The influence of organisational culture on dynamic marketing capabilities

A case study in the e-tail industry

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Abstract

Title: The influence of organisational culture on dynamic marketing capabilities - a case study in the e-tail industry

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Purpose and research question

The purpose of this research is to explore how dynamic marketing capabilities in international e-tail companies are influenced by organizational culture. Furthermore, the aim is to contribute to the theoretical field of marketing capabilities, as well as providing practical implications to managers in international e-tail companies.

How does organisational culture influence dynamic marketing capabilities in international e-tail companies?

Method

The study is conducted with a qualitative method and an abductive approach, using a single case study design. The empirical data consist of eight semi-structured interviews with people at the company Scandinavian Design Center, in addition to secondary data and observations on site.

Findings

The results of the study indicate that characteristics from four types of organisational cultures, including entrepreneurial, team, hierarchical and rational can influence DMCs positively and negatively on two levels: incremental and renewing. Team culture influences DMCs positively on both levels, while entrepreneurial culture has both positive and negative influence on different levels. Hierarchical and rational culture negatively influence DMCs on both levels, except when it comes to formal roles and articulated goals, which positively influence both incremental and renewing DMCs.

Keywords

Dynamic marketing capabilities, marketing capabilities, dynamic capabilities, organisational culture, the competing values framework, e-tail, retail, international marketing
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Thank you!

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1 Introduction

In this chapter, the subject of the study will be introduced. Following a background of the topic, a problem discussion will lead up to the purpose of this study, in addition to the research question it aims to answer.

1.1 Background

The competitive environment of international retail companies is increasingly characterised by uncertainty and dynamism, and in order for them to compete, it is crucial that they are able to adapt to market change (Wilden, Gudergan, Nielsen & Lings, 2013). Varying demand, changes in consumer behaviour and expectations, or threats from competitors, are all examples of external forces that retailers need to adapt to in order to sustain a competitive position (Lyus, Rogers & Simms, 2011). Day (2011) discusses what he defines as a gap between complex, rapidly changing markets and firms’ ability to adapt, and argues that this gap is widening due to new technology, social media and consumers’ increased knowledge and ability to share information. Whereas retailers previously needed to actively seek consumers’ feedback, they today find themselves overwhelmed with consumer information that is constantly changing (Day, 2011; Halliday, 2016; O’Brien, 2011). Due to such disruptive effects of technology-empowered consumers, Day (2011) argues that firms’ responsiveness to market change is increasingly important in order to sustain a competitive advantage.

The responsiveness of firms’ resources and capabilities to dynamic markets has in research primarily been conceptualized as dynamic capabilities. The dynamic capabilities approach, first defined by Teece, Pisano & Shuen (1997) as a firm’s ability to integrate, build and reconfigure internal and external resources to address rapidly changing environments, is according to research (e.g., Drnevich & Kriauciuunas, 2011; Wilden et al., 2013; Zollo & Winter, 2012) considered an important approach to achieving competitive advantage in today’s turbulent markets. Being extended from the resource based view, this view does not only emphasize the importance of resources and operational capabilities, but rather, their responsiveness to turbulent market conditions (Teece et al., 1997). Included in the dynamic
Capabilities is a firm’s ability to sense, learn, integrate and coordinate new knowledge as a response to market change (Teece et al., 1997).

Similarly to the dynamic capabilities approach, market orientation has been given attention in international marketing research, and is, in addition, considered to be positively related to competitive advantage (e.g., Angulo-Ruiz, Donthu, Prior & Rialp, 2014; Kumar, Jones, Venkatesan & Leone, 2011; Mahmoud, 2016). Market orientation enables firms to gain a deeper understanding of their customers and competitors and is therefore considered to be a contributor to long-term competitive advantage (Gao, 2017). The primary building blocks of market orientation consist of marketing capabilities (Lin, Hsu & Yeh, 2015), which include marketing resources, marketing specific end results, and the process between them (Angulo-Ruiz et al., 2014). Such resources, results, and processes relate to a company’s marketing functions, such as brand management, customer relations management or advertising (Morgan, Vorhies, & Mason, 2009).

As marketing capabilities and dynamic capabilities have been considered sources to sustained competitive advantage, the combination of them have in the recent years received attention. In the field of marketing research, a number of researchers has recently considered the need of dynamism in marketing capabilities in achieving sustainable competitive advantage, and viewed them from a dynamic capabilities perspective (Lin et al., 2015; Wilden & Gudergan, 2015). By combining insights from research on dynamic capabilities and marketing capabilities, the term dynamic marketing capabilities (hereafter DMCs) has been proposed by some authors (Bruni & Verona, 2009; Dacko, Liu, Sudharshan & Furrer, 2008; Fang & Zou, 2009; Wang, Hu & Hu, 2013). Fang and Zou (2009) define DMCs as the responsiveness and efficiency of marketing processes for creating and delivering superior customer value as a response to changes in the market. What distinguishes DMCs from dynamic capabilities is according to the authors primarily the focus on customer value. Furthermore, changes in the market refer more specifically in the context of DMCs to customer changes, as opposed to the more broad view of market change that is undertaken in dynamic capabilities theory in general (Fang & Zou, 2009). Bruni and Verona (2009) view DMCs as dynamic capabilities (as defined by Teece et al., 1997) specifically aimed at developing, releasing and integrating market knowledge. Wang,
Hu, and Hu (2013) define the concept of DMCs in their article as capabilities that allow firms to identify important market signals, evaluate new processes or services, and design and execute effective responses to market change. Hariandja, Simatupang, Nasution & Larso (2014) describe DMCs as the ability to create new resources, identify, respond to and exploit changes. This ability is classified into market sensing, learning, and market targeting or positioning.

The theoretical concept of DMCs is relatively new and, as visible from the aforementioned definitions, described in slightly different ways by researchers. The definitions include more or less broad areas within companies, where some include marketing activities only, while others include all activities within a company that may be reconfigured as a result of new market knowledge. In this study, where the focus is on the dynamic aspect of marketing capabilities, the definition that will be used onwards when referring to DMCs is Fang’s and Xou’s (2009) that describes the concept as the responsiveness and efficiency of marketing processes for creating and delivering superior customer value as a response to changes in the market.

1.2 Problem Discussion

As marketing capabilities in previous research have been identified as one of the most important sources of competitive advantage (e.g., Cacciolatti & Lee, 2016; Eisend, Evanschitzky & Calantone, 2016; Qun & Sousa, 2015), further research on their dynamism is highly relevant for both researchers and marketing managers. Turbulent market conditions, including varying demand, trends and new technology, is something retailers increasingly need to handle (Lyus et al., 2011). Therefore, it is highly relevant to investigate the concept of DMCs in such organisations. In order to address the theoretical issue of DMCs, it is essential to first get an overview of previously conducted research in the area. A pattern within the research is that there appears to be two major parts of the concept, besides its conceptualization, that are studied, namely their outcomes and antecedents (Barrales-Molina, Martínez-López & Gámez-Abad, 2014; Bruni & Verona, 2009; Hariandja et al., 2014; Wang et al., 2013).

Fang and Zou (2009) conceptualize DMCs as interrelated functions, critical to creating customer value, that serve as mechanisms for resource combination,
integration, and deployment. More, extensively, Barrales-Molina et al. (2014) conceptualize the function of DMCs in a proposed framework. According to the framework, DMCs consist of underlying processes, specific components and enabling factors. These include a firm’s ability to sense, learn, integrate and coordinate market knowledge, their absorptive capacity and knowledge management, in addition to customer relationship management, customer service delivery, external and internal networks, and branding. In addition to conceptualizing the construct of DMCs, Barrales-Molina et al. (2014) emphasise their influence on firms’ competitive advantage and performance. Other researchers that have found the positive impact of DMCs on competitive advantage and firms’ performance are Fang and Zou (2009), who explore the effect they have on international joint ventures and Bruni and Verona (2009) who argue that DMCs provide a more detailed understanding of performance heterogeneity in science-based settings. In addition, Hariandja et al. (2014) who study DMCs in the hotel industry, find that DMCs positively influence service excellence and as a result, the firm’s competitive advantage and performance.

Additionally to consequences of DMCs, Fang and Zou (2009) investigate their antecedents. The authors find that DMCs are influenced by resource magnitude, resource complementarity, organizational culture and organizational structure. In a study by Wang et al. (2013) a model is developed consisting of market orientation, IT infrastructure capabilities and the use of IT in CRM as antecedents of DMCs. Based on this model the authors explore the role of IT in improving the firm’s DMCs. Bruni and Verona (2009) investigate DMCs in the pharmaceutical industry and find that antecedents of DMCs include managerial beliefs, human and social capital and managerial systems. In his conceptual article, Day (2011) identifies a number of organizational characteristics that he finds enhances the dynamism of marketing capabilities. These characteristics include resilience, vigilant leadership and adaptive business models. Evers, Andersson and Hannibal (2012) conduct an empirical study on international new ventures where the influence of stakeholders on the development of DMCs is investigated. The results show that different stakeholder groups, including allied, cooperative, neutral and entrepreneur can influence the learning processes and thereby nature of DMCs. Neill, McKee and Rose (2006) specifically explore the antecedents of a firm’s sensing-capability in the context of
marketing and find that perceived environmental turbulence, open-mindedness and team functional diversity are influencing factors.

The research of DMCs is still rather fragmented and heterogeneous, especially when it comes to the antecedents of DMCs and how they can be influenced. Even though there are a number of studies exploring specific antecedents, there are several contexts and possible factors that have not yet been investigated empirically. For example, research specifically exploring organizational culture as an influencer for DMCs is limited. It is briefly mentioned by Fang and Zou (2009) and Day (2011), however, it has not been the focus of the studies. From reviewing research on antecedents of dynamic capabilities in general, it is evident that organizational culture plays a major role in the development of such capabilities. Organizational culture refers to the shared programming of people’s minds which differentiates the members of an organization from the members of another one (Hofstede, 1991). More simply put, it can be defined as “the way we do things around here” (Schein, 2010). Researchers that have pointed out organizational culture as an antecedent of dynamic capabilities include Oliver (1997), Prieto, Revilla and Rodríguez-Prado (2009) and Barrales-Molina, Benítez-Amado and Pérez-Arostegui (2010). Frequently mentioned characteristics of organizational culture as antecedents of dynamic capabilities are trust, collaboration, values and entrepreneurial attitude (Montealegre, 2002; Augier and Teece, 2009; Eriksson, 2014; Barrales-Molina et al., 2014; Biazzi, 2012; Blomqvist, Hara, Koivuniemi and Aijo, 2004).

As research has found the influence of organizational culture on dynamic capabilities, it is relevant to specifically explore organizational culture as an antecedent of DMCs, too. More specifically, it is not only relevant to investigate if organizational culture affects DMCs; rather, the more essential question is, how, as a detailed study answering such a question has not been conducted previously. Although there may be similarities between the influence of organisational culture on dynamic capabilities and DMCs, it can be argued that the theory exploring the issue in the context of dynamic capabilities may be too general to grasp the issue specifically related to marketing capabilities. In addition, since market change refers to different types of change in the theory of dynamic capabilities and DMCs, it can
be assumed that the antecedents for establishing responsiveness towards it, also may differ.

Antecedents of DMCs have, as visible from the discussion above, been studied in a few different contexts and types of organizations, however, not in retail companies. An argument for specifically studying the issue in retail companies is that they generally have numerous competitors, many potential customers, and relatively low uniqueness in their products. As a result, they rely more on marketing as a source of competitive advantage than other companies (More & Fairhurst, 2003). In addition, international retailers do not only have one turbulent market to adapt their marketing activities to, but a number of potentially different markets with varying demands and trends. Research in the area of consumer culture shows that differences in IT use, service expectations and perceived value vary in different national cultures (de Mooij, 2015; Pookulangara & Koesler, 2011). As a result of such differences, it can be argued that another dimension of dynamism in the marketplace is added for international retail firms, which need to adapt to changes in various markets. More specifically, it is interesting to research DMCs in international e-commerce retail companies, or e-tailers, defined by Chaffey and Ellis-Chadwick (2012) as companies selling products to consumers online. Since online markets are subject to more rapid change and dynamism than offline markets (Wu & Hisa, 2008), DMCs may play an especially important role in such a context. Therefore, a problem that is specifically relevant to consider is, what type of organisational culture enhances DMCs in rapidly changing online consumer markets.

To study organizational culture as an antecedent of DMCs in international e-tail firms has both practical and theoretical relevance. First of all, as previous research show that DMCs have a positive impact on competitive advantage, it would be most relevant for managers to understand organizational culture in the role of developing or enhancing such capabilities. If managers can understand how certain culture enables or disables DMCs, they would to a larger extent be able to consciously work towards creating a culture which encourages DMCs. Theoretically, the findings from this study are of relevance not only for the emergence of DMCs as a theoretical concept, but in addition, to the research area of marketing capabilities in general. With these arguments in mind, the research question is defined:
How does organisational culture influence dynamic marketing capabilities in international e-tail companies?

1.3 Purpose
By conducting an in depth single case study, the aim of this research is to explore how dynamic marketing capabilities in international e-tail companies are influenced by organizational culture. Furthermore, the aim is to contribute to the theoretical field of marketing capabilities, as well as providing practical implications to managers in international e-tail companies.

1.4 Delimitations
As opposed to research on dynamic capabilities in general, where market change generally refers to any change in the external environment affecting the company, this study takes a more narrow perspective on market change. In this study, market change refers only to changes in the market related to consumers, such as demand, behaviour and trends.

1.5 Thesis Outline

Chapter 1 - Introduction:
The first chapter introduces the subject of the study. Following a background of the topic, a problem discussion leads up to the purpose of this study, in addition to the research question it aims to answer.

Chapter 2 - Theoretical Framework:
The theories relevant for this study are presented in this chapter. The chapter consists of two major components that are followed by a conceptual model combining them.

Chapter 3 - Methodology:
This chapter includes the research method, design and approach that was chosen for this study, followed by a detailed description of the research process. Finally, the quality and rigor of the research is discussed by reviewing a number of scientific criteria.

