



Determining the marketing capabilities of small and medium-sized industries for the international market

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Abstract

Today, competition in the current conditions of the export market, forces the organizations to adopt strategies to confront this competition in order to achieve higher export performance, but achieving higher performance is something that some researchers consider as the result of paying head to and this has become more important in manufacturing and service organizations.

The main purpose of this research is to study the international market growth styles based on the ability to create international network studies of automotive industrial companies in the Bam Special Economic Zone. The research method is descriptive survey. The data collection method is in two sections: library and field studies. Given the fact that the size of the statistical society of the industries of automobile industrial park of Bam Special Economic Zone is 1606, the sample size of the desired Morgan table should be at least 210. To analyze the data, Excel software for data recording and data analysis, and SPSS and AMOS statistical software were used to test the hypotheses of the research. The results show that internet marketing capability has a direct and significant effect on access to information, access to information has a direct and significant effect on the international strategy, internet marketing capability has a direct and significant effect on the international pivotal strategy, the international pivotal strategy has a direct and significant effect on the international business, internet marketing capability has a direct and significant effect on the international network capability, the international strategy has a direct and significant effect on the international network capability, the ability of the international network have a direct and significant impact on international business in Bam automotive companies in special economic zone there. Therefore, it is suggested that managers should create structures, processes and new methods for doing business and develop an export strategy in all sectors and enhancing interact among the marketing capabilities and developing the international market, in order to create the value of the market of exporters industries.

Keyword: International Market Growth, International Networking Capability



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1. Introduction

The marketing capability is an evolving technology that facilitates the development of new business relationships and opens up marginal market opportunities for the industry. The impact of marketing capability on an international industry is part of the growing body of knowledge in the international marketing and business literature. Despite the strong interest in the impact of new technologies on internationalization and the potential for reaching foreign customers, there is a lack of understanding and researches related to complex relationship between internationalization of industries and international marketing performance (Mon et al., 2008).

While the potential link between new technologies of marketing capability and export results has been identified, existing research has, in essence, ignored the special role of the Internet in the direction of international marketing and the assessment of new technologies as a guide to international industry performance. Hence, further explanation and understanding to determine whether new technologies have an impact on the growth of the international market and a robust approach to assessing through theoretical resources based on the capabilities of the vision and the theory required..

The extent to which marketing resources and capabilities contribute to the performance of the industry in international markets is still unclear. In addition, while the automotive industry lacks resources, capabilities and knowledge of foreign markets, the Internet may act as a catalyst to overcome these restrictions and stimulate the expansion of the foreign market. Therefore, given the lack of knowledge, the impact of marketing resources and technologies on the growth of the international market of an industry, this can help to overcome barriers to entry into the foreign market and the development of intermediate industries, the main goal of our study is to answer this research question; How and why technology as a source and marketing capability can stimulate the growth of the international automotive market. In order to address this question, we examine a productive approach of how Internet technology influences the functioning of the international market through the theoretical outlook of resources based on a capability perspective.

Source-based perspective, capability perspective and international marketing

A resource-based view resembles a capability perspective, with resources representing a set of tangible and intangible assets, including management skills, organizational processes, information and knowledge. Capabilities are a package of route-related assets arising from deliberate intentional investments intended to create new forms of competitive advantage. The Internet, as a source in the organization, provides the basis for converting specific internet marketing capabilities integrated into international marketing activities and business processes. When an industry is able to combine and absorb Internet technologies and other resources into their own processes and processes, they can use this capability to achieve superior performance as a lever. Internet technology resources, in combination with marketing processes, skills and information, can serve as a framework for development capability. The Internet is a special



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resource, and the industry is integrating technology with marketing activities, such as sales force systems, channel support and management, sales force, competitive intelligence, operational efficiency (eg online customer support) and the development of the international market. (Jane et al., 2010).

Marketing capabilities, along with market information, enhance the awareness of foreign markets, which can reduce the outside commitment of unfamiliar cultural, political and economic environments. The Internet and the capabilities and source of market information have the potential to enable an industry to overcome the lack of knowledge about foreign markets. After that, it may act as a stimulus to start international participation and the organization learning, and may warn managers for opportunities and then the development of the foreign market.

