

Introducing the Relationship of Marketing Strategy and Sustainable competitive Advantage on Performance (Case Study of Iran Central Iron ore Company)

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ABSTRACT : This study tries to analyze relationship between marketing strategy and sustainable competitive advantage with performance. The objectives of this research is to analyze relationship between the following components: sustainable competitive advantage and marketing strategy, the company marketing strategy and image of organization, organization marketing strategy and application of the value of brand, image of organization and application of specific value of brand, and organization image on organization performance. The type of study is survey research. Population of the study contains the entire managers of Iran Central Iron ore Company. The tools of this study contain the standard questionnaire. The data was collected and analyzed using SPSS and LISERL software. Data analysis showed that variables of sustainable competitive advantage influenced marketing strategy, the company marketing strategy affected the image of organization, organization marketing strategy was influential on application of the value of brand, image of organization impacted the application of specific value of brand, and organization image had a significant influence on organization

Keywords: sustainable competitive advantage, marketing strategy, organizational performance

INTRODUCTION

A company or organization to reach at macro purposes and marketing purposes needs marketing planning that one of the most important outputs of this process is formulating marketing strategy. Correct application of marketing strategies is the final section that guarantees the company achievement in marketing (Mamdohi and Saied Hashemi, 2008, p. 119).

The main Canon of marketing strategy is appropriate allocation and coordinating activities and marketing resources to supply the company performance purposes with respect to a specific market-product. A good strategy that is composed of five components of territory, general purposes and performance objectives, allocating resources, introducing competitive advantages and synergy can effectively influence on performance (Valkero et al, 2003).

Marketing strategy is the most important determining principle that each company uses it to organize and allocate its resources in order to make more profit of costumers that in fact more specific contents and parameters are determined from the market. Akar (2009) believes that marketing strategy consists of different functional strategies including global, distributing, pricing and stabilizing the position strategies. In every successful marketing strategy it is necessary to use sustainable competitive advantage in designing and application (Akar, 2009). Marketing strategy should cooperate with the company perspective; otherwise it restricts the concentration of the company and even causes the company to be divided. Growing marketing strategy requires principle evaluation of the company and market. The selected strategy should be the best selection to help the company assets for

following the market objectives (Hon Kim, pp. 1-2). When the rate of competition is intensified, the result of company behavior is not definite and became randomly, because behaviors are affected by activities and considerations by rivals. When there is a little competition the current systems can continue their activities and approximately most of the events and factors are clear and predictable. But when there is an intensive competition, companies have to coordinate with conditions and do dangerous activities which they require learning and introducing the expensive competitions and advertisements of rivals. Strategies are totally affected by environment and intensive competition as an environmental factor has a great influence on successful application of strategies and affects the organizational performance (Des and Berd, 2000).

Sustainable competitive advantage has a main effect in the long term achievement of companies. Today theorists believe that organizations in order to be immune from the great environmental changes and compatibility with competitive requirements have no alternative except sustainable competitive advantage (Rechensin, 2006). Generally, the competitive advantage shows that institutions have better commercial performance than their rivals in the same industrial area using their assets and capabilities (Lee et al, 2010). A company achieves in a sustainable competitive advantage when provides a unique and valuable strategy that potential and dynamic rivals are not able to create it (Amini et al (2012, p. 193). In other words, sustainable competitive advantage is the long term interest of creating the unique valuable strategy. To achieve in competitive advantage companies should create strategies that use domestic strong aspect and foreign opportunities to avoid foreign threats and domestic weaknesses (Kim et al, 2001, p. 1). Understanding the issue that which resources and behaviors result in sustainable competitive advantage is the main subject of marketing strategy. Competitive advantage can be achieved in the result of applying one criterion making strategy that is not used at the same time by other companies, or through better application of one strategy that can be used by better application of one strategy that is used by other rivals. Therefore, inability of the other countries to copy the advantages of this strategy results in sustainability of the competitive advantage (ibid, p.2).

