

Providing a Model of the Enterprise Market Capabilities with an Emphasis on Organizational Entrepreneurship

Fatemehsadat Hosseini Astaraei

Department of Management, Ali Abad Katoul Branch,
Islamic Azad University, Aliabad Katoul, Iran

Samereh Shojaei

Department of Management, Ali Abad Katoul Branch,
Islamic Azad University, Aliabad Katoul, Iran

(Corresponding Author)

samerehshojaie@gmail.com

Parviz Saeidi

Department of Management, Ali Abad Katoul Branch,
Islamic Azad University, Ali Abad Katoul, Iran

Mahmood Reza Mostaghimi

Department of Management, Ali Abad Katoul Branch,
Islamic Azad University, Ali Abad Katoul, Iran

Received:

17 February 2019

Revised:

11 November 2019

Accepted:

08 January 2020

Abstract. The aim of this study was to provide a model of the enterprise market capabilities with an emphasis on organizational innovation and entrepreneurship. This is a mixed (combining qualitative-quantitative) research in terms of methodology. As well as, because this study intends to design the model, it is an exploratory research. An In-depth interview (12 experts) in the qualitative section and a questionnaire in the quantitative section were used. To analyze the data, SPSS and Smart PLS software were employed. The designed model revealed that the indices of the

model of enterprise market capabilities with an organizational entrepreneurship approach can be classified into four categories of factors related to services & products, factors related to customers, as well as factors related to sales and factors related to marketing. The rating findings of the factors showed that sales and marketing are at the highest levels, and products & services and customers are in the next priorities, respectively.

Keywords: Market Capabilities; Organizational Innovation and Entrepreneurship (OIE); Municipalities of Golestan Province

1. Introduction

It is indicated that the existing competitive framework to obtain the opportunities and identify the threats in the organization can be summarized in the interpretation of strategic issues and proper responses to them. This can influence the trend of information processing in organizations, decision-making, and organizational reactions (Ghani et al., 2013). Today, the development of entrepreneurship is known as an important part of the functions of any organization in the community, and organizations play a key role in promoting the entrepreneurial skills of employees (Davey et al., 2016). Due to the globalization process of the economy, the mutual connection of the economy with technology and the transformation of technological innovation into the basic component of industrial competitiveness and socio-economic power, the society's expectations of various organizations in the use of science and technology has increased in recent decades (Hooshangi et al., 2016; Soini et al., 2018). The question is what market capabilities does this organization use? What is the role of corporate entrepreneurship in this regard? To answer these questions, given the importance of the subject, the purpose of this study is to present the organization marketing capabilities model with an organizational entrepreneurship approach in the municipalities of Golestan Province.

2. Literature review

During the past two decades, market-orientation has been the main basis of written works in the field of marketing (Fazli et al., 2013; Theodosiou

et al., 2012). The majority of these extensive investigations has focused on market orientation from behavioral and cultural perspectives. The behavioral perspective emphasizes specific activities related to the production and distribution and response to business intelligence. The cultural perspective concentrates on organizational norms and values that promote behaviors compatible with market-orientation and consist of three components: customer orientation, competitor orientation, and inter-functional coordination (Pedro et al., 2018). The assumed positive relationship between the market orientation and the organization performance has been experimentally confirmed in many papers and studies. Moreover, this relationship seems to be sturdy and strong in response to strategic issues and environmental changes (Theodosiou et al., 2012). Given the research carried out by the past researchers, excessive reliance on customers hinders the developmental innovations, researches and activities, and threatens the ability of a company to introduce innovative products of the markets. Furthermore, given that the competitors of the company are to some extent aware of the market, this not only does not lead to competitive profitability, but also leads to costs that are assigned to the organization to perform a task or prevent a failure (Bozorgi et al., 2014). Orak and Zakili (2015) explored the relationship between marketing capabilities and organization performance in food producing companies. The results of the study indicated that marketing capabilities and its components have a positive and significant correlation with the organization performance. Marketing is the only business activity whose main role is to understand the needs, wants and preferences of customers and satisfy their needs in a way better than the competitors. The marketing capabilities can be known as the enterprise ability to understand the market and the customer relationship (Day, 1994). Researchers believe that the theory of capabilities is the generalization of the resource-based view of the organization. According to this view, companies that have capabilities (production resources) and the ability to use these capabilities (management resources) achieve high growth and productivity (DeSarbo et al., 2007; Hooshangi, 2017). Market orientation is described as a valuable, rare, inimitable, irreplaceable feature that promotes the strategic behaviors (Guo et al., 2018). Nevertheless, strategic

