Dynamic Marketing Capabilities - Organizational Renewal Towards Social Media Marketing

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Martin Hult
Jannike Sjölund
Supervisor: Desirée Holm
Abstract

Through a qualitative study based on an integrative model of dynamic marketing capabilities (DMCs), we have aimed to investigate how acquisition and integration of market knowledge have affected the process of organizational adaptation towards social media marketing and how this has led to a reconfiguration and adaptation of the firms’ organizational resources and capabilities. The empirical data was collected through semi-structured interviews with five case companies; Bambino MAM, L’Oréal Nordics, Oriflame, Unilever, and Åhléns. All companies in this study have to some degree reconfigured its organizational structure based on shifting market conditions in terms of increased importance of presence in social media. The absorption and utilization of market knowledge have been of major importance for initiating the transition process. In this regard, DMCs are to some degree identified in all the interviewed companies. The most prominent factors that enable the development of DMCs found between the interviewed companies is the wide use of external networks in identifying new trends and developing the competence, and the emphasis on having high expectations on employees to search for opportunities and trends. Furthermore, empowering employees to test and learn may be an influential factor in strategies to absorb market knowledge for organizational renewal.

Keywords
Dynamic Marketing Capabilities, Dynamic Capabilities, Knowledge Management, Absorptive Capacity, Organizational Renewal, Social Media Marketing
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Abbreviations

DC = Dynamic Capability
DMC = Dynamic Marketing Capability
MBV = Market-Based View
RBV = Resource-Based View
1. Introduction

“You can’t use TV anymore; you really need to build a connection. If you want to build a brand you need engagement, you need to be authentic, and the best way to do that is either on your own brand website, social media or in person.” - CMO, L’Oréal Nordics

The increasing use of internet and social media have in the last ten years changed the way we communicate and get access to information. By the launch of Facebook, in 2004, 27 percent of the Swedish population had access to broadband internet at home and smartphones were not on the market yet (Mjömark, 2016). In 2015, that figure had risen to 90 percent and 77 percent of the population had a smartphone (Findahl & Davidsson, 2015). Considering social media, Facebook is the dominating social network in Sweden with 70 percent of the internet users using Facebook and 50 percent doing so every day (ibid.). In addition to Facebook, other widely used social media channels are Instagram, YouTube, and Snapchat. Instagram has 700 million users worldwide every month, who capture, edit, and share photos, videos and messages with friends and family through the app (Törner, 2017). More than 1 billion hours of videos are watched per day and more than 400 hours of video content is published every minute by users or corporations on YouTube (Statista, 2017a). Launched in September 2011, Snapchat, the mobile app for sharing photos or short videos semi-publicly or privately, has quickly gained the interest of users and companies (Statista, 2017b). As of February 2017, Snapchat had 161 million daily users (Törner, 2017). With such a widespread usage, social media has revealed new possibilities for firms to market themselves and social media marketing has been described as an integral element of 21st century business (Felix, Rauschnabel and Hinsch 2016).

“Innovation, particularly in marketing, is a primary concern as people’s media consumption habits change. Digital marketing now drives sales through all customer channels.” (Unilever, 2015). For example, Instagram today has one million active advertisers (Törner, 2017). Advertising is one of the ways social media platforms and websites can be used to market and promote a product or service. The mentioned social media channels, Facebook, Instagram, YouTube, and Snapchat, are all used for marketing through bought advertising but also through corporate user accounts where the companies publish their own content and communicate with followers. In addition to advertising and campaigns, so called influencer marketing, when companies collaborate with a blogger, social media profile, celebrity or another influential
person, often through the influencers own social media channels, in order to communicate their message, is a way for companies to reach their target group (Hörnfeldt, 2015).

Firms have to different degrees utilized the possibility of presence in social media, and social media as a marketing tool, and turned it into a competitive advantage. The L’Oréal Group for example, totaled some 300 million subscribers on social media and more than one billion visits across all the Internet sites in 2016, and L’Oréal Paris alone is generating over 20 million views on YouTube every month (L’Oréal, 2016). Felix et al. (2016) address that social media marketing provides firms with the opportunity to build relationships with customers, employees, communities, and other stakeholders. It opens new communication possibilities through enabling another communication channel where firms can push out information to its customers. The rise of social media implies new marketing opportunities but also new challenges for firms since they must adapt and adjust its organization after the new circumstances to stay competitive. “Traditional marketing channels are very important for us. It has a lot to do with procurement and the purchasing power that Unilever has the possibility to create but also because digital demands more agile resources.” (Szugalski, 2017)

Social media marketing is according to Felix et al. (2016) a complex and demanding arena which cannot exclusively be managed by a single individual or department. Firms must carry out cross-functional collaboration along several dimensions of social media marketing to successfully navigate in its dynamic landscape (ibid.). In order to adapt and adjust to new market dynamics, a wide range of literature suggests that firms must have the ability to integrate, build, and reconfigure its internal and external competences (Teece, Pisano and Shuen, 1997; Eisenhardt & Martin, 2000; Teece, 2007). These abilities are referred to as dynamic capabilities (DCs). In addition to DCs, the term dynamic marketing capabilities (DMCs) has been introduced due to the role of marketing functions in the development of DCs. DMCs are by Barrales-Molina, Martínez-López and Gázquez-Abad (2014, p.409) defined as “capabilities that use market knowledge to adapt organizational resources and capabilities”. There is a general lack of empirical studies regarding DCs and particularly regarding DMCs. According to Barrales-Molina et al. (2014), there is a need for more empirical study in order to explain how marketing resources and capabilities can manage the market knowledge acquired in practice. The way such knowledge supports the renewal of organizational resources and capabilities, and how firms’ absorption and management of market knowledge aids in
generating DCs need further empirical study (ibid.). We aim to address this by exploring the following research question:

*How do firms use their marketing resources and capabilities to absorb market knowledge and utilize it for organizational renewal?*

**1.1 Aim of the Study**

The need for organizational adaption towards social media marketing is a prominent and recent change and serves as an example and starting point for this study on DMCs. Through a qualitative study of five firms that to various degrees have implemented social media as one channel in their marketing strategy, we aim to investigate how acquisition and integration of market knowledge have affected this process and how this has led to a reconfiguration and adaptation of the firms’ organizational resources and capabilities. The theoretical framework for this investigation is the integrative model on DMCs constructed by Barrales-Molina et al. (2014). This model explores the marketing enabler processes, specific components, and underlying processes that are all preconditions for the development of DMCs. To explore this, we look at how the work with social media is organized and has changed; how opportunities and trends are identified; how market knowledge is acquired, communicated between functions and departments, and integrated in the organization; and how firms have responded, adapted and reconfigured due to the changing market with increased importance of presence in social media. This study provides empirical support to previous research on DCs and DMCs and extends the research through suggesting prominent examples of influential strategies to absorb and utilize market knowledge for organizational renewal. In practice, this finding may serve as an aid when implementing strategies for acquisition and utilization of market knowledge for organizational renewal.
2. Theory

The theory section is divided into three sections, the first two, 2.1 Market Based and Resource Based View and 2.2 Dynamic Capabilities, provides a theoretical background and literature review. Section 2.3 Dynamic Marketing Capabilities is the foundation for this empirical study and is concluded with a model with the relevant theoretical concepts for our analysis.

2.1 Market-Based and Resource-Based View

How firms gain competitive advantage has over time become a well-researched topic. Scholars have tried to answer questions such as “why do firms perform differently?” (Zott, 2003) and “how is superior performance achieved?” (Day, 1994). To answer this, previous research has developed into two different streams of research: the market-based view (MBV) and the resource-based view (RBV) (Makhija, 2003). The MBV is characterized by an outside-in approach where competitive advantage is mainly determined by external factors such as entry barriers, bargaining power, and monopolistic advantages (Grant, 1991; Makhija, 2003). A prominent example in this regard is the five forces model by Porter (1980), which has reached a wide degree of practical implications (Saeedi, 2017). The MBV has been criticized for not considering internal factors which have developed the research towards the RBV, studying a firm’s internal resources such as Wernerfelt’s (1984) tangible and intangible assets and Barney’s (1991) physical capital, human capital, and organizational capital resources. Similar to how the MBV was criticized for not studying internal resources, the RBV was criticized for not considering business-related environmental factors that changes over time (Saeedi, 2017). Wang and Ahmed (2007) argue that the RBV fails to address dynamic conditions such as rapid changes in markets and technologies. Eisenhardt and Martin (2000) stress that the RBV is not able to explain why some firms are successful in high-velocity markets. This criticism has guided the research towards a more dynamic perspective of resources.

2.2 Dynamic Capabilities

Teece et al. (1997) address that successful firms in the global marketplace are those that can demonstrate rapid and flexible product innovation, together with a management that is capable of effectively coordinating and redeploying internal and external competences. Due to the static nature of the RBV, Teece et al. (1997) argue that the concept fails to explain how firms become
competitive in times of environmental changes. To fill this gap, they propose the dynamic capability framework where they define ‘dynamic capabilities’ as “the firm's ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (Teece et al., 1997, p.516). The term ‘dynamic’ refers to the capacity of renewing competences to match the changing business environment. In situations when time-to-market and timing is critical, when there is a rapid change in technology, and when future competition and markets are difficult to determine, the firm must undertake certain innovative responses. The term ‘capabilities’ refers to the role of strategic management to successfully adapt, integrate, and reconfigure internal and external organizational skills, resources, and functional competences to match and stay competitive in rapidly changing environments (ibid.). After Teece et al.’s (1997) article DCs has become a well-researched area. Various definitions have been proposed by several authors incorporating different aspects such as Eisenhardt and Martin’s (2000, p.1107) definition:

“The firm's processes that use resources - specifically the processes to integrate, reconfigure, gain and release resources to match and even create market change; dynamic capabilities thus are the organizational and strategic routines by which firms achieve new routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve, and die”.

According to Zahra, Sapienza and Davidsson (2006), three different elements have been confounded in the literature: substantive capabilities, meaning the ability to solve a problem; environmental characteristics, meaning the presence of rapidly changing problems; and a higher order dynamic capability to alter capabilities, meaning the ability to change the way the firm solves its problems. The “dynamic ability to change or reconfigure existing substantive capabilities” are by Zahra et al. (2006, p.921) termed as the firm’s DCs and are distinguished from substantive capabilities. For example, is a new routine for product development described as a new substantive capability but the ability to change such capabilities is a dynamic capability (ibid.). According to Zahra et al. (2006), too much emphasis on a firm’s external environment when judging whether or not a capability is dynamic misses the true nature of the distinction between first and second order capabilities. It is emphasized that the need for reconfiguration or the renewal of routines is not necessarily a response to changes in the external environment, it may instead emanate from changes in organizational conditions, for example, changes in resources. In short, the definition of DCs proposed by Zahra et al. (2006) emphasizes the dynamism of the capability itself and not the environment.
Included in dynamic capabilities are according to Teece (2007, pp.1319-1320) “difficult-to-replicate enterprise capabilities required to adapt to changing customer and technological opportunities”. Ambrosini and Bowman (2009) highlight the fact that DCs are not resources but processes, distinguishing DCs from capabilities in the RBV sense. DCs are according to Ambrosini and Bowman (2009) processes that alter and develop the resource base to being the most adequate resource base. Whereas capabilities in the RBV sense are about competing today, DCs are instead future oriented; to have a long-term competitive advantage, firms need to continually invest in and upgrade their resources and possess some DCs (Ambrosini & Bowman, 2009). Ambrosini and Bowman (2009) argue that the correct definition of ‘dynamic’ is that it refers to changes in the resource base, to the renewal of these resources. The ‘dynamism’ relates to the interaction of the resource base and the dynamic capability, more specifically to how the resource base is changed using DCs in a dynamic environment. In a review of past research, Barreto (2010, p.271) offers the more up to date definition “A dynamic capability is the firm’s potential to systematically solve problems, formed by its propensity to sense opportunities and threats, to make timely and market-oriented decisions, and to change its resource base”, and sets an agenda for future research. In the coming sections, we have reviewed and divided past research into different fields of DCs: market dynamism, managing opportunities, and learning and knowledge management. Those fields of research are all fundamental parts in Barrales-Molina et al.’s (2014) model in paragraph 2.4 which concludes the theory section and works as the theoretical framework in this paper.