Presenting assumptions and conceptual model

International market growth

The development of the market and the influence of the products of an industry in the market are considered to be the most important growth strategies for the industry, and the growth of the international market has often been adopted as a dependent variable by international marketing researchers. Andersen and Chim (1998) have used resource-based theory to demonstrate that capabilities are good predictors for the growth of the international market.

In the early stages of internationalization, industries has a strong emphasis on international sales growth compared to other financial measures such as profit, as it consists the time to realize any investment or commitment to international growth. Our research focuses on the international industry, which primarily transfers goods and services across the direct or indirect borders, instead of the next step of internationalization. More specifically, measuring the growth of the international market is examined through various types of sales to international customers.

We decided to use the growth of international sales instead of the intensity of exports-the proportion of sales-as an international performance criterion, while the intensity of exports is more beneficial to the development of export-oriented management concepts, which is more appropriate to the macroeconomic implications of exports. The dimensions of market growth have already been applied to international markets, and have recently been used more often in international marketing researches of the Internet. However, studies on the impact of the Internet on the growth of the international market are limited, which is surprising, while the Internet can have an impact on the growth of the industries international market by improving communication and access to market researches. In addition, many studies shows that the Internet has a positive impact on the growth of the international market, but they have not succeeded in empirically testing this relationship.

Availability of information and international strategic orientation

Various international markets are complex and uncertain, and the Internet helps an industry to identify a new customer and distributor, to generate information about market procedure, and



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to track research and technological advances. For example, the Internet gives access to the database of governmental agencies, universities and research centers, increases the availability of information and reduces the perceived risk associated with international market growth strategies. Finally, the Internet reduces the asymmetric information experienced by the industry to support more informed decision making (Pezderka et al., 2012).

International strategic orientation refers to the commitment of the manager and the industry to allocate human and financial resources to provide services to international and market clients, along with recognizing the strategic importance and centrality of international experience, the perception of the discovery and understanding of foreign cultures, and the process of internationalization. International strategic orientation is an individual and organizational capability to scan the international environment, store, absorb, process, respond to complex information and search for unexpected trends that may form a threat or opportunity to achieve organizational goals (Gabrielson, 2011). Online activities play an important role in retrieving information and learning about foreign markets. Through the Internet, industry can find different types of information about the environment and features of foreign markets, as well as access to information about potential partnerships between industry, competitors and customers (Matisen et al., 2010).

A shortage of information in the international market information leads to a higher perceived risk, which negatively affects the international strategic orientation of the industry towards international opportunities. In this way, storing and digitizing information on the Internet will increase the industry's ability to access higher levels of business and international market information and reduce uncertainty in international markets (Wilden et al., 2013). Accordingly, we propose the following hypotheses:

Hypothesis 1: Marketing capabilities have a positive effect on the availability of information.

Hypothesis 2: Increasing the availability of information has a positive relationship with the international strategic orientation of the industry.

Marketing capabilities, international strategic orientation, international networking capabilities and international marketing growth

Our study examines the application of new technologies, including the Internet, to a specific set of marketing capabilities such as advertising and marketing, online sales, after-sales services and market researches. The Internet facilitates efficient communication and the development of internal and external relations, with the increasing frequency of opportunities created, which has a positive marginal effect on the international performance by e-commerce and online sales.



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New technology programs, such as the Internet, will expose managers and organizations to individuals in other countries that can encourage the willingness to learn and adapt to other cultures, which is a central feature of an international strategic orientation. The sensitivity of a manager to international opportunities and strategic orientation does not necessarily increase by traveling to foreign countries, and this experience may not have an effect on the manager's narrow mindset and the racist outlook of the world. Instead, the international strategic orientation of a director is a reflective of his desire to see openness, appreciation, understanding of the "other people" and other values and cultural practices. Hence, managers by having opening views to other cultures and internet connections to individuals and organizations in international markets are more likely to have a strategic orientation towards international opportunities (Sikavi et al., 2013).

Organizations and managers with strong commitment to international markets are likely to have a strategic international orientation. This has a positive relationship with the industry's tendency to expand in international markets and wider use of Internet technology to support its international activities to guide the growth of the international market (Sport, 2006).

