The Marketing Planning Process: Behavioral Problems Compared to Analytical Techniques in Explaining Marketing Plan Credibility

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An effective marketing planning process is central to conventional prescriptions for the implementation of marketing. Yet the implied concept of process is commonly restricted to formal planning procedures and plan content. A more complete view of process recognizes the impact of both individual manager's behavior and the broader organizational context on the effective operation of the planning process. An exploratory study reveals the existence of behavioral planning problems in marketing planning, and contrasts these with the utilization of analytical planning techniques in explaining the credibility of plans produced. These findings have a number of implications for the management of the marketing planning process, and also for developing a more robust conceptualization of the marketing planning process for further study.

Introduction

A priority for theory development in marketing proposed by Day and Wensley (1983) is the study of the process of strategic marketing planning. One partial contribution to this goal may be to focus on the *context* of the operation of the marketing planning process, rather than simply the *content* (Hutt, Reingen, and Ronchetto, 1988). This contention finds support in the growing literature addressing implementation and strategic change in marketing (Bonoma, 1985; Walker and Ruekert, 1987; Ruekert and Walker, 1987; Piercy and Morgan, 1991; Morgan and Piercy, 1991), together with the significance of corporate culture (Deal and Kennedy, 1982; Peters and Waterman, 1982; Deshpande and Webster, 1989) and organizational structure (Ruekert, Walker, and Roering, 1985) in the enactment of the marketing process.

The marketing literature is replete with prescriptive works on the procedures and format for marketing planning (e.g., Christopher, 1970; Hopkins, 1981; Shiner, 1988; Jain, 1990). Conventionally these approaches offer flow models of plan formulation, plan content, implementation and control, providing a logical framework for the application of analytical

techniques to support decision making (e.g., Mahajan, Varadarajan, and Kerin, 1987; Duffy 1989; Kerin, Mahajan and Varadarajan, 1990).

However, such logical flow models are suggested to be inappropriate to the reality of planning marketing and their adoption may be positively harmful to marketing performance (Cousins, 1990; Piercy and Giles, 1990). The analytical rigor of the techniques used may itself be suspect (Wensley, 1981; Day, 1986; Kiechel, 1982).

The underlying proposition in this paper is that a broader process perspective in the area of strategic marketing planning has the potential for enhancing our understanding and ability to manage marketing. Specifically, we focus on the impact of managerial beliefs about, and attitudes towards, marketing planning on the effective operation of the planning process. The extant marketing planning literature is examined in the context of qualitative field interviews with marketing executives, and a synthesis is attempted. We then discuss the research methodology adopted, and the measurement constructs utilized.

Next, we develop from the literature and fieldwork interviews some hypothesized relationships between factors associated with two of the possible dimensions of the marketing planning process and the credibility of the plans produced within respondent organizations. Finally, we discuss the testing of the hypothesized relationships through a path model, and the implications of the study in terms of further propositions for future research, and propose an extended management agenda.

Marketing Planning Process

Significant progress in developing more rigorous analytical techniques for marketing planning is reflected in the contemporary literature (Abell and Hammond, 1979; Kerin et al., 1990; Day, 1990). The general marketing management literature displays the common prescription of logical flow models and plan frameworks (e.g. Kotler, 1991; O'Shaughnessy, 1988). However, a variety of sources suggest that the

practice of marketing planning falls somewhat short of the ideals espoused by the prescriptive literature.

Marketing plans have been accused of overemphasizing format and numbers at the expense of qualitative content and "strategic thinking" (Winer, 1965; Ames, 1968). This proposition is supported by a number of studies in the strategic management field (e.g., Camillus, 1975; Ramanujam, Venkatraman, and Camillus, 1986). Similarly, Cosse and Swan (1983) found product managers to be lacking in the "strategic orientation" believed to be required by marketing planning. Correspondingly, Greenley (1988) reports that marketing managers perceive marketing planning as a failure, and that many managerial "objections" occur to marketing planning (Verhage and Waarts, 1982; Leppard and McDonald, 1987).

A more limited number of exploratory studies have focused upon issues of context. For example, John and Martin (1984) modeled the credibility and utilization of marketing plans as a dependent variable predicted by various aspects of the surrounding organizational structures; Stasch and Lanktree (1980) focused on planning "thoroughness" as a significant discriminatory processual variable in marketing planning; Martin (1987) has emphasized the impact of the "human element" on the effectiveness of marketing planning systems; and, others (Piercy, 1992) have demonstrated links among organizational "supportiveness" and cultural attributes, and marketing plan effectiveness.

The importance of the context of planning process has been more more widely acknowledged in the literature of strategic management. Planning effectiveness is influenced by "the human side of planning" (Wrapp, 1967; Ewing, 1969; Madden, 1980; Lenz and Lyles, 1982) and the existence of "psychological problems in planning" (Reichmann and Levy, 1975), together with various attributes of the corporate environment in which planning is undertaken (Emshoff, 1978). However, these attempts to contribute to a deeper understanding of planning behavior have received scant attention in the marketing literature.

Following the logic of Schein (1987) in approaching process consultancy we can view managing the marketing planning process as having both overt formal or task aspects, but also potentially more covert behavioral and organizational issues. The goal here is to establish the relative impact on marketing planning of certain such task issues (the use of analytical techniques in planning), and a number of behavioral/organizational issues (the emergence of behavioral planning problems and planning "thoroughness").

