Organizational Structures for the Execution of Marketing Activities: A Case Study in Brazil

Track

Marketing Management

Key words

Marketing, Organization, Strategy.

Abstract

Changes in the environment result in changes of strategic business and consequently alter the organizational structures. This work aimed to study the marketing structures. The paper has a theoretical review on the subject and shows a case study from the marketing area of an international company in Brazil. In the literature review, we analyzed classification models that illustrate configurations of structures. The study illustrated the company`s structure and allowed us to make a comparison with theoretical models. The results indicate that the literature and the phenomenon studied can be viewed as a starting point for formulating hypotheses in future studies.

Introduction

The last decades have been marked by frequent changes in the political, economic, social, and technological environments. The time of discontinuity predicted by Drucker in 1968 is nowadays visible and omnipresent in business decision-making (Drucker, 1992). Day (2001) suggests that contemporaneous organizations face a period of growing turbulence and intensified competition. Hence, the current reality of different markets forces virtually all companies to focus their attention on the constant transformations and adaptations of their own businesses. Kotler and Caslione (2009) announce the new

normality of this turbulent age. Companies must simultaneously face cycles of high and low environmental stimuli, which are diverse, unpredictable, and often undefined. These cycles, which may provide opportunities for growth but also difficult crises, bring with them a great amount of risk and uncertainty, which hinder the possibility of making durable predictions or projections. In a nutshell, this century seems to promise that, in order to survive, companies will have to cope with unpredictable situations in complex and chaotic systems with a high degree of uncertainty (Kotler & Caslione, 2009; Peng, 2008). In response to these changes in the business environment, organizations are developing new ways of acting, in their strategies, in their structures, or in both of them.

Gummesson (2005) suggests that organizations shall increasingly depend on dynamic processes and that structures with fixed hierarchies shall be reduced and play less and less of a role on organizational decision-making. Bauer (1999) highlights the importance of deepening the discussion about organizational knowledge, given the challenges that uncertainty imposes in this chaotic period. Additionally, Grönroos (1993) suggests that changes in the relationship between companies and the market influence managerial thought, organizational structures, and the way companies organize their operations and their administrative functions. In this sense, understanding marketing as one basis for organizational strategies implies that marketing activities are reflected in all organizational levels. Hence, the marketing department is no longer the sole responsible for its activities—in fact, its functions partially migrate to other areas of the organization and are implemented by them (Webster Junior, Malter & Ganesan, 2005, Ruekert, Walker Junior & Roering, 1985). Indeed, marketing activities facilitate the interaction of the organization with its environment.

Thus, changes in the business environment motivate studies aiming at understanding new forms of organizing marketing activities. In this line, our paper studies organizational structures of the marketing function and their possible configurations. Specifically, our study reviews the literature about marketing structures and investigates the case of a company commercializing electrical materials for industrial and residential use.

Marketing Structures

Generally, it is assumed that the implementation of marketing strategies by an established organization requires the existence of a marketing structure to develop marketing activities. Decisions concerning the marketing mix, therefore, are often attributed to the coordination of the people involved in the marketing structure. For instance, Rachman (1974)

indicates that with paradigmatic changes occurring in most organizations during the 50's, modern organizational structures were created to conceive and implement an integrated marketing approach. Different from the structures focusing production and sales, the organizational structures emerging during the 50's integrate marketing activities within the core activity of the organization and start acknowledging marketing concepts (Rachman, 1974). This new type of structure bears the responsibility of knowing and answering to the needs of consumers, and must as well manage marketing information, product development, and strategic planning.

Sadles (1976) argues that organizational structures that have a marketing organization whose function is to manage the relationship between the whole business and the market in a way that aims to preserve profitability in the long run will be influenced by five relevant variables: (a) the extent to which the marketing function is clearly distinguished from other organizational functions; (b) the extent to which there are specialized tasks within the marketing function; (c) the way marketing activities are grouped in organizational unities; (d) the configuration of the marketing structures; (e) the organizational arrangements aimed at managing the interface with the market.

