the purpose of this study. The questions were open-ended and tailored to respondents' background. Questions were adapted

and added during the course of the conversation to delve into interesting ideas, to clarify respondent's answers, or to elicit examples. In accordance with the TIU approach, the interview guide was adapted repeatedly during the empirical process, based on the findings arising from the completed interviews. The final interview guide is included in Appendix B. More specifically, after a short introduction to the study, all interview participants were asked to describe their responsibilities and tasks. Then, questions were built around the three core elements of Teece's dynamic capabilities framework: sensing, seizing, and reconfiguring. The questions aimed to identify the antecedents (i.e., drivers and barriers) and moderators inherent in developing marketing agility. Finally, interviews were preceded by desk research.

From an operational perspective, the in-depth interviews lasted between 13 and 136 minutes, with an average duration of 61 minutes. They were conducted between April 2020 and March 2021, in German, English, or French depending on the language in which the marketing experts could best express themselves. I translated the quotes into English in the findings section. The interviews were mostly conducted digitally because of the COVID-19 pandemic or, circumstances permitting, in person. All interviews were recorded with the agreement of the respondents and subsequently transcribed verbatim for the purpose of data analysis.³ The data collection process produced 533 pages of interview transcripts. Field notes were also taken during the interviews.

Finally, secondary data were used to triangulate the interview data (e.g., consulting and business reports, conferences, firm websites, and internal firm presentations). This enrichment helped determine both whether the findings were saturated and whether all relevant aspects had been covered in the identified microfoundations of marketing agility.

3.2 Data Analysis

In line with the TIU approach, data analysis was conducted based on Strauss & Corbin (1998), successively entailing open, axial, and selective coding. The first

³ Interview transcripts are saved online and can be provided on request.

step aimed to uncover the skills, processes, mechanisms, systems, and strategies driving marketing agility. For this purpose, open coding was applied in the transcripts (level 1 categories). A few words were used to provide each category with a meaningful headline, with the help of the coding software Atlas.ti. In a second step, axial coding was used to allocate level 1 categories to the three core capabilities of Teece's dynamic capabilities framework (i.e., sensing, seizing, and reconfiguring). In a third step, level 1 categories were combined using selective coding to define the microfoundations enabling marketing agility (level 2 categories). More specifically, selective coding aimed to aggregate theoretical propositions that were part of a larger, more abstract element (Zeithaml et al., 2020). Overall, level 2 categories represent important microfoundations to be considered by marketing managers in their pursuit of marketing agility.

Regarding the reliability and validity of findings, Lincoln and Guba (1985) have suggested that qualitative research is strengthened by its trustworthiness. Trustworthiness includes four criteria and involves establishing: (1) *credibility* (i.e., confidence that findings are plausible); (2) *transferability* (i.e., findings can be applied in other contexts); (3) *dependability* (i.e., findings can be repeated by other researchers); (4) *confirmability* (i.e., the extent to which the results can be derived from the respondents and do not emanate from the researcher's biases, motivations, or interests). Finally, Zeithaml et al. (2020) have suggested that studies based on theories-in-use should be complemented by a fifth criterion: (5) *distinctiveness* (i.e., the degree to which the definition and the findings of the investigated phenomena are different from related constructs and findings from previous research).

Accordingly, the findings were (1) *credible* (because they combined with findings from previous research to construct persuasive arguments, with each argument being supported by multiple respondents); (2) *transferable* (because appropriate theoretical sampling was used to include various marketing experts from different roles, hierarchical levels, and industries); (3) *dependable* (because detailed data collection and data analysis procedures were followed in order to facilitate replication by other researchers); (4) *confirmable* (because direct quotations were provided in the findings section, proving that the proposed theoretical arguments and propositions are congruent with the raw data); and (5) *distinctive* (because closed marketing concepts similar to marketing agility were described and differentiated from marketing agility).

4 Findings and Discussion

This chapter presents and discusses the microfoundations of those dynamic capabilities that enable marketing agility. Based on insights from marketing experts, the interview findings provide 17 microfoundations in total, constituting a holistic marketing agility framework. This framework is presented in Figure 7.

Figure 7. The 17 microfoundations of marketing agility

	Agile market responses	
	Fast response	Innovative response
Sensing (RQ 1)	Build data analytics capabilities to follow customers and other market participants	
	Real-time market monitoring	Exploration
	Empathizing with customers	Foster bottom-up idea generation
Seizing (RQ 2)	Act as a catalyst for market changes	
	Use effectual logic	
	Create a network of agile external partners	
	Manage the trade-off between marketing agility and marketing strategy	
	Make decisions based on intuition	Make decisions collectively
	Mobilize employees for rapid execution	Grant employees greater autonomy
Reconfiguring (RQ 3)	Adopt an organic organizational structure	
	Create a culture for marketing agility	
	Adapt processes to support marketing agility	
	Establish agile practices	

Marketer interviews revealed two types of agility in response to market changes. The first is a reactive mode. This so-called *fast response* allows marketers to respond as quickly as possible to unpredictable market changes. The second is an entrepreneurial mode. This so-called *innovative response* empowers marketers to take advantage of emerging market trends or topics as soon as possible. The interview data showed that these two types of agile market responses share a common set of microfoundations. This common set of microfoundations can be seen as the central aspects enabling marketing agility according to the results. The remaining microfoundations focus on either the ability of marketing managers to respond fast or initiate an innovative response to market changes.

The first section of this chapter provides more details on the two types of agile market responses. The second section presents the findings according to the core elements of Teece's dynamic capabilities framework (i.e., sensing, seizing, and reconfiguring). Each section begins with the microfoundations pertaining to both types of agile market responses. Next, the microfoundations relating specifically to fast and innovative responses are presented and discussed.

4.1 Agile Market Responses: Fast versus Innovative

Evolutionary fitness is achieved by adapting to the market (i.e., being reactive) or by shaping it (i.e., being proactive) (Helfat et al., 2007, p. 26; Teece, 2007). Accordingly, the interviews showed that marketers use two different sets of microfoundations of dynamic capabilities to react to and shape the market. The two types of agile market responses can be described as follows:

- (1) Adapting to the market induces a so-called *fast response*. This allows marketing managers to react *as quickly as possible* to unpredictable market changes. This market response is oriented toward the present or is short-term. To ensure a firm's strong responsiveness, this market response is based on coordinating and mobilizing existing resources and ordinary capabilities or on their incremental improvement.

- (2) Shaping the market refers to a so-called *innovative response*. This enables marketing managers to pursue innovation opportunities arising from market changes *as soon as possible*. This market response is oriented toward the mid-term and the long-term. An innovative response requires the incremental or radical transformation of a firm's existing resources and ordinary capabilities to support the new activities a firm engages in.

While the ability to act fast is an essential characteristic of both agile market responses, *time criticality* differs between a fast and an innovative response. On the one hand, a fast response allows firms to respond as quickly as possible to unpredictable market changes considered urgent by marketing managers (e.g., finding new ways to engage with customers during the COVID-19 pandemic, improving the digital customer experience after identifying customer pain points). On the other hand, an innovative response allows marketing managers to shape their market by engaging in new activities (e.g., identify new means of marketing communications, launching a new product). Innovative responses are considered less urgent by marketing managers than fast responses because innovative responses require more sensemaking and development to benefit from market changes.

It is up to managers to assess whether a change in the marketplace requires either a fast or an innovative response. Assessing the urgency caused by a market event can help managers determine what type of market response is most appropriate. That said, severe market events may generate increased market turbulence, resulting in the identification of multiple market opportunities as well as triggering fast and innovative responses in parallel. This happened during the COVID-19 pandemic. On the one hand, companies had to quickly cancel their marketing campaigns or adapt their marketing messages at the beginning of the first lockdown. Other firms began digitizing their offerings (fast responses). On the other hand, firms assumed that the coronavirus would change consumer needs and behaviors in the near and long term. Consequently, some firms focused on improving the customer experience across various digital channels, while others started working on new products and services (innovative responses).

In sum, both of these agile market responses are integral to developing marketing agility. They differ in that a fast response allows reacting as quickly as possible to market changes. For its part, an innovative response allows shaping the market as

soon as possible. Although both agile market responses share some microfoundations, other microfoundations are specific to each response. The main differences are presented in Table 4.

Table 4. Key differences between the two types of agile market responses

	Fast response	Innovative response
Evolutionary fitness	Adapting to the market	Shaping the market
Urgency	High	Low
Time span	Present and short-term	Mid-term and long-term
Change in the firm's resources	From mobilizing and coordinating existing resources to incrementally improving resources	From incrementally improving resources to radically transforming resources
Examples	Adapting marketing messages after a sudden market event; improving the digital customer experience after identifying customer pain points	Identifying new means of marketing communications; launching new products and services

4.2 The Microfoundations of Sensing

As indicated in the literature review (see Section 2.2.6), the sensing capability represents the individual and collective process of perceiving changes in the marketplace, which in turn may result in new market opportunities (Teece, 2007). The interviews sought to define the microfoundations that enable marketers to identify new market opportunities faster than other market stakeholders.

The interviews with the marketing experts revealed five microfoundations of the sensing capability (see Figure 8). One microfoundation — (1) build data analytics capabilities to follow customers and other market participants — applies to both a fast and an innovative response. This microfoundation demonstrates the importance of building digital capabilities to identify new market opportunities as early as possible.

Figure 8. The microfoundations of sensing

Sensing (RQ 1)	Agile market responses	
	Fast response	Innovative response
	Build data analytics capabilities to follow customers and other market participants	
	Real-time market monitoring	Exploration
	Empathizing with customers	Foster bottom-up idea generation

I discuss the microfoundations relating to either a fast or an innovative response separately (see Sections 4.3 and 4.4). At the end of Section 4.4, Figure 11 summarizes the theoretical construction process of the sensing capability enabling marketing agility.

4.2.1 Build data analytics capabilities to follow customers and other market participants

Marketers emphasized the importance of building strong data analytics capabilities to detect market opportunities as early as possible. These capabilities sought predominantly to understand the behaviors and needs of the firm's customers. Although a firm senses its business environment in a unique way, the findings revealed critical aspects that marketers ought to consider when developing digital capabilities.

Marketers pointed out the importance of being constantly aligned with their external environment. This requires marketers to recognize relevant market changes, to assess their impacts on the company, and to determine whether potential market opportunities may arise from these changes. As a design thinking expert in the financial industry highlighted:

You continuously need to be attuned to your external environment. This means holding on to your customers across all different channels where you can collect feedback, information and data, and synthesize that (...). All this information comes in, and then you have to quickly realize what is really relevant for your company, your projects, and how it [collecting feedback, information, and data] actually impacts things. (I-2)

To this end, digital technologies (e.g., websites, mobile applications, social media, data analytics, and machine learning) have provided marketers with the opportunity to increase their understanding of customers (Lemon & Verhoef, 2016; Shainesh, 2019, p. 174). In terms of capabilities, marketing experts highlighted that they need tools to process and aggregate data from various channels to gain full transparency about customers. These so-called customer data analytics capabilities enable marketers to “keep an eye on them [customers] throughout the entire customer journey” (I-13). A head of communications in the insurance industry provided examples of how their firm uses digital capabilities to source data about customers and to analyze their needs and behaviors:

There are different sources of data. On the one hand, we have everything from Google Analytics and the whole website tracking analysis (...). On the other hand, we have a CRM [Customer Relationship Management] system with our customer data. We can see which newsletter was read and how (...), what our customers clicked, which landing page they went to, and which products they viewed. (...). We try to merge everything [these data points] so that it becomes meaningful for us. (I-24)

On the one hand, from the customer experience perspective, we have a tool. (...) We take a lot of information out of it. (...) Where are they [our customers] happy, where are they not so happy? We notice that very quickly. On the other hand, we take a very close look at our customers' search behavior (...). What topics are they currently searching on our web pages? (I-24)

Interview data showed that building data analytics capabilities has two essential benefits. On the one hand, these capabilities facilitate discovering customer pain points, of which some require immediate attention (i.e., fast response). On the other, these capabilities help uncover valuable customer insights early on. They serve to drive innovation and thus deliver mid- and long-term value to customers (i.e., innovative response). A head of marketing and e-commerce explained the use of digital capabilities as follows:

On the data analytics dashboard, the customers' current pain points pop up very quickly. These are short-term issues. For example, we notice very quickly if there are long waiting times on the phone. But it can also be something for the long-term. For example, (...) we realize that it would be nice for customers to provide a new service on the application. (I-21)

As such, building digital capabilities is considered an essential microfoundation of the sensing capability driving marketing agility. Indeed, strong data analytics capabilities help marketers source and aggregate data points, and thus effectively identify market-based opportunities and threats before other market stakeholders. Previous research has identified several benefits of digital capabilities in favor of marketing agility. For example, Hajli et al. (2020) argued that using effective digital capabilities increases agility by enabling firms to speedily sense new opportunities

in fast-changing market environments. Similarly, data analytics capabilities have also been found to strongly impact agility by increasing information quality and innovative capability (Ashrafi et al., 2019). Furthermore, marketing intelligence generated by digital capabilities has minimized threats associated with uncertainty in business environments (Tarek et al., 2016). Finally, digital capabilities have helped managers make better and timely business decisions (Chen et al., 2012; Dubey et al., 2019; Srinivasan & Swink, 2018).

The interviewed marketers have directed their resources and efforts primarily at building capabilities so as to better understand their customers. The reason being that developing digital capabilities is expensive. As a result, companies have focused on their main source of insight: customers. However, the interviews showed that monitoring competitors are also crucial for marketers. Hence, data analytics capabilities could be leveraged to gain insights into competitors. This finding is consistent with the literature on market orientation (e.g., Kohli & Jaworski, 1990; Narver & Slater, 1990). Ozkaya et al. (2015) suggested that a firm's competencies in generating and using knowledge about its customers and competitors increase overall performance by creating market-based innovations. Therefore, building digital capabilities to follow customers and competitors favors identifying new market opportunities, and thus drives marketing agility.

4.3 The Microfoundations of Sensing for a Fast Response

The interviews revealed two microfoundations of sensing for a fast response: (1) real-time market monitoring and (2) empathizing with customers (see Figure 9). Relying on these microfoundations enables marketing managers to identify market changes as early as possible and to make sense of them quickly.