2.2.1 Market Dynamism

Eisenhardt and Martin (2000), extended the research provided by Teece et al. (1997) through specifically looking at DCs and how those are influenced by market dynamism and their evolution over time. Eisenhardt and Martin (2000) distinguish between moderately dynamic and high-velocity markets. DCs in moderately dynamic markets are close to the conception of routines. As experience of the routines develops, the processes can be more deeply rooted and easily sustained and even inertial. In contrast, effective DCs in high-velocity markets are more simple and experiential, Eisenhardt and Martin (2000) suggest that firms may use prototyping and testing as means for quickly gaining knowledge. This is also supported by Pisano (1994) who addresses that learning by doing is more beneficial in rapidly changing industries. Finally, Eisenhardt and Martin (2000) address that DCs themselves are not the main source of competitive advantage. Instead, sources of competitive advantage come from using “dynamic
capabilities sooner, more astutely, or more fortuitously than the competition to create resource configurations that have that advantage” (Eisenhardt & Martin, 2000, p.1117).

2.2.2 Managing Opportunities

Teece (2007) identifies three categories of DCs that are of special importance in identifying and capturing new opportunities: (1) to sense and shape opportunities and threats, (2) to seize opportunities, and (3) to maintain competitiveness through enhancing, combining, protecting, and reconfiguring the businesses intangible and tangible assets. (1) Sensing and shaping new opportunities and threats refer to how firms must constantly scan its environment across technologies and markets. Once opportunities are detected, firms must figure out how it should be interpreted in terms of which technology to use and which markets to target. They must also evaluate how technologies may evolve and how its competitors, suppliers, and customers will respond. This dynamic capability is also an essential concept in Wang and Ahmed’s (2007) adaptive capability where they stress the importance of identifying and capitalizing emerging market opportunities. (2) Once a new opportunity is sensed, it must also be seized and implemented in new products, processes, and services. Teece (2007, p.1326) addresses that seizing opportunities involves “maintaining and improving technological competences and complementary assets and then, when the opportunity is ripe, investing heavily in the particular technologies and designs most likely to achieve marketplace acceptance”. (3) Finally, Teece (2007) suggests that an essential factor for sustained profitable growth is to have the ability to reconfigure assets and organizational structures as the organization grows and technology changes.

Ambrosini and Bowman (2009) distinguish between different types of DCs; DCs can be used to integrate resources, reconfigure resources, creating new resources or shedding resources. The different types of DCs are shaped through enabling and inhibiting variables outside as well as inside the firm, one part of this being the perceptions and motivations of managers (ibid.). Ambrosini, Bowman and Collier (2009) wish to extend the concept of DCs through suggesting that there are three levels of DCs that are related to managers’ perceptions of environmental dynamism: 1) incremental DCs concerning continuous improvement of the firm’s resource base; 2) renewing capabilities that are capabilities that refresh, adapt, and augment the resource base; and 3) regenerative DCs or how the firm changes its resource base. These regenerative capabilities may according to Ambrosini et al. (2009) either enter the firm from the outside because of changes in leadership, via the intervention of external change agents or come from
inside the firm. The trigger to use different levels of change capabilities is according to Ambrosini et al. (2009) a function of managerial perceptions of the need for change.

DCs are according to Ambrosini et al. (2009) situated in the history of the firm, including the paths the firm has followed, the environment, and what people within the firm have done and are doing. The development of DCs and the presence and performance of activities are undoubtedly influenced by these aspects. In addition to seeing DCs as situated, Ambrosini et al. (2009) place managers at the center of the discussion on DCs since managers base their decisions on their perceptions. In similarity to Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece and Winter (2007), Ambrosini et al. (2009) dissociate the notion of DCs and performance and they do not imply that DCs automatically lead to competitive advantages. Even though DCs may help firms to pursue opportunities in new ways, Zahra et al. (2006) also propose that they do not necessarily guarantee organizational survival or success; the definition of DCs is not necessarily tied to financial performance but to the ability to reconfigure. This in combination with making the role of decision-makers in enacting and directing such capabilities explicit are distinctions added by Zahra et al. (2006).

2.2.3 Learning and Knowledge Management

Another focal concept within the dynamic capability framework has been organizational learning and knowledge management. Zahra et al. (2006) argue that the effects of DCs on organizational performance work through what the firm can do, it’s substantive capabilities, and depend on what the firm knows, the quality of its knowledge base. In other words, DCs mediate the link between substantive capabilities and organizational knowledge and indirectly impact performance (ibid.). Through a set of propositions, Zahra et al. (2006) outline how substantive capabilities and DCs are related to one another and how this relationship is moderated through organizational skills and knowledge. Luo (2000) refers to capability upgrading as a firm’s ability to learn and acquire new knowledge. The efficiency of capability upgrading is determined by how firms share and allocate newly acquired knowledge between different subunits. Luo (2000) studies DCs in international expansion and proposes a model for capability upgrading and how to translate learning into critical competence. This model proposes three stages in this translation process: knowledge acquisition, knowledge sharing, and knowledge utilization. Knowledge acquisition is derived from either internal development or external learning such as investment in training or seminars where managers share best practices and knowledge. Knowledge sharing facilitates the distribution of the acquired
knowledge across subunits in the organization. Managers can, for example, establish an infrastructure that makes ideas, best practices, and experiences efficiently flow through the organization and its subunits. Finally, the knowledge must be utilized through reconfiguration of resources and revitalization of acquired knowledge in new situations. Similarly to Luo (2000), Zollo and Winter (2002) also study how knowledge is shared and integrated in the firm and propose three learning mechanisms that are behind the formation and evolution of DCs: (1) experience accumulation, referring to the learning process behind the development of operating routines where the accumulation process is described as a ‘trial and error’ approach; (2) knowledge articulation referring to the process where implicit knowledge is articulated through discussions, debriefing sessions and performance evaluation processes; and (3) knowledge codification referring to written tools such as manuals, blueprints, spreadsheets, decision support systems, and project management software that aim to improve the execution of future complex tasks.

2.3 Dynamic Marketing Capabilities

The new term dynamic marketing capabilities (DMCs) was coined by Bruni and Verona (2009, p.5) and is by them defined as “specifically aimed at developing, releasing and integrating market knowledge”. DMCs as a term has been introduced due to the role of marketing functions in the development of DCs and DMCs are by Barrales-Molina et al. (2014, p.409) defined as “capabilities that use market knowledge to adapt organizational resources and capabilities”.

Market knowledge is by Bruni and Verona (2009) considered as knowledge that is related to customers and competitors. The human and social capital, and the cognition of managers that are involved in creating, using, and integrating market knowledge and marketing resources to match and create technological and market change are according to Bruni and Verona (2009) what make up the DMCs. These different activities are said to support the creation and development process of new products and it is highlighted why market knowledge helps initiate the innovation process, and how market and technical knowledge are combined in the different stages of the product development process (ibid.). According to Bruni and Verona (2009), DMCs are different from ordinary marketing capabilities: DMCs help firms change their capability base over time and to develop new products. Decisions involved in DMCs do not only regard top management of the firm but also middle management that is involved in creating and using market knowledge and marketing resources in order to evolve the firm. An increasing
emphasis on the production of market knowledge has highlighted the different tasks and roles within the organization where the employees responsible for the release of market knowledge primarily is organized by the Marketing Department. These employees often involve three types of actors: market analysts that are responsible for market research activities, marketing managers who supervise the marketing strategies and product managers that are managing specific products and brands. According to Bruni and Verona (2009) integrative mechanisms can, although they vary from firm to firm, be grouped into two micro classes, one more structural and one more flexible. The more structural arrangements are identified as a constant integration between R&D and marketing during routine innovation activities, while the more flexible class is made up of structured meetings or committees bringing together people from different units, e.g. Business Development, R&D and Marketing Departments.

Several of the sample firms from Bruni and Verona’s (2009) study had in order to create a greater awareness of the market dynamics, recently reorganized by changing the position and the role of the central marketing department. Market knowledge served as a complementary source of information impacting decision making in the innovation process. Creating and capturing market knowledge for reconfiguration purposes was linked to open-minded managerial beliefs, the nurturing of external ties, and mechanisms for integration of different departments and functions within the firms (ibid.). In a more specific sense, annual or biannual strategic meetings between Marketing Managers and experts are seen as especially important in regards to sharing information, decisions, and bringing together people with different functional views (ibid.). The market knowledge focus of DMCs are by Bruni and Verona (2009) thought to help explain differences in performance variances, however, no formal support is given to the relationship between DMCs and performance.

From an integrative model of DMCs Barrales-Molina et al. (2014) proposes a two-step test to determine if a marketing capability can be seen as a dynamic marketing capability. For that to be, it needs to involve a systematic reconfiguration of organizational resources and capabilities through the marketing area. Based on this, Barrales-Molina et al. (2014) consider new product development and proactive market orientation to be the most grounded DMCs. Barrales-Molina et al. (2014) further link absorptive capacity and knowledge management to DMCs in order to provide a theoretical explanation of how DMCs work. First, the marketing department needs to absorb market knowledge and then help integrate this knowledge into the rest of the
organization. Barrales-Molina et al. (2014) further describe specific marketing mechanisms and processes, or what they call ‘enablers’, that can develop the different components of DMCs in firms and argue for the need to coordinate these marketing processes in order to absorb and transfer market knowledge to the whole of the organization. To develop DMCs, managers, according to Barrales-Molina et al. (2014), need to implement strategies for absorbing and managing market knowledge through for example using external networks and cross-functional processes. Cross-functional processes aim to establish routines for absorption and transfer of market knowledge to promote learning and integration of knowledge into organizational routines.

2.4 Integrative Model of DMCs

Barrales-Molina et al. (2014) find great diversity in the reviewed papers concerning topics and ideas in the research on DCs and marketing-related issues, which complicates comparisons of results and an advanced understanding of DMCs. Due to this, Barrales-Molina et al. (2014) recognize a need for consensus on the theoretical body for DMCs in order to aid in designing and performing future empirical studies. The integrative model on DMCs constructed by Barrales-Molina et al. (2014) based on the review and comprehensive comparison of the different concepts in this research area is meant to serve as a starting point for further empirical papers.

This model is the foundation for our empirical paper on how DMCs have contributed to the adaptation of marketing strategies to include social media marketing. The model is constructed by a core with three concentric rings. The section below explains the model and its implications.
2.4.1 Dynamic Marketing Capabilities

To provide a conceptual framework for DMCs, Barrales-Molina et al. (2014) argue that it is important to understand the difference between DMCs and DCs. Barrales-Molina et al. (2014) address two main features that characterize DMCs; market knowledge and cross-functioning marketing processes. Knowledge management is a central concept in the DC framework but it does not incorporate the role of specific functions in the organization and rather look at the organization as a whole (Eisenhardt & Martin, 2000; Ambrosini & Bowman, 2009). Barrales-Molina et al. (2014) take this a step further and specifically look at the marketing function’s ability to use market knowledge to renew the whole organization. The marketing function is according to Barrales-Molina et al. (2014) a firm’s main department when it comes to acquiring new market knowledge. Market knowledge allows firms to gain insight in customer, market, and environmental trends which creates the basis for decisions regarding adoption processes and organizational changes throughout the whole organization. The use of market knowledge is therefore considered as a main factor in distinguishing DMCs from DCs (ibid.). Cross-functioning marketing processes stress the involvement of several actors to obtain valuable information. The scope of research in the DC construct tend to limit the role of involvement to...
top managers (ibid.). Barrales-Molina et al. (2014) therefore suggest that DMCs feature the involvement of the whole marketing department but also external agents such as lead users, opinion leaders, the scientific community, and consulting firms. To better understand how DMCs work and to identify their common features Barrales-Molina et al. (2014) state two examples; new product development and proactive market orientation. New product development can be considered a DMC since it is a marketing capability, its aim is to develop, recognize, and integrate market knowledge and it involves the marketing department in the development and renewal of the firm’s resources and capabilities. Market orientation connects a firm to its wider business environment; a firm must identify changes in its business environment and respond through adapting and configuring its resources to fit the market conditions. Market orientation can also be considered a DMC since it is a marketing capability, it involves the marketing department in the development and renewal of a firm’s resources and capabilities, it aims to absorb, create and disseminate market knowledge and it entails cross-functional coordination in the organization (ibid.).

### 2.4.2 Underlying Processes

The underlying processes in the model help to understand how DMCs renew organizational resources and capabilities: one must identify those processes in order to identify DMCs (Barrales-Molina et al., 2014). The underlying processes are built upon Teece et al.’s (1997) four underlying processes of DCs: (1) sensing capability, (2) learning capability, (3) integrating capability, and (4) coordinating capability. (1) Sensing capability refers to the ability to acquire new market information in order to detect threats and opportunities. (2) Learning capability refers to the ability to use new market information in generating new knowledge. (3) Integrating capability refers the ability to integrate new knowledge in operational capabilities. (4) Coordinating capability refers to the ability to implement tasks, resources, and activities in the new operational capabilities (Barrales-Molina et al. 2014). Those underlying processes are revised and regrouped in Teece’s (2007) paper into sensing, seizing, and reconfiguring. Barrales-Molina et al. (2014) address that the main goal of identifying and studying DMCs should be to understand how specific DMCs can sense and seize opportunities and threats, and how resources are reconfigured.