Research Method

The research began with a number of exploratory interviews with senior marketing executives. These interviews were held following planning workshops and similar management development events over a three-year period. This "discovery-

oriented" approach is similar to that adopted by Parasuraman et al. (1985) and Kohli and Jaworski (1990) and was designed to elicit the "cause and effect" beliefs of senior marketing executives (see Zaltman et al., 1982), in relation to strategic marketing planning. This approach was instrumental in identifying key planning concepts.

The empirical data presented here are drawn from an exploratory study of strategic marketing planning in UK organizations, conducted in the period October 1988–February 1989. A sample of 900 medium and large firms was constructed from the directory Key British Enterprises, and a mail questionnaire was administered with follow-up telephone calls to nonrespondents. The sampling unit was the chief marketing executive. Usable responses were obtained from 220 firms, giving a response rate of 24%. This low response rate should be put in the context of recent estimates that of the largest U.K. organizations only 50% conduct formal marketing planning (Cousins, 1990b), and more generally the proportion of all medium–large organizations with formal marketing planning systems may be as low as 16% (Greenley, 1988). Telephone calls to 50 randomly selected nonrespondents suggested that a·very high proportion did not have any kind of formal marketing planning system, and that this was the major reason for nonresponse.

The results discussed here are therefore not generalizable to organizations that do not undertake formal marketing planning. Strictly the study must be seen as exploratory and representative of relationships found within the companies studied.

The unit of analysis was the strategic marketing plan, excluding annual brand plans and more general integrative business plans. Nonetheless it was not possible to control for effects related to variations in the characteristics of the general planning systems of which strategic marketing planning may form a part. Certainly, more sophisticated control measures are required in further studies in this area.

Key Concepts

This study was concerned with two sets of issues including those that the preliminary interviews had suggested would impact directly or indirectly on the effectiveness of marketing planning, as perceived by marketing executives.

Analytical Sophistication and Formalization of Marketing Planning

The extant literature and interviews with marketing executives suggested that the list of analytical techniques and formal aspects of planning in Table 1 is a reasonable summation of the major technique prescriptions, and of managerial perceptions of appropriate analytical techniques. Respondents in the survey were asked to indicate their level of use of each of these techniques and formal plan components, and these responses

Table 1. Factor Analysis of Marketing Planning Techniques[a]

		Loadings[b]			
	Variables	1	2	3	Factor Labels
V89	Experience curve analysis	.85			
V90	PIMS	.75			ANALYTICAL
V88	Computer based modeling	.70			TECHNIQUES
V82	Product/Market life cycle analysis	.68			(T1)
V91	Formal marketing audits	.65	.31		
V87	Ratio analysis	.57	.37		
V81	Portfolio analysis	.49		.42	
V83	Market share analysis		.76		
V85	Market segmentation analysis		.74		MARKET
V74	Analysing the business environment		.65		ANALYSIS
V75	Studying competitors		.65		(T2)
V84	Sales/Market forecasting models	.47	.56		
V86	SWOT analysis		.55		
V76	Contingency or "What if . . ." plans	.30	.47		
V79	Marketing tactics			.76	
V73	Statement of marketing objectives		.33	.70	PLAN
V78	Statement of marketing strategies		.37	.67	COMPONENTS
V77	Implementation/Specific actions plan			.64	(T3)
V80	Defining control mechanisms for marketing/sales		.37	.60	
V92	Test marketing	.42		.44	
V72	Mission statement		.37	.42	
Eigenvalues		7.13	2.27	1.60	
% of Variance		34.0	11.0	7.6	

[a]Varimax rotation converting in 7 iterations.
[b]Loadings of less than .3 are suppressed.

were factor analyzed, giving the results shown in Table 1. The resulting factors reflected: the perceived level of use of analytical techniques in marketing planning; the practice of explicit market analysis; and, the incorporation of various conventional plan components in the marketing plans produced by the planning process. Together these measures are used as an indicator of the level of formalization of marketing planning (in the "fullness" of the plans produced), and analytical sophistication (in the number and rigor of use of the available analytical techniques of planning and market analysis).

One limitation of the research design is that formalization and sophistication are assumed to correlate positively. This reflects the views represented by marketing executives in the interview stage. In fact, more strictly, formalization is a procedural behavioral construct, whereas sophistication is an analytical conceptual construct. Logically, if formalization can range from high structure to little structure, and sophistication can range from high to low, the hypotheses below reflect only highly structured formalization with high sophistication, compared to little structure in formalization and low sophistication, ignoring the other possible combinations.

However, we also evaluated other indicators relevant to both planning formalization and sophistication: the existence of a written planning manual; the production of written plans; the production of both short-and long-term marketing plans;

the age of the marketing planning system; and participation in planning by senior management (Stasch and Lanktree, 1980). These measures correlated significantly and positively with the three factors reported in Table 1, offering some confirmation of the validity of these factors as indicators of formalization and sophistication, although these secondary contextual variables are not studied further here.

Behavioral Planning Issues

The perception of behavioral issues in the marketing planning process was evaluated in two ways. First, using the statements shown in Table 2, respondents indicated the perceived level of occurrence and impact on planning effectiveness of a set of behavioral dysfunctions in marketing planning. These statements were developed from Lenz and Lyles' (1982) strategic planning workshop studies, with some amendments to reflect the findings of McDonald (1982) and Greenley (1988), and our preliminary informal executive interviews.