Chapter 4 - Empirical Data:
In this chapter, the empirical data is presented, including interviews, observations and secondary data.

Chapter 5 - Analysis:
The empirical data that is presented in the previous chapter is analysed here, using the previously presented conceptual model.

Chapter 6 - Conclusion:
In the last chapter the research question is answered, based on the analysis in chapter five. Furthermore, managerial and theoretical implications are presented, in addition to limitations and suggestions for further research.
2 Theoretical framework

In this chapter, the theories relevant for the purpose of this study are presented. The chapter consists of two major components that are followed by a conceptual model combining them. Theories of the resource-based view and organizational capabilities, including marketing capabilities, dynamic capabilities and DMCs are what constitute the first component of this chapter, while organizational culture, conceptualised in the competing values framework, constitute the second one.

2.1 Organizational capabilities

Based on the assumption that firm resources may be heterogeneous and imperfectly mobile, the resource-based view assumes that firm resources can explain why some firms outcompete others (Barney, 1991). The resource-based view theory emerges from the idea that competitive advantage is accomplished through a unique set of resources within the firm, which are valuable, scarce and difficult to imitate (Barney, 1991). The resource-based view emphasises the development of capabilities, both tangible and intangible, in gaining a competitive advantage (Wernerfelt, 1984). Grant (1996) defines capabilities as integrative processes by which different types of resources come together to create value. Prahalad and Hamel (1990) argue that a firm needs to develop such capabilities in different functional areas - such as production, R&D and marketing. The following part of this section will define and describe the organisational capabilities relevant to understand the subject of DMCs, namely dynamic capabilities and marketing capabilities. Following this, a review of the literature of the concept of DMCs is provided.

2.1.1 Dynamic capabilities

The concept of dynamic capabilities has emerged from the resource-based view, and was first defined by Teece et al. (1997) as a firm’s ability to integrate, build and reconfigure internal and external resources to address rapidly changing environments. While the resource-based view rests on the assumption that competitive advantage is achieved through a unique combination of resources, Teece et al. (1997) argue with the dynamic capabilities view that competitive advantage is achieved through the responsiveness of those capabilities. Therefore, it is argued that
the resource based view is a static concept, as it does not take change into consideration, while the dynamic capabilities approach does (Easterby-Smith & Prieto, 2008; Teece, 2007). Eisenhardt and Martin (2000) define dynamic capabilities as routines and processes, such as integration and reconfiguration, rather than the ability to perform such routines. In addition, they argue that dynamic capabilities vary with the degree of dynamism in the market: in moderately dynamic markets they are described as detailed, analytic and stable, whereas in highly dynamic markets they are more experiential, simple and fragile. Similarly to the approach of Eisenhardt and Martin (2000), Zollo and Winter (2002) describe dynamic capabilities as routinised activities aimed at developing and adapting operating routines. Furthermore, Zollo and Winter (2002) argue that dynamic capabilities are formed by the coevolution of three learning mechanisms, including experience accumulation, knowledge articulation, and knowledge codification.

Despite the fact that there are differences in the definitions of dynamic capabilities, all definitions do have three major elements in common. First of all, researchers agree that firms operate in markets that to some degree are dynamic, i.e. that market conditions change. Second, all definitions include some element of adaptability or change as a response to dynamic market conditions. Finally, there is a consensus in the literature on the positive effect of dynamic capabilities on firm performance and competitive advantage (Easterby-Smith & Prieto, 2008; Eisenhardt & Martin 2000; Teece, 2007; Teece et al. 1997; Zollo & Winter 2002).

2.1.2 Marketing capabilities
Marketing capabilities can be defined as integrative processes constructed to apply skills, knowledge and resources of the firm to market-related needs, enabling value creation and competitive advantage (Day, 1994). Angulo-Ruiz et al. (2014) define them as marketing resources, processes and marketing specific end results. Simply put, they are organizational capabilities within the marketing function (More & Fairhurst, 2003). The positive impact of marketing capabilities on firm performance and competitive advantage have been found by a number of researchers, who argue that marketing capabilities are essential to a firm’s sustained competitive advantage (Cacciolatti & Lee, 2016; Eisend et al., 2016; Qun & Sousa, 2015; Vorhies, Morgan & Autry, 2009). According to Yu, Ramanathan and Nath (2014) marketing
capabilities include knowledge of customers and competition, in addition to skills in segmenting and targeting, advertising, pricing, and integration of marketing activity. Moorman and Day (2016) describes market sensing, relational capabilities, brand management, strategic marketing planning, and special functional capabilities related to the marketing mix (e.g. pricing, marketing communications, and sales) as the primary marketing capabilities of firm.

In retail firms, More and Fairhurst (2003) categorize marketing capabilities into four major contexts: customer service capability, store image differentiation, external market knowledge, and promotional capability. Customer service capability includes the delivery of quality products, services and handling of customer complaints, while store image differentiation refers to the uniqueness of the retailer’s external image. External market knowledge involves knowledge about current and potential customers, competitors and industry trends. Promotional capability refers to the degree of effectiveness in differentiating their store/brand through advertising (More and Fairhurst, 2003).

2.1.3 Dynamic marketing capabilities
Through the combination of the theoretical fields marketing capabilities and dynamic capabilities, the dynamic aspect of marketing capabilities is explored by a number of researchers, who define the combination of the concepts as dynamic marketing capabilities (Bruni & Verona, 2009; Dacko, Liu et al., 2008; Fang & Zou, 2009; Wang et al., 2013). With the assumption that different firms possess unique combinations of marketing resources, Vakratsas and Ma (2009) argue that firms’ responses to dynamic market conditions also will be unique. As a result, DMCs can be viewed as a source of competitive advantage (Vakratsas & Ma, 2009). More specifically, Wang et al. (2013) define that the existence of DMCs can help the firm adjust their marketing content to increase sales, more effectively serve customers and enhance long-term customer relationships (Wang et al., 2013). Day (2011) means that marketing capabilities are in the forefront of the firm’s ability to react to market change since market activities include close connections to the market. As a result, Day (2011) argues that DMCs are specifically important for a firm’s sustainable competitive advantage.
Fang and Zou (2009) define DMCs as the responsiveness and efficiency of marketing processes for creating and delivering superior customer value as a response to changes in the market. Furthermore, they emphasise the creation of customer value as the major focus of DMCs. Fang and Zou (2009) argues that although research on market orientation is closely related to DMCs, the two concepts need to be distinguished. While market orientation refers to the firm’s strategic orientation and their vision of being adaptive to consumer’s needs, DMCs refers to specific capabilities in functional areas of marketing to respond to market change. Therefore, market-oriented firms may or may not possess DMCs (Fang & Zou, 2009). Nevertheless, Day (2011) argues that a market-oriented firm is more likely to develop DMCs than others. According to Fang and Zou (2009), DMCs can be understood by the speed of which a firm’s processes of creating and delivering customer value respond to changes in the market.

Barrales-Molina et al. (2014) have based on Fang’s and Zou’s (2009) definition and other previous research of dynamic capabilities and DMCs constructed a framework to explain the concept of DMCs, consisting of underlying processes, specific components and enabling factors. The underlying processes defined in the DMCs framework are based on the dynamic capabilities construct by Teece et al. (1997) and consist of the firm’s capability to sense, learn, integrate and coordinate market knowledge as a response to market change. The specific components are defined as absorptive capacity and knowledge management. Absorptive capacity is needed for the firm to absorb new market knowledge, which thereafter is dependent on efficient knowledge management to be integrated into the existing resource base (Barrales-Molina et al., 2014). Finally, Barrales-Molina et al. (2014) argue that DMCs have a number of enabling factors, such as customer relationship management (CRM), customer service delivery, external and internal networks, and building brands. These can be related to the functional marketing capabilities that Moorman and Day (2016) define as relational capabilities, brand management, strategic marketing planning, and special functional capabilities related to the marketing mix.

Building on existing literature on dynamic capabilities (Zollo & Winter, 2002; Ambrosini, Bowman & Collier, 2009), Evers et al. (2012) introduce three levels of DMCs, which consist of incremental, renewing and regenerative capabilities.
Incremental DMCs refers to the gradual adaption of a firm’s current resource base and includes minor alterations and modifications to, for example, changing customer demands. Renewing DMCs, on the other hand, refers to the firm’s ability to purposefully modify, create and extend its resources. Regenerative DMCs are in some ways similar to renewing, as they both concern purposeful creation, learning and change. However, while renewing DMCs concerns the actual resources, regenerative DMCs rather concerns the creation and modification of the DMCs themselves (Evers et al., 2012). The authors emphasise that regenerative DMCs concerns substantial changes, where the firm due to times of hyper competition find the need to question their values and actions and relearn the ability to develop new capabilities (Evers et al., 2012).

2.2 Organizational culture

The cultural dimension is a central aspect of all organisational lives, according to Alvesson (2013). Although definitions of organizational culture may vary, the main idea is that the way people feel, think, act or value things in a company is directed by the meanings, beliefs and ideas of their socially shared cultural nature (Alvesson, 2013). Alvesson (2013) summarizes the following characteristics of organisational culture. They are (1) related to history, (2) difficult to get hold of and needs to be interpreted, (3) collective and shared among members of a group, (4) abstract in character and intangible, and (5) holistic and emotional rather than rational and analytical. From this perspective, culture can be seen as a learned and shared world of experiences, values, meanings and understandings. The two key concepts of Alvesson’s (2013) definition of culture include meanings and symbols. He explains meanings as the way of how something is interpreted and symbols as an object, such as a statement or word, which stands for more than just the object itself (Alvesson, 2013).

Hofstede (1991) defines organizational culture as the shared programming of people’s minds which differentiates the members of an organization from the members of another one. In line with this, Brown (1995) assumes that people are encouraged by culture to identify themselves with organizations and develop feelings of belongingness and responsibility for it. Additionally, Dark, Whiteford, Ashkanasy, Harvey, Harris, Crompton and Newman (2017) explain organisational culture as
shared assumptions and underlying values through which the behaviour within an organisation can be influenced. Schein (2010) is of the assumption that organisational culture helps groups with solving problems of external adaption and internal integration. He simply defines organisational culture as “the way we do things around here”. In the research of Schein (2010), organisational culture is described as operating on three levels: values, artefacts and assumptions. Values in this context are related to ideologies; while artefacts include physical manifestations like company reports, dress code and company environment. The third level of assumptions describes the people’s feelings, behaviours and thought processes within a company (Schein, 2010). According to Dark et al. (2017), culture can be divided into four aspects, including leadership, communication, planning and perceived support of the workforce. These aspects can furthermore function as possible measures for organisational culture (Dark et al., 2017).

A framework that has been used in a number of studies to explain organizational culture is a model which is defined as the competing values framework (hereafter CVF) by Quinn and Rohrbaugh (1981). Originally, the framework was used to structure possible evaluating criteria for organizational effectiveness. However, since then the CVF has been adapted by several authors to study organizational culture (Kalliath, Bluedorn & Gillespie, 1999). The framework measures two dimensions, including flexibility versus control and internal versus external orientation. The dimension of flexibility versus control describes the way a company handles external challenges like competition, growth and adaption with their internal components. The internal versus external dimension represents how a company deals with the maintaining of continuity while there is a demand for change caused by the company’s environment (Kalliath et al., 1999).

Along these two dimensions, four archetypes of organizational culture are defined: human relations model, open systems model, internal process model, and rational goal model. These dimensions have been used as a framework to explain and measure types of organizational culture (e.g. Denison & Spreitzer, 1991; Goodman, Zammuto & Gifford, 2001; Igo & Skitmore, 2006; Kwan & Walker, 2004). Although the values are, per definition, competing, aspects from all four culture types are in reality to some extent represented in all companies (Kalliath, Bluedorn & Gillespie,
The model has been adapted by several researchers, for example, Helfrich et al. (2007) and Ovseiko, Melham, Fowler and Buchan (2015), who define the archetypes of the model as team, hierarchical, entrepreneurial and rational cultures. Based on these four archetypes the rest of this chapter will be structured.

**Figure 1: The Competing Values Framework**  
*Source: Ovseiko et al. (2015)*

### 2.2.1 Team culture

Team culture, also referred to as clan culture (Ovseiko et al., 2015) is found in the dimensions of internal and flexibility in the CVF. Therefore, organizations with a team culture can be described as emphasising flexibility and having an internal focus. In this culture, the participation of the employees is encouraged to create teamwork. In addition, organisations with a pronounced team culture prioritise human resource development more than other cultures (Helfrich et al., 2007).

Cameron and Quinn (2006) describe that typical characteristics in team cultures are cohesion, participativeness, trust, a sense of “we-ness” and individuality. The members of the organisation share their values and goals, and the organisations can rather be seen as extended families than economical units. Cameron and Quinn
(2006) also point out that teamwork is the key attribute of team culture which results in the major task for the management to empower employees and encourage their participation, loyalty and commitment. Therefore, organisations with a team culture usually provide employee-involvement programmes and focus on employee development (Cameron & Quinn, 2006). Commitment and morale are described as other main attributes of the team culture, also referred to as support culture. In such cultures, commitment to both the company itself and the individuals in it is highly valued (Löfving, Säfsten & Winroth, 2016). Team culture is furthermore characterised by a leader that is employee-oriented, democratic and caring. Therefore, a team or support culture oriented organization aims to offer their employees satisfaction through mutuality, connection, relationships and belonging. The underlying belief in this type of culture is that members of the organisation contribute to success, because of commitment to the organisation (Pheysey, 1993). Ovseiko et al. (2015) argue furthermore, that within a team culture employees have a shared vision, are proud of their organisation and identify themselves with it, thus they show a high level of loyalty towards the organisation (Ovseiko et al., 2015; Cameron & Quinn, 2006).

