



## Modeling Business Performance using Marketing Capabilities and Competitive Strategies of Iranian Telecom Industry

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**Abstract:** *The overall purpose of this study was the modeling of the structural relationships between marketing capabilities, competitive strategy and business performance in the Huawei Iranians service telecom industry. Instruments for gathering data needed is used to analyze the hypothesis of the present study was a questionnaire, that standard questionnaire was used to measure variables. The sample of the study included all employees of Huawei service units Iranians are formed. Using a sample of 318 subjects was selected randomly. Cronbach's alpha was used to determine the reliability of the results show the power of research tools for gathering information was provided. For statistical analysis, descriptive and inferential statistical methods were used. The data in SPSS software and statistical tests applied Lisrel with respect to this research, were analyzed. The results indicate that all hypotheses were confirmed in the study are significant. Finally, at the end of proposals to strengthen the relationships between variables is expressed.*

**Keywords:** Business Performance, Competitive Strategy, Huawei Technologies Services Iranian Company, Market Orientation

### Introduction

Success of companies and organizations today requires more knowledge of customers and competitors and other factors affecting the market. Customer needs and demands are always changing and these changes only in case of knowing that the company can succeed. The rivals are also looking to attract more customers in this way no effort of their own and will not ignore. Key to the success of the institution in the target market will play, therefore, market trends and customer needs first new marketing features (Vehabzade et al, 2012).

Marketing orientation concept which has an important role in achieving this; because on the one hand and the need to collect information about customers' demands and capabilities focused competitors on the other

hand, using and use of resources and the integration of divisions within an organization leads to create the most value for customers (Awwad et al, 2011). Deshpande et al (1993) the eloquence and rhetoric of all, market orientation for all levels of the organization are demanding advanced. At the same time, despite the potential value of the development and deployment orientation, understand the abstract concept for many companies is still elusive. It also requires ever-changing customer demands and understanding these changes are critical for business success. On the other hand, rivals are also looking to attract more customers and in this way they will not spare any effort. The changing conditions and rules of the market, including technological change, the success of market institutions are effective. Understanding and predicting these parameters and provide a suitable way to deal

with them, plays a key role in the success of the institution in the target markets. Therefore, market orientation and customer needs first new marketing features (Narver & Slater, 1990).

Prominent scholar of marketing, competitive advantage to the organization's ability to create one or more ways those competitors cannot see their face. Competitive advantage is crucial for the survival and development of the market. If its competitive strategy of the organization to adapt to changing market situations and survival can be used alone to achieve its goals to continually maintain market. Aware of the marketing activities of competitors and compare them with their activities and develop specific mechanisms and competition can achieve a competitive advantage over its rivals in the market overcome (Vazyfedoost et al, 2013).

In today's competitive world companies are successful enough for customers to create more value according to Sergio Zeeman offer customers more reasons to be encouraged to buy and build long-term relationship with them (Nourallahi et al, 2013). Improve business performance in terms of customer performance and market performance and the financial performance of the main concerns of shareholders and senior managers of manufacturing companies and service. Several factors may on improving the business performance of a company to be effective as agents macro environment (economic, cultural, political and technological) micro factors, environmental or industrial elements (suppliers, competitors within the industry, new competitors enter, alternative products, customers). Many companies may use one of these factors or a combination of them to improve their performance and increase their revenues. But of all these factors, market orientation as a factor affecting the performance of the company and its relationship with the company's business performance is evaluated (Jaffer, 2012).

Studies have shown better performance and market orientation led to many positive effects on satisfaction, customer loyalty and motivation, employee satisfaction and firm leaves (Schalk and Gudlaugsson, 2008). On the other hand, businesses advantage against its competitors and attract and retain customers have no choice but to improve their marketing capabilities. Today, the customer is considered as a key factor and the orientation of all objectives, strategies and resources are focused on attracting and keeping customers. Maintain and strengthen customer loyalty and concern for companies that maintain and develop their competitive position in the market, considered strategic challenge. The customer loyalty is a measure for the proper functioning business And identify and anticipate the needs of customers for the firm to gain competitive advantage and market segmentation is essential (Ketchen et al,2007).

Significant relationship between firm performance and market orientation in markets, it has received limited research attention (Cadogan et al. 2002), especially in an emerging economy context. Based on the resource-based view (RBV) of the firm, Ketchen et al. (2007) have recently argued that market orientation as a resource only has potential value.