Close relationship between marketing strategies and competitive advantage are considered as preconditions for business performance achievement (Rai and Mehra, 2013). In the present conditions of development and growing steelmaking technology in the Iran and other countries it is possible to help Iran's economy respecting resistance against domination of foreign economy and saving exchange costs caused by importing steel products. As ironstone is one of the main primary materials of steel production and the numbers of ironstone customers are rare, therefore, marketing is very important for ironstone mines. According to the relative advantage of our country in producing ironstone introducing the problems of this industry in marketing can increase production of the product to help the economical achievement in the country.

This study shows that how marketing strategy and competitive advantage influence on organizational performance. Now, the main problem is that what is relationship between marketing strategy and sustainable competitive advantage on performance of Iran Central Iron ore Company?

Theoretical Principles and Review of related Literature

Marketing strategy; marketing strategies are instruments that their development objectives will be achieved. These strategies are related to this question that how such objectives can be applied. Marketing design achievement depends on marketing achievement efficiency. This strategy can be determined for each mixed marketing element (Har, 2003). In fact marketing strategies contains different variables that company can control them or match itself with uncontrollable variables to reach at its purposes appropriately. Those groups of variables that are controllable are related to possibilities and domestic authorities of the company and the other groups that are not controllable are environmental variables including demand, competitive forces, distribution structure, marketing laws, non-marketing prices. The controllable variables of marketing strategy consist of product, price, place, distribution, personnel, assets, physical possibilities and process (Ang, 2001).

Sustainable competitive advantage: Jacobson (1988) and Porter (1990) consider sustainable competitive advantage as an advantage that lasts for a relatedly long period. Sustainable competitive advantage is considered as a better market situation that whether provides greater value for customer (Nadio, 2010) or relatively low expenses and consequently defined and something that dominates on market share and peter financial performance (Veravardna, 2004). Such advantage should used features of sustainability, uniqueness and importance (Lee and Hesich, 2010, p. 165). Based on the resources based view, sustainable competitive advantage is the basis of saving basic capacities of the company (Baij et al, 2004, p. 517).

Organizational performance: organizational performance is an index that measures the quality of an organization access to its objectives. Organizational performance can be measured through efficiency and effectiveness of achieved objectives of organization. In fact organizational performance determined effectiveness of profiting objectives and measure efficiency of achieving them. Recently these two concepts are applied in

organizational discussions that are equal to the principles of organizational performance. Shermer Horn et al (2002) in this issue states that performance refers to quantity and quality of the work of people and groups (Hoo, 2008, p. 112).

Literature review

With respect to understanding the importance of marketing strategies and sustainable competitive advantage and their sensitive impacts on increasing organizational performance and profitability of companies in the last recent years received much attention. Such attention is posed in the form of domestic and foreign researches that they are discussed below:

Dehdashti Shahrokh and Porhosaini (2013) performed a research entitled as "offering the pattern of the impact of marketing and sale strategy on sale performance". Findings of the study shows that sale and marketing strategies are related to sale performance positively and significantly and transformational leadership, intensity of competition and technological developments have different adjusting impacts on this relationship. The effect of demand uncertainty on the relationship between sale and strategy and sale performance was not approved.

Ghasemi et al (2010) established a model entitled as "Models of coordination between international marketing strategy with the environmental aspects of international marketing organization subsystems and their impact on export performance (the case study of engineering and technical services). Result of the study shoes that two variables of internal and external cooperation and their interactive impact can influence on export performance. Also, result of the study shows that the impact of internal cooperation on exportation performance is more than external cooperation. The quantitative model of the research that is the result of multivariable regression using step by step method shows that the share of internal cooperation variable in anticipating companies' expert performance is 0.225, but share of external cooperation variable was 0.162 that itself approves the more impact of internal cooperation variable on companies export performance.

Mamdouhi and Hashemi (2008) performed a research entitled as "Barriers to implementing marketing strategies: providing a classification and ranking for Iran Khodro Company" result of the study shows that among the eight categories the category of management barriers receives the most importance. Then the class of structural barriers is in the second grade and classes cultural barriers, perception, strategic, performance, human resources are classified in the next stages. It means that in the Iran Khodraow company shortage of resources are not considered as an obstacle for applying marketing strategies and in this view the company has no limitation, but composes the other classes of the main barriers.