Figure 9. The microfoundations of sensing for a fast response

Sensing (RQ 1)	Agile market responses	
	Fast response	Innovative response
	Build data analytics capabilities to follow customers and other market participants	
	Real-time market monitoring	Exploration
	Empathizing with customers	Foster bottom-up idea generation

4.3.1 Real-time market monitoring

Marketers outlined that being responsive to their business environment “reinforces the importance of faster reporting, more flexible reporting and dashboards” (I-8), as a social media manager in the tourism industry put it. Another head of marketing and e-commerce in the insurance industry added:

We monitor every touchpoint very closely (...). Whether it is in the chat, on the phone, or by e-mail, automated customer surveys are always generated in the end. They [these automated surveys] seek feedback on customer satisfaction or service quality. (...) Feedback is then fed into a tool, which allows us to get a sentiment score in real-time. (...) Then, we can move on to the development phase relatively quickly based on the identified customer pain points. (I-21)

Real-time information provided by digital tools, which gives marketers “instant customer feedback” (I-24), was considered highly important to respond fast to sudden market changes. The more real-time information that marketers possess about customers and their market, the faster they can identify and adapt to any related market changes. Hence, improving digital capabilities to monitor the market in real-time drives marketing agility since it increases a firm’s alertness. This finding is consistent with existing research. Real-time information, which facilitates fast and quality decision-making, can increase agility by enabling managers to address changing customer needs quickly (Ghasemaghahi et al., 2017).

4.3.2 Empathizing with customers

Sudden market changes can lead to unknown situations for marketers. Interview data showed that when marketers face such situations, they rely mainly on their cognitive abilities⁴ to interpret market changes. Specifically, marketers empathize with their customers. Managerial empathy refers to the cognitive ability to take consumers’ perspective to understand their needs (Epley et al., 2002). Interviews showed that empathizing is an effective interpretative mechanism for accelerating sensemaking when facing uncertainty.

The COVID-19 pandemic is a good example of such behavior. The pandemic has plunged marketing managers into deep uncertainty. Marketing managers have lacked crucial information about current market conditions and customers’ expectations and needs. Accordingly, several marketing managers have empathized with their customers during the COVID-19 pandemic to sense potential customer problems. “We have been very focused on identifying the problems that customers are currently experiencing” (I-24), as a head of communications noted. Another respondent (head of digital experience in the insurance industry) reported putting themselves in their customers’ shoes to identify a new opportunity for engagement during the COVID-19 pandemic:

⁴ A cognitive ability represents the capacity of an individual manager to carry out mental activities (Helfat & Peteraf, 2015).

We realized that there would be a lot of unemployed people or self-employed people who would suddenly have no income. This is why we decided to focus on the issue of budgeting and to release a budget calculator. The aim was to help people see what they could still afford if something changed in their income and life circumstances. (I-18)

Taking a customer perspective can help interpret consumer needs (Hattula et al., 2015), as well as allow marketers to sense new customer-based opportunities. Further, empathizing with customers might enable managers to respond faster to market changes than conducting market analyses or customer surveys. Hence, empathizing increases managers' responsiveness, and thereby benefits marketing agility.

Hattula et al. (2015) argue that empathetic activities trigger the self-referential effect, which may backfire on managers ability to empathize. Indeed, empathizing activates managers' personal consumer identity, and thereby increases the influence of their personal customer preferences. However, the same authors maintain that managers being aware of such an effect can actively reduce this egocentric bias and thus help managers empathize with customers (Hattula et al., 2015).

4.4 The Microfoundations of Sensing for an Innovative Response

The interviews revealed two microfoundations of sensing for an innovative response: (1) exploration and (2) foster bottom-up innovation and sensemaking (see Figure 10). These microfoundations provide marketing managers with the skills, tools, and processes to identify and make sense of new opportunities for innovation before other market stakeholders.

Figure 10. The microfoundations of sensing for an innovative response

		Agile market responses	
		Fast response	Innovative response
Sensing (RQ 1)	Build data analytics capabilities to follow customers and other market participants		
	Real-time market monitoring	Exploration	
	Empathizing with customers	Foster bottom-up idea generation	

4.4.1 Exploration

Although data analytics capabilities may have the advantage of generating valuable customer insights early enough, data showed that managers do not rely on these capabilities entirely to identify new opportunities for innovation. They also use exploration to sense new opportunities for innovation. Exploration refers “to the development of new knowledge that goes beyond what is currently known about markets, products, technologies and capabilities” (Vorhies et al., 2011, p. 736). Firms explore their business environment to identify new market opportunities, to sense customers’ current needs, and to anticipate their potential future desires (Clauss et al., 2020).

Interviews revealed that exploration involves *being inspired by various sources of information, exchanging ideas with experts, and reaching out to areas that are not directly related to one’s industry.*

Be inspired by various sources of information and exchanging ideas with experts

According to interviewees, exploration allows marketers to “be inspired” (I-15), to “keep abreast of the latest developments” (I-14), or to “feel the pulse of the market” (I-13). In this vein, marketers seek new information and insights from a variety of sources outside their organization. Marketers also organize workshops to exchange ideas on relevant topics with external experts (e.g., universities, consultants). For example, a senior brand manager in the FMCG industry described how he explores his business environment to identify new market opportunities:

We often get rather good inputs simply based on a conversation with customers who have a certain vision or a certain intuition. (...) Congresses are also inspiring because you can listen to industry experts for one or two days. This might prompt ideas about repositioning ourselves or exploring new commercial opportunities. (...) And last but not least, desktop research helps. That means taking the time to read McKinsey or an industry leader who discusses the future of marketing. (I-15)

According to Nath (2020), exploration has helped managers develop new cognitive frames of reference in dynamic business environments, often requiring existing behavioral routines to be abolished. Lennerts et al. (2020) have demonstrated that radical innovation performance is driven solely by exploration,⁵ which is an interesting finding with respect to Teece’s integrative approach. As mentioned in the literature review, Schreyögg and Kliesch-Eberl (2007) criticized that the static element within a dynamic capability might prevent effectively dynamizing the company’s resources and capabilities (see Section 2.2.5). Nonetheless, exploration enables marketers to identify radical innovation opportunities, and thereby helps their company avoid path dependency (i.e., by allowing an effective dynamization of the firm’s resources and capabilities). In light of the above, exploration drives marketing agility, as it fosters the early identification of radical innovation opportunities in fast-changing business environments.

⁵ Exploration has also an effect on incremental innovation performance. Specifically, incremental innovation performance is at its highest when exploitation carried out in combination with an intermediate level of exploration (Lennerts et al., 2020).

Reach out to areas not directly related to their industry

Respondents highlighted that exploring is not limited to the firm's current market. Marketers seek out new opportunities in similar industries abroad or in other industries that have no connection with the firm's current business. For instance, one head of digital experience in the insurance industry regularly attends workshops at Swiss innovation networks to see what other industries are pursuing in the context of innovation:

At "ActionJam" and "digitalswitzerland," [Swiss Innovation Networks] it is cross-industry. We really aim to look beyond the insurance industry, for possibilities that might be interesting for us to adapt. (I-18)

This result concurs with existing research. Nemkova (2017) has suggested that exploring areas that are not directly related to current business drives agility as it facilitates identifying new market opportunities by generating new creative ideas.

Interviews revealed that to facilitate exploration, not only at the managerial level but also at the employee level, marketing managers seek to establish a culture of exploration. Section 4.8.2 discusses the ways in which marketing managers establish a culture that fosters exploration in more detail (in connection with the microfoundations of the reconfiguring capability).

4.4.2 Foster bottom-up idea generation and sensemaking

Data showed that the sensing and sensemaking of new innovation opportunities occurs at all hierarchical levels of the interviewed companies. This result agrees with previous research. Lee and Edmondson (2017) argued that managers may not always have the complete expertise to address current business challenges. Therefore, employees at all levels should contribute to exchanging information and generating new business ideas. The interviews demonstrated that bottom-up idea generation and sensemaking facilitate the early identification of innovation opportunities, and hence support marketing agility.

Specifically, interviews revealed that marketing managers can foster bottom-up innovation by *adopting an opening leadership style, by developing an internal process to identify and develop new opportunities for innovation by all the firm's employees, and by providing marketing employees with the tools to nurture new ideas for innovation.*

Adopt an opening leadership style

Interviews showed that marketing managers act as enablers to foster innovation:

Managers are becoming more like servant leaders, by acting more as enablers rather than by directly giving orders to people. (I-2)

We don't need managers anymore who say: "This is my area of control, and I decide everything." (...) I think that the word "leader" is a much better word (...). Leaders need to be able to define the purpose and show what needs to be changed (...). (I-10)

These observations refers to what Rosing et al. (2011) call an opening leadership style. Managers adopting an opening leadership style give their employees more freedom for autonomous thought and action, encourage them to do things differently, and support their efforts to challenge the status quo (Rosing et al., 2011). In their systematic review, Hughes et al. (2018) argued that similar positive leadership styles (e.g., transformational, servant, empowering, or authentic leadership styles) correlate with workplace creativity and innovation. This result suggests that an opening leadership style supports marketing agility, as it helps marketing managers sense and develop new innovation opportunities.

The role of senior management is important in the context of bottom-up innovation. Without the support of senior managers, innovation opportunities are likely to perish. Top-down support is crucial in the context of bottom-up innovation, as highlighted by one design thinking expert:

If you don't get this top-down support, bottom-up initiatives (...) might burn for some time (...). However, if they don't get fuelled from the top, they're

actually going to fade away very easily because they run out of energy and power. (I-2)

The same design thinking expert noted a practical way of how marketing managers could empower their employees to foster new innovation opportunities within the firm:

You don't give solutions to your employees. You give them relevant problems and ask them to come back with ideas and solutions. (...) Managers should ask themselves: "Which problems should be solved?" (I-2)

Instead of commanding what their employees should do, marketing managers should provide their employees with problems to solve in the context of innovation. This implies that managers' responsibility lies in identifying highly relevant problems, which arise from the changing business environment, rather than in solving them. Based on the interviews, these problems represent topics, trends, or questions that are worth investing time and resources in.

Develop an internal process to identify and develop new innovation opportunities by all the firm's employees

Data showed that a bottom-up innovation process can be set up to centralize new business ideas generated by employees. For example, one digital experience manager reported using such a process to generate new ideas for products and services:

In the product development process, anyone can propose new product ideas. This might be someone from the private customer area, product management, or segment management. It is actually open to all employees. (I-18)

Such a bottom-up process can be a promising source of new knowledge and insights. For example, new market opportunities might be suggested by frontline employees, who usually have an accurate view of customer needs (Homburg et al., 2009). Furthermore, interviews showed that generating ideas at the employee level is important for nurturing innovation within the company. Such a process is an

effective artifact for showing employees that their ideas and opinions matter. It may also empower other employees to suggest new ideas for innovation. As highlighted by one head of communications:

It is important for us to show our employees that ideas are taken seriously. (...) And you notice that when employees bring in ideas, when their idea is then implemented, that gives them a good feeling. Employees feel that they are taken seriously, which motivates others to do the same. (I-24)

In addition to supporting marketing agility by fostering the identification and development of innovation opportunities, marketing managers are likely to strengthen their position as a catalyst for market changes by establishing such a bottom-up process. I discuss this topic in more detail later (see Section 4.5.1 in the chapter on the microfoundations of the seizing capability).

Provide marketing employees with the tools to nurture new ideas for innovation

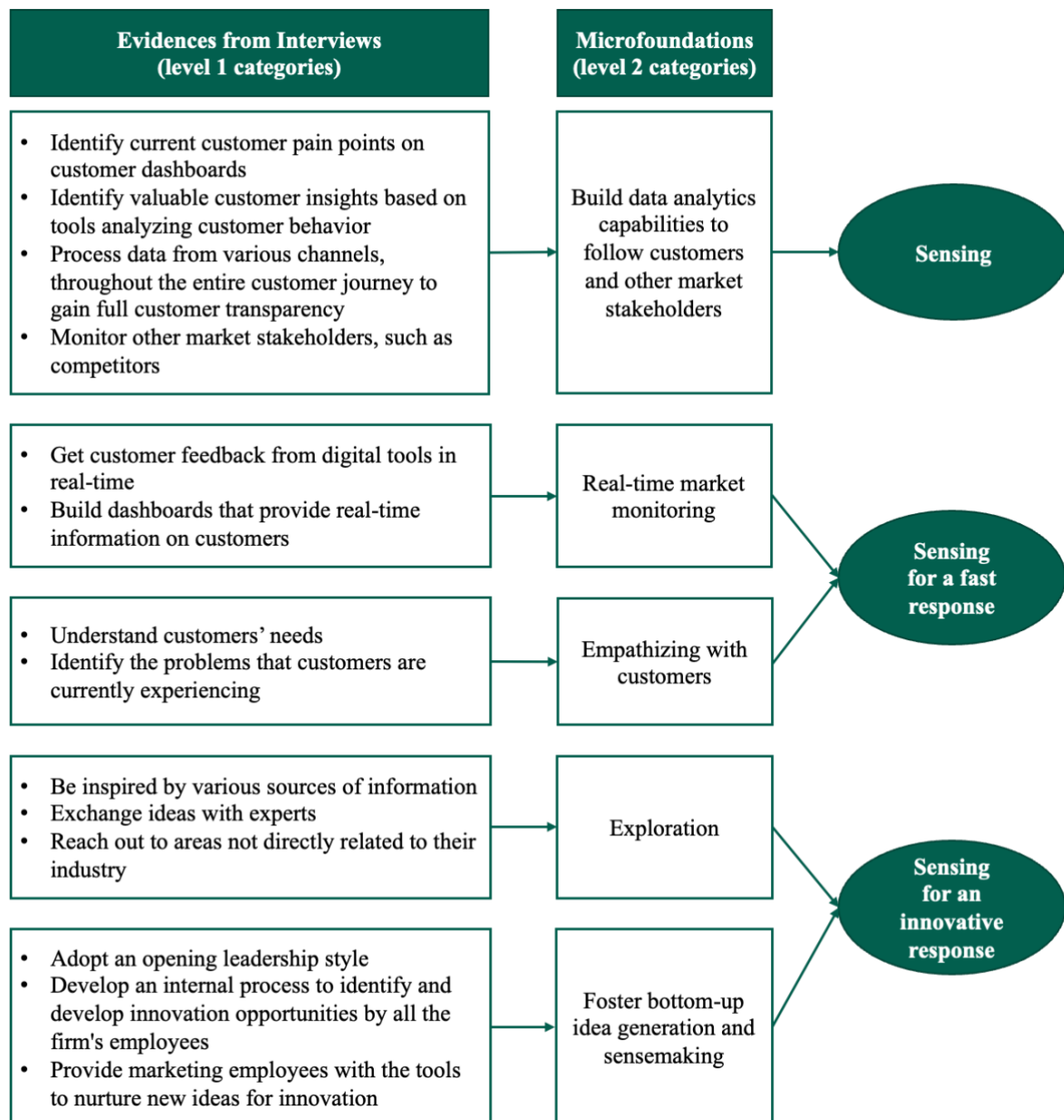
Certain methods, predominantly design thinking, are widely used to identify and make sense of new innovation opportunities. One digital experience manager reported using such methods to facilitate identifying and making sense of customer-centric innovation opportunities: “We need to establish these thinking and working methods, such as design thinking (...), so that the customer is more at the center of everything we do, so that we always start with the customer” (I-18).