orientations to achieve the superior performance require organizational capabilities that represent the activities associated with the implementation of an optional strategy (Morgan et al., 2009).

3. Method

This is a mixed (combining qualitative-quantitative) research in terms of methodology. As well as, because this study intends to design the model, it is an exploratory research. The statistical population of the research qualitative section included experts in the field of organizational market and organizational entrepreneurship. The convenience sampling and snowball sampling methods were used for sampling. After the data collection, the data were analyzed using SPSS and smart PLS software.

4. Findings

The codes derived from qualitative content analysis for each of the respondents are presented in table 1.

Table 1. Identified codes in the interviews of experts

N.	Identified codes in the interview
1	Product and service management capabilities, advertising capabilities, distribution and sales channel management capabilities, pricing capabilities
2	Implementation of marketing programs capabilities, customer relationship management (CRM) capabilities, development of new products and services capabilities
3	Sales promotion capabilities, pricing capabilities, marketing research capabilities
4	Sales management capabilities, customer relationship management capabilities, advertising capabilities, distribution and sales channel management capabilities, marketing research capabilities
5	Development of market share capabilities, development of new products and services capabilities, brand management capabilities,
6	Product management capabilities, advertising capabilities, customer relationship management capabilities, development of new products and services capabilities
7	Marketing research capabilities, pricing capabilities, sales promotion capabilities, networking capabilities
8	Dynamic marketing capabilities, strategic marketing planning capabilities
9	Product management capabilities, customer relationship management capabilities, brand management capabilities, marketing research capabilities
10	New product development capabilities, networking capabilities, dynamic marketing capabilities, brand management capabilities

N.	Identified codes in the interview
11	Customer relationship management capabilities, implementation of marketing programs, strategic marketing planning capabilities, pricing capabilities
12	Marketing research capabilities, distribution and sales channel management capabilities, product management capabilities

Table 2. Summary of chi-square test

Number	Chi-square statistics	Degree of freedom	Significance level
113	10.145	3	0.001

Considering that the significance level is less than 0.05, the priority of the variables is not the same and there is a possibility of ranking.

Table 3. Priority of ranking

	Average of ranks	Priority
Sales	2.82	First priority
Marketing	2.49	Second priority
Services & Products	2.35	Third priority
Customers	2.34	Fourth priority

The results represent that sales and marketing are at the highest levels, and then products & services, and customers are, respectively, in the next priorities.

Table 4. Summary of chi-square test

Number	Chi-square statistics	Degree of freedom	Significance level
113	13.269	3	0.004

Considering that the significance level is less than 0.05, the priority of the variables is not the same and there is a possibility of ranking.

Table 5. Priority of ranking

	Average of ranks	Priority
Brand management capabilities	2.76	First priority
Development of new products and services capabilities	2.58	Second priority
Pricing capabilities	2.39	Third priority
Service & product management capabilities	2.27	Fourth priority

The results suggest that brand management capability is at the highest level, and then development of new products and services capabilities,

pricing capabilities, and service & product management capabilities are in the next priorities, respectively.

Table 6. Summary of chi-square test

Number	Chi-square statistics	Degree of freedom	Significance level
113	2.649	2	0.266

Considering that the significance level is more than 0.05, the priority of the variables is the same and there is no a possibility of ranking.

