DYNAMIC MARKETING CAPABILITIES 
IMPLEMENTED INTO SOCIAL MEDIA

Summary: This work aims at defining so-called dynamic marketing capabilities (DMC) in social media as the emerging construct important from perspective of both: marketing science and marketing practice. It is also oriented at identification of particular company resources that are strongly related to applying dynamic capabilities towards social media. This is a conceptual paper based on literature review. Specifically, we combine insights from dynamic capabilities theory, prior studies on dynamic marketing capabilities and the literature on social media marketing. DMC in social media seems to very promising construct that capture current trends in the business environment and at the same time, reflects paradigm changes that occur in management science, and in marketing, particularly.

Keywords: dynamic capabilities, marketing, social media.

JEL Classification: M10, M31.

Introduction

The concept of dynamic capabilities (DC), has become one of the most prolific streams in the management studies in 21st century. Numerous practical and theoretical studies have been conducted in such fields as: strategic management, strategic marketing, supply chain management, or operation management. The scale of this phenomenon can be easily witnessed while leafing through editions...
of top-tier “Strategic Management Journal” from the last two decades (between 1997 and 2017). There were not many special issues of this journal in general, since in the period of time taken into consideration, there were only 12 ones. However, among those 12 issues, two revolved around the area of DC, namely the evolution of organization capabilities [Helfat, 2000] and unstable sources of competitive advantage [D’Aveni, Dagnino, Smith, 2010]. Literature review in the field suggests there is a consensus among academics that there is no single dynamic capability of an organization, but rather there are various dynamic capabilities. These capabilities may, in given organizations, develop in various areas, departments, on a group level, as an attribute of a whole organization, or on a personal level (i.e. of managers).

One of the areas, where the concept of DC is implemented, is marketing understood as business function. This paper is devoted to marketing dynamic capabilities (DMC), with strongest emphasis on DMC in the field of social media. The existing knowledge in the field has still been underdeveloped, however we can witness nowadays the growth in the importance of social media as a communication channel in business and in marketing, particularly.

The paper is theoretical and its main contribution is to conceptualize the elaborate construct of DMC and the construct of DMC in the field of social media. Taking into consideration the above mentioned objectives, the paper will be divided into few sections. First of all, DMC, as an emerging theoretical construct in management studies, will be described. Secondly, marketing in the field of social media will be introduced as an area of implementing dynamic capabilities. The last section of the paper will comprise conclusions and suggestions for further research.

1. Dynamic marketing capabilities

The lack of taxonomy of marketing resources and capabilities, makes it difficult to increase the existing knowledge in the field under consideration, especially when it comes to interdependence between particular types of capabilities and resources. Even though such relations can be, in a statistical sense, easily modelled on the basis of existing research data and dedicated statistical techniques (i.e. structural equation modelling), understanding particular relations and their interdependence requires critical reflection on the side of a researcher. According to Madhavaram and Hunt [2008], determining hierarchical dependence between particular constructs is crucial for developing marketing resources.
theory. Otherwise, it will only be young research direction without any thorough knowledge emerging. Such state of affairs makes the research and conceptualizations concerning so-called marketing dynamic capabilities difficult. If such dynamic capabilities in general are widely seen in management as “higher order capabilities”, to understand DMC it is important to discuss the relations between such capabilities and first order capabilities and resources in the specific context of marketing.

The seminal contribution to the taxonomy of marketing resources was made by Morgan [2012]; Madhavaram, Hunt [2008], and Kozlenkova, Samaha, Palmatier [2014]. It should, however, be noted that those authors most often did not define stricte “marketing resources” or “marketing capabilities”, they rather used definitions of general resources and capabilities borrowed from strategic management. The only exception is Morgan [2012, p. 104], who defines marketing resources as “assets available to marketers and other members of organization which, supported by company’s marketing capabilities, may bring various desired results”. The advantage of this definition is that it shows the dependence mechanism between marketing capabilities and resources. Its drawback, however, that it does not clearly distinguish between marketing resources from other resources within an organization.

With relation to the definition of marketing by American Marketing Association (AMA) [2013], we may assume that the category of marketing resources refers to material or non-material attributes of a company which help the company to deliver the value perceived as extraordinary, if compared to rival companies. The categories of marketing capabilities and competence, in turn, may be treated as ones equaling and relating to non-material processes which help a company to use marketing resources in an effective way. If we connect the proposed definitions with the wide scope of marketing instruments, we will easily see how many real resources and capabilities may be built and used in marketing.

