



Impact of business strategies on in selling products increase in private stores in Hamadan Province, Iran

Ashkan Yousefi¹, Ali Dadvand^{2*}

¹MA of Executive Management (EMBA) Strategic Orientation

²PH.D of Marketing Management

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ABSTRACT

Objective: In today's competitive world, companies must have great attention to customers and their needs to gain competitive advantage. **Methodology:** The method used in this research is survey. In this study, sampling size is based on Morgan table which included 50 managers. In this study, to determine the reliability Cronbach's alpha coefficient was used for the research tool for data collection which was questionnaire. **Results:** Descriptive statistics were used to analyze the information including frequency, mean, standard deviation as well as inferential statistics including Pearson correlation test were used to verify hypotheses. **Conclusion:** The results showed that advertising as well as audio advertising have an impact on increasing sales.

1. Introduction

In the global world of business today, marketing activities have become very competitive and enterprises are doing just about anything in order to remain relevant and still meet the ever-dynamic needs of their customers. Studies have shown that, for these enterprises to survive, they must take their marketing very seriously. People are now better educated and the global world of business today is a very dynamic one in order to satisfy the changing needs of customers, you must first know their needs and that is where marketing strategy begins. For an organization to survive in today's competitive market, it has to treat the marketing part of its firm with top priority. The main purpose of any organization's existence is to satisfy needs of its chosen target customers at a profit and keep the business growing. For that to happen, there must be an effective marketing strategy in place, which is why a specific department has been set-aside in almost all firms just to handle the marketing aspect of the firm. A marketing strategy is the result of decisions being made about how a particular product or service will be packaged to its target customers. The word packaged above is used to include how the product is designed, priced, promoted, and distributed to target customers at a profit to the organization. Marketing strategies are used to increase sales, launch new products and generally provide profit for a company (Cyprus, 2010).

Interestingly, the objective for the organization is to tie its marketing promotional efforts into a comprehensive marketing strategy that is carefully designed to attract the desired attention in the marketplace. Some marketing strategies are created for the purpose of capturing a certain segment of the market, but majority of small business strategies are more generic in nature. A marketing strategy combines product development, promotion, distribution, pricing, relationship management and other elements; identifies the firm's marketing goals, and explains how they will be achieved, ideally within a stated timeframe (Ibidunni, 2004). Marketing strategy determines the choice of target market segments, positioning, marketing mix, and allocation of resources. It is most effective when it is an integral component of overall firm strategy, defining how the organization will successfully engage customers, prospects, and competitors in the market arena. Entrepreneurship has been recognized as the main bedrock of any economy. For an economy to develop or improve, that economy's entrepreneurship must of necessity develop as well. It is now widely agreed that the entrepreneur is the prime driver of economic progress they are involved in the production of all the goods and services, they also help increase the economy's revenue, they help reduce the rate of

* Corresponding author: ali.dadvand80@gmail.com

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unemployment in the economy and even train and develop the economy manpower in order to increase productivity. These enterprises operate in different parts of every economy (Achumba, 2000).

In the words of Bhattachary (1999), an entrepreneur is a person with ideas, originality, ingenuity, vision and foresight about what to produce or how best to produce it. The economic growth of any economy depends to a large extent on the continuous growth and development of small and medium scale enterprises, which has been described as the engine of development in any economy. All enterprises involved in one form of business or the other are regarded as entrepreneurial firms that is either the small ones or medium firms or even multinational organizations. This sums up the fact that the development of the economy is largely dependent on the growth and development of such country's entrepreneurial firms.

The concept of marketing Strategy is gradually becoming an essential part of every existing enterprise of today. The concept of strategy is ancient and it comes from Greek word *strategia*, which means art of Army General. Effective Army Generals are needed to win battles and protect territories. Strategic Marketing is defined by Achumba (2000) as a chosen line of action selected by an organization for pursuing a marketing objective. Strategic marketing management can also be viewed as the art of formulating, implementing, and evaluating cross-functional decisions that will enable an organization to achieve its desired objectives. It must be pointed out here that *Marketing* involves activities that provide satisfaction to consumers. It is a matching process. Marketers must recognize and understand consumers' needs and wants and then determine how best to satisfy them. Satisfaction becomes available through the process of exchange in the society. Marketing, with its emphasis on satisfaction, exists because society has needs that must be met and wants that must be satisfied. Thus, the goal of marketing is to facilitate exchange so that satisfaction is increased for all the parties involved (Ibidunni, 2004). Exchange requires two or more individuals or groups that have certain want satisfying products. In order for exchange to come about, each party must want what will be received more than what will be given up; that is, both parties must feel that their total satisfaction will be enhanced as a result of the exchange. The constituent parts of a marketing strategy are based on a thorough and objective understanding of the current situation. They usually include: (i) The scope of the business: (ii) Marketing objectives: (iii) Target segments and positioning: (iv) Marketing mix strategy.