2.2.2 Entrepreneurial culture

The entrepreneurial culture, sometimes referred to as adhocracy culture, is positioned in the CVF as flexible with an external focus. (Helfrich et al., 2007). The external and flexibility characteristics are represented in the actions of entrepreneurial leaders and its employees, that tend to seek external information and acquire new resources (Denison & Spreitzer, 1991). Members of this type of culture value growth, variety and attention to details. As a result, behaviour that is characteristic for this culture is adaptability, creativity and risk taking (Hartnell, Ou & Kinicki, 2011). Furthermore, change and new visions are viewed as drivers of creativity and innovativeness, which are the major cornerstones of an entrepreneurial culture (Hartnell et al., 2011). Proactiveness is, in addition, a term that is commonly used term when describing entrepreneurial culture and orientation (Lumpkin & Dess, 1996; Wiklund & Shepherd, 2005). Together with risk-taking and innovativeness, proactiveness constitutes what is referred to as the three dimensions of entrepreneurship (Kuratko, 2007). The proactive aspect of the entrepreneurial culture refers to the external focus, and that employees in this type of cultures are
encouraged to scan the market for new opportunities (Hartnell et al., 2011). The proactive approach that is common in entrepreneurial cultures, is driven by a desire to become pioneers and innovators (Wiklund & Shepherd, 2005).

Carter and Jones-Evans (2012) find that apart from previously mentioned behaviour, such as risk-taking and creativity, entrepreneurial behaviour typically includes a desire for autonomy, over-optimism and an internal locus of control. In entrepreneurial contexts, individuals value freedom and individualism, and the possibility to make a difference. The overoptimism that typically characterises entrepreneurial cultures is closely related to the risk-taking behaviour, as they both are related to expectations of results. Similarly, the internal locus of control, which means that individuals feel in control of a situation, rather than being controlled by it, affects the willingness to take risks (Carter & Jones-Evans, 2012).

### 2.2.3 Hierarchical culture

Within the CVF the hierarchical culture, sometimes referred to as “bureaucratic” culture, is located in the dimensions of internal focus and control. In organisations with a hierarchical culture, centralized authority is adopted and formal hierarchy respected. Rules are followed in this culture, and predictability and stability are valued characteristics (Helfrich et al., 2007). The bureaucratic approach is one of the earliest ones for organisations in the modern era. In the early 1900s, the major challenge for companies was to efficiently produce goods within in a society that became more complex over the years. Therefore, the following attributes of bureaucracy were proposed in order to create a formalized and structured workplace: rules, meritocracy, hierarchy, specialization, impersonality and accountability (Cameron & Quinn, 2006). These attributes can still be seen as the characteristics of the hierarchical culture. Additionally, hierarchical culture can be described as an organisational culture where procedures govern the actions of employees. Cameron and Quinn (2006) furthermore argue that leaders within the hierarchical culture are coordinators and organizers.

Pheysey (1993) describes hierarchical culture, or role culture, as a pyramid-shaped hierarchical structure. The focus is on formal rules, which includes formal and centralised decision-making processes. Decisions are made in the top management,
and tasks are assigned based on formal roles. The employees in organisations that have a pronounced hierarchical culture are assigned to a specific job or role and do not deviate from it (Pheysey, 1993). Long-term concerns that are important within this type of organizational culture are stability, efficiency and predictability. Therefore, risks are to some extent avoided (Cameron & Quinn, 2006).

2.2.4 Rational culture
In the CVF, rational culture is positioned as externally oriented and with focus on control. The major characteristics of this type of culture are efficiency, clarity of tasks, productivity and measurement (Helfrich et al., 2007). Achievement and competition are the beliefs guiding rational cultures, where typical behaviour include goal-setting, planning, competitiveness and aggressiveness (Hartnell et al., 2011). Gathering information about customers and competitors is, in addition, a typical activity in rational cultures (Helfrich et al., 2007). Ovseiko et al. (2015) further describe that rational cultures have a strong focus on measuring results and outcomes.

Rational culture is in some studies referred to as market culture (Hartnell et al., 2011), due to its competitive approach. An underlying belief in rational cultures is that clear goals and awards give employees the motivation to perform in a superior way and meet stakeholder expectations (Hartnell et al., 2011). As a result, values that are central to these cultures are competence, communication and achievement. Typical behaviour related to such values include planning, task focus, and clear objectives (Hartnell et al., 2011). The strategic emphasis guiding rational culture firms is market superiority and competitive advantage (Denison & Spreitzer, 1991). Furthermore, the criteria of effectiveness in this type of culture are defined as productivity and increased market share (Hartnell et al., 2011).

2.3 Conceptual model
By integrating the parts of the literature review, a conceptual model that summarizes relevant literature into major concepts and subconcepts is developed. The model enables us to operationalise and analyse the study, which aims to analyse the influence of organizational culture on DMCs.
The two major components are organizational culture (conceptualized in the CVF) and DMCs. The CVF has been adapted from Helfrich et al. (2007), in this model including subconcepts: the three different levels of culture, as defined by Schein (2010), in addition to the aspects leadership, communication, planning and perceived support. The subconcepts of DMCs consist of four capabilities, including sensing, learning, integrating and coordinating, in addition to three levels, which include incremental, renewing and regenerative.

As the competing values framework constitutes four archetypes of organizational culture, we find that represented in all of these types are different levels and aspects of culture. Therefore, in the conceptual model, all four cultures consist of different types of leadership, communication, planning and perceived support at different levels: values, artefacts and assumptions. The components in DMCs that Teece et al. (1997) have defined as sensing, learning, integrating and coordinating are included in the framework and enable us to understand different capabilities within DMCs. In addition, three levels of DMCs, defined by Evers et al. (2012) as incremental, renewing and regenerative are included in the model in order to identify the cultural influence on both minor and major changes within the marketing function.

What is explored in this study is the relationship between the components organizational culture and DMCs. Therefore, the subject of analysis concerns the arrow between culture and DMCs in the model below. Based on the assumption that
all organizations possess characteristics from all four types of cultures, the analysis will concern how these different types of cultures and different aspects within them (such as leadership, communication, perceived support and planning) influence the capability to sense, learn, integrate and coordinate new market knowledge into the organization and its market-related activities.
3 Methodology

In this chapter the research method, design and approach are defined and argued for, followed by a detailed description of the research process, including data sample and collection, interpretation and analysis. Finally, the quality and rigor of the research are discussed by reviewing a number of scientific criteria.

3.1 Research approach

The two major approaches in research are defined as deductive and inductive (Bryman & Bell, 2015). The deductive research approach is according to Bryman and Bell (2015) positioned in the relation between theory and reality and aims to test their connection. With a prior theoretical understanding, data is collected and conclusions are drawn. In contrast to deduction, induction is based on empirical data from which the researcher draws conclusions. Hence, it is the empirical data that guides the theoretical material (Bryman & Bell, 2015).

This study is positioned in between these two approaches, as we had a theoretical understanding prior to the data collection, but have adjusted the theory during the research process. In addition, the idea of the topic came from an empirical interest in market change and retail companies, whereafter theory was reviewed. Although we during the process of this research we had a theoretical preunderstanding, the study was to a large extent guided by the empirical data. The interview questions were loosely based on the theoretical chapter, in order to enable us to change and revise the theory chapter, based on our findings. When conducting the analysis, the starting point was in the empirical data. Instead of finding patterns in reality that reflects the theory, we took an approach of finding theory within the frame of or theoretical understanding that could reflect our empirical findings.

Patton (2002) defines this type of combination of deduction and induction as abduction. Alvesson and Sköldberg (2008) describe that in abductive research, the authors use existing theory to find theoretical patterns that will, if valid, explain the empirical inductive patterns found from interpretations of a case. We find that the abductive approach was the most suitable approach for our study, as it gave us the flexibility to alternate theory and empirical data during the whole research process.
We found that this flexibility was necessary since both organizational culture and DMCs are complex concepts that contain many different aspects and details, which in some cases were necessary to add or take out from the theory chapter during the process, depending on their relevance to this specific case.

3.2 Research method

As this study is of an exploratory character and aims to provide the reader with detailed insights of how organizational culture influences DMCs, it is conducted through a qualitative research method. Qualitative research method refers to a more in-depth and nuanced approach than quantitative, which is based on large volumes of numeric data (Bryman & Bell, 2015). In quantitative methods, the collected information is transformed into numeric data and processed through statistical data analysis (Olsson & Sörensen, 2011). In qualitative research methods, on the other hand, empirical information is gathered from fewer, in-depth sources - normally interviews or focus groups (Merriam, 1998). Therefore, a qualitative research approach is suitable when the aim is to gain a deeper understanding of a problem, and when detailed information and nuances are necessary to answer the research question. In contrast, a quantitative research method is appropriate when less detailed insights from a large number of respondents are required (Bryman & Bell, 2015).

With the aforementioned definitions and suggestions in mind, we find it most relevant to approach our research question with a qualitative method. Andersen (1994) explains that the underlying assumption of qualitative studies is that every phenomenon consists of a unique combination of attributes and qualities, which makes them impossible to measure. Instead, social phenomena need to be understood in-depth and from the inside. As organisational culture, indeed, is a complex social phenomenon, we need to gain a deep understanding of its components and nuances in order to understand its influence on another phenomenon within a company. Furthermore, Alvesson and Sköldberg (2008) argue that the essential purpose of a qualitative research method is to understand and interpret a phenomenon from the respondents’ perspectives and experiences, and the meaning they give it. As organisational culture in its essence is a phenomenon that its members give meaning to, Alvesson’s and Sköldberg’s (2008) statements can be used to further argue for our choice of qualitative research method.
3.3 Research design

In order to understand the influence of organisational culture on DMCs, a case study is conducted. Yin (2009) defines case study as a study that explains or describes a single or a number of specific cases. Olsson and Sörenson (2011) describe the case study as research conducted on a person, company or group. Yin (2009) further argues that a case study design is suitable when the research question seeks answers on how something works, and when the study requires in-depths description of the phenomenon that is studied. A case study is also appropriate when the researcher needs to understand the underlying dynamics of a social phenomenon (Merriam, 1998). With these arguments in mind, we find that the case study design is the most suitable, as our research question is of an exploratory character, and organizational culture is a complex social phenomenon requiring in-depth data to grasp.

As organizational culture is a concept that all members of a company give meaning to, it is most relevant to collect data from a number of people within an organization. Therefore, we chose to base this study on one single case, in order to in depth explore the aspects of culture influencing DMCs. Yin (2009) argues that single case study designs are vulnerable due to the uniqueness surrounding the case. In addition, single case studies have been receiving critique for not providing any variance in the dependent variable, which is argued to decrease the ability to detect errors in the data collection procedure (George & Bennett, 2005). However, George and Bennett (2005) argue that if the single case study contains multiple observations or interviews, these problems can be reduced. In line with this, it can be argued that a single case study containing multiple and rich observations and interviews is the most appropriate choice for the research question this study aims to answer. Whereas multiple case studies enable comparisons between cases, a single case study with many interviews enables us to make comparisons within the case, between employees on different positions. As the aim of this study is to explore the relation between two complex phenomena, a single case study can be justified, since the data needed to explain this relation requires depth and details, which multiple case studies with fewer interviews in each case could not give us.
3.4 Data collection

The data that is collected and analysed in this study consists of both primary and secondary data. Yin (2014) defines a number of sources of evidence used in case studies, including interviews, direct observations, and documentation, which are the sources used in this study. The major part of the data is of primary character and consists of interviews with members of the company, in addition to observations on site. To compare with this data, secondary data in the form of documentation was collected from the case company’s website and other sources on the web. The approach of studying a phenomenon from different sources of information is referred to as triangulation and enables the researcher to compare information in order to raise the credibility of the results (Gillham, 2000). Due to the complexity of the subjects of this study, the method of triangulation is highly relevant. In addition, weaknesses related to issues with single-case study method can possibly be decreased with multiple sources of information on the same case (George and Bennett, 2005).

3.4.1 Sampling process

When choosing the respondents for our case study, a sample that Gray (2014) and Patton (2002) define as strategic sample was conducted - this refers to when the researcher assesses potential respondents based on their relevance and knowledge in the research subject. Merriam (1998) describes that this type of sample generally includes a number of criteria that the respondents need to fulfill in order to be considered interesting for the study. For the purpose of this study, it was highly relevant to set a number of criteria prior to contacting potential respondents, as it was crucial to determine before collecting the data, that the respondents possess knowledge that can be used to answer our research question. A problematic aspect of this study is that it may be difficult to determine whether a company possess DMCs or not.

To overcome this issue, a number of criteria that we were able to assess before the initial contact with the company were set. First of all, the company must have existed for a minimum of ten years. As a major theme of the interviews concerned change, it was essential that the company we interviewed had been around long enough to have experienced change. In addition, as organizational culture was the other main theme, we found that it would most likely be more useful to discuss the issue with a
company that has developed a culture over a longer period of time. Secondly, the company needed to have conducted some major change in their marketing activities in the past years.

The case company Scandinavian Design Center (in Sweden known as Design Online) fulfilled these criteria as it was founded in 2002, and has during the past years invested more in digital marketing and abandoned offline marketing. In addition, they are currently in the process of designing and launching a new website. For the purpose of this study, we found it relevant to interview managers and employees that in different ways work with marketing and customers. This includes positions within the following departments: marketing, web editing, customer service, sales, and management. When choosing the respondents, the aim was to get a combination of people that differs in terms of time spent at the company, area of expertise and position in the organization. Although a number of the respondents’ official titles include the word manager, they are in fact not team leaders, as they are alone in their departments. Following is a list of the respondents that were interviewed:

Bank Bergström – CEO (2017-05-02)
Jörgen Bödmar - Former CEO and founder (2017-04-27)
Robin Ålander - E-commerce Marketing Manager (2017-04-27)
Jonas Karlsson - Marketing Manager/SEO specialist (2017-04-27)
Thomas Steinschaden - Sales Manager (2017-05-02)
Annika Krause - Web Editor Team leader (2017-04-27)
Eloi Boulangé - Web Editor for French Market (2017-05-02)
Marie Backwall - Head of Customer Service (2017-04-27)

3.4.2 Operationalisation

As the two major components of the analysis in this study are rather complex constructs, it was important to operationalise them before conducting the interviews. The interview guide is loosely based on the theoretical model, even though it only contains a set of broad and open questions. As DMC is an expression that assumably is not used in the daily work of the managers and employees at Scandinavian Design Center, we instead asked about examples of changes in the environment and in the
marketing activities during the time the respondents have worked in the company. Based on the examples the respondents discussed, we asked follow-up questions relating to the reason for the change, its nature, and its process. Organizational culture is, just as DMCs, a complex concept that may be difficult for the respondents to grasp and describe. Therefore, based on the theoretical model, we initially asked about their perception of the work environment in general, followed by their perception of leadership, communication, planning, and support from managers and employees. Since there were variations between the respondents in term of their knowledge and ability to answer certain questions, the interview guide was designed to ask questions that were open to varying answers, whereafter we, based on the answers the respondents gave, asked follow up questions related to their examples.

