

# Marketing Flexibility: Significance and Implications for Automobile Industry

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**Abstract** *Marketing flexibility plays critical role in success and survival of organization in rapidly changing business environment. The purpose of the study is to give a conceptual framework of marketing flexibility integration for automobile organizations. For this, study draws upon extensive literature review on concepts of flexibility and marketing flexibility. Then under the case-study research methodology, carefully selected real-world cases having high contextual relatedness are analysed and inferences are drawn about significance of marketing flexibility for auto companies. Cases are evaluated at multi-level and both straight and cross-pattern learning are derived that, in turn, are used in developing conceptual framework. Study concludes with the finding that enhanced business-environment turbulence and increased market-dynamism has made it mandatory for automobile organizations to have requisite level of flexibility in their marketing-mix. Organizations with marketing flexibility are better equipped in dealing with short-term demand fluctuations as well as long-term existential threats emanating from the ever-changing business environment.*

**Keywords** Business environment · Customers · Flexibility · Marketing flexibility · Strategy

## Introduction

Like the Sun rises and Sun sets, change is a part and parcel of nature. Change is the only thing that has remained

constant throughout the evolutionary periods and against the backdrop of unceasing dynamism; realization of this fact is even more apparent than before. Today phenomenon of change is dominating the proceedings of industries with its intensity been further aggravated by progressive globalization and accelerated technology development. In fact, such has been the intensity of change in today's business environment that it can be best described as being in a chronic state of flux (Nadkarni and Herrmann 2010). And this is exactly in the backdrop of this heightened dynamism; flexibility concept has gained prominence in various walks of life (Sushil 2001).

Against the backdrop of this fast-paced and turbulent environment, this paper investigates significance of marketing flexibility in sustaining growth of organizations with focus on automobile industry. For quite some time, automobile space is dominated by heightened dynamism manifesting in various forms like fluctuating fuel-prices, varying demand patterns, discerning customers, and declining brand loyalty. All these wavering variables have raised the stakes for organizations which are struggling to get to grips with this enhanced environmental disruption. In such an ever-changing business environment, marketing flexibility could prove immensely beneficial to whole industry and we expect significance of this study be high among the automotive practitioners and managers. Both scholars and automotive practitioners will be benefited from this conceptualization as study sheds light on key aspects of marketing flexibility. As most of iterations of flexibilities have remained explicitly focused on other forms with little revelation on marketing side, this study also aims to contribute to underdeveloped area of marketing flexibility. Further in light of assertion that firms not adopting certain level of flexibility in their marketing system don't do well as compared to their competitors

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(Singh 2010, 2014), study assumes significance for both academia as well as corporate. Example of Tata Nano success through marketing flexibility (Singh and Shalender 2014) further undergirds the importance of marketing flexibility for automobile industry.

This whole study is divided into four sections. First, a thorough literature review on flexibility and marketing flexibility concept is done in order to get full acquaintance with the basic nuances of these concepts. Second, real-world case studies from automobile industry are taken and analyzed and evaluated at multiple levels. Third, the focus of study shifts on the learnings rendered by evaluation of cases at both straight and cross-pattern levels. Fourth, conceptual framework of marketing flexibility integration is proposed along with discussion of implications and future scope of study.

## Literature Review

### *Flexibility*

Today all the uncertainties present in the environment pose tremendous challenge for the marketers. Traditional business approaches, with very basic underpinnings of somewhat stable environment, are no longer valid in today's turbulent and ever changing business scenario. In the backdrop of all this uncertainty and turbulence, flexibility has taken a center stage and its ability to provide the competitive edge to the organizations has been widely recognized both by the academicians and practitioners. Flexibility is multidimensional as there are many connotations attached with this concept. According to Cambridge Dictionary, "flexibility is the quality of being able to change or be changed easily according to situation. Flexibility inherently pertains to the change and how easily this change can be executed".

One of the very first iteration of flexibility in business emerged in around mid-1960s when Ansoff (1965) described this concept in terms of its external and internal facets. According to him, external flexibility is not putting all eggs in a single basket while internal flexibility seeks to provide a cushion for response to catastrophe. Later Eppink (1978) related flexibility with important notion of unforeseeable changes. He described flexibility as virtue that makes an organization less vulnerable to or better able to respond successfully to unforeseen environmental changes. His biggest contribution came in form of classification that classified flexibility into three levels; operational, competitive, and strategic on basis of intensity and level of change mandated.

Aaker and Mascarenhas (1984) identified six functions for creation of flexibility in an organization. These are: finance, operation, marketing, international, managerial/structural, and research & development. The methods

identified for the same purpose include diversification, investment in underutilized resources, and reducing commitment of resources to specialized use. Harrigan (1985) used the term strategic flexibility to define flexibility from market perspective; an important contribution to marketing facts of flexibility that has been discussed in detail in subsection of marketing flexibility. He characterized strategic flexibility as firm's ability to reposition itself in market, change its game plan, or dismantle its current strategies.

Customer-centric perspective of flexibility was highlighted by Johnson (1992). According to his definition, flexibility generation can be accomplished through adopting a functional perspective that produces immediately or within a period that satisfies the customers. He perceives that the flexibility in the long run can be achieved by changing life styles and ways of thinking. Bahrami (1992) gave one of the most specific and comprehensive definition of flexibility and defines it as "a multi-dimensional concept, demanding agility and versatility; associated with change, innovation and novelty; coupled with robustness and resilience, implying stability, sustainable advantage and capabilities that may evolve over time". This implies that there are various connotations of flexibility such as agility, versatility, innovations, change and many times these are used interchangeably and can even replace usage of word flexibility.

A more formal definition of flexibility has been given by Singh and Sushil (1997) defining it as ability to change or react with little penalty in time, effort, cost or performance. According to authors, one of the key characteristics of flexibility is its continuity as this concept warrants continuous change as per changing needs rather than confining this aspect into walls of one time alteration. Volberda (1998) defined flexibility in terms of its external and internal facets just like Ansoff (1965). He viewed internal flexibility as the capacity of organizations to adapt to the demands of the environment, while external flexibility as how much influence an organization has on environment. This underlined that both adaptation to the environment and influencing the environment, are important aspects of flexibility.

Sushil (2000, 2014) gave concept of systemic flexibility as "the exercise of free will or freedom of choice on the continuum to synthesize the dynamic interplay of thesis and antithesis in an interactive and innovative manner, capturing the ambiguity in systems and expanding the continuum with minimum time and efforts". Further, the author linked the concept of strategic flexibility to environment turbulence (Sushil 2005). He outlined and interlinked diverse shades of flexibility and agility in business (Sushil 2015).

### *Marketing Flexibility*

Marketing has inherent relation with the market which, in turn, is characterized by the buyers and sellers involved in

trading the values with each other, i.e. transaction. Sellers satisfy to need of buyers through their value proposition and in return, derive value from them in form of profit, market share, etc. Though looked very simple and superficial on outside, at core of these business transactions a complex web of interrelated activities exists that ultimately drive all these proceedings. This is why marketing requires a thorough planning and holistic approach such as system of systems and in the back drop of enhanced dynamism, this requirement has become necessity for survival of an organization (Shalender and Singh 2011).

Literature says that marketing flexibility refers to the ability of an organization to enter and leave markets, and to position it within existing and new markets. A marketing flexible organization gains competitive advantage as a result of its ability to change and reposition itself rapidly within competitive global markets. Squarely opposite to marketing concept that has always been at the forefront of scholarly debate and research, the facet of marketing flexibility has severely lacked in terms of its exploration. As noted by Johnson et al. (2003) the literature on flexibility has rarely been considered from strategic marketing perspectives as extant research is surprisingly silent on flexibility with regard to strategically crucial market-linking activities. Further, the observation by Combe and Greenley (2004) that flexibility is very much implicit in the application of the marketing concept; makes this silence quite stoic in nature.

Aaker and Mascarenhas (1984) came out with the approaches that could lead to the creation of flexibility in the different functional disciplines in organizations including the marketing one. These three approaches are labelled as—diversification, investment in underutilized resources, and reducing the resources usage for special purpose. Harrigan (1985) described market-linking from of flexibility as the ability of firms to reposition them in a market, change their game plans, or dismantle their current strategies when the customers they serve are no longer as attractive as they once were.

Prahalad and Hamel (1990) put forth the view that the very basis of competitive advantage hinges on the performance of company with respect to its competitors. They argued the market flexible firms invent new markets, quickly enter the emerging markets and in case of already well-established market, change or leave the markets as and when opportunity or threat arises. Noteworthy point is that here authors had taken into account both the offensive and defensive forms of market flexibility as inventing the new market comes under the pro-active sensing of opportunities while the latter two relates to reactive character of marketing flexibility.

Grewal and Tansuhaj (2001) thoroughly researched the role of marketing flexibility in context of managing economic crisis and defined it as ability of transnational

corporations (TNC) to recalibrate its marketing efforts in a short period of time, in response to changing environmental context. Abbot and Banerji (2003) observed that marketing flexibility enables TNC to have high global market share, ability to sell its major products in a large number of international and geographical markets, and have a strong presence in those markets that are home bases for global competitors. The crux of their study highlights accrues to TNCs on account of having marketing flexibility imbibed in their systems.

Sushil (2009a) emphasized the need to adopt dualistic perspective as flocking to one or another extreme won't cut the ice in this era of continuous turbulence. This observation is equally important in changing paradigms of marketing as there is compelling need to replace the 'either/or' concepts by conjoint 'and'. Author presented a critique of balanced scorecard approach that takes into account four perspectives of strategic performance management system Sushil (2009b). Further there is underlying stress on the importance of having balanced scorecard that takes into account the perspectives of both organization and customer Sushil (2009c).

The concept of marketing flexibility in the context of service has been researched in detail by Gurau (2009). The author proposed an integrated model of marketing system flexibility that is based on the concept of co-creation of value for the customers. This, in turn, requires the effective interaction, participation and implementation of the various stakeholders engaged in making and delivering the proposition to the customers. Sharma et al. (2010) described marketing flexibility in one of their research aimed to revisit the flexibility concept and its impact on the overall performance of the company. Authors see the marketing flexibility as the ability to satisfy the varying customers' needs with specifically created value propositions that a company can offer within the overall framework of its business strategy. According to authors, capacity and speed of product innovation are some of the attributes of marketing flexibility. In the same vein, product flexibility can be considered one dimension of overall marketing flexibility (Shalender and Singh 2014). Today, it is well emphasized that flexible marketing system is indispensable for sustaining growth in today's turbulent and dynamic environment (Singh and Shalender 2012). There is unequivocal need to have marketing flexibility that can help the organization in sustaining growth by acting as key growth strategy (Singh and Shalender 2013).

## Research Methodology

Eisenhardt (1989) argued that case studies are particularly well-suited to new research areas or research areas for



which existing theory seems inadequate. This argument was further complemented by Yin (1994) who observed that case studies are a preferred approach when ‘how’ or ‘why’ questions are to be answered, when the researcher has little control over events and when the focus is on a current phenomenon in a real-life context. In line with above observations, case-study method of research is selected to address marketing flexibility issue at hand. Further, our study concerns with the organizational benefits associated with marketing flexibility integration rather than delving into its technical nuances, case-base method emerged as unanimous choice for methodology. Drawing upon procedural criteria suggested by Eisenhardt (1989), research methodology is divided into following subsections.

#### *Definition of Research Problem*

Research is for evidence suggesting marketing flexibility benefits for automobile industry and started with formulation of research question. Review of extant literature suggested that marketing flexibility could affect the business outcomes and hence its integration could bring in sustainability in their businesses. In the context of present study, research question is to develop conceptual framework of marketing flexibility integration for automobile organization.

#### *Case-selection*

Total of 4 cases are used in the study and the selection criterion used is theoretical sampling. Based upon the related context, cases are selected owing to their observable characteristics related to research interest. All cases replicate the basic idea of theory and even extend it by some measure.

#### *Data-collection*

Data is collected through large number of sources that include periodicals reviews, financial reports, informal interactions, articles, news-paper reports, etc. The main emphasis was on to drawing all pertinent points together and then synthesizes these into useful interpretation.

#### *Data Analysis*

Data analysis helped the study by providing insights about the data and generating the preliminary status of observations. Data analysis was done simultaneously with data collection as this helped in generating coherence in the whole process. The analysis and resulting insights from data analysis is discussed in detail, case by case, in the following section of analysis and interpretation.

## **Analysis and Interpretation**

Drawing on systemic model of marketing given by Adler (1967), we have divided marketing flexibility into its individual flexibilities of its four P’s—product, price, place, and promotion. After intensive scrutiny, four cases related to these four P’s are selected owing to their representation of intended variables. Then each of these cases is discussed with domain experts and informal interviews were conducted as well to confirm representation criteria of these cases. Details of individual cases, their analysis and interpretation follow next.

#### *Product Flexibility*

Product or mix flexibility equips the manufacturer with the ability to make multiple products on same capacity, and the ability to relocate the capacity between different products in response to realized demand (Goyal and Netessine 2011). Product mix flexibility is one of the major sources of competitive advantage especially in the situations of high turbulence and unpredictable demand situations. High product flexibility not only cushions the organization against demand uncertainties but also enable the organization to swiftly switch its production plan from one product to another.

#### *Case 1: Ford Motor Company*

Ford motor company, one of global auto-major, had invested huge money to the tune of \$550 million in its Michigan Assembly Plant revamping with the sole aim of enhancing its product flexibility. This huge investment has made this plant as first-of-its-kind where both gasoline and hybrid vehicles can be assembled on same assembly line. This has made this Michigan facility of Ford as one of the most flexible and advanced production plant in the world that is capable of producing a range of vehicles including gasoline, electric, hybrid and plug-in hybrid on the same production line (Autoviva 2012). The underlying theme behind this accomplishment is user of one design and assembly line that Ford achieved by sharing design platform between different categories of products (Fig. 1).

Product flexibility manifested its benefits in a number of ways; cushioning the organization against the ever changing demand–supply equation, endowing the company with capability to assemble multiple models on same production line and reducing the organization’s overall cost burden on account of common design and product platform usage. All these virtues have come together and are now enabling Ford to post growth for its hybrid vehicle portfolio. In fact, growth data suggests that enhanced product flexibility has actually enabled Ford to stand tall against its fierce rivals

like Toyota and GM who are also frontrunners on hybrid vehicle category (Fig. 2).

*Price Flexibility*

Concept of dynamic pricing is catching up in range of different industries that includes apparel, automobiles, consumer electronics, personal services (such as haircuts), telecommunications, and second-hand goods (Sahay 2007). Today price has emerged as one of the crucial factors that can effectively manipulate market demand of a product on the short-term basis and its importance as an effective tool of demand-supply management has reached a new high. Further growing clout of pricing decisions over other fields of business like manufacturing, operations etc. is testament of crucial role pricing today plays in firm’s overall supply and capacity planning process. Also researchers have realized that classical operational problems such as optimal capacity and inventory management or controlling congestion in a queuing network among many others, cannot be decoupled from marketing activities and especially pricing decisions (Bitran and Caldentey 2003).

Tobin (1992) contended the relative nature of price flexibility that must be considered on spectrum with dual extremes stretching between total flexibility to total rigidity. Further it has been observed that in a competitive marketplace, the effectiveness of any element of marketing mix is determined not only by its absolute value, but also by its relative value with respect to competition. For example, the effectiveness of price cut in increasing demand is critically related to competitors’ reaction to the price change (Sudhir 2001). This makes the pricing flexibility more of a concept that has to be seen in the relative terms of available options and competitors’ reactions rather than

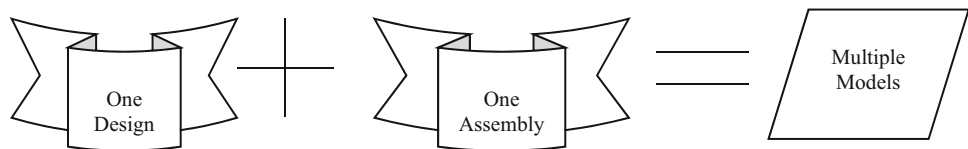
its absolute value. Another facet of price flexibility has been explored in terms of its relation with production flexibility in the context of automobile industry (Van Mieghem and Dada 1999; Goyal and Netessine 2007). Indian auto market also witnesses the practice of dynamic and responsive pricing and the real world case of Honda Cars India Limited exactly exemplifies this.

*Case 2: Honda Cars India Limited (HCIL)*

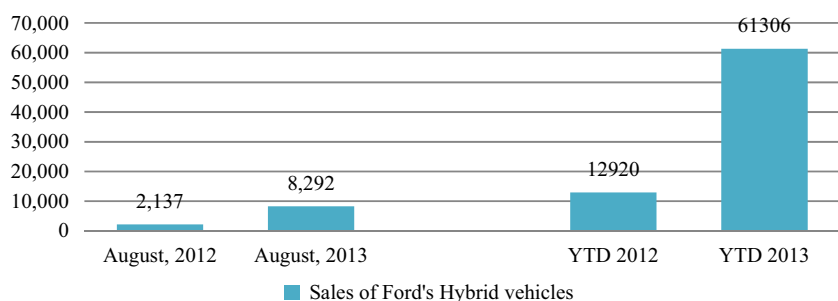
Honda started its Indian operation in 1995 with launch of Honda City sedan (Honda 2013). Owing to its high on its high reliability and cutting edge technology, Honda City quickly became the market leader in sedan segment and remained at the pole position for years followed. Despite its high sticker price, City ruled sedan category and limited options available at that point of time further cemented its dominance. However, trend started to reverse in the year 2010 when Volkswagen (VW) launched its Vento sedan in India. Slugfest started and after months of tough fight, Vento finally dethroned City from its leadership spot. In contrast to 4315 units of City sales for month of March and April, 2011, VW dispatched 6,389 units of Vento; there by ending Honda dominance among sedan buyers (Chauhan 2011). Absence of diesel variant and more importantly the premium pricing policy of Honda took a toll on City’s overall sales numbers as it trailed Vento by a huge margin of almost 2000 units in its overall trade (Fig. 3).

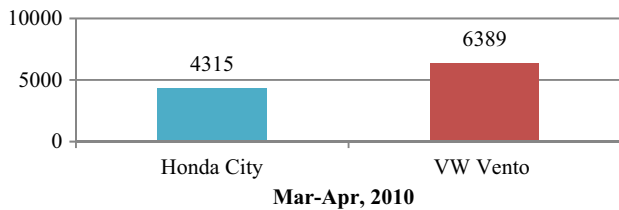
Alarmed by the plummeting sales figures, Honda’s top management mulled upon the corrective course of action as they realized that their premium price policy could further wreak havoc on the City’s future prospects. Honda quickly took steps to bring down the City’s price and in fact amazed many with its swiftness to achieve this price

**Fig. 1** Underlying themes behind Ford’s enhanced product flexibility. Source Autoviva (2012)



**Fig. 2** Growth trend in sales. Source Danny (2013)





**Fig. 3** Sales of Vento and City for March–April, 2010. *Source* Chauhan (2011)

**Table 1** Price list of different models of City

Honda City (ex-show room, Delhi)			
	Old price	New price	Difference
Model			
EMT	8,15,000	7,49,000	66,000
VAT Exclusive	10,33,100	9,89,100	44,000

ET Bureau (2011)

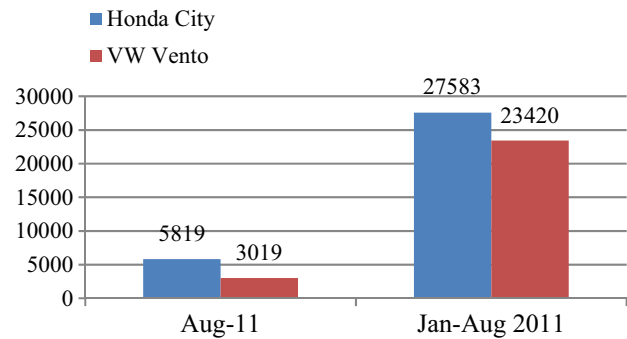
reduction. According to Sr. Vice President, Sales & Marketing, Honda Cars India Ltd., the company had been working frantically to reduce the cost of its volume models by increasing localization and upping economies of scale from 2009 and as a result of these measures organization has been successful in achieving a significant savings in its supply chain and manufacturing division. As a result of these cost reductions, Honda announced the price reduction of up to Rs 66,000 with effect from June 14, 2011 (ET Bureau 2011) (Table 1).

New slashed prices of City, a move powered by responsive price strategy, helped the company to get the sales of the City back on track. Lower prices immediately showed their positive impact as City quickly recovered its lost ground by becoming segment leader once again. With sales of 5,819 units of City, Honda again came on top by beating Vento figures of 3019 units in August 2011 (Mukherjee 2011). Even cumulative year-to-date (YTD) sales of City too zoomed past its nearest rival Vento by margin of more than 4000 units (Fig. 4).

This bounce back by Honda City can be purely attributed to the price responsiveness of company as Honda was quick to pass on cost reduction benefits directly to customers. Honda relentlessly pushed to drive down cost by increasing localization of components and enhancing overall efficiency of its supply chain (Fig. 5).

#### Place Flexibility

Study by Ashkenas (2000) has placed a special significance on place flexibility as his research revealed that the success of the firm is closely related to firm's ability to quickly add



**Fig. 4** Sales of Vento and City for Aug-2011 and Jan-Aug 2011. *Source* Mukherjee (2011)

or subtract the place according to opportunity or threat arising out from the changing environmental conditions. Few in this age of increased competition would question company decisions to enter new markets to build their base of business (Anwar 1999). In addition to easing increased competitive pressure, this course also helps the organization to lessen its dependence upon its domestic market. Also it has been observed that more number of markets a transnational corporation operates in, the lower is its dependence on any one or a group of markets; thereby spreading the market risk of a company over a large number of markets (Abbott and Banerji 2003).

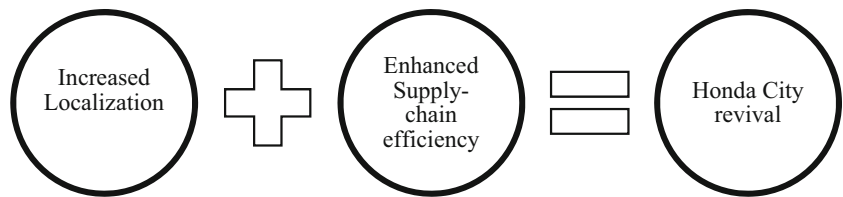
Flexibility in place proposition corresponds to quick addition or subtraction of markets and customer touch points, in response to real time changes happening in market place. Company's ability to swiftly add markets can prove instrumental in sustaining its growth momentum or hedging its fortunes against the curse of domestic sales slowdown as illustrated by the example of Hyundai Motor India Limited in following section.

#### Case 3: Hyundai Motors India Limited (HMIL)

Indian automobile market, 6th largest in world, was going through one of its worst sales phases as in July 2013 the industry registered negative growth for ninth straight month. Almost all automobile majors of the industry had been affected badly by overall negative sentiments of macro-economic factors as organizations struggled to fetch in respectable sales numbers (Mohile 2013) (Table 2).