Table 7. Priority of ranking the factors related to buyers

	Average of ranks
Advertising capabilities	2.09
Customer relationship management capabilities	2.00
Networking capabilities	1.91

The results indicate that advertising capabilities, customer relationship management capabilities and networking capabilities have the same priorities.

Table 8. Summary of chi-square test

Number	Chi-square statistics	Degree of freedom	Significance level
113	3.574	2	0.025

Considering that the significance level is less than 0.05, the priority of the variables is not the same and there is a possibility of ranking.

Table 9. Priority of ranking the contextual and structural factors

	Average of ranks	Priority
Sales management capabilities	2.34	First priority
Sales & distribution channel management capabilities	2.00	Second priority
Sales Promotion capabilities	1.86	Third priority

The results suggest that sales management capability is at the highest level, and then sales & distribution channel management capabilities and sales Promotion capabilities are in the next priorities, respectively.

Table 10. Summary of chi-square test

Number	Chi-square statistics	Degree of freedom	Significance level
113	37.712	3	0.001

Considering that the significance level is less than 0.05, the priority of the variables is not the same and there is a possibility of ranking.

Table 11. Priority of ranking the factors related to product

	Average of ranks	Priority
Marketing strategic planning capabilities	2.92	First priority
Marketing research capabilities	2.70	Second priority
Implementation of marketing programs capabilities	2.25	Third priority
Implementation of marketing programs	2.13	Fourth priority

The results reveal that marketing strategic planning capability is at the highest level, and then marketing research capabilities, implementation of marketing programs capabilities and implementation of marketing programs are in the next priorities, respectively. According to the indices achieved by the experts as well as the research literature, it was found that these indicators can be classified into four categories of factors related to products & services, factors related to customers, as well as factors related to sales and factors related to marketing. Thus, these four classifications were selected by the researcher as the main categories. Due to the placement of each of the indicators in the desired components, so the research model is figure 1.