Deh Yadegari et al (2005) established a study entitled as "The relationship between competitive advantage dimensions and Iranian exports performance in companies that are exporter of decorative stone." Result of analysis approves that 1. Though companies of exporting decorative stones are suitable in quality dimension, but in other dimensions of competitive advantage (respecting efficiency, innovation, and responsiveness to customers) are in a lower level and 2. There is a positive significant relationship between competitive advantage and import performance of exporting companies of decorative stones.

Rhee and Mehra(2013) performed a study entitled as "Aligning operations, marketing and competitive strategies to enhance performance: An empirical test in the retail banking industry". Findings of the study showed that competitive strategy adjusts relationship between marketing strategic activities and organizational performance. Also, findings of study show that competitive strategy adjusts relationship between performance and marketing strategic activities and organizational performance. Also ensured integrated strategic decisions of performance and marketing functions has a main effect on organizational performance and performance of retail banks in one different strategic group depends on strategic fitness quality.

Hoon Kim et al (2011) established a study entitled as "Effective employment brand equity through sustainable competitive advantage, marketing strategy, and corporate image." In this article the method of marketing management that is related to marketing employment in hospital industries shows that sustainable competitive advantage of hospital, marketing strategy and using the specific value of brand causes influence on intention of physicians for following job positions. Vikash Naido (2010) in Australia performed from among a company survival the impact of marketing, marketing innovation and business strategy. This research emphasizes on small production establishments in China and looks to see whether marketing innovation can be occurred by resisting against challenges that occur in the current economical conditions. And helps improving the mixed marketing?

Dependent variable in this study is performance and influential variables containing marketing trend, marketing innovation and competitive advantage. Findings of this study shows that small and large Chinese producing institutions that develop competitive advantage and preserves it and would have more survival possibility and marketing innovation through leadership strategies of cost and distinction helps preservation of development

and competitive advantage. As well, when small and average producers in China are competitive and have good aliening capabilities, marketing innovation capabilities will be improved.

Another study by Shang Lee and Chi Chang Hsieh in Taiwan in (2010) was established about analyzing the relationship between entrepreneurship, marketing capability, innovative capability and sustainable competitive advantage. Findings of this study show that,

Entrepreneurship respectively affects on marketing capacity, innovative capability directly and through marketing and innovation capability directly impacts on sustainable competitive advantage, and

Though marketing capability did not affect on sustainable competitive advantage, but through innovative capability indirectly influences on sustainable competitive advantage, on the other hand innovative capability directly influences on sustainable competitive advantage.

In 2004 Weerawardena, and O’Cass established a research paper and studied characteristics of the market-driven firms and antecedents to sustained competitive advantage. In this study ability of market based companies than extraordinary performance of their rivals and effect of capability of market based learning in the competitive strategy based on innovation on competitive advantage was studied. Result shows that one main factor in sustainable competitive advantage is entrepreneurship, but capability of market based learning result in a high degree of innovation and marketing capability enables sustainable advantage.

Conceptual Model of the Study

The conceptual model of the present study is the result of studying theoretical principles of the research and research field background and introducing the current models about research is like Hoon Kim et al (2011) model that that dimensions and indexes of the model analyzed and relationship between marketing strategy and sustainable competitive advantage on performance was elicited and by modifying the current indexes considerable points were paid attention and then model indexes were selected. Selected dimesions and indexes were analyzed by consultant professor of the study and in the view of them were accepted to be considered as dimensions and indexes of the model.