Stevens et al. (2001) argue that the coordination within a firm involves combined efforts to achieve a common purpose with the organizational members. These efforts are shared among individuals in an ordered way, such that each member of the organization receives a specific function to help the implementation of the marketing mix. The coordination of the people involved in marketing activities is therefore influenced by the philosophies adopted by the organization, which might emphasize production, sales, innovation, or still marketing. Moreover, marketing structures are subordinated to the more general structures of the organization and, therefore, are aligned to the existent competitive and corporative strategies (Stevens *et al*., 2001). This line of thought also suggests that the implementation of marketing activities can be present in other departments, such as sales, production, institutional communication, research and development, finance, etc. Therefore, the marketing manager might not have the power to change existing structures.

The traditional structure within the marketing domain might take different configurations, depending on the emphasis given by the organization to the coordination and control of marketing activities. Boyd and Massy (1972) classify marketing structures in four different groups: functional, product management, market management, and general management. McDaniel (1979) describes slightly different structures: functional, product-based, geographically divided, and matrix form. Davis (1981) also classifies four forms of organizing the marketing structure: functional, product, market, and mixed (product and market).

Marketing structures might also take different intra-functional levels in organizations. Homburg, Workman, and Krohmer (1999) argue that effective changes in management require support from influential actors working in different areas of the organization. According to them, it is important to form cross-functional teams in order to meet the work demands within the firm. Ruekert and Walker (1987a) developed a framework to evaluate the interaction between marketing and the other organizational functional areas. According to them, situational dimensions, structural dimensions, and resulting dimensions and processes constitute the structure.

Some studies relate the modes of functioning and the interaction between the marketing structure and the other functional areas of the organization. Ruekert and Walker (1987b) highlight the importance of understanding existent conflicts among the different areas and the choice of configuration of the organizational structure. For the inter-relationship between marketing and R&D, the authors suggest the configuration of methods of conflict resolution based on hierarchical mechanisms, which result in increasing formalization between the two functional areas (Ruekert & Walker Junior, 1987b). The formalization between marketing and R&D seems to be positively correlated with the reduction of confusion about the roles of their members and negatively correlated with the degree of conflict (that said, Ruekert and Walker (1987b) considered the degree of conflict in the organizations they studied as being low). In another study, Kahn and McDonough (1996) showed that the interactions between the areas of marketing, R&D, and manufacture, were relevant to improve organizational performance. The authors distinguished interactions in two groups of variables. The first one, named 'integration,' emphasize the exchange of information and the communication among all functions, hence including information flows, transactions, and levels of communication. The second group of variables, named 'collaboration,' refers to team work, value sharing, commitment to common objectives, collaborative behavior, etc. Kahn and McDonough (1996) suggest that both areas of marketing and R&D perform better when the variables of collaboration are more valued, and, although the integration variables contribute to this process, they generally do not influence the interaction between the two functions in a significant way.

Mukhopadhyay and Gupta (1996) studied the interfaces between the areas of marketing, manufacturing, and design, in organizations that are oriented towards their customers. In their study, they suggest that a matrix model of coordination can efficiently reduce the conflicts between the different areas and constitute a way to customize the firm's structure. Through a matrix organization, they argue, the firm can identify critical points of conflict and establish rules of coordination between the areas involved (Mukhopadhyay & Gupta, 1996). Elinger, Daugherty, and Keller (2000) studied the relationship between

the departments of marketing and logistics in manufacturing firms and identified positive associations between these areas. For these authors, increasing effectiveness in the relationship between the departments improves the level of service delivered. The positive associations are related to higher levels of collaboration and effectiveness in the relationship, whereas the negative associations seem to happen in inter-department interactions that are based on report. In this case, mere increasing the volume of information available to the different parties, through reports or memos for instance, does not improve the effectiveness of the inter-department relationship—which corroborates the findings of Kahn and McDonough (1996).

