

The Effect of Marketing Strategy on Maximizing the Performance of an Organization: Sustainable Competitive Advantage as a Mediate Variable: Empirical Study on Small and Medium Companies in Jordan

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Abstract

The aim of this study is for finding the effect of marketing strategy on maximizing the organization performance where the sustainable of competitive advantage as a mediate variable, the study was applied on the small and medium size companies in the capital of Jordan Amman, the sample was the higher managerial employees and the middle managerial, and there were 173 surveys distributed the likert scale was used in this study.

The finding of the study clarify the direct effect of marketing strategy by using (geographic expansion, choose-market, the new market strategy) on maximizing the organizational performance over time, also by Applying the component of the marketing strategies right led to sustainable competitive advantage and to differentiate your company than competitors.

Keywords: Marketing Strategy, Performance, Competitive Advantage, organization, Jordan.

INTRODUCTION

This study emphasizes the importance of the effective use of marketing strategy to maximize the performance of an organization and to improve strategies for a sustainable competitive advantage. A set of results will be introduced in this paper, along with recommendations to enrich the subject. The study will also identify with all the obstacles hindering the implementation of information management systems within small and medium companies in Jordan.

The study is expected to subsidy the following categories:

1. The nature of work in small and medium corporations in Jordan; this helps identifying

- marketing strategy,
2. Managers; whether the development of policies could help advance the effective usage of information management systems or not,
 3. Researchers can perceive full results; so as to identify them, and help them develop in other variables related to the study.

LITERATURE REVIEW

Marketing Strategy is a plan intended to benefit the modern market and a means to attract consumers. It is likewise known as the procedure which allows the facility to operate its limited the occasion to increase sales and to reach a competitive advantage opportunities.

Competitive Advantages the initiative which differentiates an organization from another in accordance with increased profitability. It is likewise known as the advantage that a company has over its rivals, prompting an increase in sales, and thus, retaining more clients than them. There are many types of competitive advantages, such as the company's cost structure, its products, a distribution network, and customer service.

Performance is the attained level of success, and the ability to act accordingly to the needs of certain situations. Performance is essential in the field of Human Resources (HR) so as to assist the rest of its management personnel, and to efficiently complete as many of its activities as possible at the same time. This is where the director of HR management activities (in terms of each individual within the organization) plays a dual role as a president and a subordinate at the same time, in order to be able to assess performance. This concept is applicable to all employees within the organization, provided that the manager allocates the work to his subordinates, in addition to the mandate associated with his subordinates.

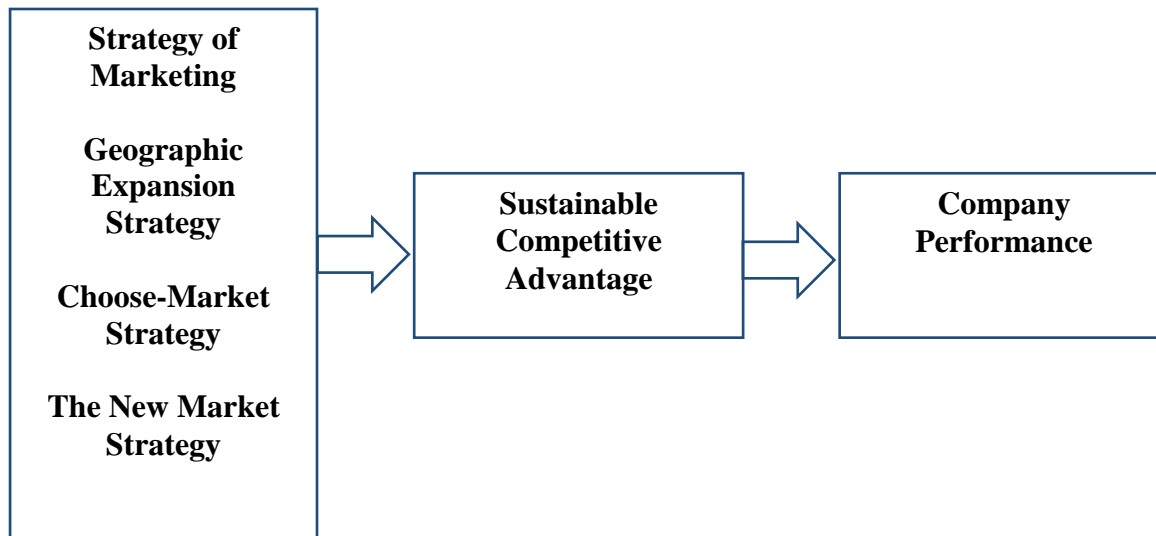
Geographic Expansion Strategy is the effect carried out by the environment of a city at which a company is located. Any advertising concerning certain products outside the geographical scope is deemed a waste to the marketing budget.