Table 1: Operationalisation

<table>
<thead>
<tr>
<th>Major concepts</th>
<th>Sub concepts / Indicators</th>
<th>Questions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dynamic marketing capabilities</td>
<td>Sensing, Learning, Integrating, Coordinating</td>
<td>Can you give an example of how the company has recognised changes in the market? Can you give an example of a change related to marketing conducted in the company as a result of market change?</td>
</tr>
<tr>
<td>The influence of organisational culture on DMCs</td>
<td>Leadership, Communication, Planning, Perceived support, Sensing, Learning, Integrating, Coordinating</td>
<td>During the changes you described, how has the 1. Leadership 2. Communication 3. Planning 4. Support in the company influenced your work?</td>
</tr>
</tbody>
</table>

Source: Own creation based on interview guide
3.4.3 Interviews
Since this study is based on a single case and aims to in-depth explore the influence of organizational culture on the development of DMCs, it was essential to understand the individual's perceptions of the subjects, in order to gain a deeper understanding of it as a whole. Therefore, individual interviews appeared to be the most effective way of getting results for our research question. In comparison to group interviews, it is possible in individual interviews to lead a conversation into a useful direction regarding the topic of the research. Furthermore, a trustful atmosphere can be created in an individual interview, which can encourage the interviewee to be more open about their personal opinions and feelings (Nathan, 2014). The individual interviews gave the respondents the chance to be open and communicative and share their honest opinion about their perceived culture within the company, as they did not get influenced by other employees or their managers. In order to understand the complex phenomenon of organizational culture, it was essential to conduct face-to-face interviews on site. In addition, it is easier to create a confidentiality atmosphere in face-to-face interviews than in phone- or skype interviews (Nathan, 2014).

In qualitative research, there are three common types of interviews: structured, unstructured or semi-structured (Merriam, 1998). In structured interviews, the interviewer follows a standardized way of asking the interview questions. The purpose is to receive answers from the participants that can be compared with each other and furthermore be quantified. In unstructured interviews, no guideline is given to the interview at all (Nathan, 2014). In semi-structured interviews, researchers have a list of questions or themes to a specific topic, however, they give the respondents the possibility to answer or discuss them in different ways (Bryman & Bell, 2015). In this study, some form of structure was necessary, in order to make sure certain topics were discussed. However, it was due to the exploratory nature of the research question important to give the respondents the possibility to discuss those topics in a free manner. The semi-structured interview guide was therefore chosen, which gave the possibility to ask questions regarding a specific topic, however, in line with Nathan’s (2014) description, also consider the dialogical potentials for knowledge production in the interviews. Gillham (2000) sets a number of criteria for semi-structured interviews that were followed in this study: the questions should be open and have gone through a process of development to ensure their focus on the subject.
In addition, the questions should be few and broad, with a number of related keywords that can be used to make sure the respondent discuss all relevant aspects of the question.

The content of the interviews and the way of asking questions varied to a large extent. In some interviews, the interview guide was followed completely, while in others it only had the function of reminding us on what subjects to cover. All interviews were initiated in the same way, following the first questions. However, as some respondents described the subjects in our interview guide without being asked about them, they were allowed to keep talking freely, as long as they covered all the relevant contents. Based on their position, the respondents were asked to focus more or less on certain topics, as they possess different knowledge and insights on different matters. Due to our abductive approach, this type of flexibility was necessary, in order to be able to find important aspects for the theoretical concept that perhaps were not considered as important prior to the interviews.

A potential problem that can occur when conducting qualitative interviews is according to Merriam (1998) that the correspondents may influence the respondents’ answers by asking leading questions due to pre-understandings or prejudices. Since one of the authors of this study is employed by the case company and had a pre-understanding of the culture in the company, it was important that we during all of the interview were aware of this issue, and consequently avoided to ask any questions that were affected by some form of pre-understanding.

The interviews were held in a conference room at the company’s office. In this way, the respondents could be interviewed in a familiar environment, which enabled them to be aware of their organisational culture. In addition, we were able to observe them in the environment they described. Both interviewers were involved in asking the questions, which led to a relaxed and open conversation and gave the opportunity to receive detailed answers and insights on both the organisational culture and marketing capabilities of the company. The interviews lasted between 45 and 60 minutes and were all recorded.
3.4.4 Observations and secondary data

In addition to interviews, observations were made at the company’s office in order to add to our understanding of the organizational culture. Merriam (1998) argues that when conducting observations in case studies, the researcher should pay attention to the following factors: environment, participants, activities, frequency, in addition to more subtle factors such as symbols and non-verbal communication. With these factors in mind, we systematically observed and took notes that later on was discussed and evaluated. Not only did we observe what the office looks like, how people are dressed and how they interact with each other and us in their daily work. In addition, we were able to spend time in the lunchroom, observing how employees and managers behave and interact during their breaks. In total, two days were spent observing at the office of Scandinavian Design Center. In addition, being an employee at the case company, one of the authors of this study had some prior knowledge of the organizational culture that could be compared and integrated with the observations conducted by the other author that had no prior knowledge. After conducting interviews and observations, secondary data about the company was collected in order to enrich the analysis and compare to primary data. The secondary data consists of information from the company’s website, in addition to job advertisements for available positions in the company.

3.4.5 Data analysis

Following the data collection, all interviews were transcribed word by word. Thereafter, we studied the transcripts and presented the data based on the four aspects of our conceptual model, including leadership, communication, planning and perceived support. From this presentation of the data, keywords and themes that were occurring in the interviews were collected. With the keywords written down, we returned to our theory chapter to analyse the data and connect it to our theoretical model. Descriptions of the leadership, communication, planning and perceived support given by the respondents were connected to the theoretical descriptions of the four archetypes of culture. The types of cultures and their characteristics were then analysed in terms of how they influence the ability of sensing, learning, integrating and coordinating market knowledge on an incremental and renewing level. To avoid only describing what the respondents said, which can be an issue in single case studies (Yin, 2014), the analysis was also based on observations and
secondary data, comparing the three sources of information. This way of combining sources is referred to as triangulation. In addition, our own interpretations of the respondents’ answers and views, and the variations between them also constitute major parts of the analysis, which gives it more depth. Finally, a table was designed, containing a summary of the analysis which gave an overview that enabled us to draw conclusions.

As the analysis is of an interpretive character, it is relevant to discuss the hermeneutic perspective. Hermeneutics is a viewpoint, or method of interpretation which, according to Fejes and Thornberg (2015) is suitable when the aim of the study is to understand the respondent’s personal experiences of a phenomenon. Bryman and Bell (2013) describe that the essential idea of hermeneutics is to gain access to the meaning of the information that the respondent give it. Since organizational culture, as previously defined, is a phenomenon that its members give meaning to, it is essential for us to understand the individual respondent’s view. In order to try to understand the respondents’ perspective, we made sure to ask follow up questions and asked for further explanations of their answers from their point of view. Fejes and Thornberg (2015) describe that since the purpose of hermeneutics is to understand the person behind the information, preunderstanding plays a major role in the interpretation. A preunderstanding of a subject can enable a deeper and more insightful analysis. On the other hand, it can also affect the interpretation of the information, which may cause researcher bias (Fejes and Thornberg, 2015). One of the authors of this study is employed by the case company, and therefore has a preunderstanding that can affect the interpretation of the results. On the one hand, the preunderstanding may negatively affect the analysis, as the author herself, prior to this study, has a certain view of the phenomenon. On the other hand, her knowledge about the company and its culture also enabled a deeper understanding of examples and views provided by the respondents. To overcome potential issues related to interpretation, we had this issue in mind during the whole process and attempted to use the knowledge in a way that did not risk the quality of the research. This is further commented on in the following section.
3.5 Scientific criteria

Common criteria used to assess the quality of the research are validity and reliability (Yin 2009). Bryman and Bell (2015) describes validity as a measure of the quality and the accuracy of what is measured in the study, and reliability as a measure of replicability, i.e. to what extent the study would generate the same result if conducted again. However, the concepts of validity and reliability are in many cases not the most appropriate measures in qualitative research, as it is claimed that qualitative research is subjective and therefore, cannot be measured in terms of validity and reliability (Maxwell, 2013). Guba and Lincoln (1985) suggest that instead of validity and reliability, the measures credibility, transferability, dependability and conformability are more suitable for qualitative research. These measures are according to Creswell (2013) equivalents to internal and external validity, reliability and objectivity, which are more commonly used in quantitative research.

3.5.1 Credibility

Credibility, which is related to internal validity refers to how believable the findings are, i.e. the coherence between empirical information and theoretical ideas (Bryman & Bell, 2015). In this study, the credibility concerns whether organizational culture truly is a variable that is influencing DMCs. In order to gain credibility in qualitative research, Guba and Lincoln (1985) suggest a number of strategies including the establishment of prolonged engagement, member checks, triangulation, peer debriefing and clarification of researcher bias.

Prolonged engagement and persistent observation refer to building trust with respondents, understanding their culture and checking for misinformation (Creswell, 2013). During the whole research process, we have had a close contact with the case company and discussed potential issues or misunderstandings both prior to, during, and after the data collection. As one of the authors of this study is familiar with the working environment and the employees of the case company, there was an initial trust that could be further established during the cooperation. Member checks are in Lincoln’s and Guba’s (1985) view one of the most important strategies for gaining credibility. During the process of collecting and analysing data, it was, therefore, crucial that we critically questioned our way of asking questions and the interpretations of the answers. Between every interview, we evaluated our interview
technique and if needed, made small alterations to improve the quality and credibility of the interview material. In addition, we constantly discussed our interpretations with each other and critically examined our analysis.

In triangulation, the researcher uses several sources of data to understand a phenomenon from multiple perspectives, in order to increase credibility (Creswell, 2013). In this case study, both primary data and secondary data was collected, in addition to observations on site. The secondary data and observations made it possible to compare the answers of the respondents to external information, and thereby detects similarities or differences. To further increase the credibility of this study, peer reviews were continuously conducted on this paper, both in form of formal seminars and oppositions, and proofreading from other people that were not involved in this study. Peer reviews are according to Lincoln and Guba (1985) and Merriam (1998) a way of gaining credibility by allowing external parties check the research and ask challenging questions.

Finally, it is important to clarify the potential researcher bias of this study. An issue that was discussed in the process of data collection and analysis was the fact that, as previously mentioned, one of the researchers is employed by the case company. This could potentially be an issue, as the researcher has a prior view and perception of the company’s organizational culture, which may shape the analysis of the data. To overcome this issue, most of the questions were asked by the other researcher. In addition, the observations at the case company were solely conducted by the same researcher, to avoid any prejudices or biases. After the observations, the researcher that conducted them presented them to the other researcher, and not until then did she share information related to her preunderstanding.

3.5.2 Transferability
Transferability refers to the ability to generalize the results to other research contexts and is related to external validity (Guba & Lincoln, 1985). Due to the limited number of respondents in qualitative research methods, Bryman & Bell (2015) argue that transferability or external validity is difficult to achieve. Guba and Lincoln (1985) argue, however, that a thick and rich description of the theme or case can increase the transferability, as a detailed description helps the reader to determine whether shared
characteristics enables transferability between cases. Yin (2009) describes that the emphasis regarding transferability in case studies is not on doing the same study again. Rather, the objective is to minimize biases and error in the research. Since organizational culture is a complex and phenomenon with unique characteristics, it could be difficult ensure transferability. However, certain patterns that are found could potentially be transferred to other contexts, due to the rich data that has been collected. To raise the transferability of this study we have provided as much information to the reader as possible, both regarding the data collection and analysis, in addition to the context of the case. In line with Yin (2009) we have put effort into being as transparent as possible, and to provide enough information to make it possible for an external researcher to, after reading this, repeat the same procedures in a different context.

### 3.5.3 Dependability
Dependability is the naturalistic equivalent to reliability and refers to the consistency and replicability of the research. The objective with dependability is thus to for the researcher to verify the consistency between the raw data and the findings (Lincoln & Guba, 1985). To establish dependability, Lincoln and Guba (1985) suggest an external audit, which means that one or more external researchers assess the research process in order to confirm the accuracy of the results. This research process has continually been supervised and challenged by an external supervisor. In addition, other external researchers have reviewed the collected data and the analysis, to ensure that there is a consistency between them. As a result, it can be argued that issues regarding dependability to a large extent are overcome.

### 3.5.4 Conformability
Conformability relates to objectivity issues, however, Lincoln and Guba (1985) describes that conformability refers to the characteristics of the data, rather than of the researcher. Thus, the issue here is to determine whether the data is conformable. A number of the techniques discussed to accomplish credibility and dependability, such as triangulation and external audit, are also suggested to ensure conformability (Lincoln & Guba, 1985). In addition to this, Lincoln and Guba (1985) suggest an audit trail as a technique of establishing conformability. An audit trail involves a detailed description of the entire research process, including design, collection, and
report of data, in addition to analysis (Lincoln & Guba 1985). To overcome conformability issues, we have, as discussed previously, used the technique of triangulation and external audit, in addition to providing a detailed description of all the steps taken in our research process. Additionally, the empirical chapter contains a number of direct quotes, which in accordance with Morrow (2005), strengthens the conformability, since it provides the reader with a more objective view of the data.