Even amid this worst sales slowdown that started from December 2012, some companies like Hyundai Motor India Limited (HMIL) were successfully hedging themselves against ill-effect of this slowdown. In fact HMIL had actually registered growth in its market share to 20.4 % in period January–July 2013 compared to 18.3 % in the same time frame of last year (Ramanathan 2013). HMIL had been able to withstand this storm owing to expansion of its

**Fig. 5** Factors behind City price reduction



**Table 2** Sales volume for May 2013

Negative growth pattern		
Company	Sales volume (May 2013)	% Growth (year-on-year)
Maruti-Suzuki India limited	77,821	-13
Tata motors	11,134	-44.6
Toyota Kirloskar motors	10,023	-35
Ford India	4002	-34

Mohile (2013)

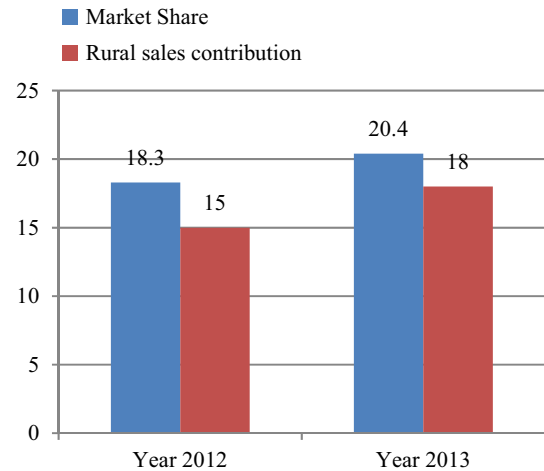
sales territories across new segments; a prominent aspect of place flexibility.

The strategy to enhance the customer touch points via exploring new markets and venturing out into untapped areas had been on the top of company’s agenda since 2011. This all started when HMIL was preparing to launch its new Alto-rival small car Eon and in order to make ground fertile, HMIL focused upon tapping unexplored rural base of country. This special drive resulted in strong network of 270 outlets in hinterland areas, that along with acting as a strong base for launch of Eon, were made up for poor urban sales. In fact, the share of this newly added rural market in the company’s overall sales grew from 15 % in 2011 to 18 % in first eight months of 2013 (Narsimhan 2013) (Fig. 6).

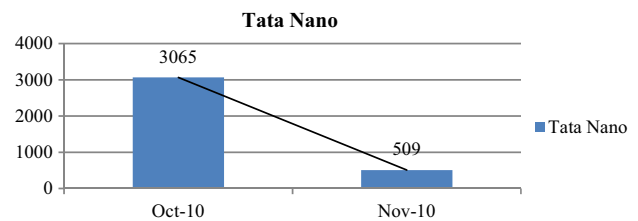
Buoyed by this initial success, Hyundai set the target of 20 % rural sales share for year 2014 and is hoping to achieve this target.

*Promotion Flexibility*

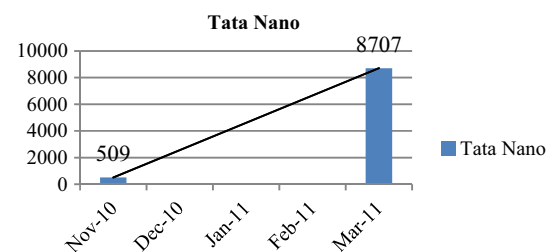
Success in today’s competitive world requires organizations to do much more than only to create superior value proposition. Until and unless this created value is clearly communicated to target segment and as importantly, rightly perceived by customers, organization fate hangs in limbo. This is reason why promotion tool in marketing mix has assumed great importance in changing business environment. Communication mix has been used by organization to communicate and persuade customers about their value proposition and it consists of a number of tools like advertisement, promotions, direct marketing, etc. (Kotler and Armstrong 2008).



**Fig. 6** Growth trajectory of Hyundai. Source Narsimhan (2013)



**Fig. 7** Tata Nano sales (November 2010). Source ET Bureau (2012)



**Fig. 8** Tata Nano sales (March, 2011). Source Bhattacharya (2011)

As the number of different brands has increased, manufacturers have started using promotion in their fight to maintain market share of their particular brand (Raju et al. 1990). Promotion helps the companies by increasing the overall commerce by fetching in more customers though some authors have observed that this marketing tool has



**Table 3** Evaluation of case-studies and derived learning derived

Case-study	Learning derived	
	Straight insights	Underlying cross-pattern insights
Case 1: Product flexibility:Ford Motor	Product flexibility helps organization on reviving performance and managing demand–supply pattern	Resources capabilities and top-management commitment have played a crucial role in this case
Case 2: Price flexibility:HCIL	Benefits of price flexibility includes revival of slowing demand and inducement of sales performance	Top-management vision and organizational commitment helped Honda to drive down the cost factor
Case 3: Place flexibility:HMIL	Place flexibility encourages demand by opening up new venues of business	Organizational strength and resource commitment powered Hyundai to meet its expansion goal
Case 4: Promotion flexibility:Tata Nano	Innovative promotional methods break clutter for Nano and aids to incentivize its demand	Unwavering support of top-management and solid resource back up help Nano to find its feet once again

come under an increasing pressure and scrutiny as promotion mix has long been among the most challenging marketing costs to analyze or justify on a profit versus cost basis (Anderson et al. 1992).

Promotional flexibility manifests its utility by equipping the organization to effectively and efficiently manage the promotion mix tools. The inherent flexibility virtues; options and freedom of choice empower the marketing manager to swiftly switch between communication-mix in accordance with the need of the hour. Case of Tata Nano quoted below is a clear-cut example of promotion flexibility that helped the company to revive Nano's poor sales fortunes in Indian automobile market.

#### Case 4: Tata Nano

Amid all glitz and glamour, Tata Motors launched the world's cheapest car at 9th auto expo held in New Delhi in 2009. Touted as world's cheapest automobile; Nano came with the dealer price of Rs. 1 lakh and though later it saw series of price increments, its offer is still cheapest among available offerings. Speculated to become all rage in sales, Nano actual commerce lagged far behind the expectations. Nano lost its early opportunity window because of the production shift that company had to undergo from West Bengal state to Gujarat. Further, initial enthusiasm just fizzled out because of limited availability and situation took an ugly turn with slew of incidents reporting Nano catching fire in different parts of country. It served as detrimental blow to Nano's credibility as a safe car with sales hitting to a record low of 509 units in November 2010 (ET Bureau 2012) (Fig. 7).

One of the most prime accomplices in Nano's failure that was admitted by former chairman of company, Ratan Tata, was the unpreparedness of company on the front of advertisement and dealership fronts (ET Bureau 2012). As Nano sales took a plunge, promotional flexibility came to its rescue as Tata Motors swiftly rolled out a number of

promotional offers by quickly changing the ongoing promotional campaign. Compared to almost nil promotion at the outset, Tata literally inundated Nano with the promotional offers later by quickly reviving its promotional strategy. After the sales debacle of November 2010, company quickly changed gears and adopted a number of first-of-its-kind measures to get Nano's sales back on track.

In one such unique move, Tata Motors joined hands with India's biggest organized retail player, Big Bazaar to sell the Nano through its selected outlets spread across country. This new promotional medium that started in February 2011 quickly started showing its effectiveness. In fact as a complete turnaround, Nano plummeting numbers got the boost from the Big Bazaar's strategy as sales zoomed to 8707 units in March 2011 (Bhattacharya 2011). Clearly promotional flexibility helped the Nano to stage an impressive comeback in terms of its overall sales and commerce (Fig. 8).

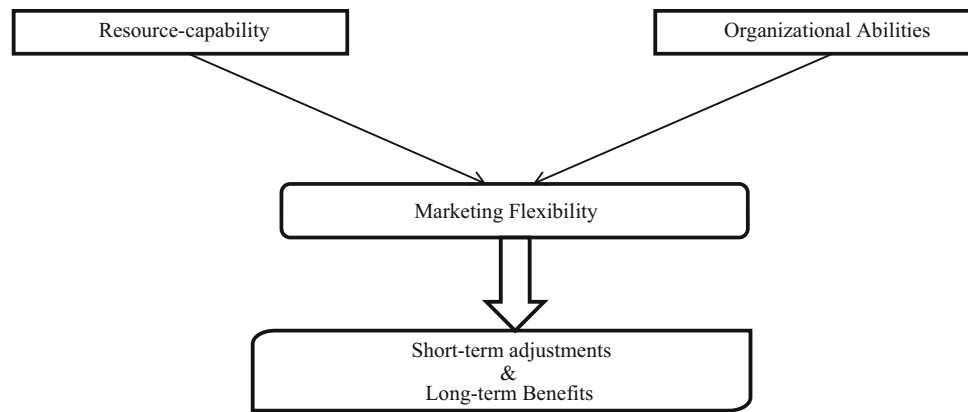
#### Evaluation of Case-studies and Shaping Theme of Marketing Flexibility Integration

Discipline of marketing flexibility is largely unexplored with little research available at present, though there is unanimity about crucial role it could perform in shaping sales fortunes of an organization. Treading the same line, we draw theme of marketing flexibility integration for automobile companies by using case-study method of research. The various learnings derived from evaluation of four case studies, as discussed above, are summarized in Table 3.

Learning derived from these case-studies gel well with cues of theory as importance of resource capabilities and organizational commitment, insights from cross-pattern, are well noted by various researchers in strategic management discipline. Rumelt (1995) observed that both tangible and intangible resources are required to contribute



**Fig. 9** Conceptual framework for integrating Marketing Flexibility. *Source Integrative framework of marketing flexibility by authors*



**Table 4** Research criteria

Research criteria	Marketing flexibility integration framework
1. Priori identification of research problem	Identified research problem: To develop conceptual framework for integration of marketing flexibility
2. Selection of cases	Theoretical sampling was used; selection criteria are context and representation of concerned variables
3. Crafting instruments and protocols	Multiple data sources were used and the cases were reviewed by multiple-reviewers for their relevance, Total cases selected were four
4. Field work	Field work of study is limited to informal interviews and review of various practices mentioned in the case-studies
5. Data analysis	Data analysis is done at multiple-levels, cross-case patterns point out toward the role of organizational resources and personnel abilities which were not visible at first hand
6. Shaping theory formulation	Marketing flexibility integration construct is shaped through analysis of results that underline importance of resources and organizational abilities.

Eisenhardt (1989)

to firm's competitive advantage. These resources, as applicable to marketing, can be identified as brands, sales-force, marketing channels, customer trust, and marketing expertise (Capron and Hulland 1999) and because they contribute significantly to the generation of options in achieving superior product market positions, these resources lie at the heart of the firm's competitive position (Johnson et al. 2003).

Our second influential theme that emerged from cross-pattern insight is related to commitment of top-management and organizational abilities. In literature, this has found reference too as flexibility is perceived as the organizational design task and has inherent relation with situations that affects the changeability and controllability of firm (Sharma et al. 2010). Phan (2001) observed that organizations must have the four dimensions: responsive internal environment, variable cost dominated structure, focussed effort on core activities, and round-clock available resilient infrastructure to get the requisite level of flexibility.

Based on learnings derived from case-studies as well as theoretical evidence, we propose the integrative marketing

flexibility framework for automobile organizations. This construct draws equally upon resource capability and organizational ability, in order to integrate marketing flexibility in business that, in turn, manifests its short-term and long-term benefits as demonstrated by straight learnings derived used case-studies (Fig. 9).

In short-term marketing flexibility allows the organization to adjust the mismatch between demand–supply while in long-term marketing flexibility helps to address more critical strategic issues related to marketing-mix. Further, we summarize the whole process of research against the standard criteria given by Eisenhardt (1989) (Table 4).

## Conclusion

Today business environment is full with turbulence and uncertainties and automobile industry has undoubtedly got short end of this dynamism stick. This enhanced pace of change has made traditional approaches of businesses completely irrelevant as their bedrock notion of stability is completely absent in today's environment. Today even the

market leaders are on their toes with continuous innovation and discovery as they fear being toppled from their leadership position. And that's why marketing flexibility has gained in importance and gravity not only among practitioners but even in world of academia. Key issue in marketing flexibility is to deal with the uncertainty with respect to the available controlling abilities and resource capabilities of organization.

In order to achieve the marketing flexibility, there must be continuous work on enhancing the number of options with the aim of expanding the currently available choice-continuum. Now rather than focusing on some specialized form of hierarchy or decision making model, the intent must be on the managing the different view-points simultaneously. Taking one extreme position or another won't make for viable alternative and could botch up the whole situation. Also the issues of flexibility also requires a close scrutiny as Volberda (1998) characterized it as resolving the paradoxes of forces for change and forces for preservation within the organization.

Marketing flexibility helps the organization to deal with both short as well as long term issues that could otherwise easily plague its fortunes. Automobile industry is one of the worst effected segments by business turbulence and there is now no other option left for managers than to practice flexibility. Ever changing fuel-prices, decreasing customer loyalty, increase in discernment and constant need to jiggle between the petrol and diesel variants has raised the stakes not only for the individual organizations but also for the whole industry. Marketing flexibility integration certainly on all these critical issues and will make sure that industry retains its feasibility and relevance by continuously adjusting itself, both proactively and reactively, to the various emerging situations.

### Implications for Managers

The study has a special significance for managers as the continuous dynamism and turbulence in automobile industry has made it mandatory for organizations to have marketing flexibility. Marketing flexibility equip management to handle both short-term and long-term challenges by enhancing its controlled capacity through considerable reduction in response time. An improvement in the marketing flexibility results in enhanced overall competitiveness of a firm that has, in turn, positive impact on the long term sustainability of the business. Another implication of the study suggests that there must be continuous efforts to not only sustain the marketing flexibility but to enhance this capability as it has far-reaching impacts on the overall profitability of firm.

### Issues for Further Research

In this study, we have presented the framework for marketing flexibility with the inputs drawn on from the resource capability and organizational abilities. Further, the cases we have taken up relates exclusively to the four P's of marketing only. Now though these 4 P's are the cornerstones of marketing mix, with the passage of time, many other dimensions of high prominence in marketing have emerged. Factors like customer orientation and marketing intelligence are among these principal dimensions that can also have significant impact on how overall marketing efforts finally pan out. This study limits itself specifically to the traditional 4 P's of marketing though our future research will focus on to include other important marketing dimensions in the ambit of the study.

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### Key Questions

1. How the hierarchy of an organization affects efforts directed towards flexibility integration?
2. How marketing flexibility complements the operational and manufacturing facets of an automobile organization?



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