Through the connectivity and availability of information, the Internet can intensify and improve communications, commitment, satisfaction, trust between the parties, and the quality of business networks. Business networks are valuable resources for the Internet, which enables the small industry to support its international efforts with the help of the Internet to build international business networks, which in turn leads to the identification and exploitation of international market opportunities. In addition, Internet marketing enables the industry to reach its customers and suppliers without considering the country's remoteness. Ease of use of the Internet, broad availability, low cost and common standards, facilitate the integration and coordination of marketing activities, information sharing and customer communication. The Internet connectivity and interaction, and the ease of access to information improve communication, commitment, satisfaction and trust among the parties, and increase the quality of the network of business-to-business relationships between automobile industry suppliers through the capabilities and inward organizational processes. Therefore, the Internet is important to maintain the international business network based on existing industry customers and to create and maintain international networks with new customers. (Trainer et al., 2011).

Managers with strategic orientation value international cultural diversity, seek open and sympathetic vision for others, and are able to create and expand a network of international business relations and direct international performance. When senior executives focus on international strategic growth, they are more likely to think of developing and maintaining effective international business network relationships with different beneficiaries, including host governments, strategic partners, customers, and suppliers. In addition, having an orientation in international markets will increase the ability of international managers to confront international distribution and international customer relations. Networks and international business relations are important for the growth of international industrial markets (Paulbarber and Pooig, 2009)



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Relations of a source business networking and social exchanges through individual contact between individuals, affects the performance of the industry. Networks, based on exchange relationships, leads to improved international market operations and growth through evolve mutual knowledge, trust, collaboration, and social interaction.

Communication capabilities play an important role in making and maintenance customer, business network relationships, global networks, and international knowledge transfer, which are linked to the functioning of the international market. In addition, a resource-based view shows that network links are important with small businesses because they provide access to information that is not available internally. Therefore, we propose the following hypotheses :

Hypothesis 3: Marketing capabilities have a positive relationship with the strategic international trend of industry.

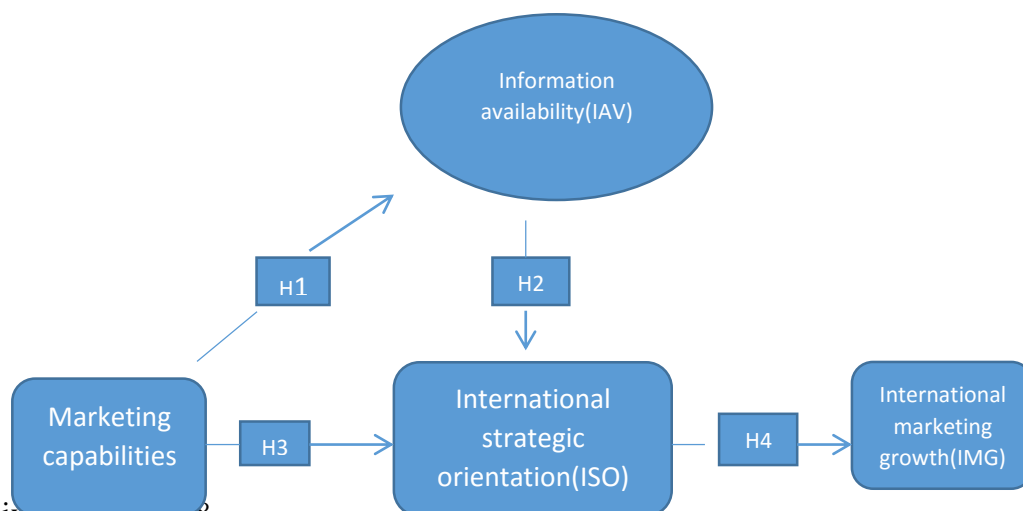
Hypothesis 4: International strategic orientation has a positive relationship with the growth of the international market.

Hypothesis 5: Marketing capabilities have a positive relationship with the development of international networking capabilities.

Hypothesis 6: International strategic orientation has a positive relationship with the development of international networking capabilities.

Hypothesis 7: International networking capabilities have a positive relationship with the growth of the international market.

Figure 1 shows the conceptual model, the integration of hypotheses and the dependent variable.