Design thinking offers another way of generating customer insights for innovation by moving away from traditional marketing research methods (Beckman & Barry, 2007, p. 32). In addition, Reinecke (2016) has suggested that design thinking has helped marketers “prevent an overly narrow perspective of marketing on customers and customer groups — and thus cause a broadening of the perspective” (p. 154).

That said, design thinking is not entirely about customer-centricity but places a particular focus on human-centricity (Brown, 2008; Meinel & Leifer, 2015, p. 2).⁶ Meinel and Leifer (2015) have emphasized the importance of placing people — not only customers but also managers, colleagues, partners, and other market stakeholders — at the center of the ideation process, so as to foster a spirit of “empathy-in-action” (p. 3). In this light, design thinking methods support marketing agility, as they empower marketers to leave the beaten track to identify new human-centric innovation opportunities as early as possible.

⁶ Design thinking can also be used for seizing opportunities. However, I wanted to outline how such a method can help marketers identify and make sense of new opportunities by stepping away from usual managerial cognitive heuristics and from traditional market research approaches (e.g., standardized surveys, in-depth interviews).

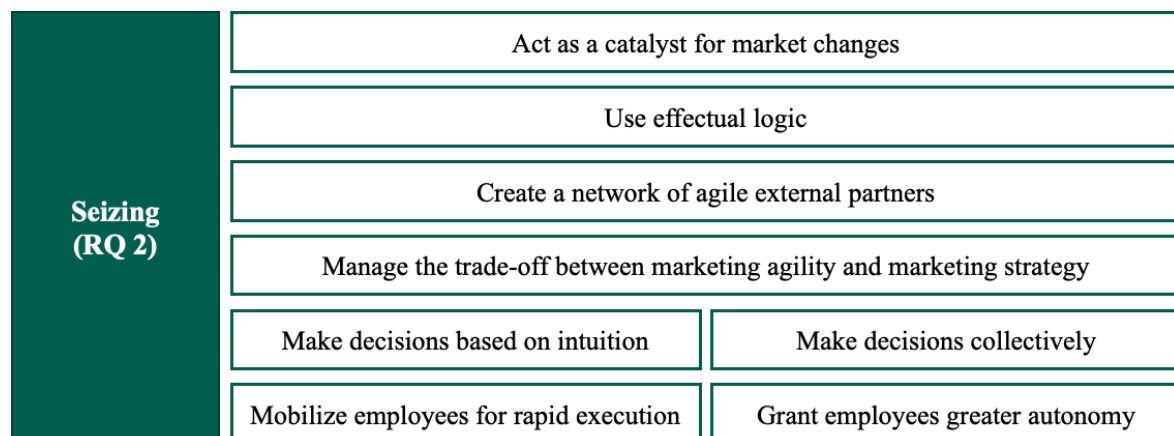
Figure 11. Summary of the theoretical construction process of the sensing capability enabling marketing agility



4.5 The Microfoundations of Seizing

After sensing new market opportunities, marketers are advised to embrace the seizing capability. This refers to the decision mechanisms, resource allocation processes, and any other capacities that help managers effectively seize new market opportunities (Teece, 2007). Based on the characteristics of marketing agility (see Section 2.1.2), the interviews with marketers explicitly sought to achieve two goals. First, they aimed to define the skills, processes, and techniques that enable marketers to seize new market opportunities swiftly. Second, it was important to understand how marketers could act and remain flexible in the face of uncertainty.

Figure 12. The microfoundations of seizing



Overall, the study found eight microfoundations of the seizing capability (see Figure 12). The interviews with the marketing experts revealed four microfoundations of both agile market responses: (1) Act as a catalyst for market changes. This capability outlines the role marketers can embrace in dynamic markets to lead transformation internally arising from market changes; (2) use effectual logic, as this enables marketers to thrive in the face of uncertainty; (3) create a network of external partners, as this allows marketers to become more agile regarding the activities that necessitate resources they do not own internally; and (4) manage the trade-off between marketing agility and marketing strategy.

I describe the microfoundations of fast and innovative responses later (see Sections 4.6 and 4.7). At the end of Section 4.7, Figure 15 displays the theoretical construction process of the seizing capability enabling marketing agility.

4.5.1 Act as a catalyst for market changes

The interviews showed that some marketing managers lead change that arises from market changes within their firm. In other words, they act as a catalyst for market changes in order to seize new market opportunities. The data highlighted two important skills that marketers need to possess in order to succeed as catalysts. First, they need to *gather necessary marketing teams and other functions to discuss, challenge, and drive new market opportunities*. Second, they need to *manage the buy-in from these relevant teams and departments*.

Gather necessary marketing teams and other functions to discuss, challenge, and drive new market opportunities

Marketing professionals noted that firm's new market opportunities — triggered by market changes to adapt to the business environment — typically require collaborating with other marketing teams and functions. As highlighted by these marketers in the FMCG and telecommunications industries:

I can invent five beautiful innovations, but if the sales department does not believe in them (...), then it will never make it to market. This means I need to involve all departments internally. It is just as important for me to take the good ideas that sales have into marketing and work on them. (I-14)

We would never launch a product that has not been discussed or challenged by our frontline employees. (...). Collaboration needs to be perfect. It makes no sense at all if we have the coolest product on paper, and for some reason, it is not accepted by our frontline employees. (I-12)

In some cases, interview data showed that the marketing function was responsible for driving transformation within their firm. In other words, marketing managers

were expected to lead the seizing of identified market opportunities. As one chief marketing officer of a FMCG company noted:

When the product is amended, the whole company is affected. (...) Such a thing cannot be done by one department and certainly not by one person. Marketing alone does not make the decisions. This [driving transformation internally] is always multifunctional (...). Marketing leads it [the transformation process]. (I-14)

That said, not all interviewed marketing managers assumed such strategic responsibility. Based on the data, marketing managers who led cross-functional transformations were based in companies where marketing had a strong strategic relevance on the executive board. Interestingly, the literature has already discussed the general lack of strategic relevance among marketing managers. In fact, marketing managers have been struggling for decades to gain more responsibility and to elevate marketing to a more strategic level (N. Kumar, 2004; Nath & Mahajan, 2008; Piercy, 2016), rather than being relegated to a functional and tactical level (Grönroos, 2009; Reibstein et al., 2009). Verhoef and Leeflang (2009) argued that marketers' inability to provide evidence of the effectiveness of promotion and brand building activities is to blame. This circumstance has decreased marketers' influence over strategic decisions (Nath & Mahajan, 2008; Verhoef & Leeflang, 2009; Webster et al., 2005), thus explaining why marketing managers have generally lacked strategic relevance within their firm.

In light of the above, catalyzing market changes can benefit marketing managers. Taking on such a role allows them to gain a stronger strategic relevance within their company, in particular in dynamic markets. Marketers are skilled at generating knowledge about their business environment in order to identify market-based opportunities (Moorman & Rust, 1999). Besides, market intelligence is becoming increasingly important in fast-changing environments so as to help firms generate more customer demand (V. Kumar, 2018; Moorman & Miner, 1997). Therefore, marketers can become more influential within their company by leveraging market insights and by leading change (V. Kumar, 2018; Whitler et al., 2018). Marketers, by catalyzing market changes, can assemble the teams and functions needed to seize new opportunities, and thereby to align with their market and to drive marketing agility.

Manage the buy-in from relevant teams and departments

The ability to gather and collaborate with relevant teams and departments so as to initiate a market response is one thing. Securing their buy-in is another. As the interviews revealed, this can be challenging. Interviewees reported that initiatives often failed because of the divergent opinions or interests of marketers and other functions. One marketing manager in the insurance industry, for instance, recalled a promotional initiative that failed after being proposed to the product manager in charge:

I have been thinking a lot about the possibility of offering a discount if we insure a father or a mother. (...) If you have children, because we are family-friendly, we give a 5% discount per child. And to do this, the advisor has to write down the child's first name, last name, and date of birth. This allows us to have leads and to enter them in the customer database. (...) When the child turns 18, we can congratulate it, welcome it to adult life, and then discuss insurance. (...) Unfortunately, it was not so easy to get this initiative accepted within the company (...). We had [first] to make a business case and plan. (...) In the end, we could not do it [launch the initiative] because the director in charge [the product manager] (...) said that it was going to cost them too much. On our side [marketing], we did not manage to defend our point enough to get it accepted. (I-9)

Such a situation highlights the issue of organizational silos, where a department lacks the ability, motivation, or desire to communicate and work sufficiently well with another unit (Aaker, 2008). Failing to gather the buy-in from other departments is likely to impede marketing agility, as this slows developing a market response or, as above, may kill it. Put simply, insufficient buy-in from other teams may prevent a firm from transforming effectively. In addition, marketers waste their time and resources working on an initiative, when they could have worked on another project (opportunity costs).

Interviews showed that to overcome such a challenge it is crucial to secure buy-in at an *early stage* of developing a market response. This ensures a common understanding and vision of the initiative among the different teams and functions

by aligning their interests and motivations. As a head of marketing management in the retail industry put it:

We get everyone involved right from the start [of an initiative]. We try (...) to have the same common understanding and vision (...) for each individual project, right from the start. (...) If this common understanding and vision are missing somewhere in another team or department, then the project is already bound to fail. (I-13)

In sum, instead of going to other departments with a ready-made plan (such as the 5% discount initiative mentioned above), marketers should rather gather the relevant functions as *early as possible* after identifying an opportunity and then work on delineating a market response *together*. In other words, transformation is cross-functional, that is, all parties have a say in developing a market response. That way, marketers are likely to gather buy-in for other teams and functions, and to seize new market opportunities successfully and in timely fashion, which in turn supports marketing agility.

Existing research has argued that the more a new market opportunity challenges conventional wisdom, the more likely it will be rejected internally (Teece, 2007). This implies that securing buy-in as early as possible — especially for market changes that require a more radical reconfiguration of the existing resource base — is of utmost importance. Otherwise, transformation might be compromised, and lead the firm into path dependency.

4.5.2 Use effectual logic

Interview data showed that a marketing initiative is usually not executed without first going through a planning phase. In fact, marketers consider planning an important skill for seizing market opportunities: “Our skill is to plan and to execute the plan,” as one social media manager outlined how they operate with respect to their marketing campaigns. The omnichannel manager of a watch manufacturing company reflected on the difference between the way incumbents and start-ups operate:

We can see that start-ups are more into lean, which means that they try things out and adapt them as they progress. They are in this agile mode. They do not define today what they will need in three years. They define the vision that they want to have in three years today, but move forward step by step. (I-23)

This difference between how firms operate refers to the logic of “causality” and “effectuation.” Causation logic can be described as the cognitive inverse of effectuation (Sarasvathy, 2008; Sarasvathy & Dew, 2005). Under the logic of causality, identifying an opportunity is followed by five tasks: (1) designing a business plan based on (2) comprehensive market research and (3) competitive analyses, and followed by (4) obtaining the resources and stakeholders to execute the plan, and (5) adapting that plan to the environment over time (Gartner, 1985; Varadarajan & Jayachandran, 1999). Moreover, this logic assumes that there is a clear, defined goal to attain after identifying a new opportunity. To achieve that goal, the most appropriate means must either be selected or, if they do not yet exist, be created by the firm (Sarasvathy, 2008, p. 16).

In contrast, effectual logic assumes that action is based on the available means, that is, managers focus on what *can* be done instead of on what *ought* to be done (Sarasvathy & Dew, 2005). The goals arise from the possible actions that can be performed according to the means available (Sarasvathy, 2008, pp. 33, 38; Sarasvathy & Dew, 2005). In other words, marketers have in mind a general goal or vision. However, *specific* action plans are not defined. One head of marketing management in the retail industry highlighted that marketers should demonstrate the ability to step into the unknown at the beginning of an initiative:

We see a possibility, an opportunity. But maybe we do not know yet in detail how this opportunity really presents itself. But we get started anyway. We can say that the envisioned concept [i.e., the proposed solution] is well-rounded. It (...) certainly still has some flaws. But it is important to start now. (...) And sometimes it is better to simply start with a concept, to start early (...), but then to really make the adjustments during the development process. (I-13)

Furthermore, such logic allows marketers to work on different alternatives for the same opportunity and to adapt based on the market conditions. As noted by one product manager in the context of marketing campaigns:

Market conditions are changing a lot. We have to be able to adapt at very short notice. Usually, different themes [for a marketing campaign] are worked out in advance, and we decide at short notice which themes to use.
(I-12)

Nevertheless, interview data demonstrated that it is sometimes challenging for marketers to launch non-finished products on the market. As illustrated by the analogy of this marketing communication manager: “We would rather bring the Rolls Royce on the market, instead of just letting the Cinquecento ‘drive’ on the market” (I-24). In other words, it is still counterintuitive for marketers to launch a product that needs to be improved, as they are keen to deliver highly sophisticated and finalized products to their customers.

Marketing managers might face other challenges with their employees with respect to effectual logic. Working under such a logic is not necessarily straightforward, as most employees are used to following causal logic in their daily business. This therefore requires marketing managers to provide their employees with additional support and training, as one digital experience manager explained:

I realized that people went into panic mode. Because, normally, they get a project and a goal to achieve. And when there is no goal, they are lost. And that takes a lot of support from our side [managerial level] so that they understand that it is okay if they do not know the outcome of the project yet.
(I-18)

To overcome the above challenges, marketing managers emphasized two important artifacts that can help the organization successfully live effectual logic: (1) *test marketing initiatives on the market* and (2) *iterate*. These two mechanisms are described in the next section.

Another obstacle to effectual logic is marketers’ fear of failure, according to interview data. The fear of failure inhibits marketers’ ability to dive into the

unknown and to test their ideas in the marketplace. Data showed that organizational culture plays an important role in addressing this challenge. Specifically, marketing managers need to create a culture that tolerates failure. I discuss this topic in more detail later (see Section 4.8.2 in the chapter on the microfoundations of the reconfiguring capability).

Test marketing initiatives on the market

When marketers face uncertainty, they cannot accurately predict whether their response to a market opportunity will be successful. To overcome such a challenge, the in-depth interviews revealed that marketers test their marketing initiative directly in the market. This is in line with the logic of effectuation. This logic assumes that firm co-creates its initiatives with its business environment, for example, with customers or other market stakeholders (Sarasvathy, 2008, p. 17). Testing allows marketers to improve an initiative based on its reception in the market, and thereby to ensure that it is aligned with current market expectations. As one head of marketing communications added: “I always tell my people that we have to try something out until we find out whether it works” (I-24). Another head of marketing and e-commerce manager observed: “It is a lot about testing, a lot about gathering feedback, a lot about gaining experience so that we can really offer a particular country and market optimal service” (I-21).

The interviews showed that effectual logic can be applied in a multitude of areas in marketing. For example, a chief experience and marketing officer in the insurance industry tested a new product on the market to see whether customer demand existed:

We created a pet insurance. Then, we went further (...) and combined it with a kibble subscription. It is something a little different. We do not know whether it will be successful. It is a little bit of a test. (I-9)

In another example, seeing that a marketing campaign was not performing well, this social media manager tried to improve campaign effectiveness by testing new visuals or landing pages:

We knew that we had to change, but we did not know really how. So we just tried. We tested different new visuals (...) and different landing pages. That is what we are doing now. I think that is how you can use the advantages of digital technologies. (I-8)

Iterate

Interview data showed that marketers develop their marketing initiatives by following a “step by step,” “stage-gate,” or “iterative” approach. Iterating involves creating a minimum viable product (MVP), a minimum viable service, or another marketing concept that can be tested in the marketplace. Marketers then decide on the further developments or improvements to be conducted, which are again tested in the market. This cycle is conducted repeatedly until an acceptable solution is achieved. As highlighted by one manager: “You need people who internalize this iterative approach, that is, who are really willing to try things out, then let them die or further build them” (I-18).

Developing an initiative iteratively allows marketers to decrease an initiative’s time-to-market. As one head of marketing and e-commerce put it:

In the beginning, we had a thirty-page concept for this new service. We realized the way we were outlining it would have taken three to four months. We decided to release a MVP instead. Within two days, it was suddenly brought down to a ten-page concept. We were aware that we were going to launch a beta version and not have a hundred percent solution. But that way, we could be extremely fast with implementation. (I-21)

In line with Nemkova (2017), effectual logic is an essential microfoundation of the seizing capability, which in turn enables marketing agility. Interview data suggested three reasons for this. First, effectual logic provides marketers with the underlying foundation to seize market opportunities under uncertainty (Read & Sarasvathy, 2005). Further, effectual logic helps marketers step into the unknown, without a specific goal, and to develop goals jointly with market participants rather than spend time and resources on market research and analyses. Second, iteration allows marketers to remain flexible to new market developments. It also helps them avoid

undesirable developments that do not meet customer needs and current market conditions. Third, releasing a MVP in the market allowed marketers to launch beta products and services more rapidly. This may also secure a first-mover advantage in highly competitive markets.

4.5.3 Create a network of agile external partners

Marketing experts emphasized the importance of belonging to a network of agile external partners. These partners are characterized by their flexibility regarding the type of requests they can handle and execute swiftly. For example, this head of marketing and e-commerce described the type of partners selected for collaboration in the context of digital marketing:

We do not have one agency that does everything, but we make sure that we have specialists in different agencies (...). We prefer to work with the smaller players, where we know that I can request something in the morning, and it is already implemented in the afternoon. We also make sure that our partners are flexible enough. (I-21)

The findings revealed that marketers create alliances with external partners for both innovative and fast responses, and thereby support marketing agility. Creating external alliances allows marketers to rapidly access resources and skills that their firm had not access to in-house. In addition, interview data showed that external partners can be involved at all stages of an initiative's development, that is, from the early stages (i.e., sensing, sensemaking) to implementation (i.e., seizing). This result concurs with Kalaighnam et al. (2021), who added that working with external partners may reduce the benefits of agility when higher-level coordination is required.

If external partners cannot support marketing agility, the results revealed that the required resources might need to be developed internally. A senior brand manager in the FMCG industry who internalized a media team to become more agile put it this way:

We now manage the media more strongly from the inside with a team of experts. We have hired an expert for media purchasing. We also have a content studio, which operates on social media and other media. When we have an idea, we can brainstorm together very quickly, create things, and bring them to market. That means we have already become much more agile. (I-15)

4.5.4 Manage the trade-off between marketing agility and marketing strategy

Marketing professionals pointed out that being too market-driven may lead to opportunity costs. Because of the company's limited resources, deciding to pursue a new market opportunity — whether it involves reacting to an unpredictable market event or seizing an opportunity for innovation — may imply that another planned strategic initiative must be deferred or cannot be undertaken instead. This may impede the further realization of the company's strategic initiatives. As outlined by one business development manager in a telecommunications company and one head of marketing management in the banking industry:

Our main competitor acts quite aggressively on the market. This makes our managers nervous, and we try to do exactly the same thing without thinking beforehand. (...) We try to imitate them as quickly as possible. (I-11)

The challenge that we have a bit is to confidently pursue our own strategy. Not that we do not have a strategy, but we let ourselves be strongly influenced by competitive actions. We always deviate very easily from the plan that we were originally following. Of course, we can adjust our strategy, but nevertheless, there should be a strategic vision that we should follow when pursuing new market opportunities. (I-11)

It is also important that a strategy provides a certain degree of stability. That is, you embrace a particular long-term perspective and pursue it with perseverance. Because if you keep changing, you will end up nowhere. (I-22)

This result emphasizes the important relationship that exists between marketing strategy and marketing agility. Managers should be aware that strategy and agility

work in tandem (Teece et al., 2016). A poor strategy may be detrimental to strong dynamic capabilities (Teece, 2014). Specifically, strategy aims to provide a clear sense and direction of what the firm aims to achieve to build a competitive advantage. For their part, dynamic capabilities provide managers with the flexibility to adapt to keep pace with the market (Teece, 2014). Accordingly, a strong strategy can help managers effectively evaluate when to sacrifice a particular strategic initiative to support agility or vice versa (Teece et al., 2016).

4.6 The Microfoundations of Seizing for a Fast Response

The results showed that marketing managers speed up the seizing of an opportunity by (1) making decisions based on their intuition, and (2) mobilizing marketing employees for rapid execution. These microfoundations help marketing managers increase the firm's responsiveness (see Figure 13).

Figure 13. The microfoundations of seizing for a fast response

Seizing (RQ 2)	Agile market responses	
	Fast response	Innovative response
	Act as a catalyst for market changes	
	Use effectual logic	
	Create a network of agile external partners	
	Manage the trade-off between marketing agility and marketing strategy	
	Make decisions based on intuition	Make decisions collectively
	Mobilize employees for rapid execution	Grant employees greater autonomy

4.6.1 Make decisions based on intuition

Reacting fast implies making decisions under time pressure. Due to the time-criticality of certain situations, marketing managers outlined that they sometimes have to breach usual decision-making processes. The following example describes how one chief experience and marketing officer acted during the COVID-19 pandemic. Feeling responsible for dealing with the exceptional situation, this manager did not hesitate to breach usual decision-making processes to accelerate the firm's responsiveness:

During the COVID crisis (...), we formed a group of decision-makers with two or three colleagues, and we dealt with the situation like that. We did not go through the usual processes. Normally, we have an approval process (...), where an employee gathers approvals across the company. This process usually works well. But when we needed to speed things up, we did not go through it. We took the reins directly and progressed very quickly. (I-9)

Data showed that marketing managers rely on themselves, based on their intuition, to make decisions under time pressure. As described by this head of marketing communications:

When the opportunity is so big, then, sometimes, you have to have the courage to make decisions. You just need to have a good feeling for the decision you make and take responsibility for it, even if it goes wrong. (I-24)

Interestingly, the same manager reflected on the decisions made intuitively during the COVID-19 pandemic:

This year certainly helped people realize that when we make decisions faster, we do not necessarily make worse decisions. And we certainly have a tendency under normal circumstances to cover our backs very strongly. (I-24)

This result suggests that intuition — as a fast, automatic, and unconscious cognitive process (Kahneman, 2003; Stanovich & West, 2000) — may produce good decisions and more rapid decisions under time pressure. This implies that marketing managers do not need to delay action until they are in a position to make a better rule-governed decision (e.g., by conducting analyses, gathering input or approval, or gaining feedback from other teams and senior managers that would have normally been involved). Empirical studies have demonstrated that intuition may produce better decisions than analysis, especially under time pressure and for special tasks. Under time constraints, heuristic strategies may lead to better decisions than consciously driven processes (Payne et al., 1988). Further, the effectiveness of conscious judgment diminishes with increasing decision complexity (Dijksterhuis et al., 2006). This suggests that managers may benefit from making decisions by unconscious deliberation beyond a certain level of

complexity (Wierenga, 2011). According to Wierenga (2011), this is particularly pertinent for marketers, as they are usually faced with complex marketing decisions. In light of the above, making decisions intuitively supports marketing agility, as it may help marketers make more rapid and better decisions under time pressure.

4.6.2 Mobilize employees for rapid execution

The interviews showed that marketing managers take control of managing the market response when (1) a market event led to deep uncertainty in the market or within the firm (e.g., the COVID-19 pandemic), and when (2) marketing managers considered an unpredictable market event (or its effects) as severe. For example, one business development manager in the telecommunications industry described how senior managers usually react after their biggest competitor launches an aggressive promotional campaign:

All senior managers were suddenly alarmed. Our biggest competitor managed to offer a fifty percent promotion for a cell phone while also giving the customer a notebook as a gift. One senior manager then went to the product manager: “Why don’t we make such an offer?! (...) Let’s do the same promotion!” (I-11)

In essence, taking control means that marketing managers discuss and decide at their level how their firm would respond to a market event. For instance, one communications manager recalled how senior management acted during the COVID-19 pandemic:

We had very regular exchanges in our management team (...), and also discussed intensively which messages we wanted to be present with during the crisis. (...) It was a bit of a management responsibility to look at what we can bear and to see with which messages we can get out with. (I-24)

In such circumstances, marketing managers seek to mobilize marketing employees for rapid execution. To this end, they *provide employees with clear directives, adopt a closing leadership style, and then give employees maximum autonomy while executing.*

Provide employees with clear directives

Data demonstrated that communication plays a key role in mobilizing employees for rapid execution. To this end, marketing managers outlined that it is important to be aligned at their own level first, to ensure that they do not give their employees confusing instructions. As noted by a social media manager, clear directives allow managers to “secure that all employees know what they have to know in order to execute their tasks” (I-8). As one head of marketing communications added:

It sounds trivial, but communication is really the most important thing. (...) So we have really been interacting a lot within the management team and then systematically briefing our respective teams accordingly. We really had to get everyone into the same information flow as quickly as possible. (I-24)

In contrast, misleading managerial directives increase confusion among employees, as the interviews with marketing professionals revealed. More confusion may delay executing a market response and thus impede marketing agility.

Adopt a closing leadership style

Data showed that marketing managers adopt a directive leadership style when taking control of managing the market response. As one senior brand manager remarked during the COVID-19 pandemic:

After the lockdown decision, we had to react very quickly. Orders came directly from the CEO to the CMO, then from CMO to me, and finally to the team. (...) They established strong control mechanisms because they did not want to make any mistakes. (I-15)

This behavior refers to a closing leadership style in the literature (Rosing et al., 2011). Such leadership behavior is best suited to situations in which managers need to exploit existing resources (Rosing et al., 2011; Zacher & Rosing, 2015), such as for a fast response. Closing leadership behavior is defined as a collection of leader behaviors such as taking corrective actions, setting specific directives and guidelines, and monitoring goal achievement (Rosing et al., 2011). Further, it values

efficiency and reinforces confirmatory behavior from employees (Rosing et al., 2011). Adopting such a leadership style allows managers to use their managerial authority/power over the firm's resources to increase the firm's responsiveness. As emphasized by one digital experience manager:

When senior managers say: "Ok, let's do it!," then the initiative is sent on the fast track and quickly implemented. (...) Then, the whole system [the usual decision-making and project management processes] is undermined. (I-18)

This suggests that a closing leadership style remains an effective mechanism for expediting the implementation of a market response. Indeed, managerial status gives marketing managers the power to make decisions on their own, and also to swiftly mobilize, coordinate, and align a firm's resources, and thereby to support marketing agility.

Give employees as much autonomy as possible while executing

When asked about the bottlenecks marketing employees faced while executing, they primarily mentioned the increasing number of meetings and strong control mechanisms, all imposed by managers. Such measures are likely to delay executing the market response, and thus hinder marketing agility. Another example (a junior digital campaign manager) pointed to the inability of managers to see the big picture in order to act fast during the COVID-19 pandemic:

I think one of the main bottlenecks is usually that our managers, who need to approve [our campaigns], act like micro-managers. (...) Instead of seeing the big picture (...), they focus on the small things. They then make us go back and change them. It is just very frustrating because we [the executing employees] can come up with a great solution, but just because of one color or, I don't know, an image, (...) we have to delay everything. (I-25)

A social media manager in the tourism industry highlighted the importance of trusting employees to speed up executing a market response:

My learning is that you need to have trust in the employees because if you want to act fast, you need trust. If you do not have trust, you always want to double-check, and if you want to double-check, you cannot act fast. (I-8)

Trusting employees implies that marketing managers grant their employees as much autonomy as possible while executing. When responding fast to market changes linked to uncertainty, the role of managers is thus to decide how to respond and how to instruct their employees with clear directives. Afterward, marketing managers should step aside and let their employees execute to the best of their ability. In doing so, managers are more likely to ensure rapid execution, thereby supporting marketing agility.

4.7 The Microfoundations of Seizing for an Innovative Response

The interviews revealed two microfoundations of the seizing capability for an innovation response: (1) Make decisions collectively and based on mini business cases, and (2) grant employees greater autonomy (see Figure 14). These two microfoundations allow marketers to speedily seize innovation opportunities and maintain sufficient flexibility.

Figure 14. The microfoundations of seizing for an innovative response

Seizing (RQ 2)	Agile market responses	
	Fast response	Innovative response
	Act as a catalyst for market changes	
	Use effectual logic	
	Create a network of agile external partners	
	Manage the trade-off between marketing agility and marketing strategy	
	Make decisions based on intuition	Make decisions collectively
	Mobilize employees for rapid execution	Grant employees greater autonomy

4.7.1 Make decisions collectively

Interviews showed that decision-making processes for innovation opportunities which are complex — that is, require a high level of coordination and support, or face deeper uncertainty — are taken collectively, usually by a committee of interdisciplinary experts. There are two reasons for this. First, most innovations are interdisciplinary, and require the involvement of other teams and functions (see Section 4.5.1). Second, developing initiatives iteratively (see Section 4.5.2) implies making smaller decisions (i.e., smaller bets) more frequently. Frequent decisions

require appropriate collaboration points within the organization to make swift decisions on new market opportunities.

To this end, interviews showed that marketers *form a committee of interdisciplinary experts and decide (based on mini business cases)* to seize innovation opportunities as soon as possible. Further, they *prioritize marketing initiatives*, which helps them to remain flexible to new developments in the business environment.

Establish a committee of interdisciplinary experts to make decisions

Regarding more complex innovation decisions, interviews revealed that decentralized committees are appointed to make appropriate decisions about innovation initiatives. As a rule, such committees consist of experts from different divisions and make decisions collectively. One customer experience manager described in more detail how decisions about developing new offerings are made:

It is a stage-gate process where employees have to pitch to this steering committee first. Then, they get the go-ahead. And that always consists of a representative from private customers, corporate customers, segment management, customer experience management, (...) The deliverables are clear for each gate and what they have to present. (I-18)

More importantly, such a committee is not necessarily made up of managers but rather of experts, who may vary depending on which stage an opportunity is at (e.g., sensemaking or execution). Typically, such committees are responsible for deciding which innovation initiatives are launched, maintained, or abandoned. They also provide feedback, challenge ideas, coordinate resources, and allocate budgets. As this head of digital experience further explained:

They [the employees] come and pitch. (...) and then we [members of the committee] say: “Good. We think it is a great idea. Go work with these individuals [employees in other teams or functions]!” This allows us to check a bit that the product manager does not start working without the segment manager or vice versa, and that we have the right people on board [for each initiative]. (I-18)

One notable advantage of such committees is that they allow “keeping decision paths short” (I-24), as one head of marketing communications emphasized. This approach facilitates systematic and rapid decision-making on innovation opportunities, and prevents “decisional inertia” (I-23). Also, a decentralized committee of interdisciplinary experts helps a firm assemble relevant teams and collaborate on innovation opportunities more effectively (see Section 4.5.1), and thus to create innovative responses in timely fashion.

Teece (2007) contradicts this result, arguing that committee decision-making structures hinder innovation. On the one hand, he argues that decision-making committees — in particular those comprising top managers — usually require written justifications and reports, which may slow down decision-making. On the other hand, he provides two reasons why such committees tend to reinforce the status quo, and thus prevent organizations from effectively seizing innovation opportunities. First, innovative ideas may receive a negative reaction from some members at first. Second, such committees tend toward achieving balance, and thus may compromise outcomes (Teece, 2007).

In light of Teece’s criticism, interdisciplinary committees should therefore meet frequently to ensure that decision making does not slow down initiatives. This ensures that decision-making on innovation opportunities can support marketing agility. Moreover, to overcome the status quo issue, it is important that managers or experts on these committees reflect on potential decision-making biases, which may lead them to block innovation. For example, the “certainty effect,” which shows that decision-makers tend to favor outcomes that are certain over those that are probable, may result in excessive risk aversion (Kahneman & Lovallo, 1993). In this respect, a digital experience manager noted that innovation opportunities should not be assessed like or compared with ordinary business initiatives:

When compared to ordinary projects, innovation and other development initiatives are always worse off because they involve (...) more unknowns. They [innovation initiatives] are always the first projects to be rejected. (...) In this way, it becomes clear that innovation initiatives cannot be compared with other ordinary projects in progress. (I-18)

Decide based on mini business cases

Marketing managers noted that decisions on innovation opportunities should generally be based on smaller business cases due to uncertainty. Interviews revealed that marketers do not expect detailed analysis or market research but rather stressed the importance of understanding the purpose and intent of an initiative:

Beni, an employee, has a good idea and wants to try something in the customized and automated area. He comes to our management team and says: “Hey guys, I’ve got a good idea. This is the mini-case study I worked on.” Employees have to be goal-oriented. (...) We take a quick look at it, then give the green light and it is already done. (I-24)

They [the employees] don’t have to be perfect when they put something in this tool [used to submit their new ideas]. We don’t expect them to come with 120 slides. A sketch is okay as long as it conveys their idea. (I-2)

Basing decisions on mini-business cases supports marketing agility as it enables fast decision-making, thus favoring rapid experimentation over detailed analyses and market research.

Prioritize marketing initiatives

Marketing experts emphasized that managing numerous innovation projects at the same time is challenging, especially in big organizations. In addition, the interviews showed that new innovation opportunities can arise anytime. Since the firm’s resources are limited, marketing managers have to decide which opportunities are worth prioritizing. One head of marketing and e-commerce gave an example:

A new initiative or idea can always come up spontaneously. For example, we have just entered into a partnership with a neobank. It started with a meeting where we thought that it would be a great collaboration and something new. So we decided we were willing to proceed with this partnership. This meant that we had to start working directly on this new initiative to get this

partnership up and running quickly. Because of that, we had to re-prioritize other initiatives. (I-21)

The interview data highlighted that a prioritization system allows marketing managers to deal with such complexity. Such a system involves ranking different innovation initiatives based on several criteria, such as time criticality, business impact, or risks. Hence, it favors executing the most important initiatives. Further, it enables managing the opportunity costs arising from pursuing different innovation opportunities. In practice, such a system provides an overview of all marketing initiatives, and thus increases transparency. As one global head of digital transformation in a FMCG company observed, such a system is very much valued when marketing leaders have to manage many projects with few resources:

I manage a topic that has several complexities. And since we are collaborating with 15 countries, with over 100 colleagues from different cultures, it is not easy to manage all that, especially when you have such a small team (...). So I have to very much focus (...) on the projects that are really urgent. And where we should invest our time. (...) This ongoing discussion about (...) which project or which initiative has the biggest impact is, in my eyes, very important. (I-6)

Managers stressed the importance of having clear rules for ranking initiatives. These rules allow for effectively and transparently ranking innovation initiatives. They also enable increased flexibility should new opportunities suddenly emerge from market changes. As two marketing managers observed:

Being flexible means that we are open to questioning what we have already planned. (...) We have to rethink it [the plan] because there is a new impulse [from the market]. And we need to be able to quickly and correctly classify the new impulse. (I-24)

When (...) a new topic comes up, we have to see whether it comes first, second or fifteenth (...). "Tell me what the time criticality [of the initiative] is, and what the opportunity risk is." Then, we put these [criteria] opposite with the other projects that we need to do. (I-12)

Overall, a prioritization system supports marketing agility, as it increases the firm's flexibility and helps marketers decide more effectively which opportunity to pursue. This result is in line with current research. Kalaignanam et al. (2021) have refer to prioritization as a “specialized process capability” that helps managers quickly decide which initiatives to execute (p. 13).

4.7.2 Grant employees greater autonomy

Not all marketing decisions need to go through a committee of interdisciplinary experts. As highlighted in Section 4.7.1, such committees are usually helpful when decisions are considered complex — that is, when decisions involve a high level of coordination between marketing teams and other functions as well as deeper uncertainty. In contrast, with less complex decisions, marketers managers noted that they grant their teams greater autonomy in seizing innovation opportunities. Granting greater autonomy is consistent with the bottom-up approach used by marketing managers to sense new innovation opportunities (see Section 4.4.2).

Workplace autonomy has been defined as the freedom of employees to make decisions, to select their task-performing methods, and to adapt to unpredictable changes (Sherehiy & Karwowski, 2014). As one manager highlighted, workplace autonomy can facilitate swiftly generating innovative responses when facing dynamic business environments:

You actually have empowerment on the ground, (...) everyone can make their own decisions, (...) things can move forward as quickly as possible without always having to go to the boss. That is right and important because we are also moving in a very dynamic environment. It takes time if you always have to consult with management. (I-11)

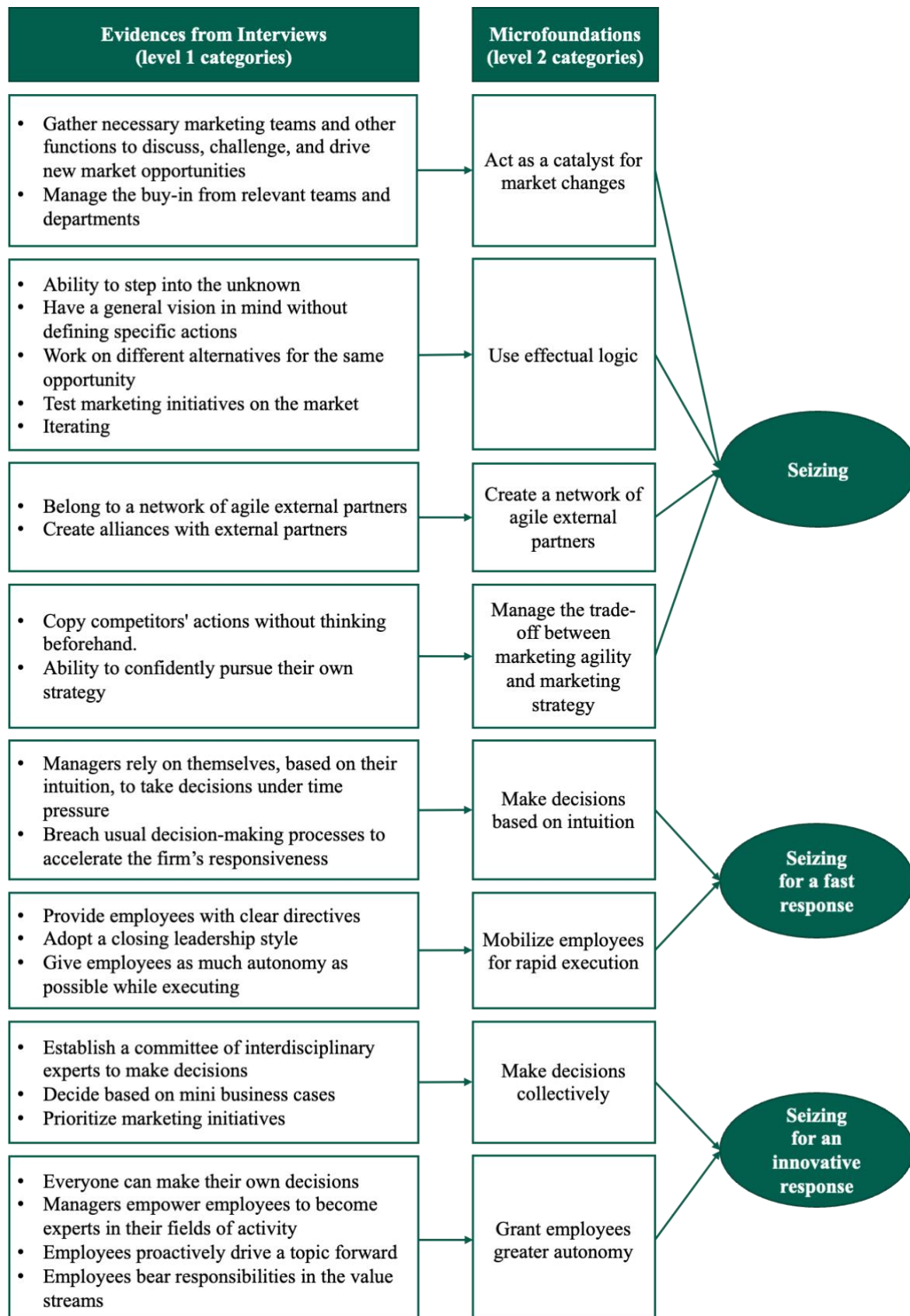
Data showed that greater autonomy also facilitates seizing innovation opportunities in yet another way. Granting autonomy makes employees accountable for the duties assigned to them. This empowers them to become experts in their fields of activity and to take assignments to the next level by autonomously working on and seizing new innovation opportunities. As two marketing managers in the retail and insurance industries emphasized:

Some people in my team have a lead for a certain topic. (...) Success results from the team establishing itself as the specialists for that topic, proactively driving it forward so that ultimately transformation takes place. (I-13)

It is important to me that the specialists are part of the decision-making process. (...) And that they are able to bear responsibilities in these value streams. (I-24)

In line with existing research, workplace autonomy has been identified as an important factor in promoting employee and organizational agility (Harsch & Festing, 2020; Sherehiy & Karwowski, 2014). Autonomy at work is assumed to a crucial antecedent of innovation (Damanpour, 1991; Ohly et al., 2006), employee creativity (Oldham & Cummings, 1996), and personal initiatives (Frese & Fay, 2001). In addition, Kalaighnam et al. (2021) have argued that greater team autonomy reduces bureaucratic constraints, and enables teams to make decisions promptly. Hence, autonomy at work is seen as an essential microfoundation of the seizing capability required to pursue innovation opportunities, thereby supporting marketing agility.

Figure 15. Summary of the theoretical construction process of the seizing capability enabling marketing agility



4.8 The Microfoundations of Reconfiguring

Reconfiguring refers to transforming the firm's resources and assets to ensure that the company remains aligned with its business environment (Teece, 2007, 2017). The capacity of managers to reconfigure their resources is essential to sustain evolutionary fitness and to prevent a company from heading into path dependency (Teece, 2007).

This section outlines how marketing managers can reconfigure their resources and assets in the pursuit of marketing agility. The interviews with the marketing experts revealed four microfoundations: (1) Adopt an organic organizational structure, (2) create a culture for marketing agility, (3) adapt marketing processes to drive marketing agility, and (4) establish agile practices (see Figure 16). As these microfoundations pertain to the organizational level, they support both fast and innovative responses. At the end of Section 4.8, Figure 17 summarizes the theoretical construction process of the reconfiguring capability enabling marketing agility.

Figure 16. The microfoundations of reconfiguring

	Agile market responses	
	Fast response	Innovative response
Reconfiguring (RQ 3)	Adopt an organic organizational structure	
	Create a culture for marketing agility	
	Adapt processes to support marketing agility	
	Establish agile practices	

4.8.1 Adopt an organic organizational structure

Interviews demonstrated that marketers usually *work in interdisciplinary teams* to sense and seize market opportunities. This refers to the democratization of team-based initiatives, which plays an important role in increasing marketing agility. Interdisciplinary teams also impact overall company structure. Here, interviews showed that the firm's *organizational structure tends to become more organic*, in order to facilitate alignment with dynamic business environments.

Work in interdisciplinary teams

The structure of marketing teams and the overall organization is an important organizational capability for driving new opportunities arising from market changes — and hence drives marketing agility. As highlighted by one head of marketing management in the retail industry:

The challenge, of course, is to structure and build up the organization in such a way that pace is maintained and (...) that initiatives (...) can be implemented, (...) so that transformation can really take place and does not just exist on paper. (I-13)

As shown, collaboration — between marketing teams, across the firm or externally — lies at the epicenter of seizing market opportunities (see Sections 4.5.1: act as a catalyst for market changes, and 4.5.3: create a network of agile external partners). In this vein, the interviewed managers favor working in a network of interdisciplinary teams, in order to drive change more effectively.

According to interviewees, interdisciplinary teams — gathering members of different teams or functions into working groups — prove to be an important aspect of pursuing marketing agility. Generally, these teams are built around a specific purpose and aiming to sense or seize new opportunities regarding a particular topic or customer segment. Marketing experts refer to them as “value stream,” “tribe,” “squad,” or “task force.” They help increase business flexibility, as interdisciplinary teams can be reconfigured as required by the initiative and can even be dismantled if necessary. Finally, these teams do not replace the company's existing

organizational structure but coexist with it as they are temporary. For example, two marketing managers in the insurance and FMCG industries described how interdisciplinary teams were assembled around specific topics:

We have the topic of mobility. (...) One of our employees is responsible for mobility, and (...) he has a pool of people. He has an events specialist, a content specialist, a social media specialist, and a CRM [Customer Relationship Management] specialist. (I-24)

We are working on four so-called “structural shifts” workstreams (...). There are four topics: the future of media buying, media consumption, the future of shopping behaviors, and new employee engagement. The management has defined these four main topics and has created groups with managers from the different divisions who are now working on specific issues that should prepare the company for “the new.” (...) Perhaps two or three new initiatives will emerge from these workstreams. (I-15)

Further, gathering the right people into an interdisciplinary team enables them to almost simultaneously make sense of the situation, to make decisions, and to execute a plan, thus enabling the company to respond swiftly to unpredictable market changes. As one head of digital experience in the insurance industry highlighted during the COVID-19 pandemic:

We were in a task force. (...) We asked ourselves: “What can we communicate now? And what do we want to stand for in this time?” (...) We decided to focus on the topic of budgeting and to release a budget calculator. (...) We then worked intensively on its implementation. We also optimized the budget calculator in several iterations and launched a campaign. (I-18)

Overall, interdisciplinary teams drive marketing agility for two main reasons. First, as the previous quote suggests, working in groups allows companies to increase their response speed, as this facilitates exchange between its members and rapid decision making before moving on to the experimentation phase. This is in line with previous research. For instance, Carbonell and Rodriguez (2006) argued that functional team diversity enables faster development of complex innovative products. Second, working in interdisciplinary teams fosters creativity. Team

diversity — whether functional or demographic — has been shown to contribute positively to creativity in the context of product development (Dayan et al., 2017). Moreover, knowledge sharing has helped generate new information and broaden team knowledge, thus fostering creativity (Men et al., 2019; Zhang et al., 2011) and more effectively identifying innovation opportunities (Clauss et al., 2020). Scholars have acknowledged the importance of creativity for innovation when facing dynamic business environments (Hoever et al., 2012). As such, interdisciplinary teams play a critical role in pursuing marketing agility.

Organizational structure tends to become more organic

Some marketing managers predicted that agile organizations would “move away from hierarchies” (I-11) in the future. These marketers assumed that agile organizations imply an organizational structure that is free of hierarchy and managerial authority. As highlighted by one global head of digital transformation: “In the future, your team is just a group of people who are not organized hierarchically, but just as a flat group of people with different skill sets” (I-6). Similarly, Teece et al. (2016) has suggested that self-organizing entities — which are quasi nonhierarchical and leaderless — support agility.

Nevertheless, the findings of this study suggest that this may not be the case. Whether it is for fast or innovative responses, managers still have an important role to play. On the one hand, the ability of managers to take the lead, make decisions, and align their teams in situations requiring a fast response is crucial. On the other, marketing managers act as important “enablers” in sensing and seizing innovation opportunities. They also empower other relevant teams and functions to foster change arising from market changes (see Section 4.5.1: marketers as catalysts for market changes). Therefore, it is not feasible that a total absence of hierarchy and managerial authority drives marketing agility.

Interview data showed that a firm’s organizational structure is likely to become more organic as a way of supporting marketing agility. As one design thinking expert suggested, “middle managers have to accept that they might become part of the team in the future” (I-2). Initially introduced by Burns and Stalker (1961), the following characteristics define an organic system: (1) level of authority decreases

by flattening the hierarchical layers of the organization; (2) decision-making is decentralized in order to give more autonomy to the team; (3) teams are organized around workflows and processes rather than tasks; (4) information is shared between all team members; and (5) collaboration and coordination are favored at the team level (Anand & Daft, 2007). Further, employees' job descriptions are broader, and their duties are defined based on the firm's needs at the time (Burns & Stalker, 1961, p. 121). Finally, an organic structure provides managers with the collaborative framework necessary to engage in entrepreneurial endeavors and to lead change (Miller, 1983).

An organic organizational structure helps firms thrive in dynamic markets where customer needs change rapidly, and where knowledge creation as well as innovation are key success drivers (Burns & Stalker, 1961, p. 121; J.-Y. Lee et al., 2015). This organizational model seeks to facilitate flexibility instead of efficiency (M. Y. Lee & Edmondson, 2017). Hence, an organic structure is a critical aspect of driving marketing agility. This concurs with Kalaignanam et al. (2021), who suggested that a flexible organizational structure supports marketing agility by facilitating cross-functional exchange and collaboration on new knowledge.

4.8.2 Create a culture for marketing agility

When asked about the success factors of an agile organization, marketing experts noted that organizational culture is crucial. Organizational culture refers to the firm's "pattern of shared values and beliefs that help individuals understand organizational functioning and that provide norms for behavior" (Deshpandé & Webster, 1989, p. 4). Specifically, marketers outlined three core aspects that constitute a culture for marketing agility. Such a working environment fosters a (1) culture of exploration, (2) a culture that tolerates failure, and (3) a culture of change.

Culture of exploration

Exploration is an important cognitive ability in the context of innovation response (see Section 4.4.1). According to the interviews, marketing agility requires a

working environment where employees are encouraged to explore new ideas for business opportunities. Marketing experts outlined that such an environment “helps employees to be creative and express themselves” (I-9), as well as creates a workplace where “the generation of ideas is fostered” (I-14).

Interestingly, interviews showed that managers do not force their employees to come up with new ideas. Instead, managers seek to cultivate a working environment where employees are empowered to think critically about the firm’s initiatives and activities, and to challenge the status quo. As one senior brand manager in a FMCG company explained:

So there is no such thing where I say: “I need an idea from you soon.” An idea must hatch, and you cannot force it. I think it is more important to create a fertile ground for ideas. (...) Creating a fertile ground for ideas means saying: “If you ever have an idea or you don’t agree with an initiative we’re having now, (...) then come to me. I’m always here for you.” It is important that people can get involved. (...) And only after that can people start to think on their own. (I-15)

In addition, marketing managers create an atmosphere that favors exchange internally so that employees feel free to share their ideas and opinions. The same senior brand manager therefore stressed that it is crucial to demonstrate openness to his employees’ new ideas:

You have to build (...) a team spirit that promotes exchange. (...) What I try to do and what I find works relatively well is always be open to ideas (...). You have to provide this basic foundation, which gives employees the confidence to simply tell you what they think. (I-15)

Most importantly, marketing managers should not kill their employees’ ideas too soon, but encourage them to develop these. Indeed, receiving a “no” too quickly may discourage further exploration. In addition, companies may miss out on market opportunities that might later become relevant to idea development. As one senior brand manager observed (while describing an idea that his team and he had for promoting their brand on a platform streaming live video games):

If I get a no from the management, then I will never bring up the topic of video games again (...). The leaders have to give their employees the time and the opportunity to think an idea through and steer it. (I-15)

In sum, fostering a culture of exploration involves two elements. The first one is to empower marketing employees to think critically about their current business. The second one is to favor exchange between them in order to bring new ideas for innovation to fruition. The latter finding is in line with previous research. In the context of front-end innovation, Brand et al. (2019) suggested that knowledge exchange between employees may produce better innovation ideas than individual employees. This enables a firm to pursue more successful innovation ideas, and thus drives agility.

To support the emergence of new ideas, companies usually use two artifacts. First, they organize informal events to gather, inspire, and allow employees to think or develop ideas outside of their daily routines — in a more relaxed environment. Based on the interviews, such events encourage exchanging and generating ideas among employees:

Once a month, we have the “Trend Breakfast,” an internal event. The goal is to bring a trend. It can be anything. A good campaign, something we saw on Tiktok, on social media (...) You do not have much to prepare, and you have a lot of insights afterward. (...) You are there for two hours and leave with lots of fresh thoughts. (I-17)

Second, some of the interviewed firms highlighted that they give their employees some slack time during the week, ensuring they have a blocked time to devote themselves to exploration. “We actually have two hours a week out of the 40 hours that are devoted to exploring, reading stuff, doing a little bit of research on what we are interested in” (I-17).

Culture that tolerates failure

Bringing an idea to life means testing it in the context of marketing agility (see Section 4.5.2). However, the interviews showed that marketers were sometimes reluctant to experiment because they fear failure, especially when facing uncertainty. As illustrated by one senior brand manager as well as one digital experience manager:

It is often the case that we (...) need a lot of assurance before implementing things. We do not just try things out because there is fear in Switzerland or Europe in general compared to America. A culture of making mistakes is not fostered. (I-15)

We have good ideas, and we have them early. And then we lose the courage to invest in them. And then, when ten others put it [a business idea] into practice, we say: “Yes, now (...) we should do it too!” That’s a real shame because somehow, we miss out on this first-mover advantage” (I-18).

Indeed, causation logic, which largely governs how companies operate nowadays, aims to predict the future and to minimize errors. However, failure is likely to happen when facing uncertainty (Sarasvathy & Dew, 2005). This requires a mindset shift among marketers. Marketers should embrace uncertainty, accept that initiatives may not be perfect, and even that some may fail. As a marketing and e-commerce manager and a brand manager said:

It requires a culture of failure. (...) That does not mean that they [employees] make terrible mistakes, but simply that they are willing to step in with more courage and say: “It was not one hundred percent perfect. But at least we tried.” (I-21)

We do not necessarily fear making a mistake. It is also okay if something does not work out. With this new beer brand that we are going to launch, the CEO also said: “(...) If it doesn’t work, it doesn’t work. At least we tried.” (I-16)

To democratize a culture that tolerates failure, marketers mentioned that they organize “fail nights” (I-21) to discuss mistakes and to create a ground for learning. Overall, a culture that rewards risk taking and tolerates failure makes firms more nimble (Wade et al., 2021). In these firms, employees are empowered to test their new ideas fast and to adapt based on outcomes. In contrast, if managers punish their employees for making mistakes, employees are less likely to take risks, that is, to engage in new activities.

Culture of change

Marketing experts stressed the necessity of having employees who realize that market adaptation is necessary when operating in rapidly changing markets. As one head of customer and multichannel management in the telecommunications industry stated:

The most important thing is the mindset. You need to be willing to react to external and internal factors, which are more or less always driven by [environmental] change. Employees should be open and ready to react to what is happening. (I-10)

Indeed, the attitude of marketing managers and employees toward unpredictable events and uncertainty plays an important role in this respect. According to effectual logic, marketers should not see unexpected market changes as bad, but as positive. Surprise is good. The unexpected allows for creative thinking about potential new alternatives, which leads to new market opportunities (Read et al., 2009; Sarasvathy & Dew, 2005). The telecommunications manager cited above added that employee education is key to driving a culture of change: “You have to make them understand why everything [in the business environment] is changing and why there is a need to change” (I-10).

A culture of change is essential for driving marketing agility. This finding is in line with previous research. Zhou et al. (2019) argued that marketing agility requires a culture of change, where marketers are empowered to react fast to changing circumstances. In addition, leading transformation within companies is facilitated if a culture of change already exists (Teece et al., 2016).

4.8.3 Adapt processes to support marketing agility

Interviews showed that marketing managers should reconfigure two key processes in order to support marketing agility. They should first *adapt employees' incentive mechanisms for dynamic markets* and second *allocate funding on a rolling basis*.

Align marketing employees' incentives with dynamic business environments

Incentive structures, which support employees in adapting to more dynamic markets, are required. As one design thinking expert observed:

If you want people to take extra responsibility, to think outside the box, and not just to follow simple orders and tick boxes, then you need to give them the incentives to do so. You cannot do it with the whip. (I-2)

One digital experience manager pointed out that incentive structures should reward employees for daily business tasks (i.e., ordinary capabilities), as well as for their commitment to agile market responses (i.e., dynamic capabilities):

The employee performance review systems are an issue that we still have to address. And for me, they should be part of creating the right incentives to combine both “running the business” and “changing the business” in everyday life. (I-18)

Incentives to change the business must supplement and co-exist with incentives already in place for day-to-day activities. With this in mind, marketing managers need to incentivize their employees to transform their business in response to a changing market. For example, incentive structures should reward employees for identifying customer pain points and for working to address them quickly. They should also reward employees for generating and developing new business ideas, for taking measured risks, and for stepping out into the unknown. Experimenting and failing should also be valorized.

Get funding on a rolling basis

Marketing agility requires firms to reconsider how market initiatives are funded. “The ambition is to make budgeting more flexible so that you can not only submit the project on one deadline each year, but many times a year” (I-18), as one digital experience manager highlighted. Indeed, traditional rigid investment processes, which grant funding once or only a few times a year, may prevent marketers from initiating market responses promptly. Therefore, firms may fail to adapt to the business environment accordingly, which in turn impedes marketing agility.

Marketing agility requires funding processes that are consistent with an effectual approach (see Section 4.5.2). However, funding processes linked to the company’s finance department may not offer as much flexibility as marketing agility requires. Specifically, such a process should grant funding on an ongoing basis so that marketers can experiment with their ideas in the market quickly. Marketers also stressed that it is crucial to get funding on an iterative basis. This implies that smaller funding amounts should be awarded more regularly. Obtaining funding on a rolling basis provides marketers with increased flexibility, and thus enhance marketing agility. As one design thinking expert observed:

To create a prototype, I give you 5’000 dollars, (...) a very minimum amount. Not (...) 2 million to finish this project. (...) You’re going to get a small budget and come back with proof that this concept really works. If you can prove that this concept works, then you’ll get the next installment. Like a start-up. Then you might be 200’000 [dollars] but still not 2 million. (I-2)

If such an ongoing funding process cannot be implemented internally, marketers could budget an annual amount for agile market responses and provide funding on a case-by-case basis.

