

A Study Effects Architectural Marketing Capabilities on Performance Marketing unit Based on: Morgan et al case: Past Industry in Tehran

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Abstract

Over a period of time architectural marketing capabilities combination of knowledge and skills develop in to capabilities. These architectural marketing capabilities have been identified as one of the important ways firms can achieve a competitive advantage The following research tests effects architectural marketing capabilities on performance marketing unit Based on a survey .a structural equation model was developed to test our hypotheses. the study develops a structural model linking architectural marketing capabilities and performance marketing. A study of 80 SME past industry in Tehran reveals that two key marketing capabilities, namely architectural marketing capabilities and specialized marketing capabilities This is the first SME study to study concurrently the contribution of architectural marketing capabilities and performance marketing, with innovation capability the strongest determinant of SME performance. The results show that architectural marketing capabilities significantly impact on the performance marketing unit. The development of marketing capabilities is also found to be significantly related to firm performance. The marketing capabilities has considerably influenced on performance marketing as it helps performance firms. Among architectural marketing capabilities, offer efficient ways to collect market information and architectural marketing capabilities allow firms to reach dispersed overseas markets in a quick and efficient way The open character of the architectural marketing capabilities may imply, though, that the impact of architectural marketing capabilities on Performance Marketing unit .

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1. Introduction

Marketing managers have turned marketing capabilities to cope with the ongoing challenge of getting more from marketing, marketing capabilities while simultaneously meeting greater expectations to establish durable relationships with customers. Recent studies suggest that organizations can improve customer acquisition and retention by integrating marketing capabilities to foster rich interactions with their customers. While researchers have presented empirical evidence that relates marketing capabilities interactivity to firm performance, there remains a gap in our understanding of how effects architectural marketing capabilities on performance marketing. Given the pervasive use of marketing capabilities today, it is critical to further expand our knowledge of the drivers of e-Marketing capability and how this capability has the potential to enhance firm performance and generate a competitive advantage. The resource-based view (RBV) provides a sound foundation for examining how marketing capabilities and complementary resources can be bundled to form advantage-generating capabilities (Wade & Hulland, 2004). The purpose of this study, therefore, study effects architectural marketing capabilities on performance marketing. Furthermore, we examine the direct role of resource endowments on capability development as well as the interactive effects of these resources and the competitive environment. We aim to contribute to the growing body of literature emphasizing a capabilities-based view by developing and testing a model that informs future theoretic and empirical examinations of e-Marketing capability.

2. Conceptual framework

This section narrates our conceptual framework developed on the basis of resource based view (RBV) theory. It is organized as follows. In subsection 2.1, we give a synopsis of RBV theory explaining the key concepts of resources, capabilities and their linkage to firm performance. In subsection 2.2, we describe the principal functional architectural marketing capabilities and specialized marketing capabilities. We also explain the role of architectural marketing capabilities and its impact on performance marketing unit with the arguments for hypotheses formulation. We hypothesize that such relationships between capabilities and performance.

2.1. Resource-based view (RBV)

a synopsis RBV views a firm as a bundle of resources and capabilities (Wernerfelt, 1984). Amit and Schoemaker (1993) define resource as “stocks of available factors that are owned or controlled by the firm”. Resource consist of tangible components like financial and physical assets like property, plant and equipment, and intangible components like human capital, patent, technology knowhow (Grant, 1991; Amit & Schoemaker, 1993). Capability is defined as the ability of the firm to use its resource “to effect a desired end” (Amit & Schoemaker, 1993). It is like “intermediate goods” generated by the firm using organizational processes to provide “enhanced productivity to its resources” (Amit & Schoemaker, 1993). Capabilities are “invisible assets”, tangible or intangible organizational processes developed by a firm over a period of time that “cannot be easily bought; they must be built” (Teece, Pisano, & Shuen, 1997). RBV argues that firms will have different nature of resources and varying levels of capabilities. Firms' survival depends on its ability to create new resources, build on its capabilities platform, and make the capabilities more inimitable to achieve competitive advantage (Day & Wensley, 1988; Peteraf, 1993; Prahalad & Hamel, 1990). Thus, mere