As competition increases day and day out in the market and it is important to respond to customers' needs to obtain their satisfaction and loyalty, companies must concentrate on maintaining present customers and creating a profitable long term relationship with them. On the other hand, every day new products enter human life as interesting innovations which become a familiar part of life, culture and habits after being born and since in today's world the secret of success for organizations lie in innovation and capability to use new opportunities in the market and it is undeniably important to concentrate on ways to boost this power point, the effect of market orientation on performance given competitive strategies

has not been systematically considered. Thus, the main question is to what extent does market orientation capability affect competitive capabilities with respect to the role of business performance?

Therefore, market orientation models are classified in three groups: 1) Models which directly consider relationship between market orientation and business performance, 2) models which consider relationship between market orientation and business performance using modifying variables, and 3) models which describe relationship between market orientation and business performance based on mediating variables. This model examines relationship between market orientation and business performance with respect to competitive strategies mediating variables. Direct and indirect relationships between market orientation and business performance can be observed in this model. Though

relationship between market orientation and business and relationship between competitive strategies and business performance have been considered individually, the designed model concentrates on both.

### Methodology

The present study is applied in objective because given the conceptual model of the research and with respect to criteria extracted from literature, it examines the impact of seller’s moral behavior on the loyalty of Iran insurance customers in Sanandaj City based on transaction cost theory and the results can be a great help for this or other companies. The applied research objective is to expand applied knowledge in a particular area. On the other hand, as to the relationship between variables, this study is correlative-description. Statistical population includes Iranian Telecom Industry staff in Iran. According to the information