4 Empirical data

In this chapter, the empirical data, which includes interviews, observations and secondary data is presented. The chapter follows the structure of the interview guide, where market change initially is discussed, followed by organizational culture and its influence on changes related to marketing in the company. The discussion about organisational culture and its influence on DMCs is divided into the four parts, including leadership, communication, planning and perceived support.

4.1 Presentation of the case company

Scandinavian Design Center (in Sweden known as Design Online) is a Swedish e-tail company based in Kalmar, that sells interior design products worldwide. The online shop, that is available in nine languages, sells a variety of Scandinavian brands on a global market. The company was founded in 2002 by Jörgen Bödmar, who until recently was the CEO. In the past years, the company has grown from ten to sixty employees. The company is currently in a transition phase due to the appointment of the new CEO Bank Bergström, who entered the company in 2017 (Scandinavian Design Center, 2017).

4.2 Changes in marketing processes

A major change that does not only concern marketing, but is highly relevant to this case, is the new leadership in the company. Bergström, who is the new CEO, is planning on major structural changes which will affect all functions within the company, and thereby also the marketing activities and capabilities. Bergström finds that his major task during the first few years at Scandinavian Design Center is to implement changes in the organisational structure, the delegation, and areas of responsibilities, in addition to the company’s values and strategic objectives. Due to
the new leadership, the company is currently undergoing major changes that indirectly affect the way the firm works with marketing.

When asked about changes that have been conducted as a result of market change in the company, all respondents discuss the new website that is currently under construction. A number of minor and major marketing changes were discussed in the interviews, however, the new website is the most extensive change related to marketing that has been undertaken in a few years. The new website concerns the daily work of all employees that were interviewed in different ways, and therefore affect the whole organization. Due to increased demand in technology and functionality, the company realised that they needed to completely rebuild the website, which has not undergone any major functional changes in a number of years. Krause, who is the team leader for web editing, explains that e-commerce customers are not loyal, and therefore, apart from choosing the cheapest product, choose to shop from whichever website is the most user-friendly one. As a result, Krause means that it is crucial for Scandinavian Design Center’s website to stay updated when it comes to both offer and functionality. Steinschaden, who is the sales manager, explains that both insights from consumer data and observations of competitors initiated the construction of a new website, which was needed as a result of increased mobile use.

Another extensive change that was discussed, especially by the founder and former CEO Bödmar, is the shift from offline marketing to online marketing. During the years of 2005-2010, the company gradually abandoned all offline marketing for pure online marketing. An important change, which the company needed to engage in and adapt to during this time, was search marketing and search engine optimization (SEO). Bödmar explains that whereas the website initially had a lot of organic traffic, Google’s new algorithms forced them to invest in search marketing, and as a result, around eighty percent of their traffic is now paid. Most of the company’s marketing investment is now allocated to search marketing and other activities generating traffic to the website. When discussing changes towards online marketing, social media marketing is by a number of the employees and managers mentioned as a problematic and difficult area. There have been some attempts to embrace social media marketing, however, it had never been the main focus, and therefore has not
been given many resources. Nevertheless, Bödmar, in addition to Ålander and Karlsson, who are the marketing managers, now find that due to consumers increasing social media usage, they need to invest more in social media marketing, and as Bödmar expresses it, “go social”.

Apart from the major changes discussed above, the respondents also mention smaller changes related to marketing communication, assortment, customer service and delivery. For example, Backwall, who is the head of customer service, mentions that new consumer insights, which are realised through customer service communications, can generate small changes in the daily work of the customer service staff, as well as in the marketing and web editing team. Ålander mentions that small changes in marketing communications are happening all the time, such as trying new small ways to create customer value. Bödmar explains that the online retail industry is subject to market change on a daily basis, and thus, there are constantly small adaptations and alterations in the marketing activities, as well as strategic projects.

4.3 Organizational culture

At Scandinavian Design Center’s website, their organizational culture is described as international, creative and with an emphasis on learning (Scandinavian Design Center, 2017a). Furthermore, the working environment is described as friendly and familiar, where employees have fun together and work towards the same goal. Freedom and flexibility are words that can also be found on the website’s career site, where people who are committed to learning are encouraged to apply for jobs. Additionally, the culture is described as supportive, with an emphasis on teamwork (Scandinavian Design Center, 2017b).

When observing the atmosphere at the office of Scandinavian Design Center we notice a number of aspects that can be related to the company’s culture, such as interior, behaviour, and communication between employees. First of all, the office has open working areas, without any walls between the departments. Apart from the CEO, everyone works in an open office landscape, sitting close to the members and the manager of their department. However, the CEO’s office is also open and he appears to be available for short notice meetings. Due to the open office spaces,
communication within the departments seems to be quite casual and informal as well as between the departments. Although everyone is busy with their work, they still find the time to joke around with each other and it seems to be an atmosphere of having fun. For lunch and coffee breaks a common kitchen is available for everyone, that offers space to interact with each other during joint breaks. We recognise, that during these breaks the employees were not only sharing tables with members of their own department, but also with other coworkers or managers.

Additionally, the company provides an international environment with employees from seven different countries. Therefore, there is a mix between Swedish and English conversations during working as well as non-working times. Being visitors at the company we perceive a friendly and helpful behaviour towards us, which is also noticeable in the number of people which were available for our interviews. Regarding the company’s facilities all equipment look new and modern, including desks, that are changeable in the size, as well as adjustable chairs. Furthermore, it is noticeable that only a few people are provided with a phone on their desk. Due to that the atmosphere at Scandinavian Design Center is quiet, however, still chatty between the employees. In addition, it is noticeable that the dress code in the company is quite casual and relaxed.

4.3.1 Leadership

The most relevant leadership to discuss in this context is that of the founder and former CEO, Bödmar, as the new CEO, Bergström only has been a part of the company for a few months. Therefore, the majority of the discussion of leadership concerns the leadership that the employees have been experiencing up until the current changes conducted by Bergström. Bödmar himself describes his leadership as laid back, and says he aims to create an environment where employees feel empowered to make their own decisions and take risks. During the interview, he comes back to the word “entrepreneurial” several times when describing his leadership style, as well as the values of the company. Bödmar describes the decision making in the company as decentralised and the hierarchy as flat.

That the hierarchy is flat is an aspect, which all respondents agree on. All employees and managers in the different functions describe the flexibility and feeling of
freedom that the flat structure and Bödmar’s leadership style provides. Even though the flexibility has decreased slightly as the company has grown, Ålander is of the impression that he is given plenty of freedom to implement new ideas and changes in his daily work: “I still have a lot of freedom within my box, it is just that the box is smaller. I can still make a lot of decisions and affect how I do my work, what time I do it and so on.” (Ålander, 2017-04-27). Boulangé, who is relatively new in the company, describes that there are no specific procedures or rules controlling him in his daily work, and he therefore also feels free to do what he wants within his role as a web editor.

Many of the respondents add that the backside to the flexibility and freedom is the lack of structure, both when it comes to roles and routines. Steinschaden argues that the leadership style in the company enables flexibility, but in addition, causes confusion about who is in charge of what. Ålander agrees: “The biggest issue in our company was who is gonna do what and when? Who is in charge? No one knew.” (Ålander, 2017-04-27). Bergström also noticed when he started at the company that people's’ positions did not actually correspond to what they did on a daily basis. Furthermore, he says: “We don’t really know what the person next to us is really doing. We are just guessing and thinking” (Bergström, 2017-05-02). Karlsson concurs to this notion and adds that the roles in the company are fleeting and that assignments are allocated based on trust in specific employees, rather than their formal roles. He further explains that the lack of trust in employees has made the decision making in the company rather centralised to a number of people. The majority of the respondents are, similarly, of the opinion that there is a lack of delegation, and many decisions are centralised. Backwall is of the impression that the former CEO has had difficulties in letting go of certain responsibilities. Ålander explains, even though responsibilities and assignments are delegated, management is still involved in details. Bergström, who as a new CEO came in with an external view of the organization and its leadership, is also of the impression that the organization was lacking structure and delegation. Furthermore, Bergström describes he has realized that the company was driven by top management and only a few people made the majority of the decisions. Bödmar himself, even though he has argued that his leadership style encourages employees to make decisions, finds that when the company has grown, there have been issues with the structure and the roles
of the employees. As a result, tasks have many times been assigned based on employees’ perceived skills, rather than their formal roles.

Another aspect of the leadership, which is discussed during the interviews, is the cost-consciousness, which many employees describe as a result of the CEO also being the founder of the company. Karlsson means that the former CEO had a personal relationship to the costs of the company, and was, therefore, despite his entrepreneurial leadership style, very cost-conscious; “Sure, you are encouraged to take risks, but you are also encouraged to minimize that risk you take” (Karlsson, 2017-04-27). Backwall also describes the cost-awareness as a typical characteristic of the way of working at Scandinavian Design Center and further describes it as a “smart” way of working. Bödmar confirms this view of his leadership and explains that he is reluctant to invest in new marketing channels, such as social media if it is not possible to see the results in numbers.

4.3.2 The influence of leadership on change
The flat hierarchy and flexibility in the managers’ and employees’ daily work is an aspect of the leadership, which the majority of the respondents find to enable adaptivity and change. Karlsson is of the opinion that the loose structure makes people step out of their comfort zone and embrace new ways of working. Boulangé describes that he does not need to ask anyone before making alterations or additions to the content in newsletters and other marketing activities, which he finds necessary. Similarly, Backwall finds that the flexibility of the organizational structure enables fast decisions and implementation of new market knowledge. Krause argues that the freedom to impact her own daily work and make decisions makes it easier to try new things and implement new ideas. All respondent have similar answers and claim to feel enabled to adapt to small changes in the market, such as demands for a certain brand or ways of adding customer value, as a result of the flat hierarchy and flexible working environment.

The lack of structure that the flexible work environment brings, appears to, however, sometimes have a negative effect on adaptivity, especially on larger projects such as the new website: “The organizational issues have affected the marketing much more than I expected.” (Ålander, 2017-04-27). Furthermore, Ålander explains that while
the flexibility makes it easy to adapt, there still needs to be a balance between flexibility and structure. When the work with the new website was initiated, the complete lack of structure slowed down the project, and nothing happened for a long time. Now, the project is led by a project group with representatives from all relevant functions within the company, which the respondents find to be positive, among all Steinschaden, who experiences that more structure speeds up the process of implementing new projects.

The lack of delegation that is discussed by some of the respondents appears to, according to them, have a negative influence on the ability to implement changes and new projects. Backwall, who is of the impression that lack of delegation makes projects ineffective describes her view on the problem: “I think that if he would have delegated more there would have been a faster progress of things” (Backwall, 2017-04-27). Ålander gives his view of this aspect of the leadership style and describes that in many cases, all the knowledge and information is concentrated within the minds of two or three people in the company. Ålander finds this to be ineffective for the company and its projects, as everything suddenly stands still if someone is absent from the office. Bergström argues that if more people were involved in the decision making, change would come faster. If people are not involved, Bergström finds that they may resist change. Therefore, he is of the impression that the lack of delegation is affecting the ability to change negatively.

The majority of the respondents also mention the influence of the informal and diffuse roles on the ability to work with new projects and the daily work in general. Ålander finds the risk with not knowing who is in charge of certain tasks, is that details are lost along the way. Furthermore, he argues that this has been a critical problem in a number of projects, as it, similarly to other aspects of the culture, have negatively affected the flow of information. Steinschaden also discusses these issues, which the lack of formal roles has brought, and finds that more formal roles would be a positive change that enables efficiency in projects as well as in the daily work.

The cost-awareness, which strongly characterises the culture at Scandinavian Design Center, appears to have different implications for the ability to adapt to market change, depending on the situation and the size of the change. When it comes to
changes and implementing new ideas in the daily work, both Karlsson and Backwall find that if anything, it only makes them work in a slightly smarter way, which encourages them to come up with creative ways of reducing costs, while still increasing customer value. However, when it comes to more extensive new ideas or changes, Karlsson thinks the cost-awareness-culture is hindering the company:

“Being very number oriented may cause a bit reluctance to actually try the new things that might have a positive impact on us. We don’t know for sure what will happen if we spend 5 million on a tv commercial or if we spend a full-time job on just running our Instagram account to 100.000 subscribers. But the culture that we have is that it would be 100% waste of time and money, but we don’t know. It could have a long-term effect that is extremely good.” (Karlsson, 2017-04-27).

Karlsson further describes, when it comes to marketing activities, which are not as measurable as for example SEO, there is a reluctance in the company to invest, even though there is a demand in the market for that sort of communication. He argues that Bödmar’s cost-efficient leadership style in such cases have negatively influenced the ability to try new things and take on larger projects. Bödmar himself to some extent agrees with this argument, as he explains, that the most difficult market change to adapt to, has been social media. As he is not convinced that an increased social media presence will generate sales, he has been reluctant to invest in such platforms.

4.3.3 Communication

All respondents describe the communication at Scandinavian Design Center as open and informal, both within and between departments. Open and informal communication in this sense is defined by the respondents as the possibility to meet coworkers from your own as well as from other departments short-notice and to talk immediately with the person that is needed for a certain task or information. Backwall describes this kind of open communication as: “There are no barriers between the departments” (Backwall, 2017-04-27). Due to this way of communicating, the respondents explain they feel comfortable to communicate with everyone in the company no matter which position the person has. Boulangè mentions that the managers and the CEO are very accessible. This view is confirmed
by the former CEO’s description of his open-door mentality. Bödmar explains that he always keeps his door open for employees to come in and share their ideas. In this way, Bödmar describes the communication in the company as laid-back and informal. Backwall and Boulangè mention that even in large meetings, which are held on a monthly and weekly basis for the whole company, the communication is rather open and informal. Bergström perceives the focus of the communication within the company is on creating a friendly atmosphere that enables fun.