possession of superior resources cannot achieve competitive advantage for the firm, but how a firm deploys its scarce resources, put its capabilities to best use, invest and complement its existing capabilities infrastructure can bring “immobility and inimitability” to its resource-capability framework (Peteraf, 1993; Song et al., 2007). In marketing literature, there has been extensive use of RBV framework to analyze firm performance (Dutta, Narasimhan, & Surendra, 1999; Liebermann & Dhawan, 2005), to understand the interaction between marketing and other functional capabilities and their effect on performance (Song et al., 2007; Song, Droge, Hanvanich, & Calantone, 2005; Song, Nason, & Benedetto, 2008), and particularly to understand inter-organizational relationship performance (Palmatier, Dant, & Grewal, 2007). The results suggest that there is a significant relationship between capabilities and performance. Strategic management researchers have used RBV to understand the inter-firm difference in performance (Barney, 1986; Peteraf, 1993; Makadok, 2001). In addition, RBV theory suggests that heterogeneity in firm performance is due to ownership of resources that have differential productivity (Makadok, 2001). Since, a firm's capability is defined “as its ability to deploy resources (inputs available to it to achieve the desired objectives (outputs))” (Dutta et al., 1999), so in this study, we use an input–output framework in the form of efficiency frontier function to understand the optimal conversion of a firm's resources to its objectives.

2.2. Resources, capabilities and performance

In our conceptual framework, we consider how architectural marketing capabilities and specialized marketing capabilities to achieve competitive advantage. According to RBV, a firm : past industry to extend its resources into new markets and businesses. Resources and capabilities such as business knowledge, technological expertise, and international diversification experience are transferred between the parent company and its business subsidiaries (Fang et al., 2007; Lu & Beamish, 2001). RBV posits that as firms diversify within the scope of their resources and capabilities, they obtain economies of scale through lower operational costs and leverage superior business efficiency through shared fixed assets like common production facilities, distribution channels, or even brand names (Hitt et al., 1997). Marketing capability involves : architectural marketing capabilities and specialized marketing capabilities of two marketing capabilities related activities of a firm using superior market knowledge from customers and competitions. So, in this study, we focus on the functions of (architectural marketing capabilities and specialized marketing capabilities) and study how their capabilities affect performance. Fig. 1 represents the conceptual framework for our study.

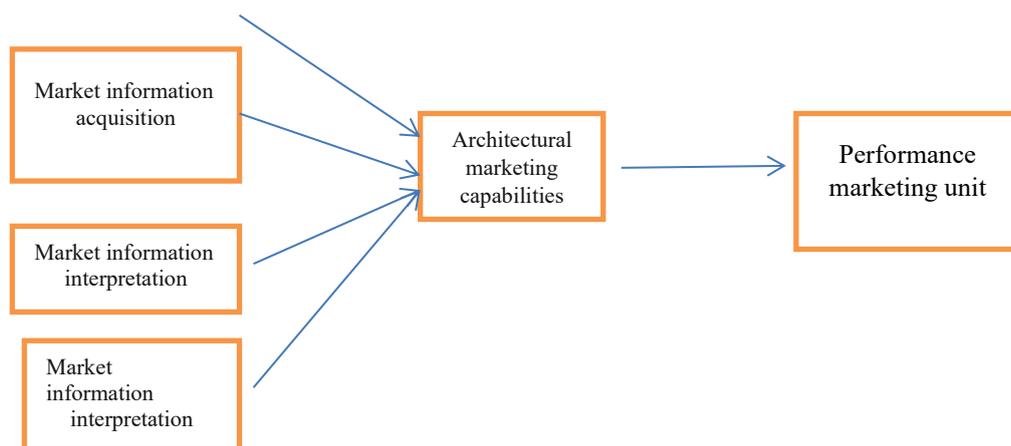


Fig. 1. Framework to Architectural marketing capabilities–performances

2.2.1. Marketing capability

An important aspect of this research is understanding what role marketing capabilities play in attaining and maintaining competitive advantage. To do this, it is necessary to understand how these capabilities develop within the export performance. Marketing capabilities can be defined as integrative processes designed to apply the collective knowledge, skills, and resources of the firm to the market-related needs of the business, enabling the business to add value to its goods and services and meet competitive demands (Day 1994). This study investigates six marketing areas for evidence of capabilities. That including : marketing research , pricing , product development., distribution., Promotion , marketing management capabilities It is also important to note that each marketing capability area is conceptualised as existing relative to competitors (Grant 1991).

