

**Summaries of Selected Sessions from the
2008 AMA Winter Educators' Conference
(Austin, TX)**

March 2008

**Compiled and edited by Tom J. Brown, Oklahoma State
University, tomb@okstate.edu**

1.7 Marketing Management, Strategy, and Channels (Special Session)

As Time Goes By: Dynamic Capabilities, Marketing Strategy, and Performance

Chair:

John Hulland, University of Pittsburgh

Participants:

The Role of Dynamic Capabilities in Marketing Strategy Formulation for New Technologies

Leslie Vincent, University of Kentucky

Sundar Bharadwaj, Emory University

The Financial Consequences of Brand Management Capabilities

Neil A Morgan, Indiana University

Lopo L Rego, University of Iowa

Douglas W. Vorhies, University of Mississippi

Dynamic Returns to Investments in Exploration and Exploitation: Evidence from the Pharmaceutical Industry

Matthew Sarkees, Pennsylvania State University

John Hulland, University of Pittsburgh

Session Summary Writer: James Loveland, Arizona State University

The focus of this section was the discussion of the development of dynamic capabilities, and making the important distinction between dynamic capability and capabilities that are dynamic in nature. This distinction also involves changing an organization's focus from assets (such as brand equity) to capabilities (flows that help use and change assets).

One of topics discussed was the concept of Brand Management learning, which attempted to integrate different streams of research on Brand Equity and Brand Management Efficiency into one overarching concept. Based on preliminary data using over 600 firm-years of data, results showed that the Brand Management learning construct was a significant predictor of firm success in terms of shareholder returns.

Another topic discussed was the way in which firms often choose between the divergent strategic approaches of exploitation versus exploration. Exploitation allows for better word of mouth and use of current market-base data, but it can also create organizational inertia or failure traps. Exploration allows the opportunity to address future markets, but on the other hand, a firm needs to dominate some area to ensure long-term success. Moreover, it is difficult to build expertise in multiple areas. Preliminary results suggest that exploration leads to higher values of Tobin's q than does an exploitation-oriented approach.

The final topic discussed was some preliminary research of pre-start up teams and the ways that network ties influence the relationship between team members and their use of strategic marketing resources. This involved analysis of the network ties in these pre-start up teams and examination of how different types of data (e.g. simple and complex) were disseminated among team members.