Choose-Market Strategy is the aspect which is concerned with clients' attempts to retail merchandise throughout targeted direct marketing in efforts to sell. Identifying the targeted market is the first step in determining the marketing operations schemes.

The New Market Strategy is a plan which attempts to produce high-quality products in comparison with the already-existing products in the market, as well as to improve the said products in the future.

VARIABLES OF THE STUDY

Independent variables and subsidiaries could be identified through the following form:



(Janet et al., 2011), (Albaum and David, 2001), (Kumar et al., 2011), (Bendekovic et al., 2014)

HYPOTHESES

- **H01:** There isn't a noteworthy outcome concerning Marketing Strategy and Performance.
- **H01.1:** There isn't a noteworthy outcome concerning Geographic Expansion Strategy and Performance within small and medium companies in Jordan.
- **H01.2:** There isn't a noteworthy outcome concerning Choose-Market Strategy and Performance within small and medium companies in Jordan.
- **H01.3:** There isn't a noteworthy outcome concerning The New Market Strategy and Performance within small and medium companies in Jordan.
- **H02:** There isn't a noteworthy outcome concerning Marketing Strategy and Sustainable Competitive Advantage within small and medium companies in Jordan.

THEATRICAL BACKGROUND

Kumar's study (Kumar et al., 2011), titled, "*Is Market Orientation a Source of Sustainable Competitive Advantage or Simply the Cost of Competing?*" uses the data which collected responses from (261) senior managers regarding the market orientation of their companies, in addition to the impartial performance standards, so as to examine the impact of market orientation on performance during the nine years between 1997 and 2005. The analysis

revealed that market orientation has a positive effect on business performance on both short and long terms. However, the unceasing feature affects business performance if a trend of the market is produced by larger companies, even if they were still early in development. These companies will also acquire more sales - and thus, more profit – than companies that delayed the development of these trends. Companies that embrace the market orientation concept have also realized that it is an enriching advantage for sales and profits. Market orientation in this case is more outstanding when it comes to the company's profit from the sales, because it focuses its efforts on while bearing in mind the welfare of the customers, rather than focusing all their efforts on the acquisition. Environmental turmoil and the intensity of competition regulate the main effect of market orientation on business performance, but these effects were of greater regulations during the '90s than they were throughout the '00s.

Janet's study (Janet et al, 2011), titled, "*Market Orientation and Performance of Export Ventures: The Process through Marketing Capabilities and Competitive Advantages.*" focuses on the internal process of the market orientation, which affects the performance of exporting markets, and the improvement of the market orientation and capabilities. Using the data collected regarding the exporting process of (491) companies in China, it has been found that the marketing capabilities facilitate the performance of the market-directed relation, while competitive advantages partly facilitated the marketing capabilities in relation with performance. Furthermore, the mechanism of management either reinforces or deteriorates the cost of leadership strategy, the effects of market orientation, and the development of new products, respectively. This eased the impact of market orientation on the ability to develop new products, while competition enhanced this effect.

Bendekovic's study (Bendekovic et al, 2014), titled, "*Importance of Marketing Strategy for Achievement of Competitive Advantage of Croatian Road Transporters.*" did not pay much attention to marketing activities and transportation on Croatian roads, since it was heavily affected by the financial crisis of the economy at the time. Taking into account the European Croatian Union, this led to an increase in competition. There is a clear need to look at resources of competitive advantage for road transportation companies, specifically the possibility to achieve a competitive advantage based on suitable marketing strategies. Therefore, the purpose of this study is to conduct investigate the significance of marketing strategy on Croatian-roads industry and recommend marketing properties strategy, which ought to guarantee the achievement of competitive advantage on the Croatian transportation, and conclude the how transportation providers could improve their level of service.

Albaum and David's study (Albaum and David, 2001), titled, "*Adaptation of International Marketing Strategy Components, Competitive Advantage, and Firm Performance: A Study of Hong Kong Exporters.*" examines how corporations adjust to the

numerous mechanisms of marketing strategies while dealing with overseas markets in comparison with its local one. It also inspects how the change in decisions affects their competitive position and level of performance within overseas markets. The writers believe that adaptation of the marketing mix component is a targeted procedure influenced by companies' newest strategy changes, and questioned the importance of this component on companies' marketing mix success. Authors suggest that the modification procedure will help with deciding the competitive advantage of the company, which will correspondingly affect performance in overseas markets. The study has laid out theories and proposals and tested them through a sample of (183) exporting companies in Hong Kong.

Chuwiruch's study (Chuwiruch et al, 2010), is titled, "*Marketing Innovation Strategy and Marketing Performance: A Conceptual Framework.*" In the era of globalization, companies are facing rapid changes in accordance with the clients' needs and the nature of the markets. In order to improve the competitive advantage and performance, companies need to come up with new strategies to attract more customers. This paper presents innovation and marketing strategy as effective ways to sort out environmental changing aspects. It also refers to the new methods applied on a variety of markets to improve marketing results and increase the performance of marketing strategies. In an interview with the marketing mix, five innovation and marketing strategy dimensions have been presented: internet/marketing and focus (Place/Promotion), relationship/marketing focus (Promotion), orientation/customers whom participated in the process of creation (Product/Price), extended marketing alternative (Product/Price) and the cooperation of marketing concern (Place/Promotion). Innovation and marketing strategy ability to innovate is a dynamic one. The dynamic capabilities hypothesis was used to clarify the connection between marketing innovation strategy and outcome variables, which are: brands, trust and customer loyalty, marketing image, and performance. This paper concludes that the marketing strategy of innovation will help to create a positive commercial movement for companies to increase profits and level of performance, and should be able to confirm this in practice. Finally, the abstract model offers a view on relations between innovation and marketing strategy related to structures.

Saeed's study (Saeed et al., 2012) aimed at finding out how e-marketing affects the performance of business organizations. The study sample consisted of (73) companies in Iran, which produce multiple types of cold drinks; and the researchers selected the following e-marketing dimensions to include: customer relations, marketing research, and distribution channels. They used several statistical methods of examination, which revealed that these variables' level of significance was satisfactory (Medium). Researchers also concluded that the more important variables are: knowledge about rivals, getting new ideas and recommendations for special products, and receiving electronic applications regarding the performance of organizations.

Armesh's study (Armesh et al, 2010) aimed at recognising the effects of each product in the e-marketing value. This includes the quality of electronic services, the efficiency of pricing,

customer service, the ability to modify products, websites, and the level at which the ease-of-use element meets with customers' satisfaction. Researchers gathered data from a sample of (104) electronically intellectuals in Malaysia, who possess the ability to read, write, and use the internet. Results showed that there is a noteworthy relation among the producer/mail standards that covered the elements stated above, in addition to customer satisfaction. They've also shown that there are significant differences between customer loyalty in e-marketing and customer satisfaction.

Mack's study (Mack, Tim, 2002) aimed at raising awareness to the importance of the World Wide Web, which is considered to be the future of marketing and advertising activities. It is quoted that marketing, whether local or regional, could affect countries' local economy. This study was conducted in the United States, since the internet became a primary mean of advertising which cannot be outmatched by any other means. It examines the significance of e-marketing in reducing the size of marketing research budgets and the contact with clients; while contact through the internet has been provided through feedback, the study recommends e-marketing primarily as a way of approaching marketing operations.

Shi's study (Shi, Wenbo, 2002) aimed at identifying the administrative factors which affect the success of e-marketing in the US federal enterprise applications, and discovering the role of evolutionary leadership and strategic planning for websites and the success of these applications which are designed to aid the people. His study suggests that this success is the dependent variable and could be measured based on a number of values and other private system measures. It confirmed the close association between administrative factors and the success of the application of e-marketing in the federal organisations, in addition to recommending an increase of studies related to e-marketing.

Methodology:

The population of this study represented by the Jordanian medium and small size companies in Amman capital of Jordan, where the unit sample was the higher managerial employees and the middle managerial, and there were 173 surveys distributed, the likert scale was used in this study. Stepwise regression analysis was used to examine the effect of the study variables.

Major hypothesis testing result

. The results indicate that there are significant impact of marketing strategy on Organizational Performance where ($R^2 = 0.675$, $p < 0.05$). Hence, the null hypothesis is rejected.

. And for testing the second hypothesis, Simple regression analysis was used. The results concluded that the direct impact to the overall dimensions of marketing strategy were ($\beta = 0.325$), while the impact of competitive advantage were ($\beta = 0.441$), and then the null hypothesis rejected and accept the alternative hypothesis.

Conclusion:

The purpose of this study is to measure the effect of marketing strategy on the organizational performance in the medium and small size companies in the capital of Jordan Amman, where the questioners were distributed and collected 173 questioners and analyzed. The finding of the study clarify the direct effect of marketing strategy by using (geographic expansion, choose-market, the new market strategy) on maximizing the organizational performance over time, also by Applying the component of the marketing strategies right led to sustainable competitive advantage and to differentiate your company than competitors.

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