2.2.1.1 Two types of Marketing capabilities

First are architectural marketing capabilities, the processes by which the exporting firm learns about its export venture market and uses this insight to make appropriate export marketing strategy decisions (e.g., Morgan et al. 2003; Teece et al. 1997). architectural marketing capabilities activities including the routines used to gather, process, and interpret export market information; distribute relevant foreign market information to export decision makers; and develop export venture marketing strategies (Day 1994; Vorhies and Morgan 2005). Second are specialized marketing capabilities, the “blocking and tackling” export marketing program–related processes needed to implement export marketing strategies (Grant 1996; Vorhies et al. 2009). specific marketing capabilities, activities including export product and pricing management, distribution management and delivery, post-sales service, marketing communications, and selling processes that a firm may need to transform its available resources into planned value offerings for target customers in the export venture market (Day 1994; Vorhies and Morgan 2003).

2.2.2. Effect of firm architectural marketing capabilities and specialized marketing capabilities on performance marketing unit .

Extant literature suggests that the impact of architectural marketing capability on

Performance marketing unit .studied the moderating role of a firm's strategy based on Miles and Snow framework and found a positive impact of marketing capability on performance for firms which can sustain customer loyalty through their unique marketing communication. Ortega and Villaverde (2008) propose marketing capability has more impact on performance for firms which invest on better assets to innovate in a dynamic business environment. Strategic management literature suggests that marketing capability has varied impact on performance (Conant, Mokwa, & Varadarajan, 1990; Desarbo, Benedetto, Song, & Sinha, et al., 2005; Song et al., 2007).

3. Research Methodology

Research type: Since the research aims at providing a model effects architectural marketing capabilities on performance marketing practical application in : past industry, it is an applied research in terms of objective. In terms of data collecting method, it is descriptive and uses correlation, specifically based on “Structural Equations Modeling”. Structural Equations Modeling is a comprehensive statistical approach which examines the hypotheses regarding the relationship between observed and latent variables. Through this approach, the acceptability of theoretical models in certain populations can be examined. Since the majority of existing variables in management studies are latent, the urgency of utilizing these models increases every day. Data collection tools: The utilized tools are reliable and valid questionnaire, free interview, library studies and internet searches, as well as reviewing documents and reports of active firms in the : past industry, any of which were applied in a part of the research for collecting and adjusting certain data. A pretest and a main test were considered for the current study.

Validity and reliability: Construct validity of the questionnaire was measured utilizing exploratory and confirmatory factor analyses. For measuring reliability, the Cronbach’s alpha factor was calculated for all the variables which resulted in following values: 0.92 architectural marketing capabilities, 0.93 for performance marketing unit all in the acceptable range.

Analyze data and research findings

Describe demographic variables. Based on data collected from the questionnaires, the percentage of respondents based on demographic variables in Tables 3,4,5,6 and 7 is coming.

Table 2. based on the single and Married distribution of the sample group

| Indices | Frequency | Percentage |
|---------|-----------|-------------|
| Marital | | |
| Single | 30 | 36/5 |

| | | |
|-------------|----|-------------|
| Married | 47 | 57/3 |
| No response | 5 | 6/1 |
| Total | 82 | 100 |

Table 3. Frequency distribution of age groups

| Indices Sex | Frequency | Percentage |
|----------------|-----------|-------------|
| 18 to 22 | 20 | 24/3 |
| 23 to 35 | 25 | 30/5 |
| 36 to 50 | 32 | 39/2 |
| 50 and over | 5 | 6/1 |
| Total | 82 | 100 |

Table 4. based on the sample distribution of education

| Indices Education | Frequency | Percentage |
|----------------------|-----------|-------------|
| Diploma The | 15 | 18/2 |
| Diploma | 17 | 20/7 |
| Bachelor | 40 | 48/8 |
| MA | 10 | 21/2 |
| Master | 0 | 0 |
| Total | 82 | 100 |

Table 5. based on the gender distribution of the sample group

| Indices Sex | Frequency | Percentage |
|----------------|-----------|-------------|
| Home owner | 35 | 42/6 |
| Tenants | 47 | 57/3 |
| Total | 82 | 100 |

4. Experimental model

The data collected was analyzed using LISREL which is a multivariate modeling technique. LISREL aims to explain the structure or pattern among a set of latent (unobserved or theoretical) variables, each measured by one or more manifest (observed or empirical) and typically fallible indicators. The LISREL model assumes a causal structure among a set of latent variables. These latent variables appear as underlying causes of the observed variables