The open and informal communication is additionally encouraged by the open-space offices and closeness between the departments within the office. The marketing department, for example, is situated in the same room as the IT department and Karlsson describes “If I get an idea I just yell to them” (Karlsson, 2017-04-27). Krause explains most tasks at Scandinavian Design Center are done in-house, which also enables a fast and direct communication between different functions within the company.

Steinschaden finds, however, that there sometimes is a lack of communication between the departments since the company’s growth, when it comes to the transfer of information. He describes “The bigger the company the more people felt not informed about things that happen.” (Steinschaden, 2017-05-02). Bergström, Backwall, and Ålander agree on this aspect, which they find to be a result of a lack of structure in the communication. They further mention that important information is from time to time only shared within a small group of employees. Therefore, some employees are not always provided with the information, which is needed for them to do their job the best possible way. Ålander says: “An increasing problem we have had is lacking communication, where people are not informed of new changes.” (Ålander, 2017-04-27).

Bergström also noticed this lack of communication when he started as the new CEO at Scandinavian Design Center. From Bergström’s point of view, it is a matter of missing trust that not all employees receive the same access to information. This is in contrast to Bödmar’s idea of his leadership. Bödmar’s intention was “[...] to create a company based on trust internally so people could get empowered.” (Bödmar, 2017-04-27). From Bergström’s own experience it took six weeks until he got full
access to all systems and files of the company. In his perception, this issue was based on the lack of trust. Karlsson also mentions the trust issue and says: “There are a few employees that are trusted with a lot of things, basically everything when it comes to working.” However, at the same time Karlsson explains that other employees are trusted less: “I think, at least in the past, we have been a bit reluctant to give tasks to the correct function. Because we didn’t exactly trust them with the task itself.”(Karlsson, 2017-04-27).

4.3.4 The influence of communication on change

When it comes to the open and informal communication style, the respondents see several advantages. Krause says that open communication is crucial when it comes to big change projects since it enables input from different perspectives. Also, Ålander and Karlsson mention that due to open and fast communication within Scandinavian Design Center, small changes can be communicated and done much faster, which is important for marketing activities of an e-commerce company. The lack of barriers between the departments enables the implementation of market insights and changes, according to Backwall. In addition to that, Steinschaden says the short ways of communication make it possible to be more flexible. He also agrees that the lack of borders between the departments can encourage people to be more creative and therefore suggest and implement alterations and modifications. Bergström finds that the informal and friendly atmosphere, which enables open communication, is a positive aspect of the organisational culture in many ways. However, he worries if all focus is aimed towards a friendly and fun environment, employees will avoid issues and conflicts, which can lead to change. Further, he argues that when conversations about conflicts are avoided and new ideas are not shared within the company, it will not be possible to make changes. Nevertheless, Ålander expresses contrary to this that the informality and openness in the communication are making honest conversations about potential issues easier.

From Backwall’s point of view, the lack of structure within the communication hinders the spreading of knowledge throughout the company. According to her, not all employees receive the necessary information in order to be able to be up to date with current changes. Ålander explains that the unstructured type communication has to change, due to the increased number of employees and size of the company. Since
the departments are not as close as before, he thinks the spontaneous and unstructured communication is not working anymore. He finds that in order for all knowledge and information to be shared between managers and employees, there needs to be some form of formal structure. He further expresses “That’s one of the biggest tasks for the new CEO now, to make sure that the structure, but also the communication paths are working. Cause they haven’t really, to be honest.” (Ålander, 2017-04-27). Steinschaden is also of the opinion that more structure in the communication is necessary, however, he argues too much formality and organisation can also suppress open communication in a certain way and limits the creativity within the company: “Through organizing those things, I think you miss all the small pieces of information between the lines, the informal communication is kind of suppressed.” (Steinschaden, 2017-05-03). Therefore, Steinschaden emphasises there needs to be a balance between structure and informality.

4.3.5 Planning

When asked about planning, goals, and strategies in the company the respondents give mixed answers. Bödmar explains he has set clear goals and objectives for the company, both long-term and short-term, and emphasises the importance of clear goals. To the question, what the company’s values are, he answers: “My motto has been over the years, it’s not about if, it is only about when, so if you want to really reach the certain goal or position or whatever, I always said to myself, it’s not about if, it is only about when, so never give up.” (Bödmar, 2017-04-27). Boulangé and Krause are both of the impression they work towards clearly articulated objectives in their daily work. Krause describes that there are clear plans and objectives for the new website, but there is a certain span of flexibility within this plan. Further, she emphasises that it is important to have a plan, but especially to be able to change the plan along the process, in order to not hinder creativity. However, during the interviews, the respondents, who argue that the company is goal-oriented, cannot in a clear way articulate what the goals are.

The other respondents have slightly different views of the approach to planning in the company. Karlsson describes the company has not been particularly goal-oriented, especially when it comes to strategic and long-term goals. As mentioned in previous contexts, the company is focused on cost efficiency, and Karlsson finds this
to be a reason for the short-term oriented culture: “It is basically money out and money in” (Karlsson, 2017-04-27). Ålander is of a similar opinion and gives an example from a current project: “We have not really had any strategic plan about the website, to be honest. No formal plan where we said “this is what we want in ten years or five years within this website”, and that is something we really need to do when we are up and running.” (Ålander, 2017-04-27). Further, Ålander describes that there is some sort of diffuse goal, however, he doubts everyone has the same view of it since there have been issues with the articulation and communication of goals and objectives in general in the company. Steinschaden argues in line with this. Further, he describes projects and the company as a whole as being managed based on feeling, rather than objectives. Backwall is also of the impression that the company does not articulate any goals. When asked about the vision of the company she answers, she does not know what their vision is. In addition, Ålander adds that “There have been times within the company when employees didn’t feel like the knew about the vision or values.” (Ålander, 2017-04-27). What Bergström noticed, when he was appointed the new CEO, was that the company was excellent in operational work, but lacked strategic goals and project plans.

4.3.6 The influence of planning on change

The respondents, who do feel that there are articulated goals and objectives (Bödmar, Krause & Boulangé), think they are positively influencing the ability to implement new projects, as long as they are relatively flexible. The short-term orientation and lack of strategic plans have, according to the respondents, who described the culture in this way, both positive and negative implications. Krause, Ålander, and Karlsson perceive the short term orientation as enabling flexibility and making the company agile. Furthermore, Karlsson argues, even though he prefers the short-term orientation in his daily work, a long-term orientation would enable change more on a strategic level. Steinschaden also argues that even though the short-term orientation has negatively affected some projects, such as the website, in some ways, it has still provided the flexibility needed to deal with changes within the project:

“The target was to launch the perfect webpage from scratch in October. Time has made me understand that in such a critical and complex project you always have to ask yourself if some functions are critical or if we can go live without them? After a
while, maybe it is not even critical that you cannot sign up for the newsletter? What do we really lose? We lose perhaps 1000 subscribers per week, ok. What is that in money - very little compared to all the delays that we had. So my focus is more short-term oriented for enabling a good web page in the long run.” (Steinschaden, 2017-05-02).

In the operational work, Karlsson finds the diffuse objectives and lack of goals can give him the flexibility to go outside his normal assignment and try new things:

“For me, it has been positive because it doesn’t lock me to a certain KPI or certain measurement. If I have four things that I know my boss will measure me on, this is what justifies if I am good at my job or not. Why would I even bother to go outside these four measurements? It has sort of boosted my creativity to do other stuff that I am not measured on.” (Karlsson, 2017-04-27).

Nevertheless, the negative aspects of the lack of goals at Scandinavian Design Center are clearly more than the potentially positive ones, especially when it comes to extensive projects. Even though Karlsson finds that diffuse goals enable creativity to a certain extent, he is also of the opinion it can stand in the way of larger investments, as they are difficult to justify when there is no culture of setting long-term goals. Again, the example of the company’s previous reluctance to enter social media and influencer marketing is mentioned as a result of the lack of articulated goals and strategic objectives. In Karlsson’s opinion, reluctance to invest results in less change. Similarly, Ålander expresses the risk of not setting clear goals is that the company or project group takes on too much and as a result, does not implement anything fully. A further problem with the lack of goals is that every opinion and suggestion is valued equally which makes it difficult to prioritise. As a result, Ålander argues, the project slows down. “With a goal, it is easier to justify and argue for a decision” (Ålander, 2017-04-27).

Steinschaden explains, when the work with the new website was initiated, there were no articulated goals, which resulted in a project where nothing happened. He describes the initiation of the project chaotic, and as a result lacking effectiveness. Currently, he describes that there is some form of plan, however, not a long term one: *The plan is this, a whiteboard full with post-its!*” (Steinschaden, 2017-05-02).
Bergström, who is currently working on setting up strategic objectives and articulated values for the company, argues that without targets, the company does not need to change to reach the targets. Consequently, Bergström argues, change will not happen.

4.3.7 Perceived support

The majority of the respondents describe the support between colleagues as high and frequently use the word teamwork to describe the way of working at Scandinavian Design Center. Karlsson states: “The support from my colleagues has been really great! [...] If you have a good idea, people usually back it - there is not much of an internal competitive culture in this company in my experience” (Karlsson, 2017-04-27). Krause describes the company as a family working together and further says: “If you look at the Christmas sale which is a big peak for many e-commerce players, I mean, of course it’s a stressful period, but people see it more as an opportunity to help each other and jump in and that is a huge part of the work culture here that I really appreciate.” (Krause, 2017-04-27). Boulangé describes he has felt supported from both managers and colleagues from day one and explains that people are happy to help out across functions. In line with the employees’ views, Bödmar explains it has always been his vision to create strong teams, which empower and support each other.

The project group for the new website is an example of the teamwork in the company. Ålander explains that a complex project like this requires teamwork across departments and roles, as well as between representatives from different markets. Therefore, the team consists of employees and managers from different functions who have different roles within the project group. Ålander explains, his role, for example, is to bring ideas to the table, while the employees’ from IT role is to practically implement them. He further adds that since the website is going to be launched in a number of distant markets, there are representatives for those specific markets in the project group, too. The project group has meetings every day, which Ålander argues is crucial: “It is really easy within a big project to just let things go and you meet the next week and realises that nothing has been done. We noticed that from the start, that it is very important to meet often. Within the group, it has worked quite well.” (Ålander, 2017-04-27). Steinschaden also discusses the work with the
project group and adds: “I think it has been really good collaboration between the departments and a lot of positive energy and good teamwork” (Steinschaden, 2017-05-02).

4.3.8 The influence of perceived support on change

When discussing the current work with the major changes of the website, the majority of the respondents argue, the support from colleagues has played a major role in enabling the project. Steinschaden is of the impression that cooperation between departments has enabled flexibility and change. He further argues that different perspectives are especially important in this project: “Since the website is the heart of the company you should listen to every aspect whoever comes with the information” (Steinschaden, 2017-05-02). Karlsson finds that the close cooperation between the departments has enabled quicker change in the project, but also in general. He explains, since the company has not outsourced any activities or functions, there has been a closeness between the departments, which has enabled faster reactions to market change. Krause is of the impression that the support from employees from different countries has enabled the integration of knowledge of different country markets, and thereby helped the company in being agile towards varying demand and market trends. Bödmar explains his goal has been to create an environment, where people from different nationalities can contribute and learn from each other. Bödmar is also of the impression that the exchange between different nationalities within the company contributes to the company’s success in adapting their marketing message to varying markets and demands.

Backwall argues the support and close cooperation between colleagues have contributed to a more customer-oriented focus throughout the whole company, which in turn, makes everyone more responsive towards consumer insights. Being the customer service manager, Backwall receives consumer insights daily, which due to close cooperation and support is easily spread across the company. Ålander also discusses the customer-focus, which in his opinion is increasingly needed, and argues that such a focus has grown in the company due to the support between departments:

“We have different functions that work together more now. Customer service can’t just be customer service. They also need to be quite marketing oriented. We need to
have a cross-functional company. Because customers want to communicate with us wherever they are, and however they feel like. They don’t care about sending an e-mail to customer service, they might send it to the newsletter email because for them, that’s a contact channel like any other” (Ålander, 2017-04-27).

Further, Ålander argues that that the increased customer focus, which is a result of the support and teamwork, is positively influencing the company’s ability to understand market needs and act on them. Bergström is also of the opinion that a customer focus in the whole company enables responsiveness to market change. However, his view is that the company could be better in that area:

“We are all working with customers. And the purchasing department needs to know about customers, the finance guys need to know about the customers because they should also before they make decision know how it can improve the customer experience? [...] they need to look at it from a customer-centric perspective and we need to put that into the culture.” (Bergström, 2017-05-02).

Finally, the majority of the respondents agree that the cohesion and support between colleagues make employees committed to the company. Boulangé find that the sense of cohesion between employees creates commitment and motivation. As a result, he argues that people in the company are more motivated to embrace change and large projects together. Krause also finds the motivation, which the team culture brings enables the willingness to keep moving forward.
5 Analysis

In this chapter, the empirical data is analysed using the previously presented conceptual model. Following a general analysis of the DMCs and levels of organisational culture in the case company, the chapter is divided into four major parts, including team culture, entrepreneurial culture, hierarchical culture, and rational culture. In these four parts, the data is analysed in order to gain an understanding of how specific characteristics of the different types of culture individually influence DMCs.

5.1 Dynamic marketing capabilities

The discussion with the respondents at Scandinavian Design Center about market change and examples of strategic and operational changes within the company show that the company possesses dynamic marketing capabilities, in accordance with Fang and Zou’s (2009) definition. They define DMCs as the responsiveness and efficiency of marketing processes for creating and delivering superior customer value as a response to market change. Activities mentioned by the respondents can be related to all the activities within DMCs, defined by Fang and Zou (2009) as sensing, learning, integrating and coordinating. However, it is difficult to separate these, in terms of how they are influenced by different types or levels of organisational culture. As will be made clear further on in this chapter, these activities are in many cases jointly influenced by cultural characteristics. The four activities create a process that constitutes DMCs, and therefore, they cannot be separated in this analysis, even though there are some characteristics that may influence the sensing capability more than the coordinating capability, for example. Thus, when DMCs are mentioned in the following analysis, we refer to the responsiveness and efficiency of marketing processes for creating and delivering superior customer value as a response to market change, consisting of the process of sensing, learning, integrating and coordinating market knowledge, without pointing out which specific parts that are influenced.