The scale results were factor analyzed as shown in Table 2, suggesting five behavioral planning problem "types" in the companies studied. These were labeled: planning recalcitrance; politics and myopia; alienation and uncertainty; planning avoidance; and, the "squirm" factor. The factor scores were calculated as the arithmetic means of the variables loading most highly on to each (making allowance for differences in response rate to each variable).

Table 2. Factor Analysis of Behavioral Marketing Planning Problems[a]

Variables	Loadings[b]					Factor Labels
	1	2	3	4	5	
During the Marketing Planning Process individuals:						
V138 . . . Become bored with planning	.73	.32				
V139 . . . Are judged on the basis of their credibility in the organization rather than upon reaching planned objectives	.73					
V137 . . . File away the plan until next year and do not look at it	.68	.33				
V121 . . . Resist the discipline that planning requires	.64			.32		PLANNING
V143 . . . See marketing planning as a once-a-year ritual	.64					RECALCITRANCE
V130 . . . Keep information from the planner so that they can control what is going on	.64				.44	(PR1)
V125 . . . Avoid thinking beyond short-run day-to-day activities	.62					
V122 . . . Resist changes in the "status quo"	.57		.54			
V129 . . . Feel that top managers are insincere about creating a viable long-range planning process	.56		.41			
V128 . . . Become side-tracked upon unimportant issues	.56	.31				
V126 . . . Resist changes in the planning process itself	.48		.44			
V140 . . . Lack a plan for planning	.48			.38		
V131 . . . Force others to find weaknesses in the plan rather than addressing weaknesses themselves	.47				.46	
V127 . . . View their part of the organization as more important than other parts	.42			.38		
V106 . . . Are discouraged from voicing dissent		.68				
V107 . . . Have excessive reliance on "rational" techniques when more intuitive thinking is called for		.67				POLITICS
V109 . . . Project current trends rather than analyze the future for opportunities		.60	.40			AND
V113 . . . "Pad" their plan to avoid close measurement		.59			.31	MYOPIA
V105 . . . Avoid agreeing to goals they may not be able to reach		.55				(PR2)
V110 . . . Spend time trying to "psych out" the planning system	.39	.55			.44	
V111 . . . Intentionally fail to share information on matters of mutual concern	.33	.55			.33	
V108 . . . Resist innovative ideas		.51	.40			
V112 . . . Primarily bargain for resources rather than identify new resources		.51			.46	
V114 . . . Consider the purpose of planning to be the plan itself		.51			.45	
V123 . . . Fear making mistakes	.38		.62			
V134 . . . Are uncertain about the expectations of upper level managers			.59	.42		ALIENATION
V133 . . . Do not want to learn about marketing planning	.47		.58			AND
V141 . . . Feel there is a lack of line management support			.57	.42		UNCERTAINTY
V116 . . . Feel uncomfortable because of the uncertainty that accompanies planning			.55		.35	(PR3)
V115 . . . Obtain inadequate support from staff		.41	.45			
V142 . . . See confusion over planning terms	.38		.43	.42		
V135 . . . Comply with rather than being committed to goals			.32	.67		
V132 . . . Don't question the underlying assumptions of the plan	.37			.67		PLANNING
V118 . . . Neglect to collect information about competitive conditions affecting their areas				.61	.41	AVOIDANCE (PR4)
V136 . . . Avoid responsibility for reaching forecasted goals	.43			.59		
V120 . . . Have difficulty reducing the issues to their base elements		.44	.35	.49		
V119 . . . When failing to produce an acceptable plan can "get off the hook"					.61	"SQUIRM"
V117 . . . Propose outlandish ideas to establish themselves as creative thinkers			.36		.59	FACTOR
V124 . . . Believe that planning is a staff function	.40		.35		.54	(PR5)
Eigenvalues	17.52	2.01	1.52	1.21	1.18	
% of Variance	44.9	5.1	3.9	3.1	3.0	

[a]Varimax rotation converging in 17 iterations.
[b]Loadings less than .3 suppressed.

A second measurement in the area of behavioral planning issues was perceived planning "thoroughness", following the work of Stasch and Lanktree (1980). Items were developed from Stasch and Lanktree's conceptualization, as shown in the Appendix, to create the index "planning thoroughness."

Marketing Plan Credibility

Defining acceptable measures of planning effectiveness remains problematic (Dyson and Foster, 1980; Greenley, 1983). The measure used here is an internal measure of planning process effectiveness, which proposes that although the per-

Table 3. Scale Statistics

Variable	Mean	S.D.	Alpha	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)[a]
T1	2.49	0.85	.85	.78	.77	.69	.72	.78	.71								
T2	3.65	0.78	.82	.78	.78	.58	.63	.69	.67								
T3	3.63	0.70	.76	.71	.69	.68	.57	.66	.56	.64							
PR1	2.45	1.32	.93	.83	.78	.79	.73	.75	.73	.73	.72	.72	.67	.68	.73	.70	.60
PR2	2.20	1.21	.88	.71	.69	.60	.72	.57	.72	.74	.63	.72					
PR3	2.34	1.28	.87	.73	.73	.75	.81	.75	.68	.78							
PR4	2.66	1.35	.87	.78	.81	.78	.82	.71									
PR5	1.63	1.42	.77	.86	.82	.79											
THORO	3.12	0.71	.51	.59	.54	.67	.68										
CRED	3.88	0.51	.72	.56	.70	.72	.72	.67	.53	.54							

[a]Spearman rank correlations—all significant at .001 level.

ceived credibility of marketing plans produced is a useful dependent variable in its own right, it may also be viewed as a dimension of planning effectiveness. This is consistent with emerging views of multiple criteria of planning effectiveness in the strategy literature (e.g., Ramanujam et al., 1986).

Plan credibility was measured using a set of scales adapted from the studies reported by Martin (1982) and John and Martin (1984) of plan credibility and utilization. The scale items used are reproduced in the Appendix.

Reliability and Validity

Before evaluating the relationships between the indices calculated, it is necessary to examine the validity of the measures used in our operationalizations. Table 3 includes the Cronbach alpha scores for the ten scales produced. Taking Nunnally's threshold of acceptable reliability coefficients as equal to or greater than 0.50, the scales used appear acceptably robust. In addition, in line with Churchill's (1979) proposals regarding the validation process, inter-item validity was measured by correlating each item in an index, with the index itself. The correlation coefficients shown in Table 3 were all in the expected direction and significant at the .001 level. Adequate validity is concluded in the sense that all the scale items appear to contribute to the attribute that the total index was designed to evaluate.

Hypotheses

Based on the literatures of strategic marketing planning and strategic planning, and our exploratory interviews with marketing executives, two sets of variables were hypothesized as impacting upon plan credibility. These groups of variables are: (1) the formalization and sophistication of marketing planning; and (2) the behavioral issues of perceived planning thoroughness and behavioral planning problems.

Credibility of Marketing Plans

Widespread agreement exists that a prerequisite for effective marketing planning is the utilization of the available tools and techniques of analysis and planning within an explicit and

formalized framework for planning (e.g., Kerin et al., 1990). The fieldwork interviews indicated that the existence of a formalized process for marketing planning impacted upon plan output by enabling executives to structure their planning activities. This provided a common framework for plans that was recognized and comprehended by those involved in plan implementation. The use of formal planning tools and techniques was also seen as an indication of a rigorous and analytical approach in the planning process, and hence impacted upon the credibility of the resulting marketing plan.

> *H1:* The greater the formalization and sophistication of marketing planning, the higher will be the credibility of marketing plans.

The "thoroughness" dimension of the marketing planning process was conceptualized by Stasch and Lanktree (1980) as consisting of four elements: utilizing internal knowledge and experience from a number of managerial levels; employing internal and external sources of ideas for the plan; budgeting an appropriate timescale and schedule for the task of planning; and, utilizing a number of organizational and motivational factors to encourage "good" planning. In the fieldwork interviews managers perceived that input from different hierarchical levels and different functional areas was useful in both building consensus and in making plans credible by utilizing the best available information within the organization. Further, the allocation of sufficient time for marketing planning was perceived to result in more detailed and coherent plans that were more credible within the organization.

> *H2:* The more "thorough" planning is perceived to be, the higher will be the credibility of marketing plans.

Consideration of planning as a collective process of human tasks and activities in the strategic management literature offers a dimension of planning process that has been largely neglected in the context of marketing. In the executive interviews it became clear that those involved in planning perceived a number of what we have classified as "behavioral planning problems," that impact both upon the plan output itself and upon the perceptions of the plan held by others in the organization.

H3: The greater the incidence of behavioral planning prob-
lems, the lower will be the credibility of marketing
plans.

The theoretical underpinnings of the relationships between
the three primary independent variables and the dependent
variable model tested in Figure 1 derive mainly from the stra-
tegic management and general planning literatures. With rare
exceptions (e.g., Hutt et al., 1988), the marketing literature
has neglected the potential value of a multidimensional proc-
ess perspective in marketing planning.

Planning may be viewed as a future-oriented decision-
making activity (Mintzberg, 1981; Fahey, 1981). This de-
cision-making perspective has led to an implicit recognition
that planning has at least two process dimensions: planning
tools and techniques and the context in which planning
takes place (e.g., Dyson and Foster, 1982; Boal and Bryson,
1987). From a decision-making perspective planning rep-
resents an attempt to cope with environmental uncertainty
and complexity (e.g., Lawrence and Lorsch, 1967). In H1
formalization and sophistication of planning systems may
therefore be viewed as a mechanism for defining and re-
solving the ill-structured problems of processing informa-
tion and coping with uncertainty (Ramanujam et al., 1986).
Further, the use of formal procedures and planning tools
and techniques may signal that plans produced are not
simply the product of the judgmental bias of planners that
has been identified in the literature (e.g. Barnes, 1984), and
increase the perceived credibility of forecasts and plans
(Hogarth and Makridakis, 1981).

In focusing upon the contingent contextual factors affecting
the planning systems and outcomes attention has concen-
trated upon environmental and organizational factors (e.g.,
Ackelsberg and Arlow, 1985; Bracker and Pearson, 1986).
One important contextual variable highlighted has been the
supportiveness of the organization and its management to the
planning process, evidenced by such signals as resources pro-
vided for planning (King and Cleland, 1978; Steiner, 1979).
Further, planning systems may provide process benefits
within organizations (e.g., motivation and improved com-
munication) as well as outcome benefits in terms of financial
and operating performance (Hogarth and Makridakis, 1981).
Both these elements are included in the conceptualization of
thoroughness adopted here and support the hypothesized re-
lationship between thoroughness and plan credibility pro-
posed in H2.

From this general decision-making perspective researchers
have identified a number of different forms of resistance to
planning (Steiner and Schollhammer, 1975; Steiner, 1979).
Among the forms of resistance identified are withdrawal or
nominal participation in planning, 'gaming' behaviors, and
lack of acceptance of the outputs of planning. These types of
behavior have been viewed as exerting a negative influence on
planning effectiveness (Ramanujam et al., 1986). Such dys-
functional behavioral effects of planning systems may be the

result of designing planning processes that focus overly on out-
come benefits (Hogarth and Makridakis, 1981) or derive from
the trade-offs made between intended and realized outcomes of
planning systems (Bresser and Bishop, 1983). There is there-
fore substantial theoretical support for the existence of different
types of behavioral planning problems and the likely dysfunc-
tional effects upon output performance proposed in H3.

Behavioral Planning Problems

The second set of hypotheses concern the existence and nature
of interrelationships among the three primary independent
variables of formalization and sophistication, planning thor-
oughness and behavioral planning problems, and the influ-
ence that these interrelationships may exert upon the
dependent variable of plan credibility. Because consideration
of the three primary independent variables in one empirical
study has not been reported in either the marketing or stra-
tegic management literature, the proposed interrelationships
and their effect upon the dependent variable are based upon
the fieldwork interviews, which is in line with the discovery-
oriented approach to exploratory research (e.g., Parasuraman
et al., 1985).

Discussions with marketing executives suggested that they
perceived a relationship between formalization and sophisti-
cation and the occurrence of behavioral problems in planning.
Formalization of the planning process was seen to provide a
clear set of objectives and organizational expectations of the
planning process, thus reducing planners' uncertainty and
making their role in the process less ambiguous. Sophistica-
tion of the planning process was seen to influence behavioral
problems through the provision of knowledge of, and training
in, the tools and techniques of planning. This sophistication
provided planners with a framework for planning and some
relevant planning skills with which to undertake the planning
activity.

H4: The greater the formalization and sophistication of
marketing planning, the lower the incidence of behav-
ioral planning problems.

A relationship between "thoroughness" and behavioral
planning problems was also suggested by executives. This link
was perceived to operate in two ways. Firstly, the allocation
of sufficient time and resource for the planning activity was
perceived as a prerequisite for reducing the behavioral prob-
lems associated with planning. Secondly, utilizing inputs from
a range of functional areas and different hierarchical levels was
seen as facilitating greater participation in the planning proc-
ess. This enabled executives to test out ideas, gave wider ac-
cess to information and views within the organization and
thus lowered behavioral planning problems associated with
uncertainty and responsibility.

H5: The more "thorough" planning is perceived to be, the
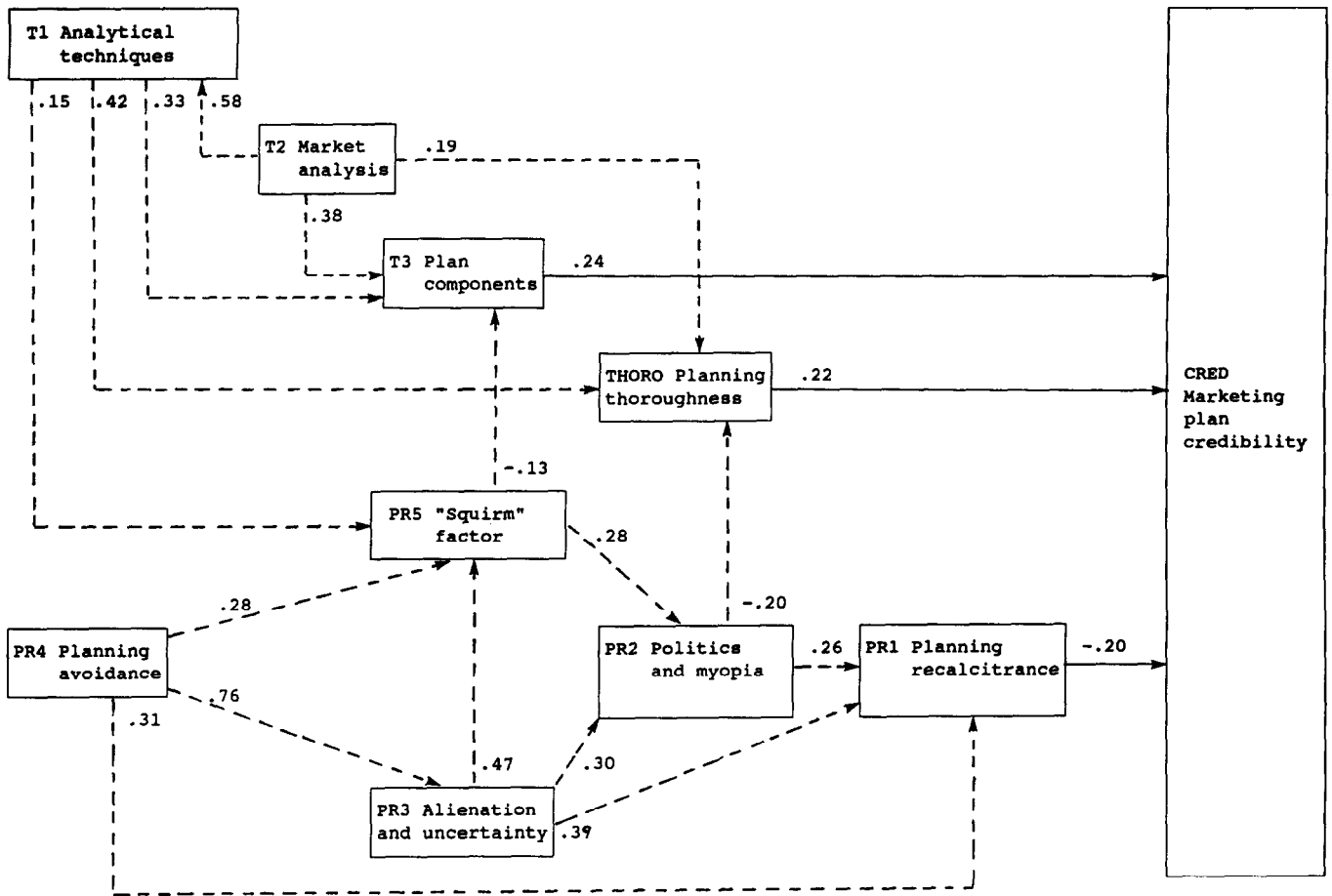lower will be the incidence of behavioral planning
problems.