Figure 2. Conceptual framework of study

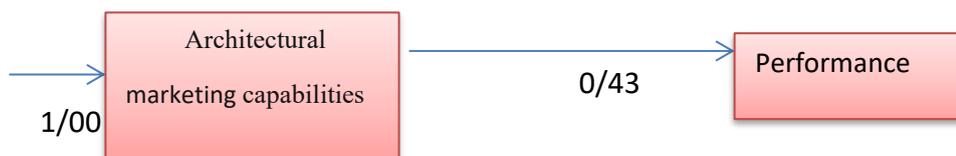
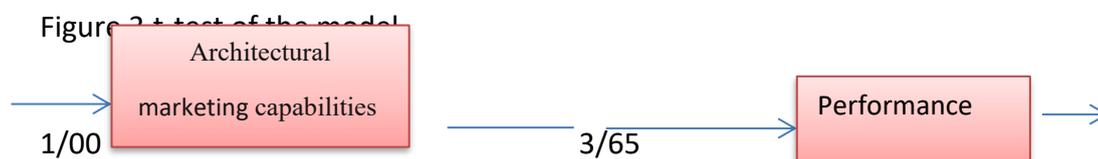


Table 3.index measurement model

| Model | chi-square | P | GFI | AGFI | RMSEA | CFI | NFI |
|---------------|------------|------|------|------|-------|------|------|
| Default model | 152/54 | 0/07 | 0/80 | 0/90 | 0/09 | 0/89 | 0/86 |

Figure 3.t test of the model



| Result test | t-value | Path coefficient | Structural Effects | Structures |
|----------------------------|---------|------------------|--------------------------------------|-----------------------------------|
| Reject the null hypothesis | 2/65 | 0/46 | | Marketing planning |
| Reject the null hypothesis | 4/21 | 0/33 | | Market information acquisition |
| Reject the null hypothesis | 3/97 | 0/38 | | Market information interpretation |
| Reject the null hypothesis | 2/51 | 0/35 | Architectural marketing capabilities | Market information dissemination |

5. MANAGERIAL IMPLICATIONS

This study has important implications for the managers. It highlights the necessity of firms to develop marketing planning, market information acquisition, market information interpretation, and market information dissemination as a way of achieving high levels of firm performance. Architectural marketing capabilities has positive impact on firm performance. architectural marketing capabilities compete not only to identify promising opportunities, but also for the resources necessary to exploit these opportunities. architectural marketing capabilities should actively engage in information acquisition as an aid to effective marketing strategy formulation. More importantly, proactive use of such

information allows architectural marketing capabilities to predict oncoming trends and enact strategies, supporting the view that the competitive advantage associated with information depends increasingly on whether a firm is able to make the best use of acquired information. (Moorman, 1995). The mere fact of information availability does not necessarily lead to better performance. Information utilization enables firms to gain competitive advantage and maintain a stronger position relative to the competition. The information may unveil latent needs, which exist and are unmet but are not apparent to competitors (Jaworski et al., 1993). Being the first to uncover such latent needs provides impetus to adjust the marketing mix elements accordingly. Another implication from the study is that the firms should develop their marketing programs by focusing on developing marketing capabilities. Firms with advanced marketing capabilities should be better able to outperform firm's lower degree of marketing capability. To enhance marketing capabilities, continued investment in market research marketing planning, market information acquisition, market information interpretation, and market information dissemination is important. The findings further suggest that market management (ability to segment and target market, to manage the marketing programs, the ability to coordinate various departments and groups to respond to market conditions), promotion (sales promotions and free samples and trial runs) market research are the most important marketing capabilities for the small technology firms.

FUTURE RESEARCH

It is recommended to conduct further empirical research in other geographical areas to generalise the findings. Moreover the posited frame work shall be enhanced to test the complex interaction of the internal organisation variables. For example the architectural marketing capabilities have impact directly on performance marketing unit. Moreover, it is also recommended to explore and test other resource based factors that may influence performance marketing unit. The potential factors to be studied are organizational culture and the degree to which learning is emphasised in the organization.

CONCLUSION

This study has provided interesting and useful insights into the architectural marketing capabilities construct and the various factors influencing the marketing activities in past industry sector as depicted in the proposed framework. Marketing planning, Market information acquisition, Market information interpretation, and Market information dissemination have a positive impact on performance marketing unit. Furthermore, those firms with highly developed architectural marketing capabilities demonstrated high level of firm performance. As a result, the findings in this research provide important support for many of the recent theories regarding the development of marketing capabilities and the role they play in achieving competitive advantage. (Day and Wensley, 1988; Day, 1990, 1994).

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