Chimhanzi (2004) analyzed the relationships between the areas of marketing and human resources (HR) in service firms. According to her, relationships between these two functions depend on their respective purposes. The integration between marketing and HR becomes more effective in terms of organizational results when the firms establishes a system of shared incentives; in this case, sharing results contributes to reduce inter-departmental conflicts. Another factor that improves the development of both areas is the strengthening of internal social networks, which foster perceptions of interconnectivity and interdependence between marketing and HR managers. Variables related to levels of communication; however, do not seem to influence the relationship between the two areas in a significant way. All in all, Chimhanzi's (2004) findings reinforce those of Elinger et al. (2000) and Kahn and McDonough (1996).

Thus, research on the interaction between marketing and other functional areas shows that coordination mechanisms present in traditional structures are not enough to integrate and align the different areas. As shown by Chimhanzi's (2004), Elinger et al. (2000), and Kahn and McDonough (1996), the collective performance of the different areas improves when they realize that they are part of the same team and have shared objectives. These findings suggest the development and use of organizational structures able to simultaneously coordinate and integrate different areas. The organizational form that seems to be better suited for this is the matrix structure (Lundgren, 1974; Daft, 1995; Burton & Obel, 1998; Vasconcellos & Hemsley, 2002).

Lambin (2000) argues for the use of organizational structures that allow inter-functional coordination in order to tap markets requiring a strong market orientation. Again, the recommended structure in this situation is constituted by a matrix with a functional axis and another axis constituted by teams with a market orientation. Lambin (2000) thus reinforce the idea that the use of matrix structures favors inter-functional performance and is beneficial for the relationship between the area of marketing and the other functional areas of the firm. In addition, Cravens and Piercy (2008) suggest a matrix design in

which the marketing area can execute its activities through two axes: the product function and the marketing function. Specifically, the function of sales is organized based on geographical location, whereas the focus on each product is ensured by the product managers.

According to Achrol (1991), despite the significant environmental changes that took place at the end of the last century, organizational structures for the execution of marketing activities are still organized too often on a functional basis. The author argues that these organizational structures must be reviewed, particularly in a dynamic environment. He advocates two new forms of organizing marketing activities, one based on 'marketing exchanges' and another based on 'marketing coalitions.' The organization based on marketing exchanges is centered on markets and consumers. Such organization works as a center for market information and complex exchanges. These exchanges refer not only to exchanges of final products, but include also exchanges of critical skills and information. Hence, this organization based on marketing exchanges involves functions and reciprocal obligations within the firm. It is intensively organized by means of work interactions through functional networks and marketing information. On the other hand, organizations based on 'marketing coalitions' work through a coalition of marketing firms. Such coalition is achieved by the use of specialized marketing firms which play specific roles in networks of strategic alliances. The main difference between organizations based on exchanges and those based on coalitions resides in the level of interaction among the diverse nodes of the network. Whereas exchange-based organizations work on the basis of punctual market exchanges, coalition-based organizations work with a coordination system that resembles a single organization. Both types of organization work if objectives are shared and members are culturally aligned and make a long-term commitment to raise the level of reciprocal trust in order to avoid potential conflicts.

The fragmentation of the marketing department in new organizational structures is also reported by George, Freeling, and Court (1994). According to these authors, it is possible to reinvent the organization by aligning it to the marketing focus and dismantling the traditional departments. They suggest that the future marketing organizations will create competitive advantage through specialized teams oriented towards integrative marketing processes (George, Freeling, & Court, 1994). In these organizations, integration is enabled by individuals whose main function is to guide the activities throughout the value chain in order to maximize long-term profitability. In practice, these individuals must understand value creation and identify market segments that the firm should reach. Such individuals will work in the value chain in order to develop strategies focused on the consumer and they will lead multifunctional teams that will be responsible for the implementation

of those strategies. George et al. (1994) classify such individuals in three types: (a) integrators of consumers; (b) integrators of products; and (c) full integrators.