In today's very competitive marketplace, the use of marketing strategy must ensure a consistent approach to offering one's product or service in a way that will outsell that of competitors. However, in our attempt at defining marketing strategy one must also have a well-defined methodology for the day-to-day process of implementing it. It is of little value to have a strategy if we lack either the resources or the expertise to implement it. In the process of creating a marketing strategy, one must consider a number of factors, some of which are more important than others. Because each strategy must address some unique considerations, it is not reasonable to identify 'every' important factor at a generic level. However, many are common to all marketing strategies.

The marketing objectives will focus on how a firm will increase its sales by getting and keeping customers. To explain how to do this, experts talk about how best a firm can package its products and services, how much to charge for them and how to take them to market. A marketing strategy will help the company to tailor its messages and put the right marketing communication mix of marketing approaches in place so that the company can bring its sales and marketing activities together effectively (Pride and Ferrell, 2002).

You begin the creation of your marketing strategy by deciding what the overall objective of your enterprise should be. In general, this falls into one of four categories (Porter, 1998).

- If the market is very attractive and your enterprise is one of the strongest in the industry you will want to invest your best resources in support of your offering.
- If the market is very attractive but your enterprise is one of the weaker ones in the industry you must concentrate on strengthening the enterprise, using your offering as a stepping-stone toward this objective.
- If the market is not especially attractive, but your enterprise is one of the strongest in the industry then an effective marketing and sales effort for your offering will be good for generating near term profits.
- If the market is not especially attractive and your enterprise is one of the weaker ones in the industry you should promote this offering only if it supports a more profitable part of your business (for instance, if this segment completes a product line range) or if it absorbs some of the overhead costs of a more profitable segment. Otherwise, you should determine the most cost-effective way to divest your enterprise of this offering.

Strategic marketing's effect on business performance is rather vague to both academics and managers. Effects of individual strategic marketing factors are unclear since they have not been studied in depth, especially so in particular business environments (Cadogan et al., 2002; Morgan et al., 2002; Hooley et al., 2001). We propose that exploring strategic marketing's business performance requires identifying similarities in contexts and using them to parceling the effects more carefully. The primary objective of this study is to empirically test the relationships, deductible from the literature, on how different marketing resources and orientations effect on firms' financial performance through competitive advantages and market performance. Including both resources and business orientations to our study is justified to end up with a comprehensive illustration of strategic marketing business performance (Proctor, 2000). Country-specific differences, on the other hand, are vital for global companies to acknowledge.

1.1 Review of literature

The role of marketing in explaining firms' business performance has received significant attention throughout the history of the marketing discipline. The need to link marketing with business performance has become more urgent as marketers have been forced to defend the value of their activities and budgets during the current global recession. Over the past two decades, researchers have considerably enhanced conceptual understanding of the role of marketing in enabling firms to create and sustain competitive advantage. Recent advances in the marketing–finance interface have also begun to provide more empirical evidence of the impact of specific marketing activities and different types of marketing-related assets on firms' accounting and financial market performance. As a result, the role of marketing in firms' business performance is much less of a "black box" than has been true in the past.

However, as a discipline, we have often not done a great job of relating our enhanced understanding and growing empirical insight with the theories developed to explain firm performance in strategic management (e.g., Ketchen and Hult, 2011). Yet some of these theories have the potential not only to help make greater sense of the various conceptual and empirical developments in marketing strategy research over the past 25 years for researchers,

managers, and students, but also to inform how such developments can be integrated and provide a roadmap for where we may look next. Synthesizing some of the theories available in strategic management with the insights available in the marketing strategy literature to develop an integrated conceptual framework for linking marketing with business performance is the objective of this paper.

For much of the past three decades, examinations of competitive advantage and the resulting performance differences between firms in strategic management were dominated by the structure-conduct-performance (SCP) paradigm. The SCP paradigm views performance differences among firms in terms of the firm's ability to find or create and exploit market imperfections that reduce the competitive rivalry and resulting price competition faced (e.g., McGahan and Porter, 1997; Porter, 1991). From this perspective, business performance is fundamentally driven by the degree of competition in the marketplaces in which the firm chooses to operate, which in turn is a function of the structural characteristics of those marketplaces. Superior business performance is therefore achieved (1) by investing in markets low in competitive rivalry and (2) through gaining positional advantages within these markets that can be sustained through the creation and exploitation of market imperfections that limit competition (Porter, 1980, 1985). The focus of strategy formation from the SCP perspective therefore centers on industry analysis and market selection (Teece et al., 1997), and this has been reflected in the multiplicity of tools of external analysis developed by strategic marketing academics and consultants.