### 2.4.3 Specific Components

Once above described underlying processes are defined, Barrales-Molina et al. (2014) proposes two specific components that aims to explain the role of DMCs in the organization. The main
Role of DMCs is to absorb market knowledge, assimilate it, and integrate it in the organization. Barrales-Molina et al. (2014) therefore suggest absorptive capacity and knowledge management as the specific components. Cohen and Levinthal (1990, p. 128) define absorptive capacity as "the ability to recognize the value of new information, assimilate it, and apply it to commercial ends". Zahra and George (2002) developed a new reconceptualization of absorptive capacity as a dynamic capability of knowledge creation and utilization that drives a firm’s ability to sustain competitive advantage. Zahra and George (2002, p. 186) define absorptive capacity “as a set of organizational routines and processes by which firms acquire, assimilate, transform, and exploit knowledge to produce a dynamic organizational capability”. A common conception is that the strategic position of the marketing department determines its ability to acquire new market knowledge (Barrales-Molina et al., 2014). Barrales-Molina et al. (2014) argue that investment in development of the marketing department’s absorptive capacity encourage the sensing and learning components in the underlying processes of DMCs. Absorptive capacity is therefore a necessary step and a specific component of DMCs (ibid.). Once absorbed, the market knowledge must also be integrated into the whole organization. The firm needs to design mechanisms for such knowledge integration which is referred to as knowledge management (ibid.). Knowledge management tasks are according to Barrales-Molina et al. (2014) usually embedded in cross-functional processes, and knowledge management activities. Those tasks must be developed in order to leverage the knowledge rooted in organizational routines.

### 2.4.4 Marketing Enabler Processes

Barrales-Molina et al. (2014) address three main influential processes that enable firms to develop DMCs. From a review of past literature, they identify CRM and alliance and network management as the main enablers of DMCs. Lee, Naylor, and Chen (2011) studied how customer knowledge affects the marketing program implementation and found that firms who utilize its customer network and accumulate customer knowledge have better capabilities to design, control, and evaluate their marketing programs. Reid (2008) addresses that firms in changing marketing environments require dynamic marketing solutions such as strong relationship building and management capabilities, the adoption of market orientation, and improvements of its marketing communication capabilities. Martelo Landroguez, Barroso Castro and Cepeda-Carrión (2011) studied the implication of market orientation, knowledge management and CRM on achieving superior customer value. The finding from the study implies that the key for value creation is to have the capability and understanding of how to...
combine those three capabilities. Those enablers are based on internal and external collaborations that provide access to external sources of knowledge which can be disseminated into the organization. Those influential processes do not have the specific characteristics of DCs and DMCs by themselves but may according to Barrales-Molina et al. (2014) lead to the generation of them.
3. Methodology

This section describes the chosen qualitative research approach with interviews, the selection of respondents as well as a critical reflection upon the chosen method. Furthermore, the operationalization of the theory section into an interview guide is described together with a description of the analysis of the gathered data.

3.1 Research Approach

The aim of this paper is to study how firms manage their DCs and DMCs to be competitive in response to changing conditions of marketing; from traditional media and campaigns to social media marketing. To identify DCs and DMCs and explore how these have contributed to the adaptation of marketing strategies to include social media, we aimed to provide a deeper understanding of this phenomenon through a qualitative study. This qualitative study consists of a multiple-case study allowing cross-case comparisons that strengthens the process and result (Yin, 2003). Through comparing and contrasting the findings from each of the cases we intend to investigate what is common across the cases and what is unique in each case, which gives the opportunity to reflect theoretically on the findings (Bryman & Bell, 2011, p.63).

3.2 Sample

The empirical data for this study was gathered through interviews with one respondent each from five different companies. All sample firms are in the consumer product industry and consists of: Bambino MAM, L’Oréal Nordics, Oriflame, Unilever, and Åhléns. While all being in the consumer product industry they do differ both due to product categories and to distribution channels, both Oriflame and Åhléns sell their products directly to the end consumer and Åhléns, as a retail organization with department stores, market and sell both their own products and products from a variety of other brands. L’Oréal Nordics, Unilever and Bambino MAM all sell their products through retailers in large parts of the worlds but market their products through their own channels as well. All the sample companies are using social media as a part of their marketing activities. The social media channels used are in all cases Facebook and Instagram but also YouTube, Snapchat and local platforms such as WeChat in China and VK in Russia were mentioned by the interviewees.
The interviewees from the different firms, were at Unilever a Junior Brand Manager, at Oriflame Sweden the Head of Digital Content and Community, at Bambino MAM and Åhléns the Marketing Manager and at L’Oréal Nordics the CMO. The Marketing Managers and the CMO could contribute with good insight into the companies’ overall marketing strategies, how the firms work with social media and how this has evolved over time as well as knowledge regarding communication, knowledge and information sharing, and collaboration between different departments. As Head of Digital Content and Community, the interviewee could provide insight about how the company work with social media and how information and knowledge are shared and distributed through the organization as well as how it has changed the last couple of years due to a larger focus on social media marketing. The Junior Brand Manager can be argued to not have the same quality of insights as the senior managers interviewed at the other companies due to less experience in the organization. However, the Junior Brand Manager was recommended as respondent by a senior employee at Unilever since she has developed a new digital strategy for one of Unilever’s biggest brands and has insight into how Unilever works with social media marketing.

The companies interviewed in this study was contacted through e-mail. In the cases of Unilever, L’Oréal Nordics and Bambino MAM the e-mails were sent to already established contacts and then forwarded from them to the respondents. The nature of our research question, not requiring statistical inferences about the characteristic of the population, opened up for the possibility of finding respondents through a non-probability sample (Saunders, Lewis & Thornhill, 2009, p. 17).

Table 1: Table of Interviewed Companies

<table>
<thead>
<tr>
<th>Company</th>
<th>Interviewee</th>
<th>Position</th>
<th>Interview Type</th>
<th>Interview Length</th>
<th>In Social Media Since</th>
<th>Active On</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bambino MAM AB</td>
<td>Cecilia Brunnberg</td>
<td>Marketing Manager</td>
<td>Face 2 face</td>
<td>22 min</td>
<td>2011</td>
<td>Facebook, Instagram, YouTube, Pinterest</td>
</tr>
<tr>
<td>L’Oréal Nordics</td>
<td>Matthijs van der Putten</td>
<td>CMO Nordics</td>
<td>Face 2 face</td>
<td>90 min</td>
<td>2008</td>
<td>Facebook, Instagram, YouTube, Snapchat</td>
</tr>
<tr>
<td>Oriflame</td>
<td>Sophia Marinho de Lemos</td>
<td>Head of Digital Content and Community</td>
<td>Face 2 face</td>
<td>50 min</td>
<td>2009</td>
<td>Facebook, Instagram, YouTube, WeChat, VK plus various local platforms</td>
</tr>
<tr>
<td>Unilever</td>
<td>Madeleine Szugalski</td>
<td>Junior Brand Manager</td>
<td>Face 2 face</td>
<td>30 min</td>
<td>2010</td>
<td>Facebook, Instagram, YouTube</td>
</tr>
<tr>
<td>Åhléns AB</td>
<td>Lina Söderqvist</td>
<td>Marketing Manager</td>
<td>Phone</td>
<td>30 min</td>
<td>2010</td>
<td>Facebook, Instagram, YouTube</td>
</tr>
</tbody>
</table>
Due to the size of this study and available resources, a convenience sample was deemed most appropriate. This technique of sampling is prone to influences and bias since cases appear and are selected only because of the ease of obtaining them (Saunders et al., 2009, p. 241). However, because of the nature of this study, serving as a smaller pilot study in a research area requiring more empirical studies, and limitations in time and resources, a convenience sample was still preferred.

3.3 Data Collection

The foundation for the thesis is primary data, collected from qualitative interviews with a sample of companies as described above. The data from the interviews are complemented with data from secondary sources such as annual reports. Interviews were considered the most advantageous approach due to the nature of the study. According to Saunders et al. (2009, p.324), interviews should be the method of choice when there are a large number of questions to be answered, if there are questions that are either complex or open-ended and when the order and logic of questioning may need to be varied. For the latter two types of these situations, an in-depth or a semi-structured interview is the most appropriate choice of method (Saunders et al. 2009, p.324). Because of the nature of our research question and the sample, it was important for the outcome of our study to be able to adapt the interviews.

3.3.1 Interviews

The interviews were conducted through a non-standardized semi-structured method with an interview guide consisting of overall themes and questions that could be adapted for the different interviews and gave the opportunity to ask additional questions to follow up during the interview. Ahead of the interviews, the interviewees were provided with the general themes and in some cases, also a few examples of interview questions. Supplying the participants with relevant information, when appropriate, such as a list of the interview themes, prior to the interview may promote credibility (Saunders et al. 2009, p.328).

The interviews were mainly conducted at individual meetings and lasted an average of 60 minutes, with the exception of one interview conducted over the telephone, lasting 30 minutes, due to time constraint. The interviews were either conducted in English or Swedish, depending on the native language of the interviewee. Due to this, the interview guide was translated into Swedish and when summarized, the results from the interviews conducted in Swedish were translated into English. The translation technique used for this was direct translation, and to
avoid discrepancies between the original interview guide and the one translated to Swedish, careful consideration was given to both lexical and idiomatic meaning.

We took notes during and recorded the interviews, necessary for this type of data collection according to Saunders et al. (2009, pp. 339-341). The notes were reviewed right after the interview and the recordings have been transcribed, ensuring the information is correct and providing the possibility to use quotes in the paper. After the transcripts had been summarized, based on what was relevant for the study and used in the analysis, the summaries of the respective interviews as they appear in section 4 “Empirical findings” were sent to the interviewees. This was done to give each interviewee the opportunity to read and approve their respective section in order to avoid misunderstandings.

3.3.2 Operationalization

The interviews began with the interviewees being introduced to our research aim and a description of our research question, the same information they had received prior to the interviews. After initial questions about the respondent and what different social media channels the company in question is working with and why, the interview guide is divided into five different headlines: Organization, Market knowledge, Identifying opportunities and trends, Communication, and Respond and adapt to market changes, see Appendix I for complete interview guide. However, because of the nature of the interviews, the overall themes could partly be captured through the interviewees own descriptions and not all questions from the interview guide needed to be asked. When needed, we asked follow-up questions and questions from the prepared interview guide.

The different categories and questions of the interview guide were derived from the literature review and do in different ways capture the different parts of the model used in the theory section (see Appendix II for complete operationalization). The integrative model on DMCs constructed by Barrales-Molina et al. (2014) based on the review and comprehensive comparison of the different concepts in this research area is meant to serve as a starting point for further empirical papers. This model is the foundation for our empirical paper on how DMCs have contributed to the adaptation of marketing strategies to include social media marketing.

The model is constructed by a core with three concentric rings, where the core aims to answer the main question “Which marketing capabilities can be considered DMCs?” and the concentric rings stressing underlying processes, specific components, and marketing enabler processes.
The two main features that according to Barrales-Molina et al. (2014) characterize DMCs are market knowledge and cross-functioning marketing processes. Two marketing capabilities that are identified as having these features are new product development and proactive market orientation. This part of the model was captured through questions on how feedback from followers are processed in the organization, how social media marketing is organized in relation to other functions such as PR and customer support, and how the communication between different functions and departments work. The last two questions of the interview guide, “How does your firm respond to changes in market conditions? (e.g. competition, change in consumer preferences)” and “Would you describe your firm as a company who quickly can adapt to environmental changes and in short time make suitable improvements?”, cover whether the firm can be said to have a proactive market orientation in addition to underlying processes and specific components.

The underlying processes in how DMCs renew organizational resources and capabilities are identified as sensing, learning, integrating, and coordinating capabilities. Questions from the final three categories of the interview guide aim to identify the firms’ capability to scan its environment and to renew its organizational resources and capabilities to fit new market conditions. In addition to covering the underlying processes, these questions simultaneously capture absorptive capacity and knowledge management, the two specific components proposed in the model to explain the role of DMCs in the organization.

As marketing enabler processes Barrales-Molina et al. (2014) include for example customer relations management, customer service delivery, and internal as well as external networks. Questions from different sections of the interview guide do in different ways capture various marketing enabler processes, e.g. the category of Organization and the first two questions under Identifying opportunities and trends.

3.4 Data Analysis

The first step in the process of analyzing the data was to transcribe the recordings from the interviews. Since this is a time-consuming process a time-saving alternative can be to transcribe only those parts of the audio-recording that are relevant for the analysis. However, there are potential problems with only doing partial transcripts; having to listen to the entire recordings carefully, more than once, to know what parts to transcribe and having to go back to the audio recordings later since certain things may be missed (Saunders et al. 2009, p.486). Considering
this, and the number of interviews that were conducted, we chose to transcribe the audio-recordings in full.