In a study conducted with 30 firms, 12 scholars, and 8 industrial experts, Homburg, Workman, and Jensen (2000) classified marketing organizational structures in six basic configurations, according to the focus of action vis-à-vis the customer. These configurations include, directly or indirectly, most of the marketing structures cited so far. In an order that corresponds to the different degrees from a product orientation towards a consumer orientation, the six configurations are the following: (a) functional organization; (b) business unit focused on product; (c) marketing and segmentation management; (d) simple sales force; (e) sales force oriented towards markets; and (f) business units focused on the consumer.

In the order proposed by Homburg *et al.* (2000), each structure has different characteristics from the precedent one and follows a trend towards the configuration of business units focused on the consumer. The structure based on business units focused on products represents a change in the simple functional structure, which acquires multidivisional characteristics. In the multidivisional structure, a corporation constituted by different business units focused on products, each business unit has its own functional structure including marketing and sales (Homburg *et al*., 2000). In the third structure, the corporation constituted by business units focused on products which also include marketing and segmentation management, the marketing function includes the coordination of informal activities of management and market segmentation for the business units (Homburg *et al*., 2000). The transition from the third structural form to the fourth, the simple sales force, represents a significant change in the reorganization of the firm, since the sales force starts to work together with and at the same level as the business units. In this fourth configuration, the business units operate with their own functional areas but share the same simple sales force structure. Generally, such sales force is regrouped by territorial divisions (Homburg *et al*., 2000). The fifth structural form is still based on the sales force. However, in this configuration each relevant market has its own sales force. The configuration of sales force divided in markets tends to require marketing resources. The market managers work in order to support the sales force, instead of being exclusively subordinated to the marketing department (Homburg *et al*., 2000). The sixth organizational form emphasizes a change in the focus of the organization, which shifts from the product to the constitution of business units oriented towards the consumer. This configuration also changes internal systems of the organization. Different from the other organizational forms that mainly change in terms of structural coordination, the sixth structure of Homburg *et al*. (2000) requires that managers focus on serving the market and the different market segments targeted by the firm. The business units gain in autonomy and become responsible for the

decisions related to the development of their products and services, and have the option to acquire them from other internal or external business units. The business units that focused on products become suppliers of the business units oriented towards the consumer, and the activities of marketing, financial, and human resources, gain in complexity and in interactivity, permeating the whole organization (Homburg *et al*., 2000).

Ruekert, Walker, and Roering (1985) developed a contingency approach to structure activities within the different configurations relating the environment and the organization's objectives. According to them, organizational structures can be bureaucratic, organic, transactional, and relational. The transactional and the relational marketing structures proposed by Ruekert *et al*. (1985) suggest that marketing activities can be outsourced to other organizations at a transactional or at a relational level. Achrol (1991) argues that new marketing structures transcend traditional marketing structures and act through transactional interactions and/or coalitions with other firms. For Homburg *et al.* (2000), organizations can establish autonomous groups that take the responsibility to outsource activities to external organizations or internal organizational areas, depending on the emphasis given to a consumer focus.

This discussion reinforces the idea that marketing activities might be often executed outside the organization's marketing structures. This suggests that there are multiple alternatives for the configuration of organizational structures, which can cause an apparent decrease in the importance of the marketing function within the organization.

Despite the current paradigm, which emphasizes the importance of a marketing perspective for corporate and competitive strategies, organizational structures tend to reduce the scope of action of their marketing departments given the multiple alternatives for structural configuration. According to Webster, Malter, and Ganesan (2005), marketing is nowadays less of a department and more of a diaspora of skills and capabilities that are dispersed in and out of the organization. The same authors report a decrease in the budget and in the influence of the marketing department within many organizations, in some of which marketing departments also went through painful processes of downsizing. Many of the traditional marketing activities, such as clients' account management, product development, pricing, and the definition of distribution channels; have been reallocated to other strategic business units. Functions related to the management of marketing information systems are in some cases attributed to marketing and in others attributed to other functional areas. Finally, many firms are reducing their marketing functions to communication and brand management (Webster jr. *et al.,* 2005).