4.8.4 Establish agile practices

Some of the interviewed companies used agile methodologies, such as “SAFe,” “Kanban,” and “Scrum.” These methodologies have been adopted by many of the companies interviewed to facilitate the transition to a more agile organization. Most

of these agile practices originated in the field of software development (Beck et al., 2001; Highsmith & Cockburn, 2001). Data showed that agile practices were often first used in IT departments. As a head of customer and channel management in the telecommunications industry said:

In the area of IT, the challenges could not be addressed anymore with the (...) way of working [of the time]. Our colleagues (...) in IT had to start thinking about how they could cope with this wild world. And that was actually the starting point [introducing agile practices]. We [marketing managers] then learned how we could potentially benefit from these approaches [agile practices]. (I-10)

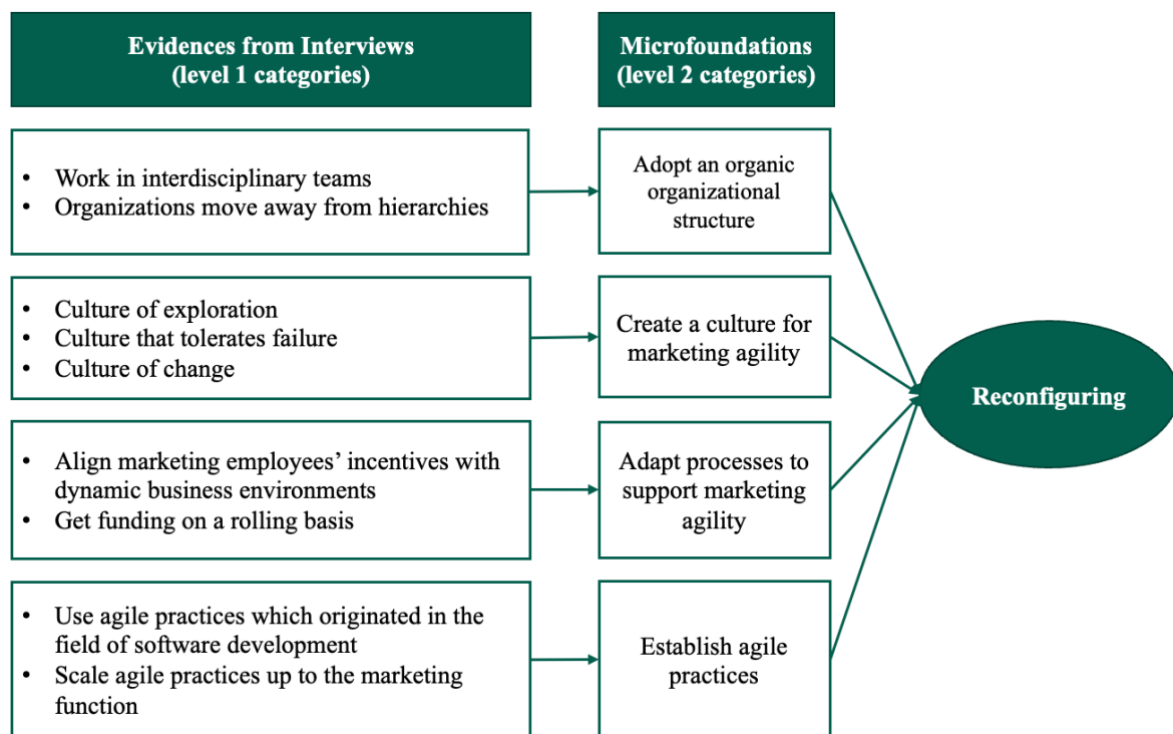
Senior managers then decided to scale these practices up to the marketing function, given the prominence of digital technologies in marketing activities. Most interviewed companies borrowed important principles from these practices. Examples include developing initiatives through iteration (see Section 4.5.2), a system for prioritizing initiatives (see Section 4.7.1), and working in interdisciplinary teams (see Section 4.8.1). Other companies have adopted typical designations of these agile methodologies, such as “squads” and “tribes,” to describe interdisciplinary working groups.

Nevertheless, marketers stressed that they needed to adapt some features of these methodologies to the requirements of marketing. As one strategic business development manager noted: “These agility methods (...) have to be adapted to marketing to make them work, instead of trying to implement concepts from IT into marketing, which in some cases do not make sense” (I-11). Therefore, marketing managers must ensure that these agile practices suit marketing, and not vice versa. For example, some companies have replaced conventional “product ownership” of agile practices with “theme ownership,” in order to reward those responsible for driving a specific topic forward (see Section 4.7.2).

Agile practices share similar features to the microfoundations of marketing agility found in this study (e.g., iteration, prioritization, and interdisciplinary teams). However, these methodologies pose two fundamental issues. First, there is a risk that marketing managers end up seeing these agile practices as a project management tool and forget that agility encompasses a much broader concept —

namely, the ability to adapt to fast-changing business environments. Second, these agile practices do not allow firms to become fully agile since they do not encompass all the complexity associated with agility. In fact, companies that have adopted agile principles have only been able to become partly agile (Edelman et al., 2016). Marketing managers thus need to become aware of this fact. Based on its findings, this study therefore argues that marketing agility can only be fully achieved by developing the three core dynamic capabilities: sensing, seizing, and reconfiguring.

Figure 17. Summary of the theoretical construction process of the reconfiguring capability enabling marketing agility



5 Conclusion

This study has explored the microfoundations of the three dynamic capabilities that enable marketing agility: sensing, seizing, and reconfiguring. Based on a theories-in-use approach, the in-depth interviews with marketing experts helped identify seventeen microfoundations. Taken together, these microfoundations constitute a holistic marketing agility framework. Marketing managers can use this framework to develop marketing agility within their organization.

Below I provide a general discussion of the key findings and a summary of the main results. I also discuss the implications for theory and practice, the limitations of this study, and avenues for future research.

5.1 General Discussion of the Findings

Three aspects are crucial to building the dynamic capabilities that enable marketing agility. First, marketing managers should discern the underlying mechanisms of the two agile market responses: fast and innovative responses. Second, marketers need to understand what the appropriate business context is for marketing agility. Third, marketers should figure out which marketing activities can benefit most from an agile approach.

As for the first aspect, this study has revealed two types of agile market responses within the concept of marketing agility: fast and innovative responses. The microfoundations for fast responses allow marketing managers to react as quickly as possible to unpredictable market changes. Marketers mostly rely on mobilizing and exploiting their existing resources to unleash such a market response. Innovative responses help marketers shape their market by developing and pursuing innovation opportunities in the marketplace. An innovative response includes amending and renewing those (existing) resources that support the firm's new activities.

The main difference between fast and innovative responses lies in the urgency to respond (see Section 4.1). Indeed, marketers consider an innovative response less

urgent than a fast response since it requires more interpretation and development. This generates two different response mechanisms, as shown by the different microfoundations of these two agile market responses. Fundamentally, fast responses generally rely on a top-down approach, innovative responses on a bottom-up approach.

Regarding fast responses, marketing managers usually feel responsible for holding the reins of their company when market events result in deep uncertainty and are considered severe. Marketers then take control of the market response and demonstrate their ability to take action under market uncertainty. Specifically, they make sense of market changes at the managerial level, assess the impacts on their customers and their business, and decide how to respond. Next, they adopt a closing leadership style to mobilize their employees in order to quickly and efficiently execute their plan.

In contrast, marketing managers adopt a bottom-up approach to pursue innovation opportunities. They encourage the identification, sensemaking, and seizing of innovation opportunities at the employee and team levels. In this vein, marketing managers provide their employees with problems to solve and create an environment where employees feel free to suggest and develop new innovation ideas. Further, managers adopt an opening leadership style in the innovation process. In other words, they act as facilitators and coordinators. They also support their employees in advancing and rapidly experimenting their marketing initiatives in the market. Finally, exchange and collaboration between employees are crucial, as they foster creativity and innovation. Interdisciplinary group work is thus encouraged for idea development and for seizing innovation opportunities. Such teams are considered experts in their field and are empowered to make decisions and progress autonomously.

The second aspect concerns the most appropriate business environment for marketing agility. Marketers should employ dynamic capabilities that enable marketing agility only when facing uncertainty. In this regard, the effectual logic and its artifacts allow managers to act in the best possible way in the face of uncertainty. Overall, marketing agility helps marketers adapt to unpredictable market events or to the effects of market events that throw their company and the marketplace into uncertainty.

The third aspect that marketers need to consider is that not all marketing activities are suited to marketing agility. This study has revealed two essential criteria. First, marketers must be able to test their marketing initiatives on customers. The insights gained from these experiments are crucial to developing marketing initiatives that meet current market conditions. Second, marketers need to develop their marketing initiatives iteratively, that is, by breaking down initiatives into smaller parts.

The main research question of this study — “How can marketing managers successfully develop marketing agility?” — was derived from an existing research gap. Drawing on previous research and Teece’s dynamic capabilities framework, I formulated three research questions to achieve the overall research goal of this study. These findings are summarized in the next section. Fast and innovative responses are distinguished with each question.

Research Question 1: How do marketing managers sense new market opportunities that create added value for their customers before other market stakeholders?

Developing data analytics capabilities is important in sensing market opportunities as early as possible. More specifically, these capabilities — which are used to process, aggregate, and make sense of data in an omnichannel environment — enable marketers to understand their business environment better and to identify relevant market opportunities. This microfoundation of the sensing capability supports both agile responses (fast and innovative). On the one hand, data analytics capabilities allow marketers to easily detect customer pain points and other market changes that require immediate attention. On the other, marketers can exploit market insights generated by data analytics capabilities to pursue innovation opportunities. Finally, these capabilities also enable marketers to make better-informed marketing decisions.

Fast responses

Two microfoundations of the sensing capability help marketers delineate a fast market response: (1) Real-time market monitoring and (2) empathizing with customers.

First, real-time market information displayed on dashboards or tools increases the responsiveness of marketers. These digital capabilities allow managers to immediately address sudden market changes and to take adequate measures in order to adapt to the market accordingly.

Second, managers' cognitive abilities play an essential role in coping with uncertain situations. By empathizing with their customers, marketers can save time in interpreting market changes. In addition, empathizing is an effective way to sense new customer needs and problems in urgent situations.

Innovative responses

The findings show that two important microfoundations of the sensing capability are crucial to driving an innovative response: (1) Exploration and (2) foster bottom-up idea generation and sensemaking.

First, marketers explore their environment, externally and beyond their current industry, to get inspired by novel trends and topics, and ultimately to identify new innovation opportunities. Exchanging with knowledge experts on specific topics also plays an important role.

Second, marketing managers foster bottom-up innovation idea generation and sensemaking at the employee and team levels. A bottom-up approach is crucial as managers may not possess enough expertise and knowledge to face business challenges in a fast-changing environment. In this regard, the responsibility of the marketing managers lies in identifying relevant themes or insights that may be important for the future of their market. Then, they empower their employees — who are usually organized in interdisciplinary teams — to find ways of benefiting from these insights accordingly. Moreover, managers can provide their teams with

human-centric approaches, which differ from traditional market research methods, to identify and make sense of new market opportunities. Finally, marketing managers can establish processes that allow all employees to propose new ideas for innovation and that support their development. Overall, bottom-up idea generation and sensemaking can be seen as a creative process, where individuals aspire to exchange, challenge, or develop ideas together so as to turn them into opportunities for the company. Marketing employees aspire to develop hypotheses about the future, which could then be rapidly tested in the market.

Research Question 2: How do marketing managers swiftly and flexibly seize new market opportunities that create added value for their customers?

Four microfoundations of the seizing capability foster marketing agility for both types of agile market responses: (1) act as a catalyst of market changes; (2) use effectual logic, (3) create a network of agile external partners, and (4) manage the trade-off between marketing agility and marketing strategy.

First, marketers assume the role of catalysts for market changes. The changes and efforts undertaken by a company to align itself with its business environment generally require cross-functional collaboration. To this end, marketing managers lead the transformation process internally and bring together the functions and teams necessary to seize new market opportunities. Furthermore, marketing managers involve the required functions and teams early on in developing an initiative to ensure that they have the opportunity to contribute — as they might otherwise later hamper an initiative.

Second, marketers cannot accurately predict and control the future of their fast-moving marketplace. In such a business context, causal logic — i.e., spending considerable time on market research, elaborating business plans, and implementing them — may not be appropriate. Moreover, there is a risk that the adopted market response no longer fits prevailing market conditions when it is finally launched. Hence, marketers adopt effectual logic to seize market opportunities in the face of uncertainty. This logic allows marketers to test new opportunities in the market quickly and to develop these step-by-step based on the gathered learnings. Effectual logic ensures that market responses are aligned with current market conditions.

Third, marketing managers rely on their external alliances and networks to seize market opportunities. External partners allow them to access a wide range of resources and competencies unavailable in-house. To this end, marketers work with external partners who execute tasks quickly, flexibly perform tasks, and require little coordination.

Fourth, managers should be aware that marketing agility and marketing strategy work in tandem. Hence, a strong marketing strategy helps managers determine when it is best to deviate from their initial plans and demonstrate agility.

Fast responses

Interviews showed that marketing managers speed up seizing opportunities thanks to two microfoundations of the seizing capability: (1) Make decisions based on intuition and (2) mobilize employees for rapid execution.

First, marketing managers make decisions based on their intuition to react as fast as possible. Intuition allows them to take action more rapidly than by going through their usual rule-governed decision processes. Indeed, starting new market analyses or making more deliberate decisions would only slow down the market response, and the opportunity might be missed. Overall, decisions based on intuition can produce better outcomes than those based on rule-governed mechanisms under time pressure.

Second, marketing managers use their managerial authority to mobilize their employees for rapid execution. To this end, managers first need to ensure that they are aligned with each other to avoid sending conflicting messages to employees. In a second step, they give clear directives to their employees. For this purpose, they adopt a closing leadership style. Such a leadership style consists of commanding their employees with specific assignments and aims to efficiently exploit a company's existing resources, to reinforce confirmatory employee behavior, and to value efficiency. After giving clear instructions to their employees, marketing managers grant them as much autonomy as possible during execution — or otherwise risk slowing down implementation.

Innovative responses

Two microfoundations of the seizing capability enable marketers to seize innovation opportunities: (1) make decisions collectively and (2) empower employees for innovation.

First, establishing interdisciplinary committees helps make decisions on complex initiatives, which require closer cross-departmental coordination and support. Such committees comprise experts or managers from the departments involved in developing innovative responses. They also foster cross-functional exchange and enable deciding swiftly on innovation opportunities as they meet frequently and make decisions based on mini-business cases. In contrast, less complex innovation initiatives are not managed by committees but directly at the team and employees levels. Finally, marketers use a prioritization system to rank their different innovation initiatives according to clear rules. Such a system allows marketers to become flexible and also to evaluate innovation opportunities more quickly. Also, managers ultimately make better decisions since they favor the most important innovation projects and give up less relevant initiatives.