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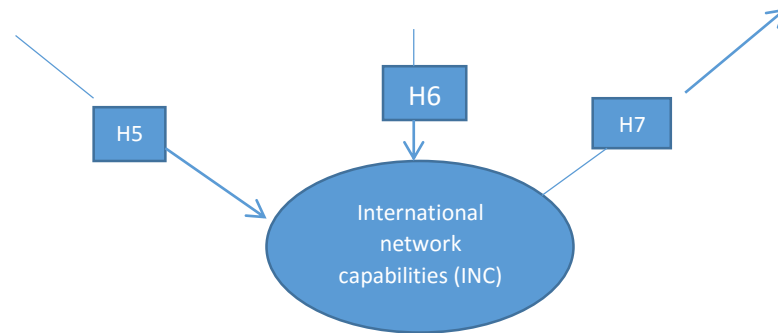


Figure 1: conceptual model

Research Methodology

This research is a quantitative research and it has applied purpose. The research method is also descriptive-correlational. The statistical population of the research is consisted of customers of the automobile industry. To determine the sample size, according to the unlimited sample size, considering that the size of the statistical society of automobile industrial companies in the special economic zone of Bam is 1606, by using the Morgan table, the desirable sample size should be at least 210 persons. Straight randomized sampling method is simple. The original research questionnaire is based on the literature of previous research and studies

Sampling method is simple stratified random. The original research questionnaire is based on the literature of previous research and studies. Validity and reliability of all of them have been tested. In this research, the content validity and factor validity of the questionnaire questions have been examined. For the validity of the content of this questionnaire, the elites and experts of this field have helped. Also, using a confirmatory factor analysis, the validity of each of these structures has been obtained. To test the reliability of the tool, Cronbach's alpha method is used, and the results in Table 1 show that all dimensions have acceptable reliability (above 0/7).

Table 1: variables Cronbach's Alpha

Variable	Cronbach's alpha coefficient
Marketing capability	85%
International pivotal strategy	78%
International network capability	90%
access to information	86%



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International business	89%
Total questionnaire	90%

Divergent validity

In the divergent validity, the difference between the indicators of a structure and indicators of other structures in the model is compared. This work is calculated by comparing the square root AVE of each structure with the values of the correlation coefficients between the structures. To do this, a matrix must be formed where the values of the main diameter of the matrix are the square root of AVE coefficients of each structure, and the lower values of the main diameter are the coefficients of correlation between each structure with other structures

Table 2: AVE Ratio Matrix and Correlation Coefficients of Structures

International business	access to information	International network capability	International pivotal strategy	Marketing capability	
				0.865	Marketing capability
			0.838	0.474	International pivotal strategy
		0.836	0.508	0.375	International network capability
	0.756	0.342	0.387	0.337	access to information
0.858	0.491	0.553	0.645	0.516	International business

As it is shown by above matrix, the square root of AVE of each structure has increased over correlation coefficients of that structure with other structures, which shows the acceptability of divergent validity of structures.

Research findings

First, using structured equation techniques and Amos software, the data is analyzed. Considering the limitations in the volume of the article, it is impossible to provide models for measuring the variables of the research and only the structural model of the research hypotheses is presented.

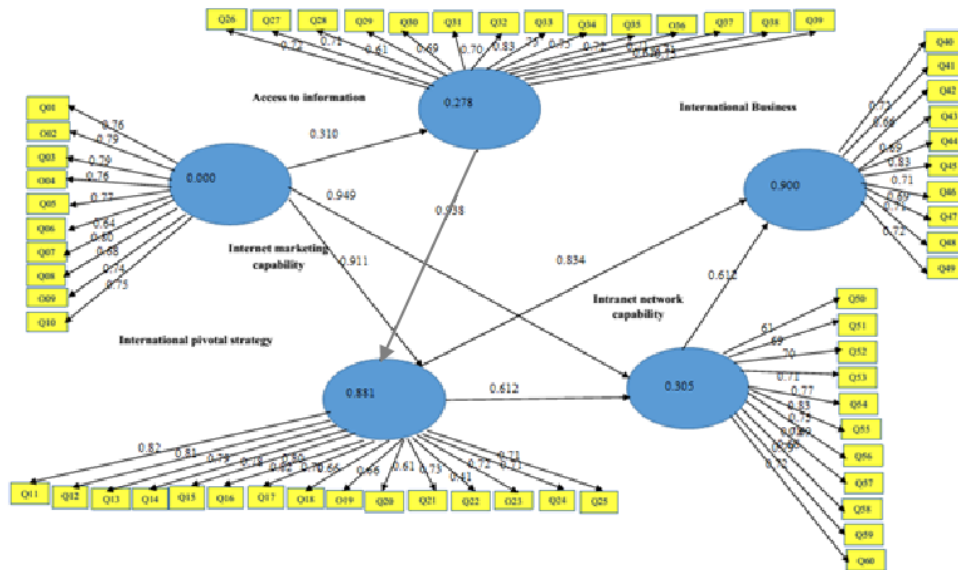


Figure 4-4: Partial least squares technique of the overall research model

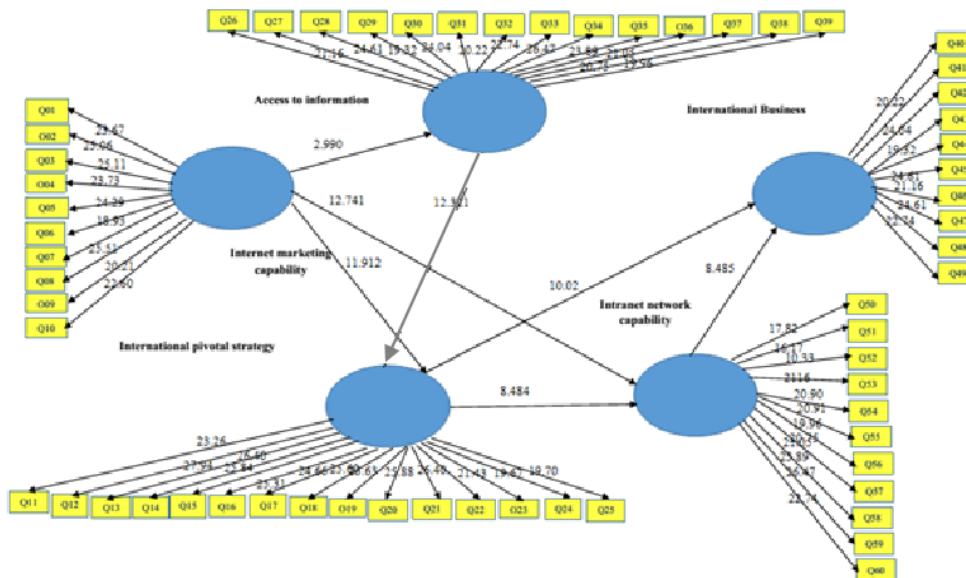


Figure 4-5. T-Statistics The overall research model with bootstrapping technique

For ease of use, the output numbers calculated in the above figures are also given in the table below.



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Table 4-13 Route Coefficients

Test result	T Statistics	Relation	Direction
Confirmation	2.990	0.310	Access to information → Marketing capabilities
Confirmation	11.912	0.911	International Pivotal Strategy → Marketing Capability
Confirmation	12.741	0.949	International network capability → Marketing capability
Confirmation	12.321	0.938	International Pivotal Strategy → Access to Information
Confirmation	10.02	0.834	International Business → International Pivotal Strategy
Confirmation	8.484	0.612	International Networking Capability → International Pivotal Strategy
confirmation	8.485	0.613	International Business → International network capability

Conclusions, Concepts, Limitations and Future Research

This study provides new insights on the capabilities of international Internet marketing and the relationship between international strategic orientation and the capabilities of the international network and how they lead the growth of the international market of industry. This study helps our understanding of the interconnected nature of the capabilities of marketing capabilities beyond the simple uniqueness insight of the use of technology.

The idea that marketing capabilities of technology of a group is distinct from marketing activities that can be leverage for international performance results expands our knowledge of international business digital capabilities. Packing traditional capabilities with this inference endow the industry Internet marketing capabilities when it moves toward a strategic international trend. In addition, Internet marketing capabilities also increase the strategic international orientation of the industry. Our study clarifies the relationship between capabilities and industry performance. This examines the relationship between capabilities, abilities, and performance capacities and performance outcomes. Although Internet literature, in connection with capabilities, claims to have a positive impact on industry performance, this claim has not been empirically tested. Our study provides this empirical evidence based on data from a typical Australian industry with international clients. The results show that the impact of capabilities on performance is intermediated through international strategic orientation and international networks. Specifically, the study shows how Internet marketing and the fit or match of international business capabilities established as a congestion or software bundle of



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capabilities are used to achieve the growth of the international market. Marketing capabilities have shown that it enhances capabilities such as the capacity of information availability and international networks, which will lead to an increase in industry international sales. By verifying the role of the mediator of international strategic orientation, the results indicate that there is an indirect link between Internet capabilities and international performance. That means marketing capabilities increase other industry capabilities, which in turn has a boost effect to improve the performance of the industry international market.