A firm's capabilities develop when individuals and groups within the organization apply their knowledge and skills to acquire, combine, and transform available resources in ways that contribute to achieving the firm's strategic goals (e.g., Mahoney and Pandian, 1992; Teece et al., 1997). Capabilities, therefore, involve complex coordinated patterns of skills and knowledge that become embedded as organizational routines over time (Grant, 1996; Winter, 2000) and are distinguished from other organizational processes by being performed well relative to rivals (Bingham et al., 2007; Ethiraj et al., 2005). These capabilities are dynamic when they enable the firm to implement new strategies to reflect changing market conditions by modifying the resources available to the firm and/or combining and transforming available resources in new and different ways (e.g., Teece et al., 1997).

Recent strategic management explanations of firm performance therefore indicate that while valuable, rare, inimitable, and non-substitutable resources may be beneficial to the firms that possess them, firms also require complementary capabilities in order to deploy available resources in ways that match the dynamic market conditions they face to drive business performance over time (e.g., Helfat and Raubitschek, 2000; Teece et al., 1997). Some DC theorists have even suggested that such capabilities may be more valuable and have stronger inimitability and non-substitutability characteristics—and therefore a stronger relationship with business performance over time—than firms' resource endowments (e.g., Collis, 1995; Henderson and Cockburn, 1996). Nonetheless, DC theory extensions to the RBV indicate that both resources and capabilities are important in explaining inter-firm performance variations, and that resources and capabilities also interact with one another in determining firm performance outcomes (e.g., Helfat, 1997; Henderson and Cockburn, 1996; Teece et al., 1997).

2. Materials and methods

This section outlines the survey activities such as: the study population, data collection, sample size, reliability and validity of the questionnaire, data collection and study the research temporal and spatial scope, methodology, and so on. The method used in this research is descriptive statistics. The method used in this research is survey.

This research is a survey in the sense that the information about people and their thinking method is gathered and some questions about themselves were asked. In survey research, collecting this type of information is asked and it is used to understand more clearly the issues raised by frequency and frequency percentage with the help of tables and graphs.

2.1 Statistical population

The society is a combination of all cases that apply certain characteristics. The specific nature of society depends on the research question. Researchers examine consumer behavior in a particular city. Society is called to all households in the city which according to collected statistics they included all business leaders in the city of Hamedan which are 50 company managers who work in the city of Hamedan, Iran. A sample from the population is called a unit member. Sample units have usually numerous features that one or more of them are related to the research. In this study, sampling size is based on Morgan table which included 50 managers.

2.2 Sampling and data collection tools

In this study, a simple random sampling has been done. In this survey study, the views of the staff are used (questionnaire, business strategy, and innovation). In the polls, the relationship between independent variables such as gender, age and education with the dependent variable is measured and the chi-square is used to calculate the level of significance. Reliable results (at a significance level of 95 % and above) are reported.

2.3 The reliability and validity of the data collection tool

There are different methods to determine the reliability. In this study, to determine the reliability Cronbach's alpha coefficient was used. This method is used for calculating the internal consistency of measurement tools such as the questionnaires or tests that measure different features. In such tools, the answer of each question can be given different numerical values. To calculate Cronbach's alpha coefficient first, the variance of scores on each subscale questionnaire should be measured. Then, using the corresponding formula, the coefficient alpha can be calculated.

The internal validity of this study was calculated using the following formula:

$$\alpha = \frac{k}{k-1} \left(1 - \frac{\sum s_i^2}{s_x^2} \right) \quad (1)$$

α : Cronbach's alpha

k : Number of questionnaire item

S_i : The variance related to i^{th} question

S_x : Total variance of the test

2.4 Questionnaire Validity

To assess the validity of the questionnaire, content and face validity were used, content validity ensure that it includes a range of sufficient scale and example to use the concept. The more cases represent the measured conceptual domains, the more content validity. Regarding face validity, it implies that to what extent test Questions are superficially similar to topic they are made to measure. In order to determine the validity of the study, the questionnaires were given to professors and advisors and after receiving their comments the necessary reform was implemented in the questionnaires.

2.5 Data Analysis

Descriptive statistics were used to analyze the information including frequency, mean, standard deviation as well as inferential statistics including Pearson correlation test were used to verify hypotheses.

3. Discussion and results

The findings include the followings:

- A. Descriptive statistics: In this section, the statistical items like frequency, cumulative frequency percentage, mean, standard deviation, variance, statistical tables and charts have been used.
- B. Inferential statistics: In the second part, t-test and independent t test was used.