Thus, the literature suggests that organizational structures tend to shift to a more fluid configurations based on hybrid structures that may take diverse designs (Day, 1999). Moreover, marketing activities are less and less concentrated in departments or identified to specific employees within the organization (Gummesson, 2005).

Methods

Our exploratory empirical work allowed us to observe how the concepts reviewed in the literature are actually translated in a real organization. We used mainly qualitative research techniques based on interviews and analyses of documents from the focus organization, given that our goal was to deepen our understanding of the complexity of the problems related to the organizational structures dedicated to marketing activities (Selltiz *et al*., 1965).

We opted to focus on a case and to adopt case study technique of Yin (2001) for several reasons. First, case study methods enable the researcher to approach a contemporaneous phenomenon within its real life context, being particularly useful when the limits between the phenomenon and the context are not clearly defined (Yin, 2001). We believe this is the case of our phenomenon of interest, because the boundaries between the execution of marketing activities and the organizational structures that shape such execution are difficult to identify. In addition, Bonoma (1985) suggests that case studies are useful in marketing research when the phenomenon cannot be studied out of its natural context and when it is not easily measurable. Therefore, we decided to focus our analysis on a single case study, in order to delve into the organizational complexities of the participant firm and explore the nuances of our subject. Overall, our case study followed an instrumental approach aiming at the generation of new insights (Stake, 1995).

Our fieldwork was done within a big European corporation which commercializes electric material worldwide. For confidentiality reasons, we shall not display its name. For practical reasons and to understand a Brazilian context, we focused most of our research efforts on the corporation's business units localized in Brazil.

Data collection was done through the search and analysis of documents available in the public media, through private documents provided by the organization, and through a total of six interviews with managers, sales directors, and marketing directors. We tried to reach a diversity of managers in the areas of marketing and sales given the assumption that marketing activities could be dispersed in different areas of the organization (Webster Jr, Malter & Ganesan, 2005). All phases of

preparation, data collection, and analysis, followed a pre-established research protocol that followed the general guidelines from Yin (2001) and was made available to the organization.

Case analysis

Summary of the firm

The focal organization is a global company specializing in products and services for electrical distribution, and industrial automation and control. With annual revenues beyond 8 billion dollars, the firm is present in over 100 countries and employs over 70 thousand people. It aims to achieve the highest technological levels, following the main international and national security and quality norms. The company has several international brands that are present in important global markets such as energy, infrastructure, industry, construction, and residential. The company also has several specialized business units all over the world, oriented towards industrial automation, distribution of electric power, and specialized services in the electrical sector. The main production units in Brazil are situated in the southeast, which is the region where the local headquarters are also located.

Marketing structures within the firm in Brazil

The marketing structures within the firm are allocated in the commercial department, in the marketing department, as well as in similar departments situated in each business unit. The organizational structures located in the commercial department are responsible for managing distribution channels and direct relationships with current and potential clients. The organizational structures under the marketing department and their corresponding departments in the business units are responsible for market analysis, product development, marketing communication, and definition of pricing strategies. There is a very intense interaction between the commercial structures and the marketing structures.

The functional interaction between marketing and sales is not done through a direct matrix configuration, but is unfolds in the relationship between the product managers and the commercial managers of the firm. In order to provide a better understanding of the structure and the relationship between marketing and sales, we describe below each of the departments involved in marketing activities.

The marketing department is organized around support activities and product management teams. There are seven product management teams, plus one analyst and one assistant. Both the analyst and the assistant work provide support to the Director of Marketing. The management teams are separated in product management, creation of solutions to the final users, and communication and training.