Barrales-Molina, Martínez-López and Gámez-Abad [2014] claim that the term dynamic marketing capabilities was introduced in the literature in 2009 by Bruni and Verona [2009]. It is not entirely true since this very term had been used earlier – i.e. during conference presentations organized by AMA [Johnson, Grewal, 2002; Morgan, Vorhies, Slotegraaf, 2003]. The access to these presentations was, however, restricted only to AMA members. The term DMC emerged in journals in 2009, it was not, though, used only by Bruni and Verona [2009], but also by Fang and Zou [2009], but in a different context and related to different research methods. Bruni and Verona [2009] used this term in relation to the
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A case study of marketing strategies within pharmaceutical industry, whereas Fang and Zou [2009], used this term while conducting quantitative research on a sample of joint venture companies in China. Anyway, we can treat 2009 as a starting point in academic discussion on the importance and meaning of DMC. Taking such starting point means that the research on DMC is at its early stages. An initial phase of development of any theoretical concept tends to be characterized by a high level of fragmentariness and it has its disadvantages and advantages at the same time since it gives an opportunity for various exploratory research directions, conceptual and empirical in nature.

Table 1 presents DMC definitions which were reflected in publications between 2009 and 2016 and which show the varied nature of understanding DMC. We can observe various inspirations used on conscious or unconscious level by DMC researchers. Most often dynamic marketing capabilities were understood as routines of a given organization and classified as processes influencing and crossing the whole organization. We can assume that DMC understood in such way emerge time on the basis of experience and interactions between marketing people, the executive management, other members of an organization and some external entities (e.g. market research agencies). On the other hand, in the definition by Bruni and Verona [2009], we can see direct reference to so-called dynamic managerial capabilities [Martin, 2011]. This suggests that DMC is identified by some researchers, not necessarily with attributes of the whole organization, but rather with specific traits of its managers, especially marketing managers.

Table 1. Overview of DMC definitions

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<th>Definition</th>
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<tr>
<td>Human capital, social capital and cognition of managers engaged into building, utilizing and integrating market knowledge and marketing resources in order to adjust to market and technological change</td>
<td>Bruni and Verona [2009]</td>
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<tr>
<td>Specific inter-functional business processes aimed at building and creating extraordinary values for customers as a response to market changes</td>
<td>Fang and Zou [2009, p. 743]</td>
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<td>Managerial/business processes which bring extraordinary value for company stakeholders through 3 elements: customer relationship management, new product development and supply chain management</td>
<td>Xu and Li [2011]</td>
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<td>Inter-functional processes connected with utilizing market knowledge to transform the company, connected mostly with new product development and pro-active market orientation</td>
<td>Barrales-Molina, Martínez-López, and Gázquez-Abad [2014]</td>
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<tr>
<td>A group on interconnected routines which make it possible for a company to engage into specific marketing actions in response to changing market conditions</td>
<td>Konwar et al. [2017]</td>
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Acknowledging the heterogeneous nature of DMC, we are able to analyze it on different levels within organization’s structure which is compatible with the general understanding of dynamic capabilities in strategic management. This way, therefore, it is possible to analyze DMC as routines of an organization, or as cognitive constructions or managerial approaches of marketing managers. Furthermore, a characteristic feature of DMC is going outside formal organizational frames. In broader sense it was illustrated by Evers, Andersson, and Hannibal [2012], whose research revolved around describing DMC development as an interactive process of interactions between pharmaceutical companies’ managers and various other entities (e.g. stakeholders, research agencies, universities, medical facilities, suppliers, charities, and governmental agencies). According to Evers, Andersson, and Hannibal [2012], due to interactive DMC in the companies, there were implemented various types of product innovations (from incremental to radical ones), marketing communication tools were defined and redefined as well in line with changing scope of the target market, which all contributed to the international success of the companies. We can assume that even in case of companies operating locally, a significant number of processes comprising dynamic marketing capabilities can be implemented in relations with external entities (e.g. advertising agencies), if the processes are compatible with the long-term marketing policy of the company. We cannot, obviously, treat single, even very advanced promotional campaigns as an example of DMC since it would be in conflict with the perception of DC as routines and processes within strategic management and also counter-intuitive, hence contemporary consumers are more and more resistant to promotional tools and it is really difficult to gain their loyalty after a single action [Mitrega, 2006; de Pourbaix, 2015].

There are important premises allowing for acknowledging DMC as a promising theoretical construct setting important research directions in management studies. Literature overview clearly suggests significant growth of researchers’ interest in the area of DMC and relatively early stages of development of conceptual and empirical research on this phenomenon. Previous research in the field emphasizes the importance of DMC in building competitive advantage, namely the research suggest that DMC contributes to extraordinary financial results and company innovations on product and procedural level [Weerawardena et al., 2015; Josephson, Johnson, Mariadoss, 2016].