A) Descriptive statistics:

22 patients (44%) among the respondents were female and 27 (54%) of them were male (the majority of respondents were male). The gender of 1 patient (2%) was not detected. The table related to gender is presented below,

Table 1: Gender

Row	Options	Frequency	Percent
1	Female	22	44
2	Man	27	54
3	unanswered	1	2
Total		50	100

27 patients (54%) among respondents were 20 – 30 years old; 14 of them (28%) were less than 20 years, 5 patients (10%) were 30 – 40 years old; and 3 patients (6%) were 40 – 50 years old. The age of 1 patient (2%) was not detected.

Table 2. Age

Row	Options	Frequency	Percent	Cumulative frequency percent
1	Less than 20 years	14	28	28
2	30-20 years	27	54	82
3	40-30 years	5	10	92
4	50-40 years	5	6	98
5	unanswered	1	2	100
Total		50	100	

16 patients (32%) among the respondents were below diploma, and 14 of them (28%) were diploma; 10 of them (20%) had bachelor degree; and 9 patients (18%) were illiterate. Education level of 1 patient (2%) was not detected.

Table 3. Education level of respondents

Row	Options	Frequency	Percent
1	Below diploma	9	18
2	Diploma	16	32
3	Associate Degree	14	28
4	bachelor	10	20
5	unanswered	1	2
Total		50	100

B) Inferential statistics:

Overview advertising media used in chain stores in the respondents' perspective is presented in table 4.

Table 4. Status advertising media from the perspective of the respondents

Description	Type of advertising medium	Average	Standard deviation	Variance
All respondents	Audio	4.32	0.760	0.578
	Visual	3.51	0.445	0.198
	Spoken	3.26	0.840	0.706
	Traditional	3.27	0.779	0.779
	Modern	3.27	0.674	0.454
Women	Audio	4.43	0.603	0.363
	Visual	3.59	0.457	0.209
	Spoken	3.34	0.917	0.824
	Traditional	3.32	0.739	0.546
	Modern	3.24	0.620	0.385
Men	Audio	4.24	0.879	0.774
	Visual	3.42	0.424	0.180
	Spoken	3.16	0.784	0.615
	Traditional	3.22	0.832	0.693
	Modern	3.28	0.733	0.537

In the respondents' perspective, it is clear that all advertising media are effective in increasing sales. In the meantime, in comparison to the other media are more important. This is also important from the perspective of women and men so that the mean for Audio advertising media is obtained 4.43 and 4.24, respectively.

Table 5. Results of the survey for the main hypothesis

The average observed	Expected average	Standard deviation	Degrees of freedom (df)	T-statistic	Significant (sig.)
3.46	3	0.365	49	8.942	0.000

The t-test significant level was less than 5% (p-value <0.05). In the other words, since the observed mean is obtained 3.46, it has a significant difference with expected average which is 3. So, this means that the null hypothesis is rejected confirmed by the assumption of a. As a result, advertising has an impact on increasing sales.

Table 6. Results of the first hypothesis

The average observed	Expected average	Standard deviation	Degrees of freedom (df)	T-statistic	Significant (sig.)
4.32	3	0.760	49	12.337	0.000

The t-test significant level was less than 5% (p-value <0.05). In the other words, since the observed mean is obtained 4.32, it has a significant difference with expected average which is 3. So, this means that the null hypothesis is rejected confirmed by the assumption of a. As a result, audio advertising has an impact on increasing sales.

4. Conclusion

This One sample t test was less than 5% (p-value <0.05). On other words, since the observed mean is obtained 3.46, it has a significant difference with the expected average which is 3. So, this means that the null hypothesis is rejected and the hypothesis is confirmed. As a result, advertising has an impact on increasing sales. It was found that advertising can have an impact on the increase in sales; therefore, due to consistency of the above hypothesis with studies of other researchers, it follows the mentioned hypothesis which is accredited by researcher.

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4.1 Recommendations

A) Research proposals

1. Due to lack of proper implementation of employee performance evaluation system, the system to replace the previous system seems necessary;
2. The implementation of the performance management process;
3. For proper implementation of employee performance evaluation process, evaluate the performance of managers is essential;
4. Choosing inspection missions to control the implementation of the performance appraisal process;
5. Awareness of employees about the indicators of the performance evaluation process;
6. Giving feedback to staff for continuous improvement of business operations and organizational unit;
7. The implementation of efficient and effective reward system;
8. Involvement of employees in the preparation of performance evaluation indicators;
9. Proper and optimal use of employee performance evaluation results in the continuous improvement of employee performance and develops organizational goals.

B) Suggestions for future research:

1. The use of varied materials with the exception of questionnaires in future studies;
2. The use of other related variables such as job motivation, job satisfaction and organizational conflict among staff;
3. Replacing or modifying some newer research hypotheses;
4. The evaluation and re-attitude toward the hypotheses, that this study proves their significance.

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