The Communication and Training Team (CTT) was recently restructured (two years before our data collection) and absorbed the roles and the responsibilities previously attributed to two teams, named respectively 'Institutional Marketing' and 'Training.' At the time of our fieldwork, CTT was responsible for the whole institutional marketing communication of the firm, as well as for the training and communication related to the products and solutions provided to clients (except for product offers done by the business units). Thus, CTT has to work closely with the product management teams and must support the commercial teams. We could hence infer, in particular from the interviews we conducted, that the CTT operates in a matrix mode with the product management teams.

Despite the fact that the whole company underwent a strong realignment in order to have all its structures oriented to the market, the product management teams grouped by use in the firm are still the main responsible for the development, launch, and offer of products and solutions. These management teams are separated in five product groups: (1) Industrial Automation; (2) Industrial Control; (3) Electricity Distribution; (4) Monitoring and Power Control; (5) Building Management Systems. However, at the time of data collection the firm's goal was to realign these management teams in order to create an organizational structure that would be closer to the markets served by the company. In this new configuration, each product management team would be organized by group of products and solutions oriented to the market segments they serve. As an example, Industrial Automation and Industrial Control would join their management teams. At the time of data collection, the fusion among these two teams had already started. The goal of the Direction of Marketing was to group the five product management teams into three teams organized by groups of products and solutions to specific markets.

Each product management team has product managers and product engineers who are responsible for specific lines of products within the total offer managed by the team. These engineers are supposed to define the configuration of products and the marketing strategies for the Brazilian market under the supervision of the product manager. Hence, product engineers are subordinated to product managers.

The Team for Solutions for the Final Users (TSFU) is a relatively new structure within the Marketing Department. Created after 2007, the TSFU has the goal to organize market information around the verticals defined by the firm. Hence, it works closely with the product management teams. At the time of data collection, the TSFU developed its activities together with the Industrial Automation management team. Under the Manager of the TSFU, there are seven employees specialized in each of the verticals defined by the firm[1].

Indeed, the TSFU works in a matrix mode with the Industrial Automation management team. Each vertical responsible supports the product managers and engineers in establishing the positioning of the offer in the market segments targeted by the company. After the fusion with the Industrial Control management team, the resulting management team would also collaborate with the TSFU.

The Commercial Department seems to be more matrix-based than the Marketing Department. It has two main axes: one related to the geographic location; the other aligned to the distribution channels of the firm. Other management teams complete this matrix and are responsible for direct contact with the customer and for the management of strategic accounts. In the organization's chart, there are nineteen commercial management teams. These are thirteen regional management teams, four teams managing channels, one management team for Strategic Accounts, and one team called 'Customer Center' (which focuses on electronic and phone contact with the customers).

The axes formed by the regional management teams constitute the structural form through which the firm serves the majority of its industrial and governmental customers. Each regional management team is allocated to a sales territory that is defined by the Direction and is responsible for the management of the resources allocated in the physical structures of its headquarters. The exceptions are the management team of the state of São Paulo, which has as headquarters the central administrative structure of the company in Brazil, and the subsidiary located in the city of Curitiba, state of Parana, whose

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1 We were not allowed to disclose the names of the verticals.

headquarters are located in the factory the firm owns in this state. The company has subsidiaries in other cities of the state of São Paulo, as well as in other parts of Brazil.

The regional management teams align their activities to the policies defined by the channels' management teams and also follow guidelines from the action programs elaborated by the product management teams of the Marketing Department. There is a clear division of roles between the subsidiaries and the Marketing Department. The subsidiaries are responsible for the implementation of the firm's action programs, whereas the product management teams are responsible for defining the schedule of visits, the priority clients, the communication strategies, the prices, and the target market segments.

The channels management teams are specialized in each of the distribution channels of the firm. At the time of data collection, there were four channel management teams: Machine Manufacturing (MM); OEM clients; Distributors (DO); and System Installation (SI). As previously mentioned, these management teams coordinate the regional teams according to the specialization in each channel. Thus, regional teams have a double subordination. The channel management teams have functional authority over the consultants (promoters) and application engineers. The main functions of the channel management teams consist in aligning the sales strategy for each channel and supporting the small regional teams, helping the more generalist consultants. The relationship between the channel management teams and the regional teams may be very intensive; for instance, in the subordination of the application engineers to the manager of the channel for System Installation (SI).