Once transcribed, the empirical findings were summarized and condensed, in order to support meaningful analysis of the non-standardized and complex nature of the qualitative data (Saunders et al., 2009, p.482). When summarizing the transcripts, the relevant data for our analysis was singled out excluding irrelevant and unnecessarily detailed data. Once the relevant data was singled out and condensed, a cross-case comparison was conducted to be able to find similarities and differences between the companies. According to Saunders et al. (2009, p.492), apparent relationships between themes may be identified and noted down already while summarizing or condensing the data, in order to later in the process return to seek to establish their validity. This was very much the case in our analysis, summarizing the transcripts and analyzing the data was to a large degree done simultaneously. Already when constructing the interview guide, careful consideration was given to how the different sections and questions would cover different parts of the theory section thereby facilitating the analysis. The questions in the interview guide in many cases covered more than one part of the theoretical foundation for this paper, see Appendix II for full operationalization. So, from one answer multiple contributions to the analysis could be gathered.

The data collection and the data analysis are very much interrelated and interconnected processes; important themes, patterns, and relationships are recognized already during the collection of data (Saunders et al., 2009, p. 488). This gives the opportunity to adjust the future data collection but also makes it necessary to schedule the interviews with enough time between them in order to word process and analyze one interview before continuing the data collection. The interviews were scheduled accordingly to this and especially the first interview led to some adjustment of the interview guide, such as the order of the questions and the names for the different themes.

3.5 Data Quality

As mentioned above, the respondents were provided with a description of the themes for the interview beforehand as a way of promoting credibility (Saunders et al. 2009, p.328). Non-standardized semi-structured interviews provide an opportunity to adapt the interview guide and ask follow-up questions, which was important for our study and might contribute to validity. However, the possibility provided by a semi-structured interview to adapt the
interviews could imply a lack of reliability because of the lack of standardization, and it might entail a risk that the interviewer somehow influences the interviewee.

This study serves as a smaller pilot study on this subject both due to the number of respondents and limited resources. Because of these limitations, a convenience sample was used which may narrow the possibilities of generalization.
4. Empirical Findings

The empirical findings are presented one company at the time. Each section starts with a brief introduction of the company based on data from the interview as well as complimentary secondary data. The data gathered from each interview is then presented as a summary with the same order and headlines as in the interview guide (see Appendix I).

4.1 Case A – Baby Products Company

Cecilia Brunnberg, Marketing Manager, Bambino MAM AB

Bambino MAM AB is a Swedish subsidiary with 18 employees owned by the Austrian corporate group MAM Babyartikel GesmbH. The company market and sell baby products under the brands Bambino and Mam and is active in the Nordic and the Baltic countries (Bambino MAM, 2017). The company started with social media marketing in 2011 through a Facebook account set up by the managing director. Today Bambino MAM is mainly active on Facebook, Instagram, and YouTube. The company is also present at LinkedIn and internationally on Pinterest through an account managed by the parent company. Cecilia Brunnberg is working as Marketing Manager for Scandinavia and the Baltics. She is responsible for all marketing towards consumers, including advertising, consumer clubs, social media, events, and different campaigns.

4.1.1 Organization

There are different functions and roles related to social media within the company. One person is responsible for consumer relations, answering all incoming comments and questions from all channels including social media. Another person is responsible for the content on all social media channels and for handling all press-related questions including collaborations with influencers. These roles have developed and evolved as social media has grown and started demanding more resources, previously each product manager was responsible for this. Since Bambino MAM is a quite small company, with 18 employees at the Stockholm office, all functions do in some way work together. However, the different functions are still divided into different departments.
4.1.2 Market Knowledge
All incoming comments and feedback are handled by the person in charge of consumer relations, she makes sure the information is forwarded to the right person. In addition to this, she is also responsible for doing part of the follow-up work regarding reach, result and engagement levels on Facebook. This is a part of the daily work and routines are established for this function.

4.1.3 Identifying Opportunities and Trends
New trends and opportunities in marketing through social media are found through different channels, Brunnberg mentions different tech exhibitions and events, inspirational lectures, networks, for example, eMarketeer, business intelligence, what competing firms, as well as firms in other industries, are doing as important ways to stay updated. In addition to the different activities and inspirational channels mentioned above, Bambino MAM also works together with their media agency, an important sounding board in this work. The idea is to attend as many different events and activities as possible since it is an explicit objective at Bambino MAM to be up to date and in the forefront. Employees are encouraged, and expected, to look for new trends and opportunities and according to Brunnberg, innovation, both in product development and marketing, is important and emphasized at Bambino MAM.

There are of course trends to consider for Bambino MAM but Brunnberg (2017) would not describe the market as fast-changing: “the basic needs are always there but then there are trends in materials, motives, design, that bit.” According to Brunnberg (2017), Bambino MAM is in the forefront and ahead of competing firms regarding product development, marketing and other aspects of their business idea: “Absolutely, we are the ones being copied.” Research and development is important at Bambino MAM and something that a lot of resources are put into. In addition to R&D, market research, consumer dialogue and different studies are also important parts of their business strategy.

4.1.4 Communication
Information regarding new opportunities and trends is shared through meetings throughout the year, for example when launching new products or collections and when presenting the market plan where major trends are presented and a plan is laid out for the coming year.

The market plan involves the firm both locally and internationally in different phases. Since Bambino MAM locally is a small organization a lot of information is also shared informally.
According to Brunnberg, this is natural in an office with 18 employees and a culture that encourages informal information sharing.

4.1.5 Respond and Adapt to Market Changes
To a certain degree competence has been gained through hiring but mainly it has been achieved through educating the employees. This education has been in the form of social media workshops with the help of external consultants. A lot of the competence also comes from learning by doing, according to Brunnberg Bambino MAM is good at learning from trying new things and being open to new ideas and practices, and she believes this is the only way to really learn about these things. Employees are encouraged to go to seminars, go out and meet with other companies, go to networking events and trading ideas with people in other industries. Brunnberg describes Bambino MAM as being very fast at adapting to changes and gives a recent example where a major retail chain launched a private label in August 2016, Bambino MAM had a counter plan ready already in September. A major reason for being this fast at adapting and changing is according to Brunnberg the fact that Bambino MAM is a smaller organization, it does not take a lot to change and move things around. Compared to larger multinational firms Bambino MAM doesn’t need to spend a lot of time on internal processes which makes it easier to be agile and responsive. Also between the office in Stockholm and the head office in Austria is the dialogue described as fast and well working, the key is freedom with responsibility making the organization agile.

4.2 Case B – Largest Cosmetic Group Worldwide
Matthijs van der Putten, Chief Marketing Officer (CMO), L’Oréal Nordics

The L’Oréal Group is the largest cosmetic group worldwide, present in 140 countries with 89,300 employees and divided into four main divisions: consumer products, L’Oréal Luxe, professional products and active cosmetics (L’Oréal, 2016). In 2016 L’Oréal invested 3.3% of sales, or 850 million euros, in research and innovation and filed 473 patents. Becoming more digital is by L’Oréal described as part of a big transformation of the group, 31.9% of their net media spending is now on digital and in addition to hiring 1600 experts, employees across all divisions are taking part of an in-house training program called the Digital Upskilling Plan (L’Oréal, 2016). The L’Oréal group totaled some 300 million subscribers on social media and more than one billion visits across all the Internet sites in 2016 and L’Oréal Paris alone is generating over 20 million views on YouTube every month (L’Oréal, 2016). L’Oréal is mainly
focused on Facebook, Instagram, Snapchat, and YouTube with different content for the different channels (van der Putten, 2017).

TV commercials are still the backbone of the marketing strategy, especially in larger markets, but is rapidly reducing in reach in for example makeup and for a younger target audience. Social media marketing was initially seen as an additional mass media channel for delivering the same message in the same way as in traditional media but has evolved into its own approach with unique content. Social media now has a different role in the marketing mix, focusing on engagement and education, becoming more interactive and personalized. Today, "you really need to build a connection. If you want to build a brand you need engagement, you need to be authentic, and the best way to do that is either on your own brand website, social media or in person.” (van der Putten, 2017).

The initiative to use social media came from bottom up, “It was from junior people who said ‘look, people are here, we need to do something with it’” (van der Putten, 2017). The first social media channel used was YouTube, in 2009 van der Putten (2017) identified that people were creating tutorials on how to use makeup and putting it up on YouTube. “And I said ‘why can’t we do this as a brand? We have the makeup artists, we have models, so let’s make videos and put them on YouTube!’”. A set of videos were put up on YouTube and got half a million views. Van der Putten describes L’Oréal as cool in that sense: you are, within boundaries, allowed to invent stuff. Initially, a lot of things were tried and tested this way, figuring out what did not work and what was important. Today, senior management puts the framework in place and decide what to focus on.

4.2.1 Organization
As CMO, the responsibilities include the media strategy and media mix, contact with media agency, accelerating e-commerce together with the teams, data and analytics, the customer care center and together with the HR team acquiring the right talent in order to create digital upscaling. This includes interviewing people for manager positions and creating “the right structure in the division so we have the right skills and the right people to change the media mix and work together with product marketers on the right media campaigns” (van der Putten, 2017).

As part of the total media mix, social media is managed by each brand team’s product manager and digital manager who work together on the creation of campaigns and on social media
content. Social media is “not its own department and there’s no digital department in the division, otherwise, you create this silo that really is not connected with the brand” (van der Putten, 2017). The organizational structure is shifting: The Consumer Care Center is since January 1st 2017, part of the CMO team due to an increased focus on customer care where ongoing Q&A is seen as something that adds value and not just a defensive tool. Through the new cross-divisional structure, a more aligned strategy, with aligned divisions and a common approach to e-commerce, media, data and analytics, is meant to be created. Through this, social media, content creation, Q&A, and media-buying, that was previously fragmented and partly outsourced, are now centralized and brought in-house, a business trend among larger companies according to van der Putten. The new structure has slowly developed in the last 12 months, partly through hiring new staff and creating new positions.

4.2.2 Market Knowledge

All feedback received through email, phone or social media channels are registered, partly in order to track problems or concerns regarding products and production. At some markets, this feedback is used to directly adapt the product line accordingly to consumer wants and demands. On the Nordic level, information about consumer likes and engagement rates are used more in terms of guiding content creation and to optimize strategic decisions.

4.2.3 Identifying Opportunities and Trends

One way L’Oréal finds new opportunities and trends in social media marketing is bottom-up with trial and error: “we have a lot of eager digital managers, so it’s like ‘yes, let’s try this’ and it works or it doesn’t” (van der Putten, 2017). Nowadays, with the data and analytics structure in place, and through testing, the strategy is slowly tuned. On identifying opportunities and trends, van der Putten mentions four main sources: 1) their media agency informing about new trends and opportunities; 2) companies and industries, for example, Google and Facebook, informing about any opportunities that are being released and organizing training sessions to show new features; 3) reading tech or industry blogs and see what other companies are doing; 4) seminars and events. With the media agency, Facebook, and Google, L’Oréal has routines, for example, meetings to review different campaigns and education on how to use the tools and features. Reading websites etcetera is done on a daily basis while industry events are occasionally when there is something. As an overall trend today, van der Putten believe the key point is that content is becoming more authentic instead of overly polished. Employees are to
search for new trends and opportunities and come up with ideas for campaigns, digital managers, and product managers together discover what works.

According to van der Putten, there is a strong emphasis on being innovative, and being first, in marketing and product development at L’Oréal. Research and development, including both product and fundamental research, is important. The culture is accepting to change and in the last years, there has according to van der Putten been an amazing transformation. One way to create knowledge inside the company is by sending employees abroad to learn.

### 4.2.4 Communication
Van der Putten describes L’Oréal as quite informal concerning communication between different departments, best practices are shared informally between the different teams. The sharing of information between departments work quite well, however, it is not very structured. Decisions are sometimes based on partial information, “not ideal but it moves fast” (van der Putten, 2017).

### 4.2.5 Respond and Adapt to Market Changes
In order to kick start the new strategy and get relevant, needed skills and competences some senior people were hired but this was mainly built from within. A lot of graduates are hired as digital and social media content managers, as van der Putten (2017) says: “give me a 25-year-old with an iPhone”, what is needed for these positions is someone that knows how these media outlets really work. The competence within social media marketing is maintained and developed through hiring the right people with the right mindset but also through internal training. Testing and learning are important combined with more formalized training and internal training programs. Due to the trend-sensitive nature of the beauty industry and fast-changing consumer preferences L’Oréal needs to respond fast and have an ongoing process of change. According to van der Putten (2017) L’Oréal might not always be first and can be described as “a bit conservative French” but once decisions are made the execution goes fast.

### 4.3 Case C – Multinational Cosmetic Company

**Sophia Marinho de Lemos, Head of Digital Content and Community, Oriflame**

Oriflame is a large multinational cosmetic company active in 61 markets. Oriflame does not distribute their products through conventional retail distribution channels, instead, they use a social selling business model with a network of three million consultants worldwide that market and sell their products through developing relationships as a part of the sales process. At the
global head office in Stockholm, Oriflame develops new products and set the overall marketing strategies including guidelines and frameworks for the brand. There are regional offices responsible for 1-12 countries each with market-based teams who are responsible for having the direct contact with the local consultants. Oriflame works with social media at a global and local level. At the global level, Oriflame is active on Facebook, Instagram, and YouTube. At the local level, Oriflame uses various social media platforms depending on the users in the market such as WeChat in China and VK in Russia. Oriflame launched its Facebook and YouTube accounts in 2009 and its Instagram account in 2013. (Marinho de Lemos, 2017)

Oriflame describes a strategy focused on digital opportunities as key to success because of their business model based on social selling, and digital channels and tools are the primary interaction point between customers and consultants. Oriflame’s digital strategy is consultant-centric, initiatives are shaped with the consultants needs in mind and the consultants are empowered to manage their business, recruit and sell using the latest digital tools and thereby leverage the power of personal recommendation in a digital environment. Today, 90 percent of all orders are placed online and mobile internet access is rapidly increasing. (Oriflame, 2016)

4.3.1 Organization

The social media unit is part of a larger digital department located at the head office in Stockholm and works with content design and content analytics in collaboration with the production teams who creates the overall strategies, brand guidelines, and marketing material. Furthermore, they work closely with the customer experience team to make sure that the quality of service in social media is consequent and lives up to the same level as in the rest of the organization. Part of the initiative to start using social media in marketing came from the consultants who have had their own social media accounts for years and challenged Oriflame to keep up with the new technology:

“If we see that our consultants are communicating, let’s say on WeChat in China, we would be crazy to not be on WeChat while they are. You have to go where your audience is. And add value in that environment too, of course.” (Marinho de Lemos, 2017)

Since starting with marketing in social media, the organization has evolved from focusing on design to focusing on the customer experience. Due to the rapid changes in digital marketing,
the social media department must be agile to keep up with new features, functionalities, and new platforms.

4.3.2 Market Knowledge
Oriflame has guidelines and routines for handling information acquired from followers on social media, the responsible person is supposed to check its social media accounts at certain hours several times a day to quickly respond to comments and forward relevant information to appropriate departments. Oriflame has also set guidelines for the appropriate amount of time it takes to respond to a comment to reach higher efficiency.

4.3.3 Identifying Opportunities and Trends
The team working with social media is described as very interested and passionate about their work and social media in general, everyone is keeping up with reading and educating themselves about coming trends and opportunities in social media marketing. In addition, the organization frequently arranges conferences and seminars to educate its employees and has analysts in the team responsible for studying the audience, analyze customer data and to follow what happens in the market. Test and learn is important: “We are trying to empower people to test and learn. It is not a failure if you did something that did not perform well, it does not matter, you tried it and we can learn, try again slightly different.” (Marinho de Lemos, 2017)

Besides the internal functions in gathering market knowledge, a few external trend report agencies frequently deliver reports about their market. Since they have such a large network of consultants spread worldwide, the consultants also provide information and insights about trends and opportunities on a local level.

Marinho de Lemos describes the beauty industry, and especially skin care, as very innovative and trend driven with fluctuating customer preferences that they need to keep up with and Oriflame has a vast product portfolio with concentration on newness and innovation in product development in order to stay competitive. Oriflame has a skin research institute in Stockholm and a R&D center in Dublin where new products are developed. The strive for newness and innovation is also reflected in Oriflame’s marketing where they use innovative tools such as a makeup app where consultants can try make up using augmented reality. The content in social media with stories and interactive content is also described as innovative.
4.3.4 Communication

Once trends and opportunities are identified the information trickles down to the relevant people in the organization. Oriflame uses an internal communication portal where information can be shared throughout the organization. Besides the communication platform, Oriflame share information through meetings, network drives, Google docs and e-mail, which is described as the main tool for communication. Oriflame also has a media library where all the worldwide media content is stored. There are formalized processes for almost everything, when launching new products and producing social media content there is a formalized process from start to finish. The same goes for information sharing:

“We have scheduled team meetings weekly and monthly but also brainstorming workshops. I would say that we certainly have routines and very concrete processes in place. There is nothing ad hoc about it. We have to be agile of course, we have to be able to react fast but we also need to have plans and processes in place. Otherwise, it’s a monster to look after.” (Marinho de Lemos, 2017)

In the end, Marinho de Lemos (2017) stresses that when it comes to capitalizing trends, it is more of a trial and error approach, “let’s try it, let’s test it, let’s go forward. What can we teach the local market, ourselves and our consultants based on what we learnt?”.

4.3.5 Respond and Adapt to Market Changes

Regarding developing competence at Oriflame, the employees have access to internal and external training, and external conferences and seminars where they can acquire new knowledge in specific areas. The management is also making sure the employees have the right support and access to relevant information to perform their tasks.

Regarding changes in market conditions, the language barrier is a challenge in terms of being agile globally. Marinho de Lemos stresses that it is a challenge finding the balance between what should be done on a global and a local level: it is easier to be quick and move fast on a local level in comparison to the global level. Marinho de Lemos states an example comparing their region in Turkey with their region in Northern Africa. In Turkey, they only speak one language while in the Northern Africa region they speak English, French, and Arabic. Turkey is much faster and quickly adapts to changes in markets conditions while the Northern African region is much slower due to the language barriers and differences in customer needs.
4.4 Case D – Multinational Consumer Good Company

Madeleine Szugalski, Junior Brand Manager, Unilever

Unilever is a Dutch-British multinational consumer good company active in more than 190 countries worldwide. Unilever offers a wide portfolio of brands within the categories of personal care, food, home care and refreshments (Unilever, 2015). The Swedish subsidiary consists of 348 employees located in the head office in Stockholm (Alla bolag, 2017). The initiative to start using social media in marketing came initially from the top management but a part of this initiative can also be linked to Unilever’s media agencies who has suggested Unilever to develop digital channels for their brands. Currently, Unilever is mainly active on Facebook, Instagram and YouTube. Unilever states in their annual report that they are present in a sector with changing digital habits. To maintain success, they must adopt digital technology in everything from manufacturing to marketing. Innovation in digital marketing is a primary concern for Unilever since the media consumption habits between its consumers is changing (Unilever, 2015). Marketing through traditional media is still an important tool for Unilever since they get a successful reach with its communication. The plan with digitalizing the organization is to find synergies between traditional and digital marketing.

4.4.1 Organization

Unilever’s marketing activities in social media are planned and carried out by its several Brand Managers who each are responsible for a specific brand. The Brand Managers at Unilever do everything from managing the budget to developing new products and planning all marketing activities both in traditional and social media. The level of presence in social media varies between Unilever’s brands where some have a higher presence than others. This depends on the brand itself and its marketing budget but also on how much the Brand Manager wants to embrace the use of digital channels. Besides the Brand Managers who are overall responsible for the brands there is also an internal social media team who supports the Brand Managers practically through uploading posts and keeping contact with the media agencies where Unilever purchases its digital marketing content.

4.4.2 Market Knowledge

The social media team at Unilever is responsible for replying to comments and to manage dissatisfied customers on Unilever’s social media accounts. Besides handling the comments the social media team is also responsible for making customer insights and evaluations about how the different social media accounts are performing. In case valuable information is obtained
through a social media account it is forwarded to the relevant field in the organization. Szugalski (2017) states that “Of course it’s great if we, for example, hear that many consumers are asking, hey, why isn’t this product available in 250 ml container? then it’s, of course, an idea that we will take in”. The same thing happens if the customer service receives similar information and requests.

4.4.3 Identifying Opportunities and Trends

Employees at Unilever are expected and encouraged to search for new opportunities and trends. When it comes to identifying new trends and opportunities Unilever is also working very close with its agencies. Unilever is purchasing CMI (consumer marketing insights) reports from external agencies and consultant firms that they use to understand trends, to know in which direction their brand is moving, to know what their consumers expect and so on. At Unilever, there is one person responsible for ordering CMI reports from their agencies. When larger CMI reports are ordered, the decision is often taken on a higher management level. When it comes to digital marketing Szugalski works with the digital strategist at their media agency to merge their plans into actions. Regarding new thinking in marketing and product development Szugalski (2017) states that you need to have a good business case to drive through new ideas:

“I can come up with a great digital marketing plan that is fantastic but if I don’t show a good ROI we will go with TV instead since we know that it works, at Unilever you need to have a clear purpose of what you are doing.”

“Unilever is like an old machinery which is comfortable with what it’s used to do, if you want to do something new you need to have a good case.”

4.4.4 Communication

Since Unilever is working with such a wide range of brands in different product categories it is difficult to find synergies and little information is shared between people working with different categories of brands. Globally it is different, between the sister companies there are synergies. Unilever in Sweden has for example used German video material and adapted it to the Swedish market. However, Szugalski states that more could be done to get global synergies. When it comes to information sharing Unilever has an online portal where employees can share information and digital solutions. This portal was established 1,5-2 years ago. Besides the portal, there are also frequently arranged formal meetings where employees can listen and share best practices between different markets.
4.4.5 Respond and Adapt to Market Changes
The management at Unilever has put a high focus on turning Unilever to a more digitalized company. This has mainly been done through educating the employees with an online education program called Connected 4 Growth. According to Szugalski, there are deadlines where each employee is supposed to have finished a certain amount of online lessons which are mainly focused on digital marketing. Szugalski says that Unilever wants to build new competence around digital marketing. Unilever buys most of its digital content from media agencies but the employees must know what they are buying and make sure that the digital content is aligned with the brand guidelines. Besides the online education platform, Unilever’s agencies sometimes host meetings and seminars for their customers where they talk about digital marketing. When asking about if Unilever is fast or slow to adapt to changes in market conditions Szugalski (2017) says that “Unilever is a lagger, we are not a first mover at all, we will never be that, we are working with volumes”.

4.5 Case E – Swedish Retail Company
Lina Söderqvist, Marketing Manager, Åhléns

Åhléns AB is a Swedish retail company having 65 department stores in Sweden. The company is selling products from its own brand as well as from other well-known brands within fashion, beauty, homeware and media. Åhléns AB is owned by the Swedish investment company Axel Johnson AB which is one of the main actors in the Nordic region within trade and services (Axel Johnson, 2017). A general objective for Axel Johnson AB is to be market leading in digital marketing (Axel Johnson, 2016). Åhléns started with social media marketing through Facebook in 2010. The initiative came from employees lower in the organizational hierarchy. Today Åhléns is mainly active on Facebook, Instagram, and YouTube. As a Marketing Manager, Söderqvist is responsible for all external communication, advertising in all channels, CRM, and everything related to their club members and public relations.

4.5.1 Organization
Social media is not a department on its own, everyone at the marketing department is in different ways working with this, with soon to be two people specifically responsible for handling the channels on daily basis. Two people are responsible for all content planning for all channels. The structure has changed and evolved over time, from thinking of digital channels as a separate channel handled in its own way to having the social media channels fully integrated with all other marketing channels:
“Initially, it was more thoughts around how the digital channels should be handled, it was more thought of like a silo, like a separate channel handled in its own way. Now the social media channels are fully integrated in our overall thinking channel-wise. Who do we reach with what? There is no silo-thinking anymore, it goes through the whole organization.” (Söderqvist, 2017)

4.5.2 Market Knowledge

There is a designated process for handling feedback from followers on for example Instagram and Facebook. Customer service is responsible for answering and forwarding all product related questions and feedback to the concerned departments. Other types of questions, for example regarding campaign messages, are handled by PR.

4.5.3 Identifying Opportunities and Trends

Through looking at what others are doing and working closely together with social media platforms such as Facebook, Instagram, and YouTube, Åhléns learns about new opportunities and trends, sees what is happening, what new features there are and how consumer behavior is changing. Åhléns also works together with their media agency which is considered a more objective part compared to the platforms that are promoting their own channel. Important for this work is also careful monitoring. The follow-up work is part of the daily business but there is also a bigger follow-up once a month to see what is working and what is not. In addition to this, personal networks, attending seminars, and reading both industry papers and academic journals are also parts in the work of identifying opportunities and trends. Åhléns collaborates with Handelshögskolan in Stockholm who invite them to seminars and provide them with research papers on for example digital marketing and e-commerce. It is part of the daily work to be up to date on what is happening and everyone is expected to look for new trends. Every other week someone is responsible for presenting trends in communication for the rest of the department. Söderqvist admits that Åhléns might not always have been that innovative in marketing and product development, however, this is changing, today a lot of emphasis is put on this.

