Configurations of Strategy and Marketing Channels: A Qualitative Comparison Analysis (QCA) in Sporting Goods Retailing

Abstract

Departing from a contingency and strategic group perspective we argue that it is critical for the performance of a retailer to allocate marketing resources to a combination of marketing channels that, depending on type of firm and its strategy, have the best effect on stimulating purchases and provide income. The present literature on business strategy and market channels is a bit dated and as a consequence the change in the market and retailing sector towards online retailing and marketing (e-commerce) has not been captured that well. This change has led to new types of business (i.e., combinations of strategy and market channels), and the traditional way of doing business and marketing within the retail sector has met new forms of competition. This essay aims at tackling this need of expounding the importance of a proper match between strategy and multi-channel setup in the retail sector of today by theorizing about viable and less viable combinations of business strategy and multi-channel setups, and empirical assess whether matching is beneficial for firm performance.

The authors of this essay use a set-theoretic approach/method with Qualitative Comparison Analysis (QCA) to examine possible systematic performance differences in the case studies of 98 independent sporting goods retailers in Sweden. QCA is a method in between the qualitative and the quantitative approach that aims at preserving the complexity of cases, while at the same time allow for systematic comparison. The sample of cases comprises both 'pure click companies' and traditional retailing in physical stores, as well as 'brick and click companies' examining various degree of combination of outlet forms. Primary data was gathered from web-based surveys and face-to-face interviews with executives to depict each retailer's unique combination of strategy features and allocation of marketing resources across multiple marketing and communication channels (e.g., newspapers, TV, radio, sponsoring, events, social media, and websites *et cetera*).

Concerning business strategies, the strategic dimensions measured in this study is the degree of online/offline retailing (mostly online or mostly offline), and the cost leadership or differentiation strategy. For the multi-channel setups, the used combination of multiple marketing channels are before analyzed with QCA converted into interpretable positions in a two-dimensional vector space that represents the distribution of online versus offline channels used for marketing purposes, and the distribution of relationship marketing versus mass-marketing, respectively.

Preliminary analyses of the empirical data point to different equifinal solutions leading to high performance; still, the final solution terms from the analysis seemingly indicate that "ideal" multi-channel setups may exist for the different strategy profiles under investigation. For each one of them, matching multi-channel setups make greater contribution to firm performance than any alternative arrangement.

This study contributes with a typology of 'ideal' configurations to the multi-channel marketing literature, and the authors present managerial implications and heuristics to help executives in retailing to allocate marketing resources for matching different business strategies.

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