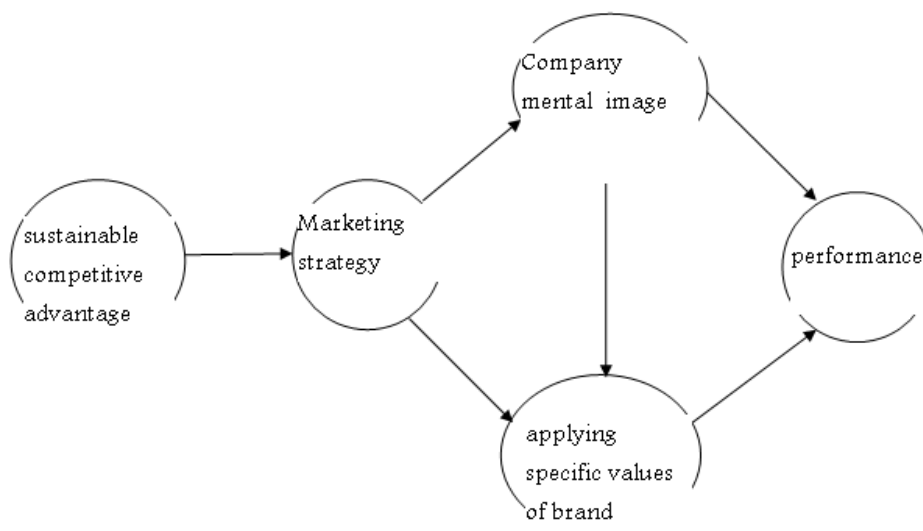


Figure 1. research conceptual model (adopted from Hoom Kin et al Model (2011)

METHODOLOGY

This research respecting classification is based on objective among applied studies and respecting method is one of the descriptive-correlative studies. Population of this study is the entire managers of Iran Central Iron ore Company that are 264 individuals that using Cochran formula 263 individuals were estimated. In this study the researcher used consensus method not sampling method. Therefore, the size of sample is equal to population. For this reason, researcher distributed 264 questionnaires which 256 questionnaire were collected. The tool for data collection was questionnaire. After measuring reliability in this study, the questionnaire was distributed among managers and then it was collected. Also using Alfa Chronbach stability of the questionnaire was calculated and the average of Alfa Chronbach was 0.847 and as this value is greater than 0.7, then the questionnaire stability was

approved. Statistical analysis in this study was in two forms of descriptive analysis and inferential analysis and to analyze data LISREL and SPSS software were used.

Research hypotheses

- Sustainable competitive advantage has a positive effect on marketing strategy.
- Marketing strategy has a positive on organization mental image.
- Marketing strategy has a positive effect on applying the specific value of the brand.
- Mental image of organization has a positive effect on applying the specific value of the brand.
- Mental image of organization has a positive effect on performance.
- Applying specific value of brand has a positive effect on performance.

RESULT ANALYSIS AND FINDINGS

Features of respondents society: the general features of respondents society is summarized in table 3:

Table 1. general features of respondents features

	Frequency percentage				
Working experience	Between 6 to 10 years 12.1%	Between 11 to 15 years 19.1%	Between 16 to 20 years 14.1%	More than 20 years 47.7%	Without response 7%
Education	AA 16.4%	BA 55.9%	MA 20.3%	Ph.D 2.7%	Without response 4.7%
Gender	Female 6.6%		Mail 93.4%		
Age	between 25 to 35 years old 12.5%	between 36 to 45 years old 55.1%	between 55 to 60 years old 26.6%	Without response 5.9%	

Testing research hypothesis

Structural equation modeling

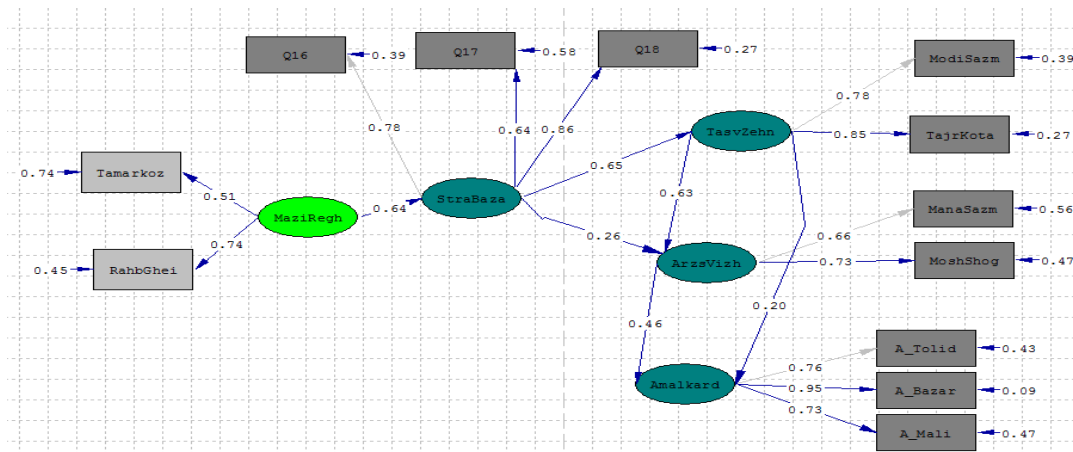


Figure 2. final research model

Other values of the research model are summarized in the following table:

Table2. values of the research model

Concepts relationship to index in the model	Standardized value	Standard error	T value	Determined variance value)R ² (Sig level	Result
1. Sustainable competitive advantage has a positive effect on marketing strategy.	0.64	0.093	6.9	0.41	P<0.01	Hypothesis approved
2. Marketing strategy has a positive on organization mental image.	0.65	0.08	8.12	0.43	P<0.01	Hypothesis approved
Marketing strategy has a positive effect on applying the specific value of the brand.	0.26	0.1	2.53	0.66	P<0.05	Hypothesis approved
Mental image of organization has a positive effect on applying the specific value of the brand.	0.63	0.11	5.77	0.66	P<0.01	Hypothesis approved

The values of estimating the standard of factorial load using maximum likelihood method is calculated and is shown in figure 2. Such values that are called λ are used to estimate the standard of latent variables in the SEM analysis and such values can be compared. In addition the values of estimating standard error shows the rate of error in estimating the row estimation of factorial loads that smaller values shows more precise estimations and lower confidence distance.

T value that is the result of dividing factorial load on standard error represents significance of factorial load. T-value between -1.96 and 1.96 represents lack of significant relationship between latent variables. T

values are equal and grater than 3 which means the significant effect with more than 99% confidence between latent variables. Therefore, as observed in the T column of the upper table with effect of variables on each other more than 99% confidence the hypothesis is approved.

Fitting model

Fitting model means that matrix of variance covariance or matrix of anticipated variance-covariance by model should be values that are close to each other or they should be fitted. To the extent that our values in the matrix are close to each other the model will have higher fitting and in structural equation modeling we can trust the estimation of the models to have a model with sufficient fitting.

Table 3. final fitting model index or indicator

Result	Value	Accepted domain	Title of index
Model approved	2.57	≤ 3 X ² /df	X ² /df ¹
Model approved	0.0000	RMSEA<0.09	RMSEA ²
Model approved	0.92	GFI>0.9	GFI ³
Model approved	0.87	AGFI>0.85	AGFI
Model approved	0.19	CFI>0.90	CFI ⁴
Model approved	0.91	IFI>0.90	IFI ⁵

The entire indexes of fitting model show that this model has a good fitting. Therefore, we conclude that the research model has high capabilities in measuring the main research variables.

Testing secondary hypotheses of the research

First hypothesis: Sustainable competitive advantage has a positive effect on marketing strategy. Based on the standard estimation between variables of sustainable competitive variable and marketing strategy 0.64 and values of T=6.9, R²=0.41 we conclude that in the p<0.01 level of sig there is a significant relationship

¹Chi square divided to degree of freedom

²Root mean square error of approximation

³Goodness of fit index

⁴Comperation fit index

⁵Incremental fit index

between sustainable competitive advantage and marketing strategy. Result of this study indirectly is in line with the result of studies by Weerawardena & O'Casey (2004).

Second hypothesis: Marketing strategy has a positive on organization mental image.

Based on the standard estimation between variables of marketing strategy and organization mental image 0.65 and values of $T=8.12$, $R^2=0.43$ we conclude that in the $p<0.01$ level of sig there is a significant relationship between marketing strategy and organization mental image. Result of this study indirectly is in line with the result of studies by Hoon Kim (2011) and Mamdohi and Hashemi (2008).

Third hypothesis: Marketing strategy has a positive effect on applying the specific value of the brand. Based on the standard estimation between variables of marketing strategy and applying the specific value of brand 0.26 and values of $T=2.53$, $R^2=0.66$ we conclude that in the $p<0.01$ level of sig there is a significant relationship between marketing strategy and applying the specific value of brand. Result of this study indirectly is in line with the result of studies by Merrah (2013).