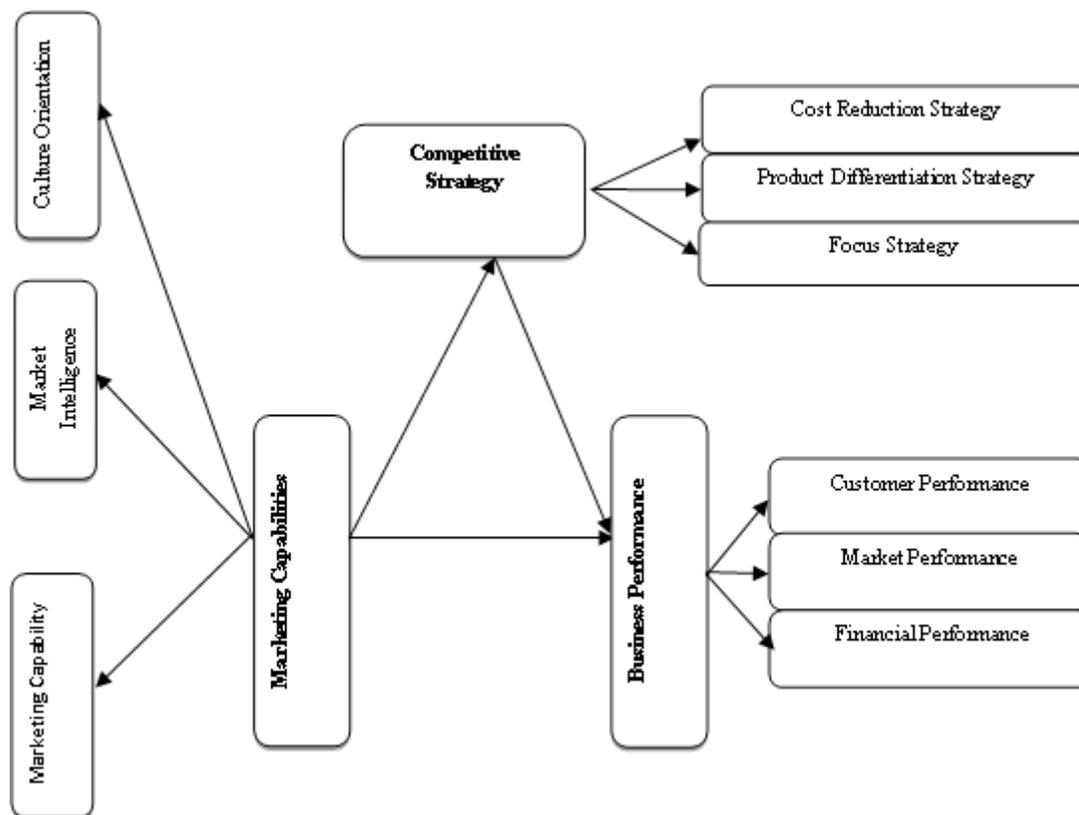


Fig. 1 Conceptual Model Research

received, the number of employees 1200 people. Available for sampling from random sampling method is used. Given Morgan Table for populations 1200, sample number will be 292. For more precision in this study 336 questionnaires were distributed of which 318 analyzable questionnaires were collected. In this study through questionnaires will be used. To assess the marketing capabilities of the questionnaire Aghazadeh and Mehrnoosh (2010); Dawlatabadietal (2006), Sheikhesmaeili et al (2013), Farabi et al (2010) have been used. To assess Porter’s generic strategies and Competitive of the questionnaire Frambach et al (2003) have been used. To assess business performance of the questionnaire Hooley et al (2003) have been used. The reliability of the questionnaire to obtain marketing capabilities, competitive strategy and business performance of Cronbach’s alpha coefficient which is used to pre-test Cronbach’s alpha values for the variables, respectively 0.841, 0.838, and 0.800 respectively, indicating the high reliability of the questionnaire.

**Findings**

To assess the effects of marketing capabilities, competitive strategy and business performance structural equation modeling with LISREL software is used. The purpose of the direct and indirect effects of the discovery of hidden variables exogenous to endogenous latent variables.

**Table 1.** The concept and indicators questionnaire

Concept	Dimensions	Symbol	Number of Questions
<b>Marketing Capabilities</b>	Culture Orientation	CO	12
	Market Intelligence	MI	5
	Marketing Capability	MC	17
<b>Competitive Strategy</b>	Product Differentiation Strategy	D	4
	Cost Reduction Strategy	RC	4
	Focus Strategy	F	4
<b>Business Performance</b>	Customer Performance	CP	3
	Market Performance	MP	3
	Financial Performance	FP	3

**Diagram 2** shows the modified model for coefficients significance (t-value). This model actually tests all measurement equations (loading factor) and structural equations using t statistic. Based on this model, path coefficient and loading factor is significant at 95% level if t statistic value is beyond -1.96 - +1.96.

All the main research hypotheses are confirmed in this study. For all variables path coefficient T is more than 96/1, thus confirming the hypothesis is dumped.

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**Conclusion**

This study was carried out to detect patterns of structural relationships between market orientation capabilities, competitive strategies and business performance in telecom industry in Iranian Service of Huawei Company. Thus, results indicate that all hypotheses of the research are significantly supported.

First main research hypothesis was that market orientation capabilities affect competitive strategies in Iranian Service of