Figure 1. Path Analysis

Finally, marketing executives also perceived a relationship between the formalization and sophistication of the process of planning and the thoroughness of the marketing planning process. However, marketing executives found the relationship more difficult to explain and define than those in the earlier hypotheses. Some executives saw formalization as providing a clear framework within which to actively plan the participation of others in the planning process. Similarly, sophistication in terms of the use of planning tools and techniques was perceived to enable planners to identify critical information gaps more easily and with more certainty, thus enabling them to seek internal and external sources of information that were felt to be important to the effective operation of the planning process.

> *H6:* The greater the formalization and sophistication of marketing planning, the more "thorough" planning will be perceived to be.

Collectively, these hypothesized relationships form a basic model involving ten variables (three attributes of formalization and sophistication of planning; six aspects of behavioral issues

in planning; and marketing plan credibility). This basic model is shown in Figure 1.

Results

The correlation matrix shown in Table 4 provides an initial evaluation of the hypothesized relationships. The first hypothesis, that formalization and sophistication would be related to plan credibility, is supported by the significant positive correlations between T2 (market analysis) and T3 (plan components) and marketing plan credibility (CRED). Similarly, support is found for the second hypothesis that the more "thorough" planning is perceived to be (THORO), the higher the credibility of the marketing plan.

Weaker support is found for the third hypothesis relating behavioral planning problems and plan credibility. Whereas the correlation coefficients are all in the hypothesized negative direction, only those between PR1 (planning recalcitrance) and PR3 (alienation and uncertainty) are significant at an acceptable level.

No significant support is found for the fourth hypothesis that planning formalization and sophistication would be neg-

Table 4. Correlations[a]

	PR2	PR3	PR4	PR5	T1	T2	T3	THORO	CRED
PR1	.73[c]	.79[c]	.77[c]	.67[c]	.04	.09	.02	−.06	−.21[b]
PR2		.70[c]	.68[c]	.66[c]	.07	.10	.00	−.15	−.16
PR3			.76[c]	.69[c]	.00	−.01	.09	−.12	−.19[b]
PR4				.64[c]	.01	.62	−.03	−.06	−.12
PR5					.15	.07	−.05	−.01	−.17
T1						.59[c]	.51[c]	.46[c]	.15
T2							.55[c]	.38[c]	.22[b]
T3								.25[c]	.29[c]
THORO									.32[c]

[a]Pearson correlation coefficients.
[b]Significant at 0.01 level.
[c]Significant at 0.001 level.

atively related to the incidence of behavioral planning problems. Nor was there support for the fifth hypothesis of a negative relationship between planning thoroughness and the incidence of behavioral planning problems. Finally, however, relatively strong support is found for the sixth hypothesis of a positive relationship between formalization and sophistication and planning "thoroughness", because the correlation coefficients are both positive and significant.

However, to tease out the indirect from the direct relationship tested by correlations, a more complete test of the hypothesized relationships is shown in the simple path analysis (Blalock, 1971; Duncan, 1975) in Figure 1. This model is based on the standardized regression coefficients shown in Table 5.

Collectively, the hypotheses provide the basic model shown in Figure 1, containing the ten variables that may directly or indirectly affect marketing plan credibility. The framework of

relationships hypothesized was tested by path analysis, involving the decomposition and interpretation of linear relationships among a set of variables by assuming that a weak causal ordering can be postulated.

The model in its testable form is presented in Figure 1, showing the path coefficients (the beta weights from the regression models shown in Table 5). All the coefficients are significant (at the .001 level), which offers some confirmation of the general model as hypothesized.

