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The Effect of Marketing Capabilities on Competitive Advantage and Performance with Moderating Role of Risk Management in Importation Companies

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Abstract

The importation market has been turned into an attractive market for merchants with ever-growing increase in number of importation companies and rising volume of imports during recent years. The basic and fundamental changes are required for their structure in importation companies due to the wide range of various types of imported commodities and effect of their performance on economic variables. The improvement in variables of marketing potentials to enhance performance and competitive advantage of importation companies with impact of moderating role of risk management are necessarily assumed as the reasons for selection of the subject of this study. The present research is of applied type in terms of goal and a descriptive-survey in terms of method of data collection. The statistical population of this study includes 100 importer companies that actively deal with importation of through custom house at Imam Khomeini International Airport out of which 80 enterprises were determined as sample size and research questionnaire was distributed collected among 120 participants of importation experts as raters of corporate performance within statistical sample. Pearson's correlation test and linear regression were utilized in SPSS software for statistical data analysis. The results of study signify that the marketing potentials affect on competitive advantage of the importer company and at the same time marketing capability impacts on performance of importation company while competitive advantage might affect on performance of importation companies.

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1. Introduction

There are some limited numbers of countries that have potential for production of the needed goods and consuming services in numerous types. Therefore, in addition to the advantages, which may be achieved for a country through absolute or relative prices and or costs of production in commercial countries, the existing qualitative differences in various goods should be also noticed in the field of importation of this type of commodities (Mahmoodzadeh and Mohseni, 2005). The qualitative effect of a commodity may easily neutralize price effect for that commodity. Thus, those goods may be even imported which their quality effect is higher than their price effect. Importation of low cost with high quality goods may increase quantity of consumption and welfare of a society (Mahmoodzadeh and Mohseni, 2005).

According to reports from Iranian Chamber of Commerce (ICC) for industries, mines, and agriculture, the value of the imported goods in Rials from China in 2013 is over 118'760 Billion Rials. With respect to high volume of imports from other countries, the commercial enterprises are trying to be capable to achieve customers' greater share in the market. The imports of a country may be useful for their economy and play important role in determination of economic development strategy in current structure of the world economy. Similarly, taking proper strategy for importation will be subjected to considering effective factors on imports (Shah Abadi et al. 2013).

The marketing potentials have been proposed as process of application of Knowledge Management (KM), organizational of skills and resources for value-added to goods and services, meeting the competitive demand and responsiveness to the relevant needs to market in recent studies (Day, 1994). One of the general requisites for achievement of companies in competitive environment is to identify how one can make the profits and advantages permanent. The companies should possess some capabilities and potentials for development and employing the competitive advantage so that they can be used in creating inimitable, valuable, rare, and irreplaceable resources (Barney, 1991). The sustainable competitive advantage may be defined under some conditions one can overtake from one's rivals and maintain their efficiency higher than the rival companies (Jeyavelue, 2007). This concept means situational superiority based on presentation of more valuable preference or achieving lower relative costs and acquisition of market share and profitable performance (Attaran et al. 2012). Making effort for realization of this advantage may cause creating competition between importers. Nilssen (1985) declared that the successful companies are identified with some reforms including hierarchy, practical routines of organization, covering lesser regulation, lesser regulatory organizational coordination and proportional to further order in decision-making procedures. These experienced routines are explored as a group of organizational pivotal capabilities and or what the company can certainly do them.

Study on latent marketing is an important topic in strategic studies. Based on marketing concept, the market-oriented enterprises seek for perceiving the potential statements and requirements of customers and developing basic solutions for these needs (Slater et al. 2006; Stanley, 2014). This important issue may be assumed as an important competitive advantage for the enterprises. One of the foremost techniques for acquisition of appropriate performance is the utilization from key resources. Today, the major portion of properties in organizations is composed of intangible assets for which the traditional accounting methods may not measure them. The intangible assets denote a group of organizational capabilities and potentials that are employed as a resource for sustainable competitive advantage and economic growth and development. Although we may not measure accurately these assets, at least with respect to them and knowledge about their role in organizational performance, we will find the importance of investment in these assets. We are going to enter age of knowledge-based economy in which the main source of economy is composed of intangible assets (knowledge assets) and other traditional factors of production are ranked at next positions including land, workforce, and capital. The intangible assets are deemed as the main sources for organizational competitive profit. Therefore, the product an economic institute depends only on tangible assets but on knowledge and intangible assets (Salavati, 2013).