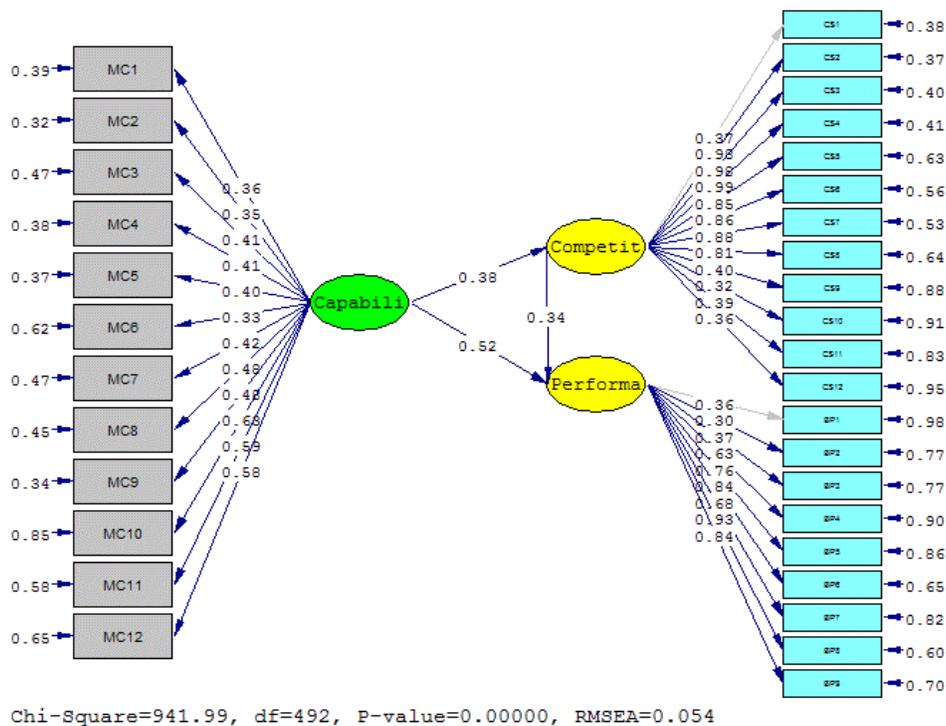


Diagram 1: Modified Model for Standard Coefficient Estimation

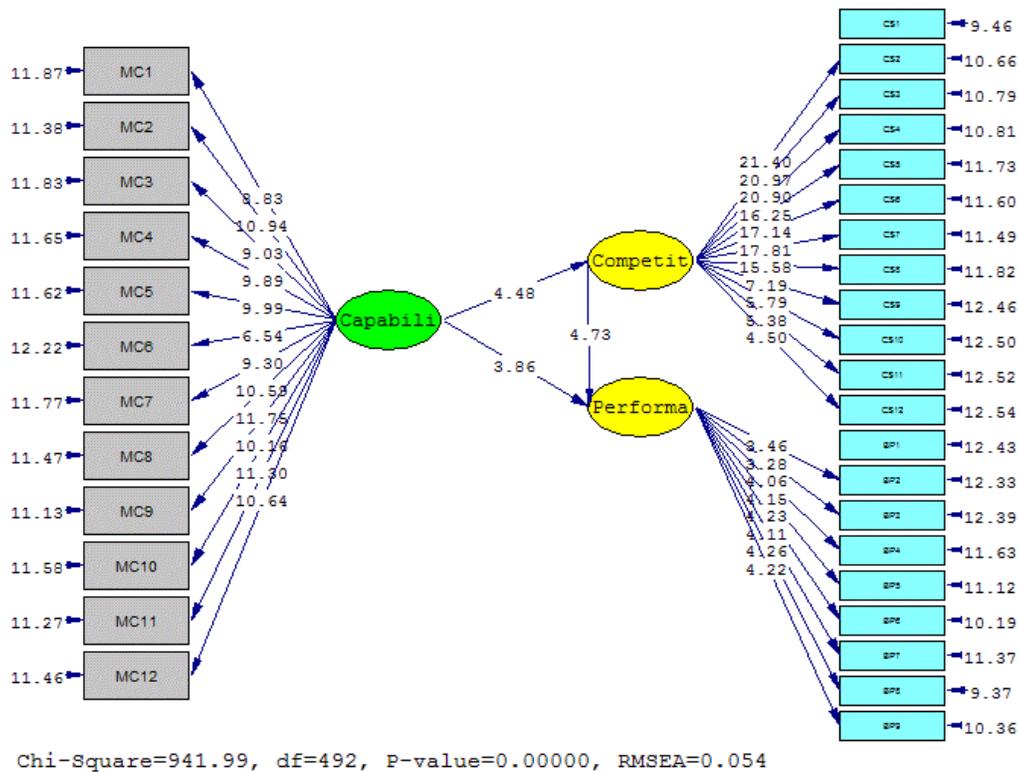
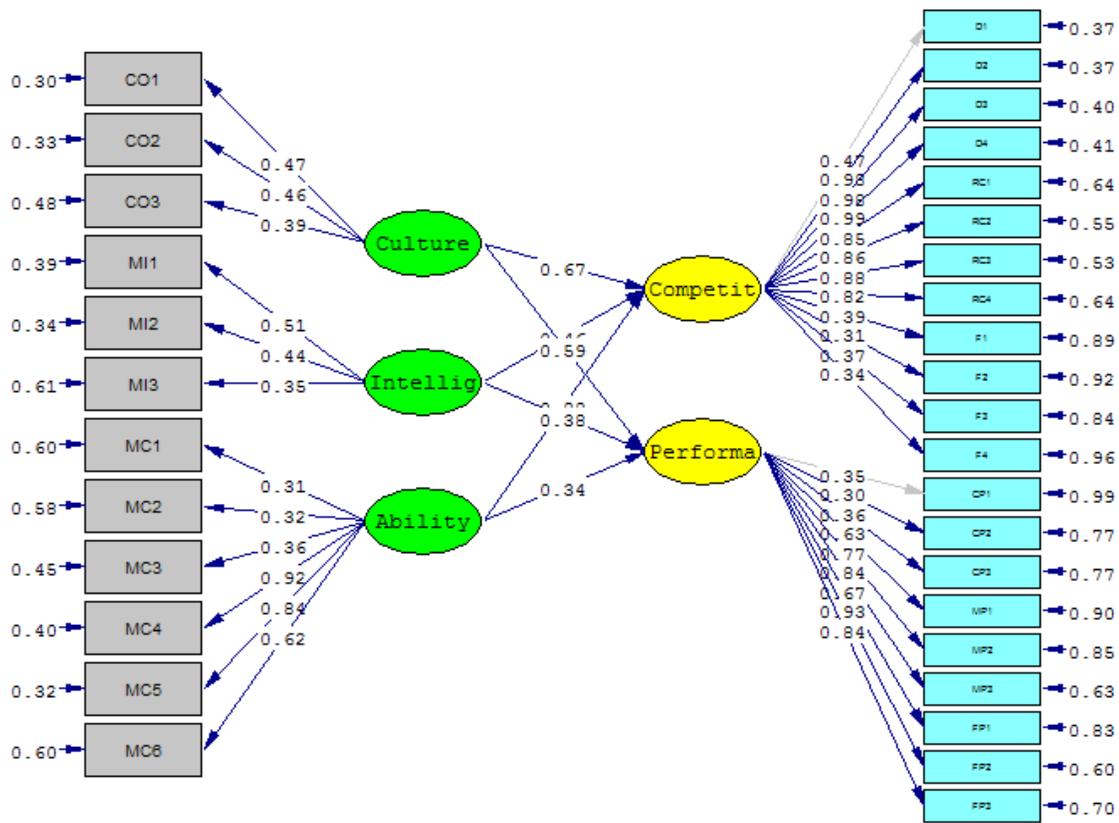