Day [2011] is of the opinion that contemporary environment gives marketing managers new challenges and within marketing theory there is a gap between already well-researched marketing capabilities and those ones that are only now emerging as important from the perspective of the observable tenden-
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It appears that the gap could be filled with research on DMC. At this stage it is important to build a consensus on a DMC conceptual framework, so as to ensure cumulative knowledge growth. We can therefore assume here that dynamic marketing capabilities are **processes modifying the collection of marketing resources of an organization in such a way that the collection becomes better fit to the changing environmental conditions.**

2. Social media marketing as a DMC

The growing interest in social media as a channel of business communication is very visible in marketing communication [Rudawska, 2014]. Social media is a very broad category which, in a technical sense, comprises all applications allowing Internet users for creating and exchanging contents with one another, within a given community [Arnaboldi, Coget, 2016]. Social media are a reservoir of valuable resources which are used by users in a variety of ways [Kietzmann et al., 2012]. Although, in the literature, there were endeavors to develop a typology of social media [e.g. Kaplan, Haenlein, 2010], Awdziej and Tkaczyk [2017] claim that these divisions are not sufficient and due to constant enrichment of functionalities and diversity of content, particular social media can belong to many groups simultaneously. It should be noted, however, that only few among social platforms represent competitive advantage for so-called traditional media, due to a significant number of users. Globally two platforms clearly dominate (Facebook and YouTube).

One the one hand, it is visible in the operations of companies that the specificity and potential of social media is not understood properly, on the other, we may assume that social media marketing is characterized by a very positive balance of costs and benefits if companies conform to certain rules.

Observations on practices of local and global companies shed a light on the possibilities of utilizing social media for marketing purposes. A good example would be operations of NetFlix while launching the series “House of cards” as a new element in their product portfolio. The corporation analyzed posts and profile data of over 45 million subscribers, which allowed for preliminary determination of cast, directing and even the script. This strategy was continued while broadcasting following episodes and seasons of the series (opinions emerging during particular time periods were gathered) and it allowed for systematic adjusting the product to the changing expectations of clients. Kevin
Spacey – featuring the main character, commented on it, saying: „Due to utilizing this new distribution form, we proved that we did our homework, unlikely the music industry. Give people what they expect, when they expect it in a form they prefer, with a good price and they would rather pay for it than steal it” [Adaso, 2015].

Empirical research referring to the effects of social media is still very fragmented [Paniagua, Sapena, 2014], however there are some efforts to popularize it [Arnaboldi, Coget, 2016; Mazurek, 2016; Witczak 2016a]. Existing research suggest some rules to follow in order to make social media marketing effective. These are as follows:

- transition from closed (controlled) flow of information to free flow of information based on a democratic access to it and pluralism of opinion;
- diagnosing and trying to adjust to specific features of various communities (sometimes hierarchical ones) and adjusting to specific attitudes of the community;
- utilizing both: quantitative and qualitative techniques of communication effectiveness measurement;
- creating content attractive enough to be further popularized;
- making message more convincing through engaging customers and stakeholders into forwarding and advocating it;
- making every possible effort to react timely and tactfully to any signs of customer dissatisfaction, and especially in case of image-crises diagnosed in social media;
- making customers not only legitimate co-creators of promotional campaigns, but also prosumers in a broader sense Witczak [2016b], especially in relations to co-creating incremental and radical product innovations.

Despite the fact that social media help to achieve the traditional “quantitative” marketing targets, such as brand value or market share, one should also remember that social media also stimulate the new logic of business relationships and implementation of relationship marketing [Siemieniako, 2008; Siemieniako, Gębarowski, 2016]. According to Arnaboldi and Coget [2016, p. 50], this redefinition should be based on the acceptance of the change of power asymmetry between the parties involved and therefore “(…) organizations who still think they pull all the strings, may one day wake up totally surprised”. The most extreme example of such a “lesson” could be scandals revealed by WikiLeaks. WikiLeaks proved that they are able to challenge the most prominent publishing agencies in the world and even to make governments change their policy. The intercultural character and the pace of social media is a challenge,
due to e.g. the issue of fake news that can be initiated by various parties (also competitors). In conclusion, marketing in social media can be treated as a set of tools and behavioral orientations which help to meet marketing objectives. It is here assumed that actions taken in this new channel may lead to modifications within the resource base in a given organization. It concerns especially such marketing resources as brand recognition and brand image and product innovations. The presence of the company in social media should not itself be treated as a proof of any marketing resource reconfigurations. In this case the most important criterion is respecting the specific features of new media and systematic building and utilizing market knowledge based on interactions with media users. In other words, organizations should make an effort to develop routines enabling the utilization of social media potential.