Through ever-increasing growth in number of importation companies and rising volume of the imports during recent years, importation market has been converted into an attractive market for the merchants. By virtue of this issue, the enterprises are trying to employ modern techniques in market competition scene to improve their potentials, advantages, and performance and to possess more market share. The inexperienced importers are not

capable to perceive perfectly duties and tasks of each of specialized service factors in a trend that starts with receiving the goods and comes to an end with delivery of goods for consumption and this issue is often led to losing and confinement of goods for very long time in warehouse and generally to additional costs (Poor Seyed, 1994). If there is unhealthy competition among importer companies for importing goods, certainly the quality of the imported goods will be ranked as the last preference for those companies. The status quo in competitive advantage at importation companies and its tangible effects on economy and economic variables are in such a way that it necessitates inevitable for exertion of basic and fundamental change and transformation in economic structure and policies of these enterprises. Due to wide range of commodity type, the importer companies may do some activities that can be followed by important results. In healthy competitions between companies, the greater market share is available to the company that can perceive customer's request and meet it with the highest profit for their customers as possible. The key for success of an enterprise in any industry is not only limited to reliance on a source for acquisition of advantage, but the best achievement is assumed for those companies, which always look at competitive advantage from different points of view and utilize from various resources to create competitive advantage (Nasiri et al. 2013). Necessity for enhancing variables of marketing potentials for improving performance and competitive advantage of importation companies with respect to the moderating role of risk management is considered as one of the reasons for selection of subject in this study.

2. Methodology

It is impossible to achieve scientific recognition unless it is implemented by proper method. The scientific methodology is a system composing of rules and techniques based on which the research is founded and claims and assumptions are evaluated about research subject. The statistical population of the present study includes 100 enterprises, which have continually acted in goods importation via custom house at Imam Khomeini's International Airport. The statistical sample was determined as 80 companies based on Morgan's table (Hughes and Morgan, 2007) where the research questionnaire was distributed among 120 corporate marketing and commercial experts in the statistical sample size as raters and experts in importation activities in order to evaluate organizational attributes of research variables and then collected. The subject domain of study comprises of the effect of marketing potentials on competitive advantages and performance along with moderating role of risk management in importer companies and this study was implemented within time range (November to July 2015). The questionnaire was utilized within Five Likert Scale Spectrum with several choices (very high, high, medium, low, and very low). The content validity of questionnaire was examined by marketing and commercial masters and experts and after their review and exertion of some adjustments it was finally approved and at the same time Cronbach alpha coefficient was calculated for any group of research variables where the resulting value was greater than 0.7 with reasonable outcome for them.

3. Results

3.1. H1. Marketing potentials affect on competitive advantage in importation companies.

The linear regression test was used to examine correctness of this hypothesis. With respect to this point that the significance level was obtained smaller than 0.05 and also the given results from fitness of regressive model indicate that determination coefficient of model is $R^2 = 0.486$ so this signifies that the present model could interpret 48.6% of variance of competitive advantage by independent variable of marketing potential. Thus, the hypothesis regarding effect of marketing potential on competitive advantage of importer companies is accepted.

3.2. H2. Marketing potentials affect on performance in importation companies.

The linear regression test was employed to explore authenticity of this hypothesis. Given that the significance level was derived smaller than 0.05 and the results acquired from fitting of the regressive model may show the

determination coefficient of model is $R^2 = 0.214$ and this suggests the given model could interpret 21.4% of variance of performance of importation companies by independent variable of marketing capability. Therefore, the hypothesis concerning to effect of marketing potentials on performance of importer companies is accepted. Similarly, in comparison to statistical coefficient for determination of rate of effect by competitive advantage on performance of importation companies, the rate of determination coefficient for testing this hypothesis indicates that the effect of competitive advantage is accepted as a mediator variable.

3.3. H3. *The competitive advantage affects on performance in importation companies.*

The linear regression test was utilized to analyze correctness of this hypothesis. Given that the significance level has been derived smaller than 0.05 and the results came from fitting of regressive model for determination coefficient is $R^2 = 0.519$ in this model and this signifies that this model could interpret 51.9% of variance for performance in importation companies by independent variable of competitive advantage. Therefore, this hypothesis about effect of competitive advantage on performance of importation companies is accepted.

3.4. H4. *Risk management may moderate the effect of competitive advantage on performance of importation companies.*

The hierarchical regression is used to execute this hypothesis so that it is examine what change may be exerted in relationship among competitive advantage and performance of importer companies by entering variable of risk management. If the relationship is established among competitive advantage and performance of importation companies after entering variable of risk management then the effect of this variable will be positive and vice versa. The results relating significance testing of model after entering variable of risk management indicate that the significance level greater than 0.05 of risk management does not affect in rate of effect of competitive advantage on performance of importation companies. Therefore, fourth hypothesis is rejected.

4. