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The Market Share Impact of the Fit between Market Leadership Efforts and Overall Strategic Aggressiveness

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Abstract: *The current study takes a contingency theory approach to the relationship between market leadership and a variety of marketing strategy concepts making up a firm's strategic profile, including a firm's Miles and Snow strategy type, market growth, service growth, service focus, market coverage, the Porter strategy group, and market orientation. The results of the study support this approach, showing that at least six of the seven strategic contingency combinations exhibit a significant relationship to market share. Utilizing a sample drawn from the financial services industry, it is found that firms possessing a recommended "fit", as when market leader firms exhibit a more aggressive marketing strategy profile, tend to have higher levels of market share. The results of the study also reveal that a firm's market share performance is related to the total number of strategic "fits" between the firm's market leadership position and the various components of the firm's strategic profile.*

Keywords: Contingency theory, strategic fit, market leadership, market share performance

JEL Classification: M10, M31

1. Introduction

Contrary to the conservative image of the financial services industry, financial service providers have begun to show an increasing interest in marketing (Uzelac and Sudarević, 2006). This is especially true in the case of credit unions, many of whom have begun to pursue differentiation through expanded service offerings in response to the intensification of rivalry among the range of competitors (Barboza and Roth, 2009). Nevertheless, as strategic marketing begins to play a greater role in these organizations, researchers need to continue to strengthen the link between marketing strategy and performance (Uzelac and Sudarević, 2006).

Given the complexity of markets and competitive conditions, the fundamental assumption by researchers in strategy and related disciplines since the 1970s has been that no universal set of strategic choices exists that is optimal for all businesses (Ginsberg and Venkatraman, 1985; Galbraith 1973). In essence, corporate or business strategy is contingency-based, with the effectiveness of an organization being dependent upon the amount of congruence or "fit" between structural and environmental variables (Olson, Slater and Hult, 2005; Shenhar, 2001; Vorhies and Morgan, 2003).

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Although "fit" is a term that can be defined in several ways, the "profile deviation" approach defines "fit" as the degree to which a business's strategic profile differs from that of an "ideal marketing organization that achieves superior performance by arranging marketing activities in a way that enables the implementation of a given business strategy" (Vorhies and Morgan, 2003, p. 102). In essence, engaging in marketing activities that "fit" with the business's strategic profile is an important determinant of marketing performance. It is not surprising then that the primary focus of contingency theory has traditionally been on the relationship between the elements that impact the firm's overall strategic behaviour (Ginsberg and Venkatraman, 1985; Olson, Slater and Hult, 2005).

Although the contingency perspective is less prominent today than during the earlier stages of organization theory, researchers have recently begun to reintroduce this important idea. For instance, Solberg (2008) investigated the contingency factors influencing international distributor relationships, Teasley and Robinson (2005) analysed the contingency factors influencing technology transfer, and Birkinshaw, Nobel and Ridderstråle (2002) examined the validity of knowledge as a contingency variable influencing organizational structure. Consistent with the recent re-emergence of contingency based studies, the current study examines the relationship between seven marketing strategy concepts that may be used to define a firm's "strategic profile" (Miles and Snow typology, market growth, service/product growth, services focus, market coverage, Porter typology, market orientation) and one important type of strategic behavior, the level of market leadership exhibited by firms in terms of their propensity to engage in first-mover strategic decisions.

2. Market Leadership

It has long been recognized that there may be distinct advantages associated with being first to market. Researchers have identified advantages to leading the market as a first-mover. Hall and Densten (2002) cite scale economies, exclusive use of scarce assets, early exploitation of new technologies, and preferential access to distribution channels as the primary benefits accruing to first-movers. Lieberman and Montgomery (1988) also note that first-movers may be more likely to impose switching costs on buyers. At the consumer level, experiments have shown that order of entry can have a significant impact on customer preferences, memory, learning, and judgment (Boulding and Christen, 2003). Although the first-mover advantage may be thought of as an "empirical generalization" in the marketing literature (Kalyanaram, Robinson and Urban, 1995), these advantages are not guaranteed (Street, Marble and Street, 2011). In fact, despite the well documented benefits of market leadership, late adoption may actually make sense "if the market is growing rapidly and significant scale economies are available for a late entrant" (Hall and Densten, 2002, p. 89). In some situations, there may actually be disadvantages associated with leading the market as a first-mover (Boulding and Christen, 2003; Lieberman and Montgomery, 1998). This is because followers may have important advantages as well, including the ability to learn more about a technology before committing scarce resources, the advantage of observing market reaction to product design and features, and the ability to avoid sunk investment in what may become obsolete technology (Cottrell and Sick, 2002). Therefore, although leading the market as a first-mover may be desirable, the ultimate success associated with this approach may be dependent on the unique environmental characteristics of the industry in which one is competing.

In addition, although the focus of most studies on "first-mover" efforts has been on the order of entry into a product market, the totality of approaches employed by many market leaders are actually more complex than simply striving to be the pioneering firm in a product market (Gielens and Dekimpe, 2001). In addition to leading the market in terms of order of entry, market leaders may also exhibit initiative by leading and implementing other marketing strategy decisions prior to competing firms (Kerin, Varadarajan and Peterson, 1992; Lieberman and Montgomery, 1998). According to Lieberman and Montgomery (1998), firms may choose to lead the market in several ways. This may include being the first to produce a new product, enter a new market, or even use a new process. The degree to which firms attempt to gain the advantages of first-mover status in a wide range of strategic actions has been referred to as a firm's level of "strategic marketing initiative" (Heiens, Pleshko and Leach, 2004). Specifically, strategic marketing initiative may be manifested in (1) the introduction of new products, (2) the introduction of new advertising campaigns, (3) the initiation of pricing changes, (4) the adoption of new distribution ideas, (5) the adoption of new technology, or (6) the seeking out of new markets (Heiens, Pleshko and Leach, 2004).

Therefore, the degree of market leadership exhibited by a firm can be thought of as lying on a continuum ranging from a consistent tendency to pursue a wide variety of first-mover efforts (first-movers), to a strategic posture in which firms may be content to merely follow the market (followers). In the context of the current study, the term "market leader" is used to refer to those firms that exhibit high levels of strategic marketing initiative. This includes being among the first to introduce new products, new promotions, new pricing changes, or new distribution ideas, as well as adopting new technologies or seeking out new markets. Followers are those firms that take a decidedly measured approach, preferring to follow the market changes rather than to initiate strategic change.

3. Strategic Profile

Numerous studies over the years have attempted to describe and summarize the overall strategic approach pursued by firms (Ansoff, 1957; Miles and Snow, 1978; Porter, 1995; Kirca, Jayachandran and Bearden, 2005). For market growth strategy, one of the most popular and well-known theoretical models in marketing is the matrix developed by Ansoff (1957), which suggests that a firm's primary growth strategies centre around either markets or products. Miles and Snow (1978) classified the strategic posture of a firm into one of several distinct strategic groups, including defenders, prospectors, analysers, and reactors. According to Michael Porter (1980), a firm' strategy may be classified as either pursuing low-cost leadership or engaging in efforts to differentiate themselves from the competition. The market orientation approach to classifying a firm's strategic posture is to distinguish between firms with a customer focus versus those with a competitor focus (Kirca et al., 2005).

In summary, firms can pursue a wide variety of different strategies to succeed in their competitive environment, and the predominant approach they pursue can be referred to as their strategic profile (Insch and Steensma, 2006). Therefore, the overall strategic profile of a firm can best be gauged through combining a wide variety of methods and classification schemes. The specific variables used in the present study to describe a firm's strategic profile include Ansoff's product-market grid, the Miles and Snow strategy groups, Porter's generic business strategies, and the level of market orientation. A detailed description of each variable can be found in the measurement section following the presentation of our hypotheses and the discussion of our data collection efforts.

4. Hypotheses

In the particular case of the financial services industry, it has been recently demonstrated that first-mover efforts do in fact confer real advantages. Using a sample of over 10,000 bank entries into local markets, Berger and Dick (2007) found that the earlier a bank enters a market, the larger is its market share relative to other banks. Specifically, the market share advantage for early entrants is anywhere between 1 and 15 percentage points. Consequently, leading the market as a first-mover is an important determinant of success for financial service providers.

According to Olson, Slater and Hult (2005), the contingency approach to understanding strategy is to view the organization as a social system composed of interdependent subsystems. Management policies and practices are designed to achieve coordination in these subsystems. Overall, firm performance "is less dependent on a specific strategy than on how well the firm implements the chosen strategy" (Olson, Slater and Hult, 2005, p. 50). In essence, superior performance is contingent on the "fit" between the elements of a firm's chosen strategic posture, or how well organizational subsystems are aligned with the requirements of a specific strategy.

As such, it is likely that the market leadership approach will work best when other related marketing strategy decisions are also aggressive and consistent with the actions necessary to pursue market leadership. We call this alignment between relatively high levels of market leadership and an overall aggressive strategic profile a "recommended fit" (RFit). Just as high levels of market leadership may be associated with positive performance when a firm exhibits an overall aggressive strategic profile, low levels of market leadership may be appropriate when a firm consistently chooses to pursue less aggressive strategies. For instance, a follower brand that is not in the position to risk valuable resources may choose to be less aggressive overall, especially given the high cost of being innovative. Therefore, combining low levels of market leadership with less aggressive strategies may be another consistent approach favoured by some firms, which we refer to as "other fit" (OFit). Figure 1 summarizes the conceptualization of the "fit" classifications.

Figure 1: The Fit between the Aggressiveness of a Firm's Strategic Profile and the Firm's Market Leadership Position

		STRATEGIC PROFILE	
		Less Aggressive	***More Aggressive***
MARKET LEADERSHIP POSITION	***Market Leader***	**No Fit**	**Recommended Fit**
	Market Follower	**Other Fit**	**No Fit**

Finally, there are firms which, either through choice or inability, do not to match their strategic profile to their leadership profile. These firms, which have an unmatched strategy and do not exhibit a "fit" (NoFit), will implement either less aggressive strategies with high levels of market leadership or possibly more aggressive strategies with lower levels of market leadership. As with the OFit firms, it is not expected that NoFit firms will match the RFit companies in terms of market share. This may be due to inefficient activities, wasted efforts, or lack of support for important marketing decisions that result from ill-fitted strategies.

We expect that consistency between market leadership and other related marketing strategy decisions will be relevant to a firm's market share, especially when an appropriate alignment is evident between higher levels of market leadership and more aggressive marketing strategies. For instance, less aggressive OFit firms would not be expected to match the same levels of market share as the more aggressive leader firms that exhibit strong "fit" between their market leadership efforts and their overall strategic profile, simply because these firms would not be in position to take advantage of the many opportunities available in the market (Jaworski and Kohli, 1993). This leads to a general null hypothesis, H_N, and the following set of research hypotheses, H_1 through H_7.

H_N: There will be no differences in market shares amongst the three contingency groups: RFit, OFit, NoFit.

H_1: Market shares will differ among the market leadership-Miles & Snow "fit" groups with RFit having the largest share.

H_2: Market shares will differ among the market leadership-market growth "fit" groups with RFit having the largest share.

H_3: Market shares will differ among the market leadership-service growth "fit" groups with RFit having the largest share.

H_4: Market shares will differ among the market leadership-services focus "fit" groups with RFit having the largest share.

H_5: Market shares will differ among the market leadership-market coverage "fit" groups with RFit having the largest share.

H_6: Market shares will differ among the market leadership-Porter "fit" groups with RFit having the largest share.

H_7: Market shares will differ among the market leadership-marketing orientation "fit" groups with RFit having the largest share.

5. Data Collection

A sample of chief executives from credit unions was taken in the financial services industry. Data for the study were gathered from a state-wide survey in Florida of all the credit unions belonging to the Florida Credit Union League (FCUL). Credit unions are cooperative financial institutions that are owned and controlled by their members. Credit unions differ from banks and other financial institutions in that the members who have accounts in the credit union are the owners of the credit union. Credit union membership in the FCUL represented nearly ninety percent of all Florida credit unions and included three hundred and twenty-five firms.

A single mailing was directed to the president of each credit union, all of whom were asked by mail in advance to participate. A four-page questionnaire and a cover letter using a summary report as inducement were included in each mailing. This approach yielded one hundred and twenty-five useable surveys, a thirty-eight percent response rate. Of those responding, ninety-two percent were presidents and the remaining eight percent were marketing directors. Further analysis revealed that the responding firms differ from the sampling frame based on asset size (χ^2=20.73, *d.f.* =7, *p*<.01). Consequently, medium to larger firms are represented in the sample to a greater degree than smaller firms.

6. Measurement

In addition to performance and market leadership, respondents were also asked for their perceptions regarding their firm's position relative to a variety of marketing strategy constructs. These constructs include (i) Miles & Snow strategy type, (ii) market growth, (iii) services growth, (iv) services focus, (v) market coverage, (vi) Porter strategy group, and (vii) market orientation. The precise methodology used to measure these variables is explained in the following paragraphs.

For performance, perceptual measures were used to evaluate relative market share. Perceptual measures avoid errors associated with variations in accounting methods and also have been shown to strongly correlate with objective measures within the same firm (Varadarajan, 1986; Miller, 1988). In particular, respondents were asked about their market share performance on a scale from (1) poor to (5) excellent regarding five market share baselines: [1] versus competitors, [2] versus goals/expectations, [3] versus previous years, [4] versus firm potential, and [5] growth of share. A principal axis factor analysis indicated that the five items load highly on a single dimension explaining 66.4% of the original variance. Therefore, an overall indicator of perceived market share was constructed by summing the five items from the questionnaire. A reliability of 0.872 was found using Cronbach's (1951) coefficient alpha. The constructed measure of perceived market share had a possible range from five to twenty-five with a mean of 14.64 and a standard deviation of 3.56.

Strategic marketing initiative (SMI) is used as the market leadership indicator. The concept of "strategic marketing initiative" is defined to encompass the totality of a firm's innovative efforts as they pertain to the marketing strategy controllable variables (Heiens et al., 2004; Pleshko et al., 2002). SMI is conceptualized as inclusive of six relevant areas: (1) introduction of new products or services, (2) introduction of new advertising campaigns or other promotions, (3) initiation of pricing changes, (4) employment of new distribution ideas, (5) adoption of new technology, and (6) seeking out of new markets. Respondents were asked to evaluate on a scale from (1) not true to (5) true whether their firm is "always the first" regarding each of the six items. A principal axis factor analysis indicated that the six items load highly on a single dimension explaining 67.9% of the original variance. Therefore, an overall indicator of SMI was constructed by summing the six items. A reliability of 0.903 was found using Cronbach's (1951) coefficient alpha. Scores on the SMI scale ranged from six to thirty with a mean of 13.72 and a standard deviation of 5.72. A median split was then used to classify firms as either leaders or followers by their degree of strategic marketing initiative. This technique resulted in 49% (61/123) of firms classified as exhibiting low levels of SMI, while the other 51% were classified as having high levels of SMI (62/123).

For the Miles & Snow (1978) strategy groups respondents were asked to check the box which best describes their firm's strategy from the following four descriptions. [1] *Defenders* – "We attempt to locate and maintain a secure niche in a relatively stable market environment. We try to protect our markets by offering high-quality, well-target services. We are not at the forefront of industry developments". [2] *Prospectors* - "We typically concentrate on many diverse markets, which we periodically help to redefine. We value being first-in with new services and in new markets even when these efforts are not highly profitable initially. We respond rapidly to most new opportunities". [3] *Analyzers* – "We attempt to maintain a stable and secure position in the market while at the same time moving quickly to follow new developments in our industry. We are seldom first-in with new services or in new markets, but are often second-in with better offerings". [4] *Reactors* – "We appear to have an inconsistent approach to our markets and services and are often indecisive. We are not aggressive in attacking new opportunities, nor do we act aggressively to defend our current markets. Rather, we take action when we are forced to by outside forces such as the economy, competitors, or market pressures". This procedure resulted in one hundred and nineteen respondents answering the question, with 38% of the firms being classified as Defenders (45/119), 5% as Prospectors (6/119), 44% as Analysers (53/119), and 13% as Reactors (15/119).

Extending Ansoff's conceptualization of available market growth strategies, Pleshko and Heiens (2008) suggest that market growth strategies initiated by a given firm may focus on [1] existing market segments, [2] new market segments, or [3] both existing and new market segments. Consequently, our questionnaire asked respondents to indicate their particular market growth strategy by marking the box next to the appropriate descriptor. Respondents could check either [1] we target market segments presently served by the firm, or [2] we target market segments new to the firm. They could also check both of the boxes, indicating they use both new and current markets for growth. One hundred thirteen respondents answered the question with 65% (74/113) classified as focusing on current segments, 11% (13/113) classified as emphasizing new segments, and 23% (26/113) classified as targeting both new and existing market segments in their efforts at growth.

For services growth strategy, again drawing from Ansoff (1957), Pleshko and Heiens (2008) suggest that product, or in this case service, growth strategies initiated by a given firm may focus on [1] existing services, [2] new services, or [3] both existing and new services. Our questionnaire asked respondents to indicate their particular services growth strategy by marking the box next to the appropriate descriptor. Respondents could check [1] we emphasize services presently offered by the firm, or [2] we emphasize services new to the firm. They could also check both of the boxes, indicating they emphasize both new and current services in their growth efforts. One hundred seventeen respondents answered the question with 54% (64/117) classified as focusing on existing services, 14% (17/117) classified as emphasizing new services, and 30% (36/117) classified as utilizing both new and existing services in their growth efforts.

Services focus is defined as the similarity or consistency of services offered by the firms. Firms were classified on the basis of services focus by asking respondents to check the box next to the appropriate response. The options were (i) we emphasize a line of related services or (ii) we emphasize many unrelated services. One hundred twelve respondents answered the question with 73% (82/112) classified as offering related services and the remaining 27% (30/112) offering unrelated services.

Market coverage is defined as the number of customer markets targeted by the firms. Firms were classified in their degree of market coverage by asking respondents to check the box next to the appropriate response. The options were (i) we specialize in one or two market segments or (ii) we target many market segments. One hundred ten respondents answered the question with 52% (57/110) classified as targeting just one or two segments and the remaining 48% (53/110) targeting many segments.

For the Porter (1980) strategy groups, firms may compete by either investing in systems to become the low-cost producer or rather engaging in efforts to differentiate and distinguish their offerings from other similar products. Based on Porter's generic strategies, our questionnaire asked respondents to classify there firms into one of two categories: (i) we compete by differentiating our services from others or (ii) we compete by keeping our costs lower than others. One hundred seven respondents answered the question with 34% (36/107) classified as differentiating firms and the remaining 66% (71/107) classified as low-cost firms.

Market orientation is conceptualized as including two factors common in the marketing literature: customer focus and competitor focus (Kirca et al.. 2005). The respondents were asked to evaluate their perceptions of the firm's efforts in the marketplace on a scale from (5) true to (1) not true, across seven items: [1] we are committed to our customers, [2] we create value for our customers, [3] we understand customer needs, [4] we are concerned with customer satisfaction, [5] our employees share competitor information, [6] we respond rapidly to competitors' actions, and [7] management is concerned with competitive strategies. The items were subjected to principal axis factoring. The results indicated that two factors, customer focus and competitor focus, explain 69.7% of the original variance. The items for each of the two factors were summed separately. Reliabilities of 0.789 for customer focus and 0.834 for competitor focus were found using coefficient alpha. An overall indicator of market orientation was then constructed by summing these two factors, giving each equal weight. The resulting market orientation variable had a possible range from eight to forty with a mean of 31.38 and a standard deviation of 4.51. Then, a median split was used to group the firms into those exhibiting high relative levels of market orientation and those exhibiting low relative levels of market orientation. In total, 48% of responding firms were classified as having a low market orientation and 52% were classified as high in market orientation.

The measures of "fit", the primary predictor variables used in the analyses, are proposed alignments of strategic market initiative (SMI) with each of the seven marketing strategy constructs previously described, including (1) the Miles and Snow strategy type, (2) market growth, (3) services growth, (4) services focus, (5) market coverage, (6) the Porter strategy group, and (7) market orientation. Remember that each "fit" indicator has three possible categories or groups, depending on the expected correspondence to market leadership: (i) recommended fit: RFit, (ii) other fit: OFit, and (iii) no fit: NoFit. A "fit" would be recommended (RFit) in those circumstances where relatively high levels of market initiative would be most desirable, such as with aggressive growth or high levels of market orientation. Other "fit" refers to those combinations where lower relative levels of market initiative would be acceptable, such as with less aggressive growth or strategies that are more reactive or defensive in nature. Any and all other possible combinations of market initiative with the strategy variables would be classified as NoFit, including for example, high levels of market initiative with passive growth and low levels of market initiative with aggressive growth. The specific fit categories related to each marketing strategy construct are revealed in Table 1 (see Appendix A).

7. Analysis and Results

First, univariate analysis of variance (Anova) was used to determine if the seven “fit” constructs are relevant to the perceptions of market share performance. Each of the seven hypotheses were tested using this method, with significant findings further investigated using least-squared distances to determine if the means of any of the specific groups differed significantly. Second, a correlation was performed to determine if the number of recommended strategic alignments, the total number of “RFits”, is related to market share. The second analysis should reveal how important it is for companies to implement a strategic “fit” across many subcategories of marketing strategy.

A summary of the Anovas is provided in Table 2 (see Appendix B), which shows the number of firms in each “fit” group, the average perceived market share for each group, the “*F*” statistic, the “*p*” value, and the findings of the group mean comparisons. The Anova tests reveal that six of the seven tests are significant at the p=0.05 level, with the remaining test significant at the p=0.06 level. The specific analyses are discussed in the following paragraphs.

As shown in Table 2, the “fit” between SMI and the Miles & Snow strategy was significant (p=0.00). Consistent with H_1, it was found that the perceived share of the RFit group was larger than that of all the other firms. Also, the perceived share of the NoFit group was larger than the OFit firms. Therefore, it appears that market leaders who implement a prospector or defender strategy exhibit higher levels of market share than is the case for firms with other combinations. Additionally, mixed combinations, such as followers with a more aggressive strategy (i.e. prospector firms) or leaders with a less aggressive strategy (i.e. defenders), appear to outperform the other “fit” combinations.

The “fit” between SMI and market growth strategy is also significant (p=0.00). Somewhat consistent with H_2, the firms with a recommended “fit” tended to have larger market shares than the other “fit”, but not the NoFit group. The NoFit group also shows larger shares than OFit. Therefore, it appears that market leaders who implement a more aggressive market growth strategy exhibit higher levels of market share than is the case for followers with less aggressive market growth. Additionally, mixed combinations, such as leaders with a less aggressive market growth strategy or followers with a more aggressive growth strategy, appear to outperform the other “fit” combinations.

The “fit” between SMI and service growth is also significant (“p”=0.00). Somewhat consistent with H_3, the firms with a recommended 'fit' tended to have larger market shares, yet once again not all of the differences between the various “fit” groups were statistically significant. Specifically, it was found that the perceived share of the RFit group was significantly larger than that of the OFit firms. Therefore, it appears that market leaders who use more aggressive service growth strategies exhibit larger market shares when compared to followers using less aggressive service growth. However, if we relaxed the cut-off “*p*” slightly, then H_3 is totally supported.

The “fit” between SMI and service focus strategy is also significant (“p”=0.05). The statistical tests do not support H_4, even though the RFit firms exhibit the highest share. The firms with a recommended “fit” tended to have larger market shares, yet once again not all of the differences between the various “fit” groups were statistically significant. Specifically, it was found that the perceived share of the NoFit group was significantly larger than that of the OFit firms. Therefore, it appears that the mixed combinations, such as leaders focusing on few services or followers focusing on many services, are better than the less aggressive OFit combinations. However, if we relaxed the cut-off "*p*" slightly, then the RFit firms would also be statistically better than the NoFit firms.

The "fit" between SMI and market coverage strategy is also significant ("*p*"=0.00). Somewhat consistent with H_5, the firms with a recommended "fit" tended to have larger market shares than the other "fit", but not the NoFit group. The NoFit group also shows larger shares than OFit. Therefore, it appears that market leaders who target multiple segments exhibit higher levels of market share than is the case for followers with less aggressive market coverage. Additionally, mixed combinations, such as leaders targeting fewer segments or followers targeting many segments, appear to outperform the other "fit" combinations.

The "fit" between SMI and the Porter groups is insignificant ("*p*"=0.06). However, if we relax the "*p*" requirement slightly, it is shown that H_6 is somewhat supported. The statistics show that the recommended "fit" group had the highest market share and have higher market shares than the OFit group, but not the NoFit firms. Therefore, it appears that market leaders who compete mainly through differentiation exhibit larger market shares when compared to followers focusing on low costs.

The "fit" between SMI and market orientation is significant ("*p*"=0.00) and somewhat consistent with H_7. Specifically, it was found that the perceived shares of the RFit and NoFit groups were larger than that of the OFit firms. Thus, it appears that leaders who implement a strong market orientation will outperform followers without a strong market orientation regarding share. Additionally, the mixed combinations, such as followers with high market orientation or leaders with low market focus, will also outperform the less aggressive OFit firms.

Table 3: RFit_Total

RFit Total	*Frequency*	*Percent*	*Share*
0	61	50.8	13.66
1	7	5.8	14.42
2	9	7.5	14.77
3	15	12.5	15.00
4	8	6.7	15.37
5	16	13.3	16.93
6	3	2.5	18.00
7	1	0.8	16.00

The second analysis tested the number of recommended strategic "fits" (RFit) against market share using simple correlation analysis. Table 3 shows the distribution of the number of RFits within the sample along with the average market share for the specific number of RFits. As previously shown in Table 2, seven recommended fits were identified. Therefore, the total number of RFits for each firm can range from zero (no RFits) to seven (all alignments are RFit). As shown in Table 3, approximately 50% of the sample firms failed to implement a recommended "fit" for *any* of the market leadership combinations. Also, only a single firm achieved total recommended "fit" across all the strategic marketing combinations. The correlation between RFit-Total and market share is r=0.338, with p=0.00. Therefore, the performance of firms in terms of market share is dependent on the total number of recommended alignments of marketing strategy with market leadership. In the case of the credit unions, this correlation corresponds to approximately 11.4% of variation in share being explained by the number of RFits exhibited by a firm. Therefore, it is important for firms to consider the entire marketing strategy profile as a whole when implementing strategic decisions.

8. Conclusion

As firms operating in the financial services industry face greater competitive pressures, marketing strategy must continue to play a greater role (Uzelac and Sudarevic. 2006). Contingency theory reminds us, however, that it is the appropriate combinations of strategy, organizational structure, and the environment which are most relevant for success. Therefore, the purpose of our research was to determine if the appropriate recommended "fit" between market leadership and other marketing-related strategy concepts would result in higher levels of market share. The results confirm that firms which implement a leader strategy and match that leadership with other aspects of marketing strategy which are more aggressive exhibit the highest perceived market shares in nearly all comparisons. In this study, these higher market shares exhibited by the RFit firms are significantly better than other those of other firms in most instances, while never being significantly less than other firms.

The specific findings for credit unions suggest the following contingent relationships may provide the best market share performance: a leadership agenda combined with (i) a Prospector or Analyser approach, (ii) a growth focus on either new market segments or both new and existing market segments, (iii) a growth focus on either new services or both new and existing services, (iv) an emphasis on multiple market segments, (v) an emphasis on differentiation, and (vi) a high degree of market orientation. In general, it is shown that credit unions can achieve higher relative share by taking a leadership position regarding the marketing strategy controllables (4Ps, targets) and combining that with more aggressive marketing strategies.

Additionally, the total number of strategic alignments is also relevant to share performance. It was shown that companies with a higher total number of recommended "fits" between market leadership and the marketing strategies exhibited a larger market share on average. This suggests to credit union management that the entire strategic profile should be managed as a whole, rather than looking at each marketing strategy decision separately.

The pattern that emerges seems to suggest that firms with ideas towards leadership are well advised to pursue more aggressive marketing strategies. In fact, the findings go so far as to suggest that it is often better to implement a NoFit combination than to be a follower with a less aggressive strategic approach. The importance of a more proactive and aggressive strategic posture may be at least partially explained by the increasing professionalization of credit union management, who have been responsible for hastening trends in the industry such as significant membership and asset growth, industry consolidation, and higher penetration into the overall population (Barboza and Roth, 2009).

In summary, the results of the study support a contingency theory approach to marketing strategy in the case of credit unions, with appropriate fits between market leadership and other aspects of marketing strategy having a relevant impact on market share. Nevertheless, although the findings are both analytically suggestive and intuitively appealing, our sample was biased towards medium to larger firms that may possess superior strategic resources to the smaller firms in the industry. Consequently, readers should use caution when generalizing the results to all types of credit unions or to other firms in the broader banking and financial services sectors. Additionally, readers may disagree with our predeterminations of “recommended” strategy combinations.

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Appendix A:

Table 1: "Fit" Definitions
(Recommended Fit=RFit, Other Fit=OFit, No Fit=NoFit)

Miles & Snow: prospector, analyzer, defender, reactor RFit = prospector + high SMI analyser + high SMI OFit = defender + low SMI reactor + low SMI NoFit = all other combinations
Market Growth: target new markets, target existing markets or target both RFit = new markets or both + high SMI OFit = existing markets + low SMI NoFit = all other combinations
Services Growth: develop new services, use existing services, or use both RFit = new services or both + high SMI OFit = existing services + low SMI NoFit = all other combinations
Services Focus: offer many services, offer few services RFit = many services + high SMI OFit = few services + low SMI NoFit = all other combinations
Market Coverage: target many segments, target few segments RFit = many segments + high SMI OFit = few segments + low SMI NoFit = all other combinations
Porter: emphasize low cost, differentiate services RFit = differentiate + high SMI OFit = low cost + low SMI NoFit = all other combinations
Market Orientation: high market orientation, low market orientation RFit = high market-orientation +high SMI OFit = low market-orientation + low SMI NoFit = all other combinations

Appendix B:

Table 2: Analysis of Variance

Fit Construct	*n*	*Share*	*F*	*"p"*	*Findings (p<=.05)*
SMI+Miles&Snow (H_1)			11.54	.00	RFit>NoFit>OFit
RFit: High SMI + Prospector/Analyser	41	16.34			
OFit: Low SMI + Defender/Reactor	40	12.92			
NoFit	38	14.74			
SMI+Market Growth (H_2)				9.16	.00 RFit,NoFit>OFit
RFit: High SMI + New/Both	24	16.54			
OFit: Low SMI + Existing	41	13.13			
NoFit	48	15.22			
SMI+Service Growth (H_3)			5.50	.00	RFit>OFit NoFit>OFit (.06) RFit>NoFit (.08)
RFit: High SMI + New/Both	32	16.16			
OFit: Low SMI + Existing	36	13.48			
NoFit	49	14.84			
SMI+Service Focus (H_4)			3.03	.05	NoFit>OFit RFit>OFit (.08)
RFit: High SMI + Many Services	14	15.71			
OFit: Low SMI + Few Services	37	13.88			
NoFit	61	15.50			
SMI+Market Coverage (H_5)			4.88	.00	RFit,NoFit>OFit
RFit: High SMI + Many Segments	37	15.51			
OFit: Low SMI + Few Segments	37	13.51			
NoFit	36	15.73			
SMI+Porter (H_6)			2.78	.06	RFit>OFit
RFit: High SMI + Differentiation	22	16.31			
OFit: Low SMI + Low Cost	37	14.14			
NoFit	47	14.90			
SMI+Market Orientation (H_7)			11.02	.00	RFit,NoFit>OFit
RFit: High SMI + High MO	37	15.89			
OFit: Low SMI + Low MO	34	12.39			
NoFit	52	15.19			

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