Table 6 identifies the direct and indirect effects of each variable on the dependent variable of marketing plan credibility. The indirect effects are calculated as a simple multiplicative measure of the magnitude of sequential beta weights (the Simon-Blalock technique). This table suggests that the greatest impact on plan credibility was the positive direct effects of the formalization of plan components (T3), planning thoroughness (THORO), and the negative direct effect of the behavioral problem PR1 (planning recalcitrance). However, it is apparent that the other measures of the formalization and sophistication of marketing planning (T1 and T2) exert significant positive indirect effects, whereas the behavioral planning problems exert significant negative indirect effects.

Most of the relationships are as hypothesized - the formalization and sophistication factors exert positive influences on

Table 5. Regressions[a]

Dependents	Independents	Beta	Multiple R	F	Sig. of F
CRED	THORO	.22	.42	10.49	.0000
	T3	.24			
	PR1	−.20			
THORO	T1	.41	.56	22.21	.0000
	PR2	−.20			
	T2	.19			
T3	T2	.38	.63	31.43	.0000
	T1	.33			
	PR5	−.13			
PR1	PR3	.37	.84	116.00	.0000
	PR4	.31			
	PR2	.26			
PR2	PR3	.30	.75	63.34	.0000
	PR4	.28			
	PR5	.26			
PR5	PR3	.47	.72	52.32	.0000
	PR4	.28			
	T1	.15			
T1	T2	.58	.58	74.96	.0000
PR3	PR4	.76	.76	202.70	.0000

[a]Stepwise regression of variables with probability F-to-enter = 0.05 and F-to-leave = 0.10. Index codes are given in Tables 1 and 2, and the Appendix.
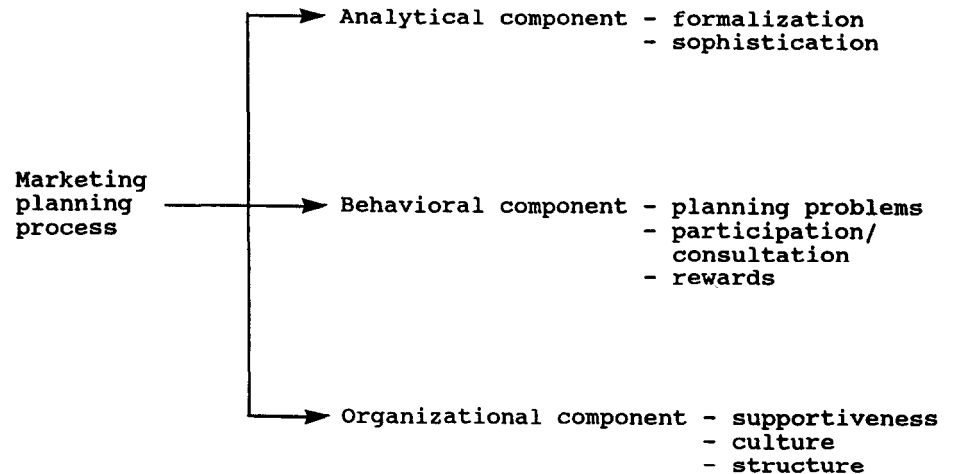
Table 6. Total Effects of Independent Variables on Marketing Plan Credibility

Independent Variables		Direct Effect[a]	Indirect Effect	Total Effect
T1	Analytical techniques	—	.16	.16
T2	Market analysis	—	.18	.18
T3	Plan components	.24	—	.24
PR1	Planning recalcitrance	−.20	—	−.20
PR2	Politics and myopia	—	−.10	−.10
PR3	Alienation and uncertainty	—	−.13	−.13
PR4	Planning avoidance	—	−.12	−.12
PR5	"Squirm" factor	—	−.06	−.06
THORO	Planning thoroughness	.22	—	.22

[a]Total effects of independents on plan credibility are calculated using the Simon–Blalock technique, with indirect effects calculated by multiplication of path coefficients.

Figure 2. A Multidimensional Model of Marketing Planning Process

Marketing planning process ──

→ Analytical component − formalization
− sophistication

→ Behavioral component − planning problems
− participation/ consultation
− rewards

→ Organizational component − supportiveness
− culture
− structure

plan credibility, the behavioral issue of planning thoroughness exerts a positive influence and the behavioral planning problems are negative predictors of marketing plan credibility. A full analysis of all possible interrelationships is not conducted, but two are noted.

The formalization of analytical techniques (T1) is a positive predictor of the "squirm" factor (PR5) and thus exerts a partially negative indirect effect on plan credibility. Similarly, PR5 (the "squirm" factor) is a negative predictor of T3 (plan components). Intuitively these relationships are plausible, but more importantly they evidence the links in planning systems between formalization and sophistication and the emergence of behavioral planning problems. The strongest such link is through perceived planning thoroughness, which is related both positively to formalization and sophistication (T1 and T2) and negatively to the behavioral planning problems (PR2).

Discussion

Perhaps the most notable finding of this exploratory work is that we have been able to demonstrate that executives perceive the existence and significance of a variety of "behavioral planning problems" in the operation of marketing planning:

1. Planning recalcitrance, associated with resistance and non-cooperation by executives in planning;
2. Politics and myopia, involving resource-bargaining, "padding," a short-term and inward-looking orientation, and avoidance of consensus in marketing planning;
3. Alienation and uncertainty in marketing planning, evidenced by a general "discomfort" with planning activities;
4. Planning avoidance, where managers are perceived to comply rather than commit to planning; and,
5. the "squirm" factor, associated with "getting off the hook" where planning is concerned.

These findings are comparable with work in the strategic management field (Guth and MacMillan, 1986; Westley, 1990; Lindsay and Rue, 1980; Burgelman, 1983), but have been previously noted only anecdotally in the marketing literature (Bonoma, 1985; Cespedes, 1991). This may provide a framework for analyzing some of the symptoms of ineffective marketing planning systems. The existence of behavioral planning problems suggests the need to address these issues in managing the marketing planning process.

Some insight may also be gained from the relationships (though relatively weak) between behavioral planning problems and the formalization and sophistication of the planning process, and planning thoroughness. The importance of this is the suggestion that those very developments advocated most strongly by the prescriptive literature may themselves stimulate behavioral barriers to the planning effectiveness sought. This suggests that one line of investigation should concern how these different attributes of the planning process may be managed as interrelated components of the same system. The current literature of marketing planning does not include reflections on this imperative.

Lastly, the prediction of marketing plan credibility was shown to involve all our variables. The strongest direct predictors were the formalization and sophistication of planning, in terms of the use of analytical planning and market analysis techniques, planning thoroughness, and the negative impact of the behavioral planning problem of planning recalcitrance.

Implications

Perhaps the most immediate proposal arising from this present study is that of the need for a more holistic model of marketing planning to be the focus both of further research and the management agenda to be confronted in managing the marketing planning process as proposed in Figure 2.

However, the process dimensions of marketing planning examined here are an incomplete conceptualization in a number of critical respects. Outstanding among these is the need

to evaluate the effect of the setting for the marketing planning process, in terms of both the internal context and external environment for this process.

Considering the "corporate environment" (Arndt, 1983; Anderson, 1982; John and Martin, 1984; Piercy, 1985, 1992) for the marketing planning process leads into the relationship of planning process to such issues as culture (Deshpande and Webster, 1989; Mahajan et al., 1987), market orientation (Kohli and Jaworski, 1990), process, power and politics (Piercy, 1987), interdepartment relationships (Ruekert and Walker, 1987), management style, and more generally the "software" of the inner workings of organizations (Parasuraman et al., 1984).

The impact of variations in the characteristics of the external environment on the operation of the marketing planning process is not accounted for in our study. In our view a full understanding of the operation of the marketing planning process will require the study of the impact of various dimensions of the external environment on planning process characteristics as well as the dimensions of the "corporate environment" highlighted.

Second, plan credibility represents only one aspect of planning effectiveness. If our ultimate goal is to better understand the actual utilization of marketing plans, and ultimately the quality of plans in terms of their contribution to marketing and business performance, then we may need to adopt a broader approach to defining and measuring planning effectiveness.

The emerging knowledge of multiple criteria of effectiveness of planning systems in the strategic management literature (e.g. Ramanujam et al., 1986) may be insightful in developing such an approach in the study of marketing planning processes. Our third proposition therefore is that there is a need to investigate further the relationship between marketing plan credibility and the utilization of marketing plans to achieve marketplace results of various kinds.

Inevitably the major contribution of exploratory work of this kind is to suggest useful directions for future research. Clearly, there is a need to explore further the relationships studied here between the formalization and sophistication of marketing planning, the behavioral issues in the process of planning, and the resulting plan credibility. However, studying the characteristics and operation of planning process in relation to both the internal "corporate environment" and the external environment faced by the organization is also necessary. Ultimately, we conclude that the need is for an holistic study of the marketing planning process and the testing of a wide range of contingent behavioral, organizational, and environmental factors to construct a complete model of the multidimensionality of the marketing planning process.

In the meantime we are able to offer certain specific findings and further hypotheses as contributions to the debate initiated by Day and Wensley (1983). We have also identified certain insights for the manager seeking to identify those variables capable of being manipulated to control the configuration and operation of planning process in marketing.

Appendix

The variable measurements used to construct the indices in this paper were as follows:

A. Marketing Planning Techniques
(5-point scale running from "Not Important" to "Important"). Planning techniques variables are shown in Table 1.

B. Behavioral Planning Problems
(5-point scale running from "Does not reduce the effectiveness of our marketing planning at all" to "Greatly reduces the effectiveness of our marketing planning"). Planning problems variables are shown in Table 2.

C. Marketing Planning Thoroughness
(5-point scale running from "Totally False" to "Absolutely True"). V93 We use experience and knowledge from all levels and all parts of the organization. V94 We use external sources for new ideas (consultants, agencies, etc.). V95 The length of time allowed for developing the plan is adequate. V96 We use a number of motivational factors in our company to encourage good planning as well as operational performance.

D. Marketing Plan Credibility and Utilization
Marketing area personnel: V97 Generally believe the marketing plan is realistic and practical. V98 Generally believe that the marketing plan is accurate and based on good information. V99 Generally believe that the marketing plan defines markets precisely enough to give a good basis for building marketing strategies. V100 Generally believe that all the critical marketing elements are included in the plan. V101 Generally believe that the assumptions made in the plan about environmental conditions and markets area are realistic. V102 Generally believe that the key to effective management is to find ways around the requirements of the marketing plan. V103 Generally believe that the marketing plan should directly guide their action and be the basis for making their decisions.

All indices were calculated as arithmetic means of included variables, adjusted for response variations.

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