Theoretical and experimental contributions

This research provides two main theoretical contributions. In the first phase, our study uses a resource-based perspective and capabilities perspective to apply it to technology as ability and help with existing literature, in which a gap has been identified in Internet knowledge and the growth of the international market. We emphasize this gap by recognizing that the widespread use of the Internet affects the multiple capabilities of the international industry, which in turn positively affects the growth of the international market. This more sophisticated understanding of the study provides empirical assistance in emphasizing on the importance of acquiring and expanding marketing capabilities in conjunction with international capabilities. This finding that marketing capabilities affect the development of other complementary capabilities of international business is an additional empirical contribution to this research. Secondly, and related to our first aid, we have called for cost effective models with a strong theoretical foundation and an explanation of the international function. We obtained strong explanatory power by identifying literature based on the history and key relationships. Third, our research contributes to the relative lack of empirical studies that test the link between international marketing strategy and international performance through the use of multiple criteria for annual international market sales in (1) existing international customers (2) of new international customers in existing countries, and (3) New international customers in new international markets, instead of using an international sales growth criteria in previous studies.

Management concepts

The first application of our findings is that marketing resources and capabilities help to reduce foreign commitments experienced by marketing managers through easier and fast access to knowledge and information of international market. Easy and fast access to knowledge and information of international market related to foreign macro market and environmental minor situation, for example, reduce the political and economic, cultural, competition dangers and sale channel, uncertainty in geographical market and psychologically far. The second application for international marketing managers is that they should focus their attention on the use and embedding of online resources and capabilities in the culture and management thinking to foster and support an international strategic thinking and orientation. Facing senior executives to raising awareness of foreign markets may foster and encourage international open mindedness to opportunities offered by international markets for growth. The ultimate application of our research is from internet marketing resources and capabilities that enable international



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network managers to develop the capabilities of the international network through faster access to identifying the potential of new sales channels and contributions to other opportunities offered by the international market. The Internet reduces the initial time and cost, for example, identifying the opportunities of the international network through international market trade fairs or support offices of state exports of the host country in foreign locations. Therefore, capabilities must not be separate from one another, but must evolve organically with a changing set of digital and international business conditions. Finally, international marketing managers can use these internet marketing capabilities in a way that requires the ownership of assets in foreign countries to be changed, and they can use alternative mechanisms through international Internet access to achieve international market growth.

Practical suggestions

- It is suggested that considering technology impact on the variable model of innovation capability, car industry officials will always examine the advancement of technology in the automotive industry and use up-to-date technologies to facilitate innovation in the production of products. To this end, they can use specialized market research teams.
 - It is also suggested that with more precise planning, production lines and supply chains are designed and used so that the organization can provide the suitable flexibility to produce products with newer features.
 - Considering that organizational learning also has a significant impact on the performance of industrial industry, it is suggested that the educational needs of the employees are monitored continuously and scientific, practical courses, workshops and conferences related to staff work should be provided for them and the scientific promotion of the staff should be supported.
- It is suggested that teams be formed to analyze the reasons for the failure and even the success of the production of a particular product or project, and the results of the reviews of this specialized team should be available to the employees of the relevant departments.
- Because communication capabilities improve business performance, export industries in their relationships with importers should invest on long-term goals and maintain their lasting relationships with the importer. (Export industries must have close contacts with importers in order to receive feedback on the quality of their export products, and as a result of these feedback can improve product quality and ultimately improve export performance (communication capabilities include the ability of the exporter to share information , Communications and the development of long-term relationships with importers and distributors, and so that industry, which is stronger and better in its relations, will perform better economically.
 - It is suggested that, for improving marketing industry, key activities of marketing including suitable pricing, expert advertising activities, paying attention to suppliers and promoting activities should be review and analyze by expert teams.



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- It is suggested that by giving suitable authorities to marketing sector and its planners, the suitable ground for creative ideas and operating them are provided and supported.
- It is suggested that marketing strategies and change them to an act is a one of the priorities of the managers and the officials of the different sectors are asked to present the result of measures related to short term, medium term and long term strategies.

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