5.2 Levels of culture

It is difficult to determine how levels of specific types of culture individually influence DMCs. Nevertheless, it is, based on the collected empirical data, possible to understand in general terms, how the different levels of culture together influence
the firm’s ability to respond to market change. Cultural aspects, corresponding to the three levels of culture defined by Schein (2010) as values, assumptions, and artefacts, can all be identified at Scandinavian Design Center. Values, which can be identified at the company are cost-consciousness and teamwork. It is relevant to mention here that there are some other values described by top management, which other employees do not appear to either know about or share. In line with Alvesson’s (2013) definition of culture as something that is collective and shared among members of a group, it can be assumed that these so called values are in fact not cultural values. Rather, they are values of specific people within the company, however, not within the organisational culture, as they have failed to be communicated and shared. The cultural values, which can be identified, i.e. cost-consciousness and teamwork, are articulated officially, for example on the company’s website, as well as by the interviewed respondents. These values appear to influence the way people work on a strategic and operational level, which indicates that values indirectly influence the DMCs.

The level of culture, which is majorly discussed in the interviews, concerns how things are actually done in the company, which relates to what Schein (2010) defines as assumptions. Behaviours, feelings and thought processes on this level, may it be related to leading, communicating, planning, or supporting appear to directly influence DMCs. How these different assumptions directly influence specific levels of DMCs will be discussed extensively in the following parts of this chapter. On the artefactual level, several aspects can be identified at Scandinavian Design Center. Schein (2010) defines cultural artefacts as physical manifestations, such as reports, dress code, and company environment. The environment in the office, with its open spaces and areas to socialise, is an example of physical artefacts that represents the culture described by the respondents and official statements from the company. Additionally, the casual dress code is another artefact, which is representative of the flexible and relaxed culture that is described. Our interpretation of the role of the physical artefacts is that they strengthen and enable the assumption level of the organizational culture, and thereby indirectly influence the development of DMCs.

For example, the open office spaces do not generate responses to market change in itself, however, they enable the open communication and teamwork that in turn, influence such capabilities.
5.3 Team culture

Since all respondents describe the culture as supportive and collaborative, it is evident that there is a large emphasis on teamwork within and between departments in the company. The perceived support from colleagues among the respondents is high, and every one of them appears to share the view that the company is characterised by a helpful working environment. Similar statements can be found on the company’s website, where teamwork again is emphasised as an important value. Additionally, it is visible from the design of the office, which consists of open spaces where all departments sit close to each other, that the environment can encourage collaboration and teamwork. These characteristics can be found in the description of team culture (Camerons & Quinns, 2006; Helfrich et al., 2007), which is characterised by teamwork and a sense of “we-ness”. These team culture characteristics seem to positively affect the ability to share and learn new knowledge in the company, in addition, to acting on change fast. Given examples relate to both smaller changes in everyday work, in addition to more time-consuming projects, like the new website.

The open and informal communication within and between the departments, and the description of the company as a family or team, are other characteristics which can be related to team culture, where the terms cohesion and mutual support are emphasised by Pheysey (1993), Cameron and Quinn (2006) and Ovseiko et al. (2015). These characteristics of the culture could, in addition to the interviews, be seen in the observations in the office and lunchroom, where employees and managers socialise across departments. The sense of cohesion and openness between colleagues is described as influencing change positively since employees feel secure to ask colleagues in any department for help or to share new ideas or visions. In addition, cohesion appears to positively influence the motivation of employees, which affects their willingness to respond to market change and keep moving forward. This positive influence is described in different kinds of examples, both in the daily work and in a more strategic sense. The only respondent, who finds that the informal and friendly communication style may also influence the ability to change negatively is the new CEO, who thinks that this environment can make people reluctant to have conversations about things that need to change. However, as no one
of the other respondents, who actually have more experience in this environment agree, it can be concluded that the open and informal communication mainly have an enabling influence on DMCs.

The different scope or size of the changes, described in the interviews, can be related to the different levels of DMCs, defined by Evers et al. (2012) as incremental, renewing and regenerative. The teamwork and support between colleagues appear to have a positive influence on both an incremental and renewing level. The incremental level concerns gradual adaptations with minor alterations and modifications, whereas renewing DMCs refer to the purposefully modifying, creating and extending the firm’s resources (Evers et al., 2012). The team culture characteristics seem to enable responses to market change on a daily basis, for example, consumer requests or variations in preferred marketing content, which can be interpreted as incremental DMCs. Responses to more extensive market change, such as the shift from offline to online marketing, or demand of a new website, is also positively influenced by teamwork, here in the form of project groups, where people from different functions cooperate. Such examples can be labelled renewing DMCs, which also seem to be positively affected by the team culture characteristics as teamwork, cohesion and open communication.

An aspect of culture, which is not discussed directly, but mentioned on a number of occasions, is the lack of trust from management towards employees. As described by the respondents, this leads to a lack of delegation and reluctance to share information, which in turn, negatively influences the ability to adapt to market change, both on a daily basis and on a more strategic level. Trust is an aspect that characterises team culture, defined by Cameron and Quinn (2006), which entails empowering of employees and delegation of tasks. The statements on lack of trust by the respondents indicate that a lack of trust negatively influence DMCs. Thus, is can be assumed having trust between managers and employees would positively influence DMCs on an incremental and renewing level.

5.4 Entrepreneurial culture

The communication at Scandinavian Design Center is described by some respondents as unstructured. In addition, the lack of communication between
departments described by other respondents can be seen as a further indicator of the unstructured communication processes, where there have been issues due to the fast growth of the company. The unstructured way of communicating originates from the initial small size of the company, where spontaneous communication was possible due to the small amount of employees working at Scandinavian Design Center. Nevertheless, the respondents now find that the communication in the company needs structure and more formal processes, as the lack of structure disables the information flow in the company. The unstructured communication style can be seen as characteristic for the entrepreneurial culture, which Helfrich et al. (2007) and Ovseiko et al. (2015) describe as flexible. The unstructured communication appears to sometimes negatively influence the sharing of knowledge and information in the company. It appears the unstructured communication has caused problems with the sharing of information both related to operational and strategic issues. As such, it can be assumed that the lack of structured communication paths negatively influences incremental and renewing DMCs, as defined by Evers et al. (2012).

Another characteristic of the company that is discussed is the short-term orientation, which can also be seen as an aspect of the entrepreneurial culture since Helfrich et al. (2007) describe that an entrepreneurial context usually is characterized by adhocracy. The short-term orientation makes it possible to focus on details and be flexible within the daily work, nevertheless, the lack of a strategic long-term plan limits the possibilities to realise larger changes in the long-run, since it is difficult to justify extensive changes that may not generate revenue short term. Therefore, the short-term orientation of the company seems to enable incremental DMCs, however, disable renewing DMCs.

Scandinavian Design Center is furthermore, according to the respondents, characterised as a company with flat hierarchy and flexibility, which is again part of the entrepreneurial culture as described by Helfrich et al. (2007) and Ovseiko et al. (2015). In the daily work, the flat hierarchy appears to enable fast decisions, creativity, and the ability to try new things. Nevertheless, it is described that the flat hierarchy also slows down projects on a more strategic level, due to the lack of structure. This can be interpreted as the flat hierarchy and flexibility of the company enable change on the incremental level rather than on the renewing level. Due to the
flat hierarchy and flexibility, it seems the decision-making process and the implementation of new ideas can be made quickly on a daily basis, however not on a more strategic level.

Another aspect that was mentioned is the encouragement of the employees to take risks. Although the former CEO aimed to create an atmosphere within the company that empowers the employees to take risks, the employees only perceived this encouragement within a small framework, where they were only able to take risks on an operational level. According to Kuratko (2007) and Hartnell et al. (2011), the entrepreneurial culture is characterized by risk-taking behaviour. Such entrepreneurial behaviour can thus be found in the organisational culture at Scandinavian design. However, the risks that are encouraged in the company only regard small risks that do not involve large financial investments. Therefore, it can be interpreted that the risk-taking behaviour is encouraged on an operational level, thereby influencing incremental DMCs positively. As mentioned a number of times in relation to the cost-awareness in the company, the employees have not been encouraged to take large financial risks, for example, when it comes to investments in new marketing channels. This has according to them negatively influenced the ability to respond to market change, as there has been some scepticism towards the risk of investing in new trends. It can thus be assumed that risks on a strategic level, in addition to operational, could positively influence the ability to respond to market change. This assumption indicates that risk-taking behaviour is enabling DMCs on both an incremental and renewing level.

5.5 Hierarchical culture

The lack of delegation at Scandinavian Design Center that is described by many of the respondents can be characterised as a centralised decision-making process, as there has been a reluctance to allocate tasks to some employees. Following the description of Pheysey (1993), this type of decision-making belongs to the hierarchical culture, where decisions are made by top management. Even though the respondents describe that there is a lack of delegation, they still find that there is a flexibility that enables them to make decisions and implement new ideas on a daily basis. Therefore, it can be interpreted that the centralised decision making only apply to the strategic level, and not the operational. As a result, the centralised decision
making does not seem to influence the ability to respond to market change on the incremental level. However, on the renewing level, the results indicate that it slows down changes, as this is described by a number of the respondents. Therefore, in accordance with the definitions of Evers et al. (2012), centralised decision making influences renewing DMCs negatively.

An aspect of the culture that relates to the centralised decision-making in hierarchical cultures (Pheysey, 1993; Helfrich et al., 2007), but involves more than merely decisions, is the reluctance to share information. Not only is this characteristic described by the respondents when they are asked about the sharing of information, it is also visible from their descriptions of other subjects, such as goals and values. The lack of articulated goals and values is discussed in detail in the following part, however, the different views the respondents have on this matter is relevant to this discussion on hierarchical culture. There are several examples where the CEO and a few respondents on management level have a clear view of certain plans or objectives, while it is evident that the other respondents do not. This observation, together with the respondents’ statements, makes it clear that there is some form of reluctance to share information downwards in the organisation. According to the respondents, this culture appears to be a result of lacking trust and fear of leakage of information and is negatively affecting the information flow in downwards in the organisation. As a result, certain knowledge is concentrated in the minds of a number of people, which disables change to be implemented in all parts of the organisation.

Since the company is following the mentality of trying to avoid risks, when the outcome of an investment is not measurable, it can be described as wanting predictability rather than unpredictability. Predictability is according to Helfrich et al. (2007) and Cameron and Quinn (2006) a characteristic of organisational culture that describes the hierarchical culture. Since predictability means that the company is not willing to take risks and try new ideas on a strategic level, it can be assumed that it hinders the ability to make changes, especially on the renewing level.

As a result of the fast growth of the company, there has been a lack of structure of the roles. Formal roles is a characteristic that is described as typical for hierarchical cultures (Pheysey, 1993; Helfrich et al., 2007) and is something that according to the
employees at Scandinavian Design Center is lacking in the company. There have many times been situations where people have worked outside of their job descriptions, which has had different implications for the development of DMCs. On the one hand, the flexible structure and lack of formal roles have, as mentioned in relation to team culture, enabled support between colleagues and departments. However, it is clear the lack of formal roles has made both operational and strategic work difficult, as it has disabled sharing of knowledge within the organisation. When there is no clarity in the roles, it appears that information and details get lost along the way, since employees do not know who is in charge of communicating certain information. As this is described as a problem in the daily work, in addition to extensive strategic projects, it can be assumed that it affects both incremental and renewing DMCs. This indicates that formal roles would then positively influence DMCs on the same levels.

5.6 Rational culture

The culture at Scandinavian Design Center is characterised by cost-awareness, and the employees at the company are encouraged to work in a cost-efficient way. This underlying value is described to originate from the former CEO’s ownership of the company and has influenced the way of working in the entire organisation. This value can be found in what is defined as rational cultures, where efficiency and productivity are valued (Helfrich et al., 2007). The cost awareness that characterises the values guiding the employees at the company does not appear to have any significant influence on realising change on a daily or operational basis, and therefore, incremental DMCs are not particularly influenced by this aspect of rational culture. When it comes to market change that demands major changes and new knowledge in the company, however, the cost-awareness culture seems to have a negative influence. A number of employees in the company experience that the cost-awareness limits the ability and willingness to invest in new marketing channels or projects.

Another characteristic that is related to the cost-awareness in the firm, that can also be connected to Hartnell’s et al. (2011) definition of rational cultures, is the importance of measuring results, referred to as measurable outcomes in the CVF (Hartnell et al., 2011; Ovseiko et al. 2015). Both the former CEO and a number of
employees describe that there has been a reluctance to try new marketing strategies, such as investing in social media marketing since there is an idea that such investments would not initially be measurable. As a result, the focus on measurable outcomes has negatively influenced DMCs on a renewing level. As the changes related to incremental DMCs, such as adapting market communication to certain trends or taking in new products that are requested by customers, do not require any major financial investments, the need to measure results does not affect them. Thus, the focus on measurable outcomes only appears to influence renewing DMCs.

A third subject concerning the culture at Scandinavian Design Center that is relatable to rational culture, described by Hartnell et al. (2011) as goal-oriented, is objectives and strategic goals. Evidently, there are different perceptions among the managers and employees of the goal-orientation in the company. The former CEO describes that the company, indeed, is goal oriented and that working towards clear objectives is of utmost importance, which in addition, is mentioned at the company’s website. However, the majority of the employees do not agree with this view. In addition, the former CEO and the two employees who are of the impression that the company is goal-oriented cannot during the interviews actually articulate any specific goals that company work towards. It can, therefore, be interpreted that the view of the company as not being particularly goal-oriented shared by the majority of the respondents, is a more realistic picture.