Empirical research based on measuring the dynamic capabilities in social media has been so scarce so far that there is still a gap visible when it comes to universal measurement models of this elaborate construct. Trainor et al. [2013] conducted research concerning the dynamic capabilities in social media and they proposed a measurement model for it. Their research supports dynamic capabilities in social media as the leverage for benefits to organizations. We should bear in mind, however, that this research was restricted only to customer relationship management in social media, and therefore it did not fully exploit the elaborate phenomenon.

Taking into consideration the specificity of social media that was already elaborated on in this paper, and the way social media are nowadays defined in general and marketing sense, we may assume that dynamic marketing capabilities in social media refer to systematic actions taken by an organization in social media which make it possible for the organization to improve its marketing resources.

This definition is, obviously, very general in nature, so in order to make it less abstract, it seems worthwhile to present particular resources which could potentially be related with dynamic marketing capabilities in social media:

- **resources connected with product portfolio management** – in this case we take into consideration social media actions that make it possible to gather customer knowledge related to potential portfolio improvements (e.g. launching new products as well as an incremental modification of the already existing ones);
- **resources connected with brand management** – in this area we mean social media actions aimed at activating so-called user-generated marketing content
which shall be spontaneously disseminated among other users and at the same time it should create positive brand image;

- **resources connected with customer relationship management** – here we mean all actions taken in social media whose aim is to strengthen ties between an organization and particular customers whose personal data is known (e.g. visible on social media profile); such actions would comprise customer service online, dealing with concrete customers’ opinions (also negative ones) and identifying potential brand ambassadors.

### Conclusions and suggestions for further research

This paper is conceptual in nature and its aim was to identify the importance and position of the elaborate construct of marketing dynamic capabilities and to define dynamic marketing capabilities in relations to social media marketing. Dynamic marketing capabilities were presented here as an emerging theoretical construct which means that the authors did not arrive at any managerial conclusions yet, they rather contributed to an ongoing discussion on this phenomenon. Although there is no consensus in the field literature when it comes to the role of DMC, we presented some existing research results suggesting that such capabilities may be competitive advantage factors. Taking into consideration the diversity of specific forms of dynamic capabilities, in this paper we generally discussed the potential of dynamic capabilities in the social media context. On this very basis, we propose DMC in social media with relation to three dimensions: product portfolio management, brand management, and customer relationship management. Undoubtedly, further research should make it possible to identify microfoundations of such capabilities which is consistent with the current research directions when it comes dynamic capabilities in strategic management [Teece, 2007]. Such research will enable us to reduce the level of abstraction in relation to DMC research and it seems to be an inevitable transitional stage before conducting quantitative research on the influence of operational DMC in social media on the anticipated effects of these capabilities (e.g. brand image or product innovations) together with contingencies. Such future research will help to establish the role of DMC as a crucial construct in marketing science, especially in view of the nomological validity of the very construct [Liu, Li, Zhu, 2012].
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**DYNAMICZNE ZDOLNOŚCI MARKETINGOWE W MEDIACH SPOŁECZNOŚCIOWYCH**

**Streszczenie:** Celem artykułu jest wskazanie definicji tzw. dynamicznych zdolności marketingowych (DZM) w mediach społecznościowych jako wyłaniającego się konstruktu ważnego zarówno z perspektywy nauki o marketingu, jak i praktyki marketingu. Artykuł ten jest także nakierowany na identyfikację konkretnych zasobów marketingowych, które mają szczególne znaczenie z perspektywy zastosowania DZM w mediach społecznościowych. Opracowanie ma charakter koncepcyjny i jest oparte na przeglądzie literatury przedmiotu. Konceptualizacja opiera się w szczególności na teorii dynamicznych zdolności, wcześniejszych badaniach na temat DZM oraz literaturze w zakresie marketingu w mediach społecznościowych. DZM w mediach społecznościowych wydaje się bardzo obieicującym konstruktem, który nawiązuje do najnowszych trendów w otoczeniu biznesowym, a także do zmiany paradigmatycznej obserwowanej w naukach o zarządzaniu, zwłaszcza w marketingu.

**Słowa kluczowe:** dynamiczne zdolności, marketing, media społecznościowe.