The national management of strategic accounts at the Commercial Department is oriented towards the big customers of the firm. There are 11 managers of specific accounts under the supervision of the Manager of strategic accounts. Each manager of specific accounts is responsible for dealing with clients directly related to a vertical, or to a vertical's segment. We observed, however, that some specific account managers were changing their scope of action. In one of the vertical dedicated to an agro-industrial segment, the Manager of strategic accounts prospected more than only big clients to the firm. In addition, he was increasingly helping the consultants allocated in the regional teams that dealt with the clients of this vertical. This new attribution of the account management team might develop into a new matrix dimension, one defined by markets. Nonetheless, no informant told us what the intention of the Commercial Department on this subject really was, and no document provided by the organization contained information on intentions and potential deadlines for this specific structural change.

The Customer Center management team at the Commercial Department is responsible for the direct contact between the firm and its current and potential customers. Specifically, this team ensures the services of help desk, call center, and technical assistance. The help desk service is mainly responsible for answering customers' questions and clarifying doubts about the use and application of the firm's products. The call center is a direct sales channel which has specialists in after-sales treatment, sales analysis, and ordering. The technical assistance is responsible for verifying guarantee conditions and sending products to be repaired or replaced. Overall, the Customer Center team deals with contingent situations coming from phone calls or electronic messages from customers. In case the competencies that are necessary to solve a problem or to finalize a sales agreement in a given situation are lacking in the team, the Customer Center transfers the call to other teams in the Commercial or in the Marketing departments.

The relationship between the organizational structures situated in the Sales Department and those located in the Marketing Department is relatively informal and intense. In our fieldwork, we could identify the need to integrate the Commercial and the Marketing areas of the firm. We also observed a better integration between product managers and regional managers. As we confronted the interviews of managers from the Marketing and the Commercial departments, we did not find any divergences on the separation of responsibilities and on the work ethic in both sides. We also did not hear about any cases of resistance concerning the need to share information and follow activities proposed by other management teams.

The structures of marketing in the business units linked to the mother company are similar to the ones found in the Marketing and Commercial departments. The only difference is that these organizational structures for the execution of marketing activities within the business units are under the supervision of the Director of the business unit. Hence, it is through the Direction of the business unit that the marketing actions of the business unit are followed and supported by the Commercial and Marketing departments of the mother company. There is no direct subordination between the commercial and marketing areas of the business unities and their respective departments in the structure of the mother firm in Brazil. An example of the business units' structures can be seen in the structure of the marketing team at the residential and building business unit. The marketing team directly reports to the residential and building department in the business unit. According to one interviewee, there is not direct connection between their activities and the Marketing Department at the mother firm. The only exception concerns issues related to the corporate image of the organization. Other than that, business units work in an autonomous way vis-à-vis the main organization structure of the firm.

The same interviewee evokes the idea of migrating the brand defined for the whole firm. This is one of the few issues that are directly influenced by the Communication and Training Team, from the Marketing Department. Other actions that are under the supervision of management teams outside the business units relate to the supply of information to feed internal and external institutional communication and to the accountability needed to elaborate the consolidated marketing report of the firm in Brazil provided to the global mother company.

The marketing team of the residential area includes product managers and marketing professionals for the communication activities. In the marketing team of the business unit, the functions related to marketing communication are concentrated in the hands of one single person, just as in the Marketing Department, but they are also attributed to different individuals. There are managers responsible for the activities of merchandising, fairs and events, training, and promotion of specification and customer relations. Nonetheless, due to the process of concentration of brands and to the need to realign marketing structures to the guidelines established by the global mother firm, it is likely that the organizational structure of this team will change.

Discussion

Our fieldwork allowed us to revisit several concepts from the literature. In the case study we found theoretical elements about the marketing structures that deserve further analysis.