Diagram 2: Modified Model for Significance (t-value)

**Table 2:** The Results of the Study Hypotheses

	Direction	Path coefficient	T	Result
The main hypothesis of research	Marketing Capabilities-à Competitive Strategy	0.38	4.48	confirmation
	Marketing Capabilities-à Business Performance	0.52	3.86	confirmation
	Competitive Strategy -à Business Performance	0.34	4.73	confirmation



**Diagram 3:** Modified Model for Standard Coefficient Estimation

Huawei Company. Based on results obtained from **Table 1**, t value for this parameter was estimated at 4.48 which was bigger than 1.96, and given the positive path coefficient (0.38) we can say that H1 is supported with 95% certainty ie the effect of market orientation capabilities on competitive strategies for Iranian Service of Huawei Company is positive and significant.

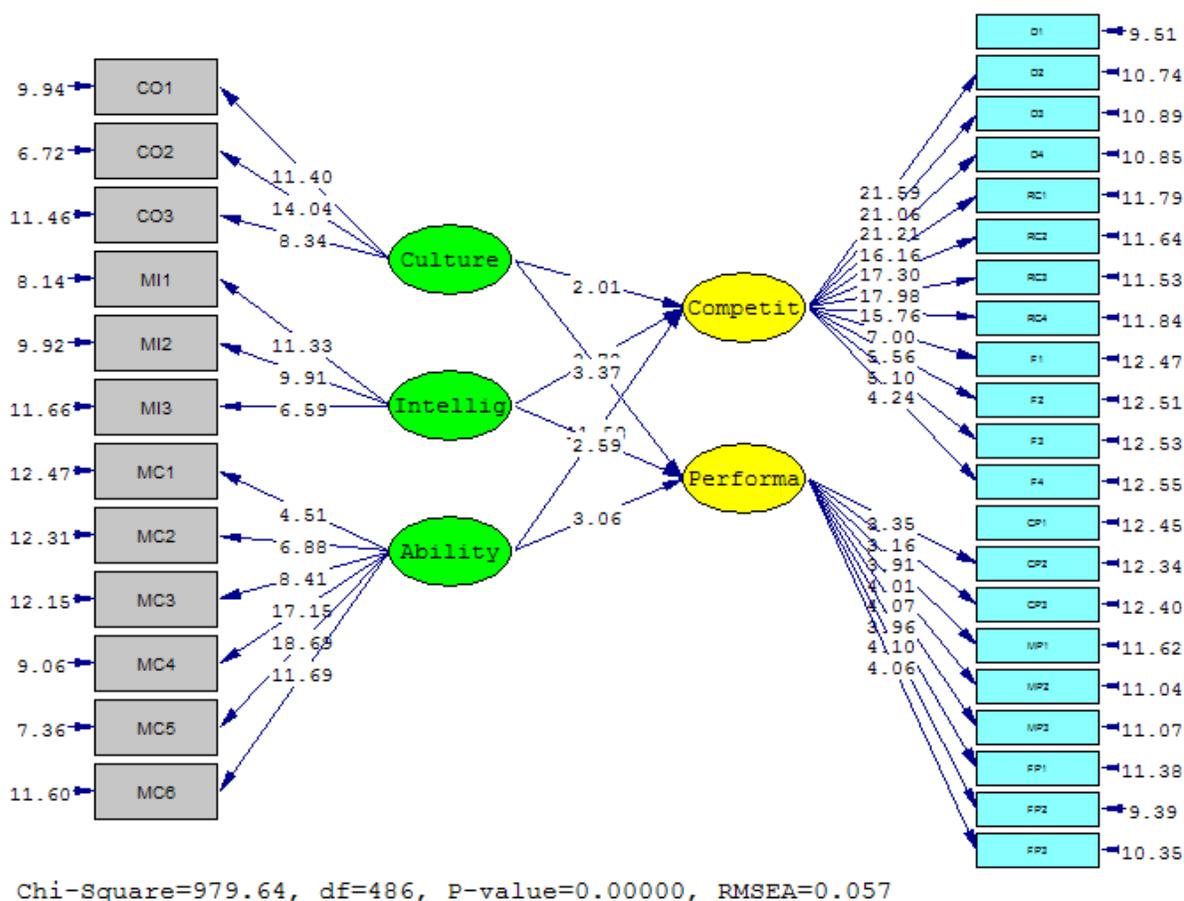
Second main hypothesis was that market orientation capabilities affect business performance in Iranian Service of Huawei