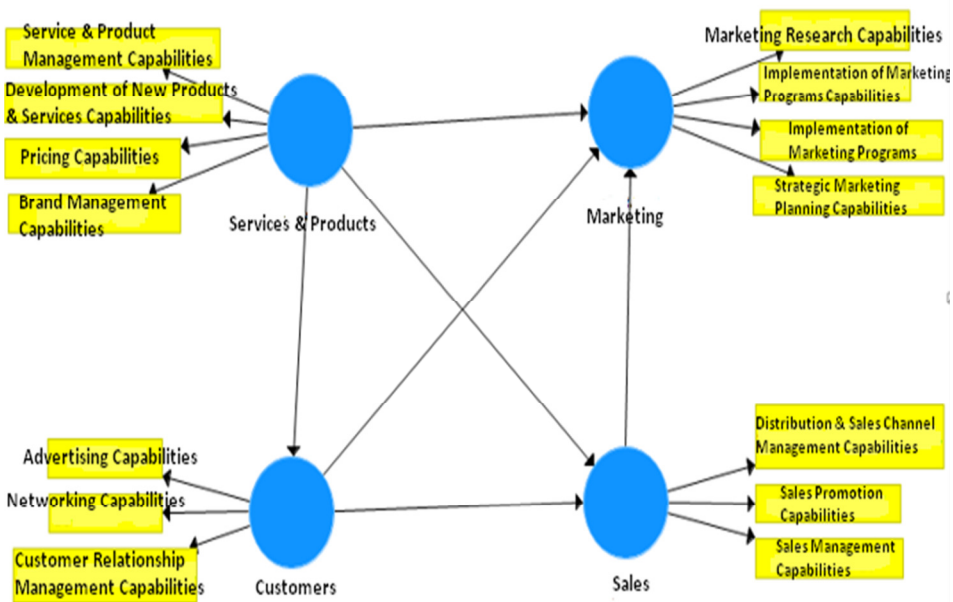


Figure 1. Model of enterprise market capabilities

5. Conclusions

The findings demonstrated that the indicators of the enterprise market capabilities model with an organizational entrepreneurship approach in the municipalities of Golestan Province can be classified into four categories, including products & services, customers, sales, and marketing. Thus, organizations should always look for discovering the new opportunities through innovation to succeed in their performance and achieve sustainable competitive advantage. Marketing literature shows that organizations employ the capabilities to convert the resources to the output on the basis of their market strategy, and therefore the market capabilities are linked to the business performance. It is argued that market capability assists to the structure of the company and the maintaining of the long-term relationships with customers and the distribution channel members. The market capability generates a powerful representation of the brand, which allows companies to achieve a superior corporate performance.

References

- Bozorgi, Fatemeh, Fadaei, Mehdi and Azar, Nader. (2014). Examining the Relationship between Strategic Orientations and Marketing Capabilities with Performance of Service Organizations (Case Study: Bank Melli and Bank Sepah in Gilan Province). *Modern Management*, Issue 17, pp. 19-43.
- Davey, T., Hannon, P. and Penaluna, A. (2016). Entrepreneurship education and the role of universities in entrepreneurship: Introduction to the special issue. *Industry and Higher Education*; 30 (3) 171-182.
- Day G. S. (1994). The capabilities of market driven organizations "Journal of Marketing, Vol. 57, pp. 37-52.
- DeSarbo, W., Di Benedetto, C.A., & Song, M. (2007), A heterogeneous resource based view for exploring relationships between firm performance and capabilities, *Journal of Modeling in Management*, 2(2), 103–13
- Fazli, S. Hooshangi, M. Hosseini, S.A (2013). The relationship between relational capital and buyer performance. *International Research Journal of Applied and Basic Sciences*. Vol, 4 (12): 4337-4341
- Ghani, M, Hooshangi, M, Mobaraki, M, Mirzaei, E. (2013). The Effect of psychological capital on university of Tehran Students' Entrepreneurial Intention. *Asian Journal of Research in Business Economics and Management*. Volume: 3, Issue: 10. Pp 313- 321.
- Guo, H., H, Xu and C, Tang. (2018). Comparing the impact of different marketing capabilities: Empirical evidence from B2B firms in China. *Journal of Business Research* 2 (21): 45-65.
- Hooshangi, M. Fazli, S. Mirhosseini, S.S. (2016). The mediation role of buyer's satisfaction in relationship between structural capital with performance. *Int. J. Logistics Systems and Management*, Vol. 23, No. 3. 329- 342.
- Hooshangi, M. Salehi Sadaghiani, J. Rashidi Astaneh, M. Amin Afshar, Z. (2017). The mediation role of supply chain integration in relationship between employee commitments with organizational performance. *Int. J. Business Information Systems*, Vol. 24, No. 2. 210-228.

- Morgan N. A., Slotegraaf R. J., Vorhies D. W. (2009); "Linking Marketing Capabilities with Profit Growth", *International Journal of Research In Marketing*, no.26, pp.284–293.
- Ork, Farzaneh and Zakili, Muhammad. (1394). Evaluating the relationship between marketing capabilities and organizational performance in food manufacturing companies in Tehran. *Journal of Brand Management*, Volume II, Issue 4, pp. 147-176.
- Soini, K., A, Jurgilevich., J, Pietikainen., K, Korhonen-Kurk. (2018). Universities responding to the call for sustainability: A typology of sustainability centres. *Journal of Cleaner Production* 170.
- Soini, K., A, Jurgilevich., J, Pietikainen., K, Korhonen-Kurk. (2018). Universities responding to the call for sustainability: A typology of sustainability centres. *Journal of Cleaner Production* 170 (2018) 1423e1432.
- Theodosiou, M., K, John and K, Evangelia. (2012). "Strategic orientations, marketing capabilities and firm performance: An empirical investigation in the context of frontline managers in service organizations", *Industrial Marketing Management* 41, PP. 1058-1070.