According to Söderqvist, a large, overarching digital change is going on in retail, consumers are changing the way they do their purchases with digital shopping growing in most segments. This change might not be superfast, at least not in all segments, but it is a major change that Åhléns needs to keep up with and adapt to. The department store itself is a very old business idea, from 1899, but despite this Söderqvist means that Åhléns can be described as in the
4.5.4 Communication
Åhléns has some routines regarding communication of new opportunities and trends as mentioned above. There are formal as well as informal meetings and different forums where information is shared, such as a digital platform for information sharing and different forums, for example about new trends and consumer behavior.

4.5.5 Respond and Adapt to Market Changes
The idea at Åhléns is that everyone is working with social media in some sense and that you cannot work in marketing today without understanding social media. Åhléns has acquired its competence through a combination of educating its employees and hiring people with the right skills. Employees that have been at Åhléns prior to the start with social media marketing had to learn while other employees have previous experience in social media marketing.

There is no formal training about social media at Åhléns, instead, the whole idea is to learn from others. However, Åhléns do arrange some education sessions together with their media agency. Söderqvist emphasizes the fact that being a large retail organization, with 65 department stores, makes it hard to be very fast at responding and adapting, but this is something that Åhléns is constantly working on to improve. According to Söderqvist, they are a lot faster today than they used to be.
5. Analysis and Discussion

The results are analyzed and discussed using the same headlines as when presenting the model in the theory section but with additional subheadings addressing its different elements. However, here in the analysis and discussion, we work our way from the outer ring into the core, since we see each ring as a precondition for the next, starting with marketing enabler processes and going inwards.

5.1 Marketing Enabler Processes

5.1.1 Customer Relations Management

One of three main influential processes that enable firms to develop DMCs is CRM (Barrales-Molina et al., 2014). The capability and understanding of how to combine CRM with market orientation and knowledge management is then according to Martelo et al. (2011) key for value creation and according to Lee et al. (2011) firms who utilize its customer network and accumulate customer knowledge have better capabilities to design, control and evaluate their marketing programs. All the studied companies have some kind of unit dedicated to customer service and customer relations. Depending on the size of the companies this unit varies between one responsible person to several responsible persons handling all the consumer contacts and requests. For example, at Bambino MAM, one person is in charge of consumer relations overall, answering comments and questions from all channels including social media. At L’Oréal Nordics, the Consumer Care Center that is a part of the CMO team is the unit dedicated to customer relations. In addition to the traditional customer service team, both Oriflame and Unilever have a person dedicated to consumer care on social media specifically, answering questions and comments on the company's different social media accounts. Depending on the type of questions other units than customer service might answer them at Åhléns.

5.1.2 Internal Networks

Network management is another one of the three main influential processes that according to Barrales-Molina et al. (2014) enables firms to develop DMCs. These processes may lead to the generation of DMCs and are based on internal and external collaborations that provide access to external sources of knowledge which can be disseminated into the organization.

The case companies do to different degrees have formalized processes for how information obtained from its social media accounts is forwarded throughout the organization. Åhléns
describes it as a designated process for handling feedback from followers where customer service is responsible for forwarding questions and feedback to the concerned department. L’Oréal Nordics registers all feedback received and since January 1st 2017 the Consumer Care Center is part of the CMO team due to an increased focus on customer care as something that adds value. At Bambino MAM, the consumer care person is responsible for making sure that relevant information is forwarded to the right person. For this function, Bambino MAM has established routines and guidelines of how this information should be shared and processed. Oriflame also has guidelines and routines for how the person in charge of this is supposed to check and respond to comments, and forward information acquired from comments to relevant people in the organization. At Unilever, the social media team, in addition to handling comments, is also responsible for forwarding valuable information to the relevant field in the organization and to evaluate the performance of the social media accounts.

According to Bruni and Verona (2009), integrative mechanisms at firms can be grouped into two micro classes; one more structural with a constant integration with routine activities and one more flexible made up of structured meetings or committees bringing people together from different units. Internal networks in the form of collaborations between departments, information sharing and meetings at the companies in this study can be said to vary between informal and formal. In comparison to the other companies in the study, Bambino MAM may be seen as the most informal both due to the size of the company and to a culture that encourages such information sharing. Different types of formal meetings throughout the year are important for sharing information regarding new opportunities and trends. But because of the size of the organization all functions do in some way, more or less, work together and share information with each other informally.

L’Oréal Nordics and Åhléns are much larger than Bambino MAM in terms of size and number of employees but do still have quite informal cultures. Best practices are shared informally between the different teams. The sharing of information between departments work quite well, however, it is not very structured. The main difference between L’Oréal Nordics and Åhléns is that Åhléns has to some degree structured routines when it comes to communication of new opportunities and trends. They also have different forums and digital platforms where information is shared about new trends and consumer insights. Oriflame and Unilever, on the other hand, uses more digital tools and formalized processes when it comes to internal information sharing. Both have an internal online platform where employees upload and share
information. When it comes to meetings Oriflame has weekly and monthly scheduled formal meetings and brainstorming workshops where information is shared. Unilever does in a similar way arrange formal meetings between markets where information and best practices are shared. Bruni and Verona (2009) address the importance of strategic meetings between Marketing Managers and experts for sharing information, decisions, and for gathering people with different functional views.

5.1.3 External Networks
Also, external networks are part of network management that is one of the three main influential processes that according to Barrales-Molina et al. (2014) enables firms to develop DMCs. Just as internal collaborations, external collaborations are part of the foundation for the processes that may lead to the generation of DMCs through providing access to external sources of knowledge which can be disseminated into the organization. Bruni and Verona (2009) address that external ties enable firms to acquire market knowledge that is influential for reconfiguration purposes. Similar to Bruni and Verona (2009), Ambrosini et al. (2009) suggest that organizational renewal may be initiated by the intervention of external agents.

All case companies mention different types of external networks as important in finding new opportunities and trends. There are a lot of similarities in what type of external networks the companies work with, for example, all companies work closely with agencies who provide them with customer insight reports. L’Oréal Nordics and Åhléns also purchases CMI reports from Facebook and Google. Besides purchasing CMI reports from external agents L’Oréal Nordics, Unilever and Åhléns collaborate with universities in different ways. Finally, Bambino MAM and Åhléns stress that they attend seminars to access external information.

5.2 Specific Components

5.2.1 Absorptive Capacity
Marketing enabler processes such as customer service delivery, CRM, and networks have effects on DMCs through the absorption of market knowledge. The way the companies in this study work with customer service delivery and external networks of different types are linked to their absorptive capacity in the sense that it is “a set of organizational routines and processes by which firms acquire, assimilate, transform, and exploit knowledge to produce a dynamic organizational capability” (Zahra & George, 2002, p.186). The companies do to various extents show abilities to “recognize the value of new information, assimilate it, and apply it to
commercial ends”, according to Cohen and Levinthal (1990, p.128) the definition of absorptive capacity.

All interviewees state that employees are encouraged and/or expected to search for new opportunities and trends, thus showing a recognition of the value of new information. External networks of different types are also seen important sources to new opportunities and trends among all the case companies. However, in comparison to each other, the case companies may be described as possessing absorptive capacity to various extents. Both Bambino MAM and L’Oréal Nordics may, due to high expectations on employees to search for and try and test new opportunities and trends, frequent use of external networks in different ways, and a culture that accepts and encourages change, be described as better at absorbing new information and knowledge in comparison to the other firms in this study. In the case of Bambino MAM, being fast at adapting to change and being agile and responsive, may partly be explained by the size of the company, which is also emphasized by the interviewee as a strength. L’Oréal Nordics on the other hand, may be described as fast at adapting despite the large size of the company. In this case, the agility and responsiveness rather seem to be an outcome of a culture accepting of change and the nature of the industry with fast-changing consumer preferences and a high sensitivity to trends. But while Bambino MAM is described as being very fast at adapting to changes and stating being up to date and in the forefront as an explicit objective, van der Putten admits that L’Oréal might not always be first and can be described as “a bit conservative French” (van der Putten, 2017). But at the same time, van der Putten (2017) emphasizes the “amazing transformation” that has taken place the last few years.

Åhléns does in many ways seem to be rather good at absorbing new information and knowledge much because of the same reasons as Bambino MAM and L’Oréal Nordics, and it is described as part of the daily work to be up to date on what is happening. However, being a large retail organization with department stores is by the interviewee seen as making it hard to be very fast at responding and adapting to change although they are faster today and are constantly working on improving this. Oriflame on the other hand, while being a retail organization has a very different business structure than Åhléns that might facilitate being fast at responding and adapting. The interviewee describes it as a necessity for the social media department to be agile and keep up with new features and functionalities due to the rapid changes in digital marketing. Similar to L’Oréal Nordics, Oriflame uses a trial and error approach to capitalize on new trends through empowering its employees to test and learn: “We are trying to empower people to test
and learn. It is not a failure if you did something that did not perform well, it does not matter, you tried it and we can learn, try again slightly different” (Marinho de Lemos, 2017).

An additional way the companies show that they recognize the value of new information is through giving employees access to education and training, internally and externally, in different ways in order to acquire new knowledge and develop new competences. Educating employees with a digital marketing education program has at Unilever been a way for the management to turn Unilever into a more digitalized company. However, in order to push through new ideas, you need to be able to present a good business case and an expected good ROI: “Unilever is like an old machinery which is comfortable with what it’s used to do, if you want to do something new you need to have a good case” (Szugalski, 2017).

In addition to internal functions and external training in gathering market knowledge and finding new information, one source of new information is different kinds of reports ordered and delivered from for example media agencies.

5.2.2 Knowledge Management

Internal networks of different kinds have effects on DMCs through how they manage market knowledge. Once the marketing department has absorbed the market knowledge, this knowledge needs to be integrated into the whole organization, mechanisms for knowledge management need to be designed. According to Barrales-Molina et al. (2014), knowledge management tasks are usually embedded in cross-functional processes. As described in the previous section on internal networks as a marketing enabler process, all companies in the study have formalized processes, routines, and guidelines for how the information obtained from social media channels is forwarded and integrated throughout the organization. Knowledge from incoming comments and questions are in different ways transferred to the relevant person or department at the companies.

Establishing an infrastructure for sharing ideas, for example through online platforms and internal communication portals such as the ones at Unilever and Oriflame, is one way of assuring efficient knowledge sharing which facilitates the distribution of the acquired knowledge across subunits in the organization (Luo, 2000). The cross-functional processes, with collaborations between departments, information sharing, and meetings, vary in form, from informal to more formalized, between the companies, as described above in internal networks.
Zollo and Winter (2002) refers to knowledge articulation as the process of sharing knowledge through discussions, debriefing sessions, and performance evaluation processes, through this, individuals share their implicit knowledge to gain a deeper understanding about certain issues. Performance evaluation processes, monitoring or follow up work are mentioned by the interviewees as more or less formalized and structured routines. At Bambino MAM, part of this monitoring regarding reach, result, and engagement levels on social media is part of the daily work and routines for the person in charge of consumer relations. Also at Åhléns and Unilever is the monitoring of social media accounts part of the daily business regarding social media and customer relations. In addition to the daily work concerning this, there is also a bigger follow-up once a month at Åhléns to see what is working and not. At Oriflame analysts studying the audience, analyzing customer data and following what is happening in the market are part of the internal functions in gathering market knowledge. Engagement rates on different types of content helps to guide and optimize strategic decisions at L’Oréal Nordics.

As mentioned, the cross-functional processes at the companies vary in degree of presence and formality. L’Oréal Nordics is by the interviewee described as quite informal regarding communication between departments, best practices are shared informally between the different teams. This not very structured way of sharing information is still described as quite well-working, or as the interviewee puts it: “not ideal but it moves fast” (van der Putten, 2017). Quite the contrary is true for Oriflame where there are formalized processes for nearly everything with scheduled team meetings weekly and monthly, brainstorming workshops and routines and concrete processes in place. Åhléns also has regular meetings for brainstorming and trendspotting, however, here formal meetings are complemented with informal meetings as well. This combination of formal and informal meetings and ways of sharing information is similar to how it works at Bambino MAM. At Unilever, cross-functional information sharing is not as present, little information is according to the interviewee shared between people working with different categories of brands or products. However, globally, between sister companies, more information is shared and there are synergies. Best practices are shared between different markets through frequently arranged formal meetings and the online portal.