Company. Thus, based on results obtained from **Table 1**, t value for this parameter was estimated at 3.86 which was bigger than 1.96, and given positive path coefficient (0.52) it can be said that H1 is supported with 95% certainty ie market orientation capabilities has positive and significant effect on business performance of Iranian Service of Huawei Company.

Third main hypothesis was that competitive strategies affect business performance in Iranian Service of Huawei Company. Based on

**Table 3:** The Results of the Study Sub Hypotheses

	Direction	Path coefficient	T	Result
The Sub hypotheses of research	Culture Orientation -à Competitive Strategy	0.67	2.01	confirmation
	Market Intelligence -à Competitive Strategy	0.46	3.72	confirmation
	Marketing Capability -à Competitive Strategy	0.88	11.58	confirmation
	Culture Orientation -à Business Performance	0.59	3.37	
	Market Intelligence -à Business Performance	0.38	2.59	
	Marketing Capability -à Business Performance	0.34	3.06	



**Diagram 4:** Modified Model for Significance (t-value)

results obtained from **Table 1**, t value for this parameter was 4.73 which was bigger than 1.96 and given the positive path coefficient (0.34) it can be said that H1 is supported with 95% certainty ie the effect of competitive strategies on business performance in the Iranian Service of Huawei Company is significant and positive.

Result of studies have shown that market orientation has led to improved performance with many positive effects on customer's satisfaction, honesty and motivation, staff satisfaction and companies competitive advantage (Schalk and Golaxon, 2008). On the other hand, to be superior to rivals, attract and maintain customers, companies had to improve their own market orientation capabilities. Because today customer is viewed as the key factor, the orientation of all targets, strategies and sources concentrates on customer. For companies caring about maintaining and expanding their competitive position in the market, it is a strategic challenge to maintain and boost customers' loyalty. Thus, customers' loyalty is considered a good criterion for proper performance in business, and it is urgent for economic agencies to know and predict customers' needs in order to achieve competitive advantage and market allocation.

Research records showed that direct variables of interest in this study have not been considered separately or as independent variables. But history shows that there have been studies on variables of this study and other variables all working to improve organization performance, that can be Divandari et al (2008), Sabramanian (2010), Merlo and Ahe (2009), Shalk and Godlagson (2008), Kim (2003), Zohdei et al (2012), and Dolat Abadei et al (2015) Cited. The results are listed in the continuation of studies and in this study, like previous studies, relationships between variables are positive and significant for the study are confirmed

Companies with high market orientation achieve higher trade performance because they have a better understanding of expressed and hidden needs of customers, rivals' strategies

and capabilities, needs and changes in the market environment. By obtaining customers and rival's information, sharing of information in the organization and using this information in revising marketing strategies, market oriented companies increase market share and sale and increase long term productivity and customer satisfaction as well as employees' motivation.

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