From the data collected and the portrait of the company established above, we can infer that the Marketing and Commercial departments have a strong influence on the competitive decisions of the Brazilian subsidiary and that the other departments assist and support the company's operations in Brazil. Both the Marketing and the Commercial departments have matrix characteristics. These structures facilitate the coordination needed to the effective execution of marketing activities. However, there is a formal separation with horizontal differentiation in the marketing activities developed by the two departments. The Commercial Department is responsible for managing distribution channels and customer relationships, whereas the Marketing Department holds the functions of product development and launch, market and consumer behavior analysis, pricing, and marketing communication. In the Commercial Department there is a matrix with two dimensions. One dimension is related to the division of tasks by geographic region through the regional management teams; the other is constituted by the channel management teams. In addition to this matrix, there are two structures that manage strategic

accounts and treat directly with customers by phone and electronic media. There is a more pronounced vertical organization in the Strategic Accounts management team, which is organized by managers of big accounts separated by market segments. Another reported fact is the trend suggesting that these specific accounts management teams might become a third dimension for the matrix of the Commercial Department in the near future.

Within the Marketing Department there are two well defined matrix structures. The first one is constituted by the product managers and by the Communication and Training management team. The second matrix is formed by the automation product managers and the management team specialized in market segments. There is, however, a gradual structural reconfiguration taking place. Gradually, the decision balance found in the product-market matrix is migrating from the product to the market. This can be seen in the changes the product management teams are going through within the department.

The firm's business units have their own marketing structures which are separated from the Marketing and Commercial departments of the mother organization. We notice a relatively high degree of decentralization in the execution of marketing activities. However, the configuration of management teams under the supervision of the business units' directors replicates the structures found in the mother organization. Hence, we identify a predefined standard in the way of organizing the firm.

The structural configuration of marketing activities in our focal firm can interpreted with the conceptual lenses presented by Homburg *et al.* (2000). The focal firm is moving in the continuum from an organization with marketing structures focused on products towards an organization restructuring its sales force towards market segments and business units focused on the customer. That said, it is not clear which of the two options—sales force restructured towards market segments or business units focused on the customer—will be chosen.

Nonetheless, it is clear that marketing and sales structures are changing. Such changes seek to move towards structures that will be more organic than the current ones. The increasing relevance attributed to the market orientation within the organization suggests that there is a growing attention to the competitive environment and an understanding that marketing strategies do influence competition dynamics. The communication in the interactions between the different management teams of the Marketing and Commercial departments, as well as the relationships between the marketing and commercial structures present in the business units, indicates such interactions are intense and generally informal. The interactions

between the departments of the mother organization and the business units suggest that the firm is developing its activities in environments facing increased uncertainty.

Finally, throughout our fieldwork, we did not observe any signals of what the literature describes as a loss of the marketing identity. Despite the fact that the marketing functions in our focal company were separated in two areas (commercial and marketing), both were very conscious about the role and the importance of marketing to the achievement of objectives.

Conclusion

In this paper we discussed the concepts of organizational structure related to the execution of marketing activities. In the literature review, we analyzed some typologies describing the main structural configurations of marketing reported in the literature.

These typologies are actually useful for describing marketing structures and their context within contemporaneous organizations. Given an increasingly unpredictable and chaotic environment, a relatively large set of alternatives for organizational configuration exists. The case study illustrated one of these alternatives, in which marketing activities are based in business units and internal matrixes present in two departments that share marketing responsibilities (the Commercial and the Marketing departments).

From this case, we gain insights about the transition of marketing activities from a product orientation to a market-based orientation. We see, for instance, that when the firm's strategies become more competitive, marketing activities tend to migrate from departments established on a functional basis and become shared and executed by other organizational structures.

To sum up, our findings show some congruence between the types of organizational structures described in the literature and the marketing structures found in a big corporation. At the same time, they also provide a few insights about the

transition processes underlying changes in marketing structures. Such insights call for further research on marketing structures, before any attempt to generalize findings can be undertaken.

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