5.3 Underlying Processes
The underlying processes in the model help to understand how DMCs renew organizational resources and capabilities. Barrales-Molina et al. (2014) address that one must identify those processes to identify DMCs.
5.3.1 Sensing

Teece (2007) describes a firm’s ability to sense opportunities and threats as a scanning, creation, learning, and interpreting activity. A firm must constantly scan its environment across local and distant technologies and markets. The case companies use various methods for identifying new opportunities and threats through both internal and external sources. Internally, all companies stress that they have a strong emphasis on encouraging and empowering employees to search for new trends and opportunities. The companies have different internal functions for this, where for example Unilever has Brand Managers who are responsible for this task and Oriflame has an analyst team who analyzes consumer behavior and market trends. External sources for finding information are important for all case companies. All companies except Oriflame emphasized the role of their media agencies when it comes to sensing new trends and opportunities. The media agencies have great insight in the current trends in digital and social media marketing and provide the companies with consumer insights and recommendations in how they should capitalize emerging trends in social media marketing. Besides the collaboration with media agencies, L’Oréal Nordics, Oriflame and Unilever also purchases CMI reports from external agencies. L’Oréal Nordics and Åhléns also expressed their close relationship with Facebook and Google who provide them with CMI and trend reports.

Teece (2007) addresses that search activities that are relevant regarding sensing include information about what is going on in the business ecosystem. In fast-paced business environments, it is necessary to search on a local level but also in the periphery of the business ecosystem. Bambino MAM, Åhléns, and L’Oréal Nordics stressed that they frequently attend seminars, fairs, and read tech blogs to understand what is happening in the industry and to search for new trends. Since all case companies strongly emphasize external networks in the search for new information, opportunities, and trends, this finding supports the idea of Barrales-Molina et al. (2014) when it comes to external networks being an essential market enabler process in generating DMCs.

Finally, trial and error tend to be an important way of identifying new trends and opportunities. Bambino MAM, L’Oréal Nordics, and Oriflame expressed that they have a strong emphasis on testing new things to see if it works. Zollo and Winter (2002) address trial and error as an important part of knowledge accumulation which in turn is described as a fundamental learning mechanism in developing DCs. Trial and error is also expressed by Eisenhardt and Martin.
and Pisano (1994) who suggest prototyping and testing as a mean to quickly acquire new situation-specific knowledge in high-velocity markets and rapidly changing industries.

5.3.2 Learning, Integrating and Seizing

Once trends and opportunities are sensed they must be integrated and transformed into useful ideas and knowledge in the organization. This is what Teece (2007) describes as the dynamic capability to seize opportunities. Barrales-Molina et al. (2014) address learning capability as the ability to transform market intelligence to new knowledge, and integrating capability as the ability to integrate new knowledge in operational capabilities. An important part of transforming and integrating market knowledge to ideas and new knowledge is to share the information throughout the organization. This information and knowledge sharing is by Zollo and Winter (2002) referred to as knowledge articulation where discussions and debriefing sessions are important tools. Formal meetings and debriefing sessions are by Åhléns, Oriflame and Unilever expressed as important ways of sharing information. Åhléns have a meeting every second week where someone presents new market trends to the rest of the department. Oriflame express that they have formalized routines in place for weekly and monthly meetings and brainstorming activities where new information is shared. At Unilever, there are frequent online meetings where market knowledge and best practice are shared across markets. While Åhléns and Oriflame seem to have formal processes of sharing information in place, Bambino MAM and L’Oréal Nordics tend to share information in a more informal way. Bambino MAM states that sharing information in an informal way comes naturally when the office only consists of 18 employees and the culture encourages this type of information sharing. At L’Oréal Nordics, best practices are shared informally between different teams and information is described as moving fast and as not being very structured. Besides sharing and communicating through informal and formal meetings all companies except L’Oréal Nordics use digital tools and platforms for sharing internal information and knowledge. Luo (2000) suggests that managers build an infrastructure for sharing ideas, knowledge, and best practices in order to translate learning into critical competence. The digital platforms used by the case companies can be seen as an infrastructure for such purposes and hence as an important tool for capability upgrading as addressed by Luo (2000). The digital tools for sharing information may also be seen as an instrument for codifying knowledge which by Zollo and Winter (2002) is addressed as an important support mechanism for integrating knowledge in the organization.
5.3.3 Coordinating and Reconfiguring

Coordinating capability refers to the ability to implement tasks, resources, and activities in the new operational capabilities (Barrales-Molina et al., 2014). Once opportunities or threats are sensed and seized into new ideas and knowledge the firm must also reconfigure and adapt its assets and organizational structure to match the changing business environment (Teece, 2007). All case companies have undergone the digital transformation from using traditional marketing channels to also market themselves in social media. This transformation implies that all the interviewed companies were required to reconfigure their assets and resource base in order to acquire the right skills and competences to successfully deploy a new digital marketing strategy. This reconfiguration and competence acquisition has mainly been performed through educating the existing workforce through various education programs, but also, as expressed by Bambino MAM and L’Oréal Nordics through hiring people with the right competence. L’Oréal Nordics address that they initially started their digital transformation through hiring senior people with experience in digital marketing. Nowadays L’Oréal Nordics express that they hire graduates who know how social media works; “give me a 25-year-old with an iPhone”, what is needed for these positions are someone that knows how these media outlets really work (van der Putten, 2017).

Unilever and Oriflame especially, highlight their internal education programs. Unilever uses an online education platform called “Connected 4 Growth” where employees are supposed to finish a certain number of online courses up to a specific date. Such education platforms can be seen as the final step in the knowledge evolution process which Zollo and Winter (2002) describe as knowledge codification. The education platforms are in this case written knowledge that can be accessed and utilized by employees to learn to perform new complex tasks. Once knowledge is, as described by Zollo and Winter (2002), accumulated and articulated, it makes sense to codify the knowledge for future understandings of what makes a process succeed or fail. The education platforms can also be seen as an infrastructure for knowledge sharing and utilization as described by Luo (2000). According to Luo (2000), knowledge must be distributed throughout the organization which can be done through building an infrastructure that transfers knowledge. Oriflame hosts internal training and seminars for their employees where they can learn about social media marketing. L’Oréal Nordics also has a program for internal education and in addition to this send people abroad to other offices as part of educating their employees.
Besides educating the workforce internally, Bambino MAM, Åhléns, and Unilever stated that they sometimes arrange trainings with their media agencies since those are experienced and have expertise in social media marketing. As described under Barrales-Molina et al.’s (2014) marketing enabler processes, external networks are crucial for finding new trends and opportunities. Since external networks also tend to play an important role in acquiring knowledge and reconfiguring assets, it can be seen as a marketing enabler process for coordinating and reconfiguring a firm’s asset and resource base. When it comes to the initiation of the transformation process towards digital and social media marketing Åhléns, L’Oréal Nordics, and Oriflame stress that the initial idea came bottom up from employees located lower in the organizational hierarchy. At Bambino MAM and Unilever this transformation was initiated by top managers. According to Barrales-Molina et al. (2014), the DC concept mainly addresses the involvement of top managers while DMCs involve the whole marketing department and external agents in using market knowledge to renew the organization.

5.4 Dynamic Marketing Capabilities

Barrales-Molina et al. (2014) address two main features that characterize DMCs; market knowledge and cross-functioning marketing processes. The sections above, on marketing enabler processes, specific components, and underlying processes, do all mention and address different aspects of market knowledge and cross-functioning marketing processes. Marketing enabler processes creates a precondition for, and may lead to, a firm possessing specific components through establishing external and internal networks and other enabling processes that promote absorptive capacity and successful knowledge management. Absorptive capacity and knowledge management are in turn two fundamental parts in the underlying processes incorporating the firm's ability to sense new opportunities and trends, integrate new knowledge and to reconfigure its resources into new operational capabilities. Sensing, integrating or seizing, and reconfiguring capabilities are what constitutes the DC framework. The DC framework looks at knowledge management in the organization as a whole and leaves out the role of specific functions, Barrales-Molina et al. (2014) take this a step further and specifically look at the marketing function’s ability to use market knowledge to renew the whole organization. And because of this, the use of market knowledge is according to Barrales-Molina et al. (2014) a main factor in distinguishing DMCs from DCs. Barrales-Molina et al. (2014) suggest that DMCs feature the involvement of the whole marketing department but also external agents such as lead users, opinion leaders, the scientific community and consulting firms. All
case companies highlight the use of external agents both in the search for new opportunities and trends but also in the development of knowledge necessary to reconfigure its resource base.

The marketing function’s ability to use market knowledge to renew the whole organization is to different degrees identified at the interviewed companies. The new cross-divisional structure at L’Oréal Nordics with the newly created CMO team and the CMO role itself is one example among the companies of how market knowledge has led to a renewal of the organizational structure. The CMO team was created across divisions to ensure an aligned strategy partly due to an increased focus on customer care where ongoing Q&A is seen as something that adds value and not just a defensive tool. This may be the most prominent and extensive example of renewal of the organization as a response to market knowledge in this study. However, there are also examples from the other companies of less extensive organizational restructuring with new roles and functions and redistribution of tasks and responsibilities.

To better understand how DMCs work and to identify their common features Barrales-Molina et al. (2014) state two examples; new product development and proactive market orientation. New product development has not been a focus of the interviews or the study, however, several of the interviewees did mention how market knowledge absorbed by the marketing department is transferred to and used by the product development department. The second example of DMCs given by Barrales-Molina et al. (2014), proactive market orientation, is apparent in the examples above of how market knowledge has led to a renewal of the organizational structure. Proactive market orientation is by Barrales-Molina et al. (2014) considered a DMC since it is a marketing capability, it involves the marketing department in the development and renewal of a firm’s resources and capabilities, it aims to absorb, create, and disseminate market knowledge and it entails cross-functional coordination in the organization.
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<thead>
<tr>
<th></th>
<th>Case A</th>
<th>Case B</th>
<th>Case C</th>
<th>Case D</th>
<th>Case E</th>
<th>Summary</th>
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</thead>
<tbody>
<tr>
<td>CRM</td>
<td>- One dedicated person for handling all customer relations in all channels.</td>
<td>- Customer care center handling part of CMO team.</td>
<td>- Customer service team plus a person dedicated to consumer care on social media.</td>
<td>- Customer service team plus a person dedicated to consumer care on social media.</td>
<td>- Customer service team responsible for answering all product related questions. Forwarding inquiries to relevant departments.</td>
<td>- All interviewed companies have some kind of unit handling customer relations.</td>
</tr>
<tr>
<td>Internal Networks</td>
<td>- Have established routines and guidelines for how information is shared and processed.</td>
<td>- Different formal meetings.</td>
<td>- Registries all received feedback.</td>
<td>- Social media team responsible for communication.</td>
<td>- Digital tools and formalized processes for internal information sharing.</td>
<td>- Designated process for handling feedback from followers. - Quite informal culture. - Structure and routines for communicating opportunities and trends. - Digital platforms for sharing information.</td>
</tr>
<tr>
<td>External Networks</td>
<td>- Media agencies. - Attend fairs, tech exhibitions and events.</td>
<td>- Media agencies. - Collaboration with universities. - Facebook and Google CMI reports. - Purchases CMI reports from agencies.</td>
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<td>- Media agencies. - Collaboration with universities. - Purchases CMI reports from agencies.</td>
<td>- Media agencies. - Social media team responsible for communication. - Monitoring and bigger follow up once a month. - Designated process for handling feedback from followers. - Quite informal culture. - Structure and routines for communicating opportunities and trends. - Digital platforms for sharing information.</td>
<td>- All interviewed companies mentioned external networks as an important factor for finding new opportunities and trends.</td>
</tr>
<tr>
<td>Absorptive Capacity</td>
<td>- Better absorptive capacity. - Fast and being in the forefront is an explicit objective.</td>
<td>- Better absorptive capacity. - High expectation on employees to discover new opportunities and trends. - Frequent use of external networks. - Culture that encourages change.</td>
<td>- Good absorptive capacity. - Trial and error approach. - Managers may test and learn. - Given fast and agile and keeping up is described as a necessity.</td>
<td>- Not as good absorptive capacity. - High expectation on employees to discover new opportunities and trends. - Managing employees. - Difficult to push through new ideas. - Higher threshold for trying new ideas.</td>
<td>- Good absorptive capacity. - High expectation on employees to discover new opportunities and trends. - Frequent use of external networks. - Part of the daily work to be up to date. - Organizational structure slows down changes.</td>
<td>- The interviewed companies show various levels of absorptive capacity in comparison to each other.</td>
</tr>
<tr>
<td>Knowledge Management</td>
<td>- Monitoring of social media accounts part of daily routines. - Formal meetings complemented with informal meetings.</td>
<td>- Engagement rates of content as basis for strategic decisions. - Quiet informal and not very structured but works well.</td>
<td>- Infrastructure for sharing ideas in the form of online platforms and internal communication portals. - Analysts studying customer data and following market trends. - Formalized processes for nearly everything.</td>
<td>- Monitoring of social media accounts part of daily routines. - Infrastructure for sharing ideas in the form of online platforms and internal communication portals. - Not much information sharing between brands and products. - Between sister companies’ information and best practices are shared through formal meetings and through an online portal.</td>
<td>- Monitoring of social media accounts part of daily routines. - Add in to daily routines for monitoring, bigger follow up once a month. - Formal meetings complemented with informal meetings.</td>
<td>- All interviewed companies have to some degree formalized processes, routines and guidelines for sharing information. - Cross functional processes varies from informal to more formal between the companies.</td>
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<td>All companies have a strong emphasis on encouraging employees to search for new trends and opportunities. - External sources and networks important for finding new trends.</td>
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<td>- Media agencies provide consumer insight and information about market trends. - Frequently attend seminars, fairs and read tech blogs. - Strong emphasis on trial and error.</td>
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<td>- Analysts who analyzes market trends. - Purchases CMI reports from external agencies. - Media agencies provide consumer insight and information about market trends. - Purchases CMI and trend reports from Google and Facebook. - Frequently attend seminars, fairs and read tech blogs.</td>
<td>- Brand managers responsible for finding new trends and opportunities. - Media agencies provide consumer insight and information about market trends. - Purchases CMI reports from external agencies. - Strong emphasis on trial and error.</td>
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<td>Wide usage of digital tools and platforms for sharing internal information and knowledge. - Formality of information sharing differentiates between the companies.</td>
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<tr>
<td>- Tend to share information in a more informal way. - Uses digital tools and platforms for sharing internal information and knowledge.</td>
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<td>- Formal meetings and debriefing sessions are important ways of sharing information. - Formal processes of sharing information. - Uses digital tools and platforms for sharing internal information and knowledge.</td>
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<td>Reconfiguring towards social media marketing has mainly been done through internal education. - Some education arranged together with media agencies.</td>
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<td>- In addition to internal education, the company has also hired people with the right competence. - In addition to internal education they sometimes arrange trainings with their media agencies. - Transformation towards social media marketing initiated by top managers.</td>
<td>- In addition to internal education, the company has also hired people with the right competence. - Sends staff to other L’Oréal offices as part of education. - Transformation towards social media marketing initiated by employees (bottom up).</td>
<td>- Especially highlight their internal education programs. - Hosts internal trainings and seminars. - Transformation towards social media marketing initiated by employees (bottom up).</td>
<td>- Especially highlight their internal education programs. - Uses an online education platform. - In addition to internal education they sometimes arrange trainings with their media agencies. - Transformation towards social media marketing initiated by top managers.</td>
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| **Case A** | - Frequent use of external networks.  
- High expectations of employees to search for new opportunities and trends.  
- Established guidelines for how information is processed and shared.  
- Mix of formal and informal information exchange. | - Strong emphasis on being innovative in both marketing and product development.  
- Strong emphasis on R&D. |
| **Case B** | - Frequent use of external networks.  
- High expectations of employees to search for new opportunities and trends.  
- Quite informal culture in terms of best practice information sharing. | - Strong emphasis on being innovative in product development.  
- Strong emphasis on R&D in product development. |
| **Case C** | - Use of external networks.  
- Empower employees to test and learn.  
- Routines and guidelines for handling feedback from followers. | - Strong emphasis on R&D in product development.  
- Good business case needed to drive through new ideas especially in marketing but also in product development. |
| **Case D** | - Use of external networks.  
- Formalized processes for information sharing. | - Are becoming more innovative in product development.  
- No R&D department but carefully monitors trends in consumer behavior and retail. |
| **Case E** | - Frequent use of external networks.  
- High expectations of employees to search for new opportunities and trends.  
- Structure and routines for how information is processed and shared.  
- Mix of formal and informal information exchange. | - All companies state that they are innovative in product development. |