Fourth hypothesis: Mental image of organization has a positive effect on applying the specific value of the brand.

Based on the standard estimation between variables of organization mental image and applying the specific value of brand 0.63 and values of $T=5.47$, $R^2=0.66$ we conclude that in the $p<0.01$ level of sig there is a significant relationship between organization mental image and applying the specific value of brand. Result of this study indirectly is in line with the result of studies by Hoon Kim et al(2011).

Fifth hypothesis: Mental image of organization has a positive effect on performance.

Based on the standard estimation between variables of organization mental image and performance 0.2 and values of $T=1.31$, $R^2=0.73$ we conclude that in the $p<0.01$ level of sig there is a significant relationship between organization mental image and performance. Result of this study is not in line with the result of studies by Loeiz Nicolas and moneroserdaran (2011).

Sixth hypothesis: Applying specific value of brand has a positive effect on performance.

Based on the standard estimation between variables of specific value of brand and performance 0.46 and values of $T=2.75$, $R^2=0.73$ we conclude that in the $p<0.01$ level of sig there is a significant relationship between specific value of brand and performance. Result of this study is not in line with the result of studies by Dehdashti Shahrokh and PorHosaini (2013).

Suggestions based on result of the research hypothesis

Based on the result of research hypothesis the following items are suggested

Based on the significant effect of competitive advantage it is suggested to pay attention to the indexes of preparing job developmental position for the entire workers, creating motivation for workers to fill job posts, providing the challenging job for workers and appropriate submitting of responsibilities to workers, paying attention to provisional development of workers, diversity of duties and job activities and also providing specific interests for workers and guiding them to pay attention to training courses.

Based on the significant effect of marketing strategy on organization mental image it is suggested that indexes of attempts to enter new markets, precise planning for developing new products and finally aggressiveness of marketing policies of organization.

Based on the significant effect of organization mental image on applying specific values of brand name, it is suggested that indexes of applying innovation in the company there should be some plans for increasing commitment of managers in the company, adjusting various adjustments with attraction for the targeted society, fame of company in the public mind and attempts for creating positive views in the minds of respondents of the company.

Preparing information about the positive and weak points and strategies of rivals and responding their activities.

Configuration of the entire units of business

Establishing the companies strategies by cooperation of the entire sections

Removing weaknesses related to the communication with customer in the realm of marketing capabilities through resting on customers' ideas, close cooperation with customers and commitment and trusting them in the company

Emphasizing on coordinating between different sections through cooperation of different sections in codification of programs and strategies, equilibrium division of resources between different sections, distributing information of customer experiences between different sections.

Making developing activities effective through strong public relationship, public confidence and distinguishable aspect for the company

Developing and expanding marketing culture in the organization

DISCUSSION AND CONCLUSION

In every company the key to achievement is not just relying on one resource to acquire the advantage, but the best and most successful companies that should consider competitive advantage in different prospective and to use resources for creating competitive advantage. In the direction of creating competitive advantage two points can be contemplated upon: the first point is that in this direction, it is a continuing process that results in excellent performance and competitive advantage of organization. It means that when organization is able to create a sustainable competitive advantage it is valuable for customers and is superior to rivals and in fact it is a deserved performance that results in competition. Second, for complexity of the environment and intensively of competition, the competitive advantage is imitated simply or deemphasizes in the view of customers and should be replaced by new advantages. Accordingly they should look forward to seek their competitive advantages.

The purpose of doing this study was to analyze marketing strategy and sustainable competitive advantage on performance. Result showed that sustainable competitive advantage, marketing strategy, marketing strategy of the company image, marketing strategy on the use of equity, brand equity, brand image of the application, file organization on organizational performance and deployment brand equity has a significant impact on organizational performance. Based on the limited studies about marketing strategies and sustainable competitive advantage on performance it is suggested that other researchers should study dimensions, indexes of the model and they should analyze the ideas of the experts to study the other influential variables on organizational performance.

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