In the employees’ opinions, minor alterations and additions to marketing capabilities, which in the theory refer to incremental DMCs (Evers et al., 2012), are sometimes enabled by the lack of clear objectives, as it gives room for creativity and new ideas. Since there is no exact plan, it is easier to adapt and be agile along the way of large projects. However, it is still emphasised that there needs to be some form of goal or plan, although its diffuseness can enable flexibility. On a renewing level, however, it is evident that the lack of clear objectives in the company in general, and in specific projects, is hindering change in a number of ways. First, the lack of clearly articulated goals appears to slow down projects, leaving employees confused about the direction of them. Secondly, it is considered to be difficult to justify investments in new ideas or marketing channels, when there is no general goal of the company and its marketing function. Finally, it is argued that without a goal, it is difficult to
prioritise ideas and new input, and as a result, there is a risk that no change is conducted fully. The same consequences seem to apply for the lack of planning, which similarly, sometimes positively affect incremental DMCs, but more importantly, negatively influence renewing DMCs in a number of ways.

As mentioned, rational cultures are characterised by formal planning and clearly set objectives (Hartnell et al., 2011). It is visible that a lack of formal planning and articulated goals negatively influence renewing DMCs in the company. An interpretation of these results can consequently be that a rational culture with clear goals and long term planning would then positively influence renewing DMCs. Furthermore, as a number of the employees at the company explains that they are of the impression that articulated goals would enable projects such as the new website, which entails learning, integrating and coordinating new knowledge, it is possible to make such an assumption. However, to similarly interpret the slightly positive aspects mentioned of not being provided with articulated goals, and assume that goals, then, negatively influence incremental DMCs, may be too far-fetched. Instead, it can be said that the lack of articulated goals may positively influence incremental DMCs in some specific cases.

5.7 Summary of Analysis

The following table summarises the results of the analysis. All characteristics in the four cultures discussed in the analysis are summarised here, showing with a plus or minus whether they have a negative or positive influence of DMCs on the incremental and renewing level. Where it was not possible to make any interpretations about the influence of a certain characteristic, this is illustrated with a zero. The analysis only includes incremental and renewing DMCs, even though Evers et al. (2012) define a third level, called regenerative DMCs, in addition to these two. As it was not possible to identify any influence of organisational culture on regenerative DMCs, this level is not included in the analysis. The appointment of the new CEO and all the strategic changes that this brings can be interpreted as a change on a regenerative level, in accordance with the definition of this level as the creation and modification of the DMCs themselves. The new leadership is described in terms of changing and rethinking major strategic aspects, such as values and ways of learning. However, there was no information indicating if and how organizational
culture influenced this decision. Thus, it is not possible to understand the relation between organisational culture and such changes.

Table 2: Summary of Analysis

<table>
<thead>
<tr>
<th>Organisational Culture</th>
<th>Incremental Level</th>
<th>Renewing Level</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Team Culture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaboration &amp; Support</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Open Communication</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Cohesion</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td>Trust</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td><strong>Entrepreneurial Culture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unstructured Communication</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Short-term Orientation</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Flat Hierarchy</td>
<td>+</td>
<td>-</td>
</tr>
<tr>
<td>Risk-Taking</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td><strong>Hierarchical Culture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Centralised decisions</td>
<td>O</td>
<td>-</td>
</tr>
<tr>
<td>Predictability</td>
<td>O</td>
<td>-</td>
</tr>
<tr>
<td>Formal Roles</td>
<td>+</td>
<td>+</td>
</tr>
<tr>
<td><strong>Rational Culture</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost-Awareness</td>
<td>O</td>
<td>-</td>
</tr>
<tr>
<td>Measurable Results</td>
<td>O</td>
<td>-</td>
</tr>
<tr>
<td>Goals &amp; Objectives</td>
<td>O</td>
<td>+</td>
</tr>
</tbody>
</table>

*Source: Own creation (based on analysis)*
6 Conclusion

In this chapter, the research question is answered. Furthermore, managerial and theoretical implications are made and the limitations of the study are stated together with suggestions for further research.

6.1 Answer to research question

The aim of this study was to answer the research question “How does organisational culture influence dynamic marketing capabilities in international e-tail companies?”. The results indicate that culture influences DMCs on three levels, including values, assumptions, and artefacts. While values have a guiding role, and artefacts have a more supporting one, the assumption level, which includes people’s behaviours and thoughts is the level directly influencing DMCs. The analysis of the results indicates that different characteristics of four types of organisational culture, defined as team culture, entrepreneurial culture, hierarchical culture and rational culture, influence the DMCs in international e-tail companies differently on two levels. The two levels, which were identified to be influenced differently by the characteristics of organisational culture, are the incremental and renewing level of DMCs, as defined by Evers et al. (2012). The results indicate that it is not possible to draw general conclusions about the influence of organisational culture types. Therefore, it is necessary to look at the characteristics of each organisational culture separately.

Regarding the team culture, all identified characteristics, namely collaboration and support, open communication, trust, and cohesion, are found to influence DMCs positively. These team culture characteristics enable the speed of processes, the motivation of employees and the spreading of knowledge, which appear to positively influence DMCs on the incremental as well as on the renewing level. Team culture is, therefore, the only organisational culture that has a consistently positive influence on DMCs. Within the entrepreneurial culture, most of its characteristics have a positive influence on DMCs on the incremental level; this includes short-term orientation and flat hierarchy, in addition to risk taking, which also has a positive influence on the renewing level. These characteristics enable DMCs since they
empower flexibility and creativity. Only informal communication, as a characteristic of entrepreneurial culture, is considered to have a negative influence on DMCs on both levels, as it hinders the spreading of information in operational and strategic work. On the renewing level also short-term orientation and flat hierarchy influence DMCs negatively, since short-term orientation limits long-term investments and a flat hierarchy slows down strategic projects. For the hierarchical culture, the two characteristics centralised decisions and predictability are identified as negatively influencing renewing DMCs. Centralised decision making slows down DMCs, and the wish for predictability hinders risk-taking, which, as mentioned before, positively influences DMCs. Only the characteristic formal roles seems to have a positive influence on both the incremental and renewing level of DMCs since the lack of them causes confusion and therefore slows down projects of change. Regarding the rational culture, the two characteristics cost-awareness and measurable results are identified as influencing DMCs negatively on the renewing level, as they also hinder risk-taking behaviour. However, goals and objectives help to prioritise and justify ideas and investments in addition to reducing confusion in strategic projects. Therefore, they appear to have a positive influence on the renewing level.

6.2 Theoretical Implications

According to these findings a revised conceptual model can be presented, which includes not only the different types of organisational culture, but also the different characteristics of them, which are identified to influence DMCs either positively or negatively (Figure 2). Furthermore, the revised model shows the influence of the characteristics on the different levels of DMCs.
It is visible, even though team culture is the most positive organisational culture in relation to DMCs, as it only enables them, that the issue may be more complex than that. As there are aspects from all organisational cultures positively influencing DMCs, it appears, a combination of different cultural archetypes seems to be needed in order to achieve the most effective DMCs. This means that team culture on its own may not be the most optimal culture in enhancing DMCs. Since the cultural characteristics have diverse implications for different levels of DMCs, it is difficult to draw any conclusions about which specific combination positively influences DMCs the most. Although we cannot draw such conclusions, the result indicates that a mix of different cultural characteristics is necessary to enable DMCs in international e-tail companies.
The results of this study contribute to the theoretical field of marketing capabilities and can be a starting point for further research. The research gap concerning organisational culture as an antecedent of DMCs identified by reviewing the work of Fang and Zou (2009), Wang et al. (2013), Bruni and Verona (2009), has been narrowed down due to the results of this study. In addition, the results provide insights for research on the dynamism of marketing capabilities specifically in the e-tail industry, where Wu and Hisa (2008) identify the need for dynamism as especially important. The findings of this study indicate that there are a number of characteristics of organisational culture that positively and negatively influence DMCs in international e-tail companies. The type of organisational culture that influences DMCs in the most positive way appears to be team culture, followed by entrepreneurial culture. These results can be compared to the studies on organisational culture as an antecedent of dynamic capabilities in general (e.g. Montealegre, 2002; Augier and Teece, 2009; Eriksson, 2014; Barrales-Molina et al., 2014) where trust, collaboration, and entrepreneurial attitude are found to positively influence dynamic capabilities. In some ways, our results are similar to these findings. However, a major difference is that the findings of this study differentiates between levels of DMCs, and indicates that while team culture has a positive influence on two levels, entrepreneurial culture varies in its influence on different levels. In addition, the results of this study point out that even though the majority of the characteristics of rational and hierarchical cultures are negatively influencing DMCs, formal roles and articulated goals seem to be as important as the positive characteristics of the team and the entrepreneurial culture. Therefore, this study can indicate that it is of relevance to further study DMCs as its own theoretical subject, even though it has similarities to the field of dynamic capabilities.

6.3 Managerial Implications
Since Wu and Hisa (2008) identify online markets as especially sensitive to rapid market change, it can be argued that DMCs play an important role for e-tailers in achieving competitive advantage. Therefore, it is most relevant for managers to know what kind of organisational culture enhances DMCs. The findings of this study can thus be meaningful to managers of e-tail companies, as they can be utilized in creating a working environment that positively influences DMCs. In addition, the
findings provide guidance in what kind of leadership, planning, support, and communication to avoid, in order to further enhance the company’s DMCs.

The findings of this study indicate which characteristics of organisational cultures enable and disable the ability of a company’s marketing processes to respond to market changes. Creating a team culture appears to be the best possibility to enable DMCs on both levels. This includes creating an atmosphere of support, trust, open communication and cohesion between the employees. Furthermore, encouraging employees to take risks can have a positive influence on the DMCs of a company. To improve DMCs on a renewing level, clearly articulated goals and objectives are suggested. Additionally, structuring the company with formal roles and clear job descriptions is a way to influence DMCs positively. Finally, the management of e-tail companies should try to avoid centralised decision making, focus on predictability and unstructured communication, as it appears to influence DMCs negatively. Even though organisational culture is a complex social construct that cannot be created or changed overnight, the insights gained from this study can help managers to consciously work towards creating a culture that over time, will positively influence DMCs.

6.4 Limitations

When presenting the results of this study, it is also important to discuss its limitations. First of all, the single case study design can be seen as a limitation, even though we as much as possible, have attempted to raise the credibility and transferability through a thick material and extensive interviews. To study a phenomenon on one case only is a risk, and can be a limitation due to the lack of any comparison between cases.

Other limitations concern some characteristics of the case company. First of all, the case company falls under the category SMEs, which most likely influenced the results of the study. Although company size was not the focus of this research, it can be assumed that it is, just like organizational culture, an antecedent to DMCs, since the respondents in addition to organisational culture discussed company growth in relation to DMCs. Therefore, the results of this study may not be applicable on large multinational corporations, as such companies may need other cultural characteristics
to develop DMCs. Secondly, the company was based in Sweden. Even though national culture was disregarded in this study, the results may have been influenced by this factor. Thus, the results may have been slightly different in another culturally distant context. As such, it can be seen as a limitation that the study only addresses organizational culture in a company based in Sweden.

A possible limitation is the theoretical framework that was used to empirically investigate and analyse organisational culture. Even though the framework used in this study covered many aspects of what is considered to be organisational culture, there may be other aspects, that were missed, as a result of the chosen framework. Thus, there may be characteristics of organisational culture that influences DMCs, which were not detected in this study.

A final limitation is that the result of this study pointed out which cultural characteristics that individually influence DMCs, however, not how these characteristics influence each other and how they should be combined. The findings indicate that there needs to be some sort of balance between different cultural characteristics, however, due to the scope of this research, the combinations of cultural characteristics were not possible to study or draw any conclusions about. In addition, it was not possible to draw conclusions about the influence of organisational culture on regenerative DMCs.

6.5 Further research

As it was not possible to study the connections between the cultural characteristics in this study, it can be suggested that further research should investigate this matter. It would be relevant both theoretically and practically to understand what combination of the identified cultural characteristics that mostly influence DMCs positively. Therefore, a study that focuses on how the cultural characteristics influence one another and how they together influence DMCs is suggested. Furthermore, a study emphasising regenerative DMCs is suggested, as an analysis of this level could not be included in this study.

In addition, similar studies to this one could be conducted, however, being based on other theoretical frameworks, that may include other aspects of organisational culture that were not found in this study. As organisational culture is a phenomenon that is
complex and broad and has been conceptualised in a variety of models and theories, it can be suggested that further research is conducted with other theoretical perspectives or frameworks, to further broaden the theoretical understanding of the influence of organisational culture on DMCs.

It can furthermore be suggested that research in this field should be conducted on case companies that are different from this one. For example, a study on the influence of organizational culture on DMCs in larger firms with many employees globally would possibly generate interesting results that differ from the results of this study. Additionally, the study could be conducted in other geographical and cultural contexts, perhaps even comparing differences between them. Further research in different types of context would give a broader and more nuanced understanding of this subject, which is still relatively unexplored.

Finally, the results of this study could be validated further with a quantitative research. A qualitative study could, for example, study each type of culture, or each characteristic separately to gain an understanding for each variable in a number of companies or contexts.
References

Literature and Online Sources


**Interviews**


Bergström, B., CEO. Interview, 2017-05-02, Kalmar.


Bödmar, J., Former CEO and founder, Interview, 2017-04-27, Kalmar.


Steinschaden, T., Manager, Interview, 2017-05-02, Kalmar.

Appendix

Interview Guide

What is your position?

How long have you worked in the company, and how long have you had this position?

What do you do in your daily work?

Can you give an example of how the company has recognised changes in the market?

Can you give an example of a change related to marketing conducted in the company as a result of market change?

How would you describe working at Scandinavian Design Center?
- Leadership?
- Communication?
- Planning/Goals/Values
- Perceived support?

During the changes that you described, how has the
- leadership
- communication
- planning/goals/values
- perceived support
in the company influenced your work?