Second, marketing managers act as facilitators, in particular to support their employees in seizing innovation opportunities. To this end, managers adopt an opening leadership style to inspire their employees to challenge the status quo, to think differently, and to act like entrepreneurs. This leadership style is consistent with the concept of bottom-up idea generation and sensemaking. Managers also create a creative and innovative work environment, which favors developing innovative ideas. In addition, managers grant their teams and employees as much autonomy as possible. Greater work autonomy makes employees more accountable, which in turn empowers them to foster innovation opportunities. Work autonomy is also an antecedent of creativity and personal initiatives.

Research Question 3: How do marketing managers reconfigure their resources for marketing agility?

Four microfoundations of the reconfiguring capability help marketers align their organization for marketing agility: (1) adopt an organic organizational structure; (2) create a culture for marketing agility; (3) adapt marketing processes to support marketing agility; and (4) establish agile practices. These microfoundations are valid for both types of agile market response since they concern the organization as a whole.

First, cross-functional collaboration is key to working on market opportunities emerging from market changes. Hence, marketers work in interdisciplinary groups, allowing them to quickly develop and seize market opportunities. As a result, the firm's organizational structure is impacted: It tends to become more organic, that is, has fewer hierarchical levels, and provides greater team autonomy. That said, these teams are unlikely to become fully autonomous, as managers have an important role to play in fast-moving markets. Specifically, marketing managers must be ready at all times to take the reins of their company when swift responses to unforeseen market events are called for (fast responses). They are also responsible for fueling and supporting bottom-up innovation within their company (innovative responses).

Second, marketing managers support marketing agility by creating a culture of exploration, a culture that tolerates failure, as well as an environment conducive to change. They promote exploration by establishing an environment where employees are empowered to think critically about their business, to challenge the status quo, and to feel free to express their ideas and opinions. In addition, managers support their employees in further developing their ideas. Next, central to creating a culture that tolerates failure is establishing an environment that accepts that making mistakes is an integral part of seizing market opportunities when facing uncertainty. To facilitate such a culture, companies organize, for example, "fail nights" to discuss failures and related learnings. Finally, the key to creating a culture of change is for employees to understand that uncontrollable changes in the market are positive and can translate into new market opportunities. Employee education plays an important role in this respect.

Third, marketers should adapt two key processes to support marketing agility: employee incentive structures and funding allocation. Marketers create incentives that reward employees for taking measured risks, for stepping out into the unknown, and for experimenting. As for funding allocation, employees may obtain new funding for projects on a rolling basis. In addition, funding can be allocated for each iteration.

Fourth, marketers can turn to agile practices. These practices offer important artifacts (e.g., iteration, prioritization system, interdisciplinary teams) that allow companies to increase agility. However, they pose three major problems. First, it takes marketers considerable efforts to adapt agile practices to marketing needs. Agile practices may become counterproductive if not properly adapted to marketing. Second, marketers might forget that agility should not be seen as a methodology for managing projects but as the ability to adapt organizational activities in fast-moving markets. Third, these agile methodologies by themselves are not enough to become fully agile. It is argued that agility must be developed according to the three core dynamic capabilities (sensing, seizing, and reconfiguring).

5.2 Theoretical Contributions

The previous section has presented the main findings of this study. This section describes, in more general terms, which research streams this study contributes to. This study has made three main theoretical contributions to current knowledge.

First, it offers new insights into marketing agility. Although previous research has acknowledged marketing agility as a key driver of marketing excellence (Homburg et al., 2020), few marketing studies have investigated how marketing managers might best develop marketing agility. This study fills this research gap and contributes to marketing agility research by identifying seventeen microfoundations that enable marketing agility, and that constitute a holistic marketing agility framework.

Second, this study contributes to the marketing literature by distinguishing between two types of agile market responses used by marketing managers to align their

resource base with their business environment. These two types of market response are rooted in whether the company needs to react to or shape its market, and are consistent with the dynamic capabilities framework (Helfat et al., 2007, p. 26; Teece, 2007). Overall, these two agile responses provide a more grained view of marketing agility and its inherent challenges.

Third, this study contributes to the literature on dynamic capabilities. It provides empirical evidence for the sensing, seizing, and reconfiguring capabilities that enable marketing agility. Put simply, the study demonstrates that dynamic capabilities facilitate developing marketing agility.

5.3 Practical Implications

Several important managerial implications can be drawn from the findings.

First, the interviews showed that managers did not always know what marketing agility really entailed and what marketing agility required them to do. The holistic marketing agility framework and its seventeen microfoundations offer marketers a clear view and practical advice for effectively developing marketing agility within their organization. Not only does the framework provide the microfoundations — that is, the skills, processes, and organizational features — of marketing agility pertaining to both agile market responses. It also outlines the microfoundations specific to each response (i.e., fast and innovative).

Second, the dynamic capabilities of marketing agility are intended to help companies adapt to dynamic environments, which are mostly characterized by uncertainty. In particular, this refers to market opportunities emanating from unpredictable market changes or from market events whose effects lead to more uncertainty. The holistic framework of marketing agility derived from the findings of this study has not addressed how a company might operate in other business circumstances. Nor do the dynamic capabilities enabling marketing agility represent a new way of operating an organization as a whole.

Third, not all marketing activities are suitable for marketing agility. Effectual logic implies that marketing activities need to be easily decomposed and tested in the

market. For example, the initiatives in the field of digital marketing suit these requirements. As for developing new products and services, it may not always be possible to develop a minimum viable product or experiment. In this case, marketing managers can refer to the seventeen microfoundations of marketing agility as a reference point and adapt them according to the constraints and barriers they encounter.

Fourth, marketing agility requires marketers to actively collaborate with other departments to drive transformation arising from market changes. By assuming this role, as well as by leveraging their market knowledge and spreading it internally, marketers can elevate their position to a strategic level.

Fifth, contrary to conventional wisdom in practice and existing research (e.g., Teece et al., 2016), becoming agile does not necessarily imply that the importance of managerial authority is declining, nor that hierarchy is outdated. The findings of this study indicate that this is not the case. In the context of innovation, managers still have an important role to play as enablers and coordinators within the company. As for fast responses, these highlight that managerial authority is essential. In some cases, managerial power may facilitate a company's fast response. Overall, the role of managers is increasingly complex in dynamic markets. As demonstrated in this study, managers must be able to juggle different leadership styles depending on the market response. The latter shows that marketing managers must possess many cognitive qualities so as to successfully lead their company towards change.

5.4 Limitations

Like any research project, this study has several limitations. Some of these offer fruitful directions for future research.

First, the present study has faced the usual limitations inherent in its methodological approach. The theories-in-use approach only works when respondents have sufficient knowledge and experience of the nature of the studied phenomena. The main risk is that respondents make claims that do not result from thoughtfully processing meaningful experience but rather from assumptions based on insufficient exposure to the studied phenomena (Zeithaml et al., 2020). To overcome this

limitation, I integrated the findings of this study with insights from previous research, in line with the theories-in-use approach. In addition, I endeavored to identify experts who could contribute to the subject of marketing agility. In this vein, I conducted phone calls, as far as possible, before the interviews with potential informants to introduce the research project and its research questions. These calls helped to ensure that the respondents could share valuable insights into marketing agility.

A second limitation concerns the sample characteristics. Respondents were limited to B2C companies in Switzerland. Future research should additionally include respondents from other markets, industries, and sociocultural contexts. This would allow applying and transferring findings to other contexts.

Third, the microfoundations of the dynamic capabilities revealed in this study are not meant to be exhaustive. The present study should be replicated and challenged by other scholars, which could help identify new microfoundations of the dynamic capabilities supporting marketing agility.

5.5 Future Research Opportunities

Beyond the research directions derived from the limitations, this study proposes three main avenues for future research.

First, the microfoundations identified in this study could be supplemented by quantitative data. Specifically, they could be transferred into verifiable hypotheses and tested quantitatively. This would allow generalizing the findings.

Second, some microfoundations of innovative and fast responses might refer to the concept of ambidexterity (e.g., Birkinshaw & Gibson, 2004; Raisch & Birkinshaw, 2008; Tushman & O'Reilly, 1996). For example, innovative responses require marketing managers to develop new knowledge through *exploration* and to embrace an opening leadership style. As for fast responses, managers need to focus on *exploiting* the current resource base to increase the firm's responsiveness and adopt a closing leadership style. Nevertheless, this study has concentrated on understanding both types of agile response separately and has not considered

ambidexterity, which represents the ability to focus on exploitation and exploration simultaneously (Gibson & Birkinshaw, 2004; He & Wong, 2004; Tushman & O'Reilly, 1996). In dynamic markets, given that market changes could result in both types of responses simultaneously (e.g., the effects of the COVID-19 pandemic), future research on ambidexterity could shed some light on how managers can manage the tension between fast and innovative responses.

Third, while this study has focused on identifying the managerial levers needed to develop marketing agility, future research could build on these insights and investigate the microfoundations of dynamic capabilities supporting marketing agility in more depth. Specifically, future research could focus on the common success factors and challenges marketing managers face while developing these microfoundations. For instance, what are the challenges and success factors of working in interdisciplinary teams? What are the barriers to bottom-up innovation? How do marketing employees cope with greater autonomy? What problems arise when using effectual logic? In light of the growing interest in marketing agility, answers to these questions would be of great interest for academics and practitioners alike.

6 References

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7 Appendices

A Interview Participants

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#	Position	Industry	Role	Language	Date	Duration
First phase						
I-1	Marketing Director	Tabacco	Manager	French	6 April 2020	00:13:14
I-2	Design Thinking Expert	Banking	Specialist	English	7 April 2020	01:13:06
I-3	Project Lead Innovation	Insurance	Manager	English	21 April 2020	00:21:53
I-4	Program Manager, Innovation & Digital	Telecommunications	Specialist	English	23 April 2020	00:42:41
I-5	Group Brand Manager	Fast-moving consumer goods	Specialist	French	23 April 2020	00:45:17
I-6	Global Head of Digital Transformation	Fast-moving consumer goods	Senior Manager	English	29 April 2020	00:27:53
I-7	Communications Lead	Telecommunications	Manager	English	4 May 2020	00:29:59
Second phase						
I-8	Head of Social Media	Tourism	Manager	English	8 July 2020	00:53:49
I-9	Chief Marketing & Experience Officer	Insurance	Senior Manager	French	9 July 2020	02:16:58
I-10	Head of Customer and Channel Management	Telecommunications	Senior Manager	English	6 August 2020	00:56:01
I-11	Business Development Offers & Marketing	Telecommunications	Specialist	German	11 August 2020	00:59:48
I-12	Product Manager	Telecommunications	Manager	German	13 August 2020	01:14:12

#	Position	Industry	Role	Language	Date	Duration
I-13	Head of Marketing Retail	Retailer	Manager	German	27 August 2020	01:20:52
I-14	Chief Marketing Officer	Fast-moving consumer goods	Senior Manager	German	1 September 2020	01:08:13
I-15	Brand Director	Fast-moving consumer goods	Manager	German	1 September 2020	01:23:14
I-16	Brand Manager	Fast-moving consumer goods	Specialist	German	1 September 2020	01:01:24
I-17	Consultant & Project Manager	Advertising	Specialist	French	9 September 2020	01:10:09
I-18	Head of Digital Experience	Insurance	Manager	German	17 September 2020	01:12:45
I-19	Senior Project Manager	Advertising	Specialist	French	18 September 2020	01:07:31
I-20	Head Customer Experience Management	Insurance	Manager	German	22 September 2020	00:53:23
I-21	Head of Marketing & E-Commerce	Insurance	Manager	German	2 October 2020	01:13:04
I-22	Head of Marketing Management	Banking	Manager	German	22 October 2020	01:21:52
Third phase						
I-23	Head of Omnichannel and Marketplaces	Watchmaker	Manager	French	16 December 2020	01:23:28
I-24	Head of Marketing Communications	Insurance	Manager	German	23 December 2020	01:10:34
I-25	Digital Marketing Manager	Education	Specialist	English	2 March 2021	00:48:38
I-26	Head of Marketing Communications	Transportation	Manager	German	12 March 2021	00:50:07
Average						01:01:33
Total						26:40:05

B Interview Guide

Introduction

- Can you describe your current position and responsibilities?

Sensing

- How do you identify sudden changes in your market that are relevant and hence need you to react?
- What prevents you from identifying current market changes?
- Which factors help you identify sudden market changes?
- Once you have identified a market change, what happens internally?
- How do you identify innovation opportunities?
- How do you sense new trends in your market that may have a long-term impact on your customers?
- How do you define your customers' latent needs or future behavioral changes?
- How do you develop innovation ideas internally?
- Which factors help you anticipate the future?
- What prevents you from anticipating the future?

Seizing

- How did you react at the beginning of the COVID-19 pandemic?
- Which measures did you take at the beginning of the COVID-19 crisis?
- What happens internally when you need to react quickly to sudden changes?
- Which mechanisms allow you to respond to these changes quickly/ before your competitors?
- What currently prevents you from responding quickly enough?
- Which factors help you respond quickly to sudden market changes?
- How do you proceed internally in order to seize an innovation opportunity?
- Who decides whether a new opportunity can be pursued? How are these decisions taken?

- Which mechanisms at your company allow you to seize/implement new market opportunities rapidly?
- How do you remain flexible to new information/to market changes while developing a product or service?
- Which factors allow you to be the first mover in your industry?
- What prevents you from seizing innovation opportunities internally?
- How can you more quickly seize innovation opportunities?

Reconfiguring

- How have you reorganized the marketing function for marketing agility/in order to thrive in dynamic environments?
- What needs to be amended at the organizational level to support marketing agility?

Curriculum Vitae

Personal Information

Name	Marco Vario
Date of birth	11 September 1988
Nationality	Swiss & Italian

Educational Background

02/2018 – present	Doctoral Candidate in Management, Specialization in Marketing, University of St.Gallen
09/2010 – 09/2012	Master of Science in Finance, University of Lausanne
09/2007 – 07/2010	Bachelor of Science in Management, University of Lausanne

Professional Experience

09/2021 – present	Director of the Executive Education Programs DAS Sales Executive HSG & CAS Sales Management, Institute for Marketing and Customer Insight, University of St.Gallen
11/2019 – present	Research Associate, Institute for Marketing and Customer Insight, University of St.Gallen
03/2018 – 10/2019	Project Manager, Think Tank Redesigning Financial Services, Institute for Customer Insight, University of St.Gallen
11/2013 – 01/2018	Exchange-Traded Fund Capital Markets Specialist, UBS AG
03/2012 – 08/2012	Exchange-Traded Fund Product Specialist, Credit Suisse AG