**Summary**
- Cross-functioning marketing processes are identified in all the companies.

**Table 2: Cross-Case Comparison**

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<thead>
<tr>
<th>Cross-functioning marketing processes</th>
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</table>
| - Use of market knowledge to renew the whole organization.  
- Shifting roles and responsibilities due to increased demand for resources in social media marketing.  
- New cross divisional structure to ensure an aligned strategy.  
- New CMO role and CMO team with consumer care center integrated.  
- Social media department as a part of a larger digital department  
- Organization evolved from design focus to customer experience focus.  
- New internal social media team to support Brand Managers.  
- Change in structure to integrate social media channels with the overall marketing strategy.  
- Development of new roles for handling social media channels. |

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<th>New Product Development</th>
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| - In the forefront and ahead of competing firms in terms of product development.  
- Strong emphasis on being innovative in both marketing and product development.  
- Strong emphasis on R&D. |

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6. Conclusions

Through an analysis based on the integrative model on DMCs constructed by Barrales-Molina et al. (2014) we have aimed to investigate how acquisition and integration of market knowledge has affected the process of organizational adaptation towards social media marketing and how this has led to a reconfiguration and adaptation of the firms’ organizational resources and capabilities. The basis for this is how the firms use their marketing resources and capabilities to absorb market knowledge and utilize it for organizational renewal. The notion that absorption of market knowledge leads to organizational renewal or as by Barrales-Molina et al. (2014) described as proactive market orientation was identified in all the interviewed companies. All companies have to some degree reconfigured its organizational structure based on shifting market conditions in terms of increased importance of presence in social media. The absorption and utilization of market knowledge have been of major importance for initiating the transition process. In this regard, DMCs are to some degree identified in all the interviewed companies. Because of the structure of the model, with the outer rings being a precondition for developing DMCs, this also means that marketing enabler processes, specific components, and underlying processes have been identified in all companies. The most prominent factors that enable the development of DMCs found between the interviewed companies is the wide use of external networks in identifying new trends and developing the competence, and the emphasis on having high expectations on employees to search for opportunities and trends. External networks are one of the marketing enabler processes which among all the companies in the study is seen as an important source to new opportunities and trends. External networks thus have effects on DMCs through the absorption of market knowledge and sensing capabilities among the companies. The emphasis on encouraging and expecting employees to search for opportunities and trends is another example of absorptive capacity and sensing capabilities among the companies since it means a recognition of the value of new information.

Putting strategies in place for absorbing and managing market knowledge, for example through promoting external networks, is according to Barrales-Molina et al. (2014) necessary for managers interested in developing DMCs. To routinize the absorption and transfer of market knowledge in order to enable learning and integrate knowledge into organizational routines, managers need to develop cross-functional processes (Barrales-Molina et al., 2014). Cross-
functional marketing processes are identified in all the companies; however, they vary in the degree of formality and whether routines are in place. The cross-functional processes at the companies include marketing enabler processes as their work with customer service and CRM functions and their internal networks. These cross-functional processes have effects on DMCs through how they manage market knowledge and the seizing and integration of new market knowledge throughout the organization. An example of a DMC mentioned by Barrales-Molina et al., (2014) that are affected by cross-functional processes is new product development. Several of the interviewees did mention how market knowledge absorbed by the marketing department is transferred to and used by the product development department.

In addition to the wide use of external networks and the high expectations on employees to search for opportunities and trends, it was found that one part in finding new opportunities and trends is through also empowering employees to test and learn. The use of external networks, having high expectations on employees to search for opportunities and trends and empowering employees to test and learn, are the most prominent examples in this study and may be the most influential strategies to absorb market knowledge. This market knowledge has then to different degrees been utilized for organizational renewal and restructuring towards an organization adjusted to social media marketing.

6.1 Contribution and Future Research

With this qualitative study on how firms use their marketing resources and capabilities to absorb market knowledge and utilize it for organizational renewal, we have aimed to fill the gap of empirical studies regarding DCs and particularly regarding DMCs. According to Barrales-Molina et al. (2014), there is a need for more empirical studies in order to explain how marketing resources and capabilities can manage the market knowledge acquired in practice. This study provides empirical support to previous research on DCs and DMCs and extends the research through suggesting prominent examples of influential strategies to absorb and utilize market knowledge for organizational renewal. For practitioners, this finding may serve as an aid when implementing strategies for acquisition and utilization of market knowledge for organizational renewal. Managers may put more emphasis on involving external agents, encouraging its employees to search for opportunities and trends, and applying a trial and error approach to better manage market knowledge for organizational renewal. In line with Barrales-Molina et al. (2014), we wish to see more extensive further empirical studies regarding DMCs.
Future research could also narrow down the scope and look more specific into what kind of external networks that have the highest influence when it comes to absorbing and utilizing market knowledge for organizational renewal. Furthermore, it would be interesting to see studies that compare DMCs in firms that solely relies on traditional media channels with firms that use social media channels. Finally, it would be interesting to apply the DMC framework in other cases, such in the case of adaptation towards e-commerce to see if similar findings can be found.

6.2 Limitations

This study serves as a smaller pilot study on this subject both due to the limited number of respondents and limited resources. Because of these limitations, a convenience sample was used which may narrow the possibilities of generalization. Furthermore, the reliability of the data may be questioned due to the different positions of the interviewees, as they could have varying access to the data and range of tools related to the subject.
7. References


Van der Putten, M., Chief Marketing Officer, L’Oréal Nordics, February 9th, 2017, L’Oréal Stockholm Office, Bromma.


Appendices

Appendix I - Interview Guide

We are studying how firms manage their dynamic capabilities to be competitive in the fast-changing environment of digital marketing through specifically looking at social media. What we want to learn more about is how your work with social media marketing is organized, how it has evolved over time and how it is connected to your overall marketing strategies. We would also like to know how information and knowledge is shared within the organization and how you communicate and collaborate between departments. Furthermore, we are interested to learn how your firm has acquired the right competence and skills for being competitive in marketing through social media.

1. About the Respondent
1.1 What is your position at (firm name)? What are your responsibilities?
1.2 How long time have you worked at your current position?
1.3 How long time have you worked with social media?

2. Social media
2.1 What social media platforms are you using for marketing?
2.2 What do you believe is the next platform?
2.3 Since when have you been using the different platforms?
2.4 How are you using the different platforms? Different campaigns/content for different platforms?
2.5 Why did you choose the social media platforms that you are using at the moment?
2.6 From where did the initiative come? Department? Management?

3. Organization
3.1 Is social media organized as its own department? Or part of marketing/PR department? Together with customer support? Have this changed/evolved over time?
3.2 Who are working with this?
3.3 How do you organize your content between traditional and social media marketing? Are they linked together or are you running separate campaigns? (Does it differentiate between brands?)
3.4 In your role, what other departments/persons are you working with?

4. Market knowledge
4.1 The feedback you receive from followers on social media, how is it processed in the organization? (e.g. product development, marketing content, marketing channels, customer service/support, “krishantening”) 

5. Identifying opportunities and trends
5.1 How does your firm find new opportunities and trends in social media marketing? (e.g. inside and outside the organization)
5.2 Do you use external resources to obtain information? (e.g. personal networks, consultants, seminars, professional journals, academic publications, market research)
5.3 Is this a part of your daily business? Do you have established routines for this?
5.4 Are employees encouraged and/or expected to search for new opportunities and trends?
5.5 Would you say that there is a strong emphasis on being innovative in marketing and product development? Do customer needs and product preferences change rapidly?
5.6 In comparison to your competitors, would you describe your firm as being in the forefront considering product development, marketing strategies and overall business procedures?
5.7 Do you have a strong emphasis on R&D?

6. Communication
6.1 When opportunities and trends are identified, how are they communicated within, as well as between, departments? (e.g. product development, customer service, procurement)
6.2 How does this communication work? (e.g. formal meetings, informal meetings/communication)

7. Respond and adapt to market changes
7.1 How did your firm acquire the skills and competences necessary for being successful in social media marketing?
7.2 How do you maintain and develop the competence within social media marketing at your firm? (e.g. Do you have employee training and education? Hire people with the right competence? Consultants?)
7.3 How does your firm respond to changes in market conditions? (e.g. competition, change in consumer preferences)
7.4 Would you describe your firm as a company who quickly can adapt to environmental changes and in short time make suitable improvements?
## Appendix II - Interview Guide with Operationalization

<table>
<thead>
<tr>
<th>Section</th>
<th>Questions</th>
<th>DMCs</th>
<th>Underlying processes</th>
<th>Specific components</th>
<th>Market enabler processes</th>
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<td>1. About the respondent</td>
<td>1.1 What is your position at (firm name)? What is your responsibilities?</td>
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<td>2.2 What do you believe is the next platform?</td>
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<td>4. Market knowledge</td>
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<td>5. Identifying opportunities and trends</td>
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<td>5.6 In comparison to your competitors, would you describe your firm as being in the forefront considering product development, marketing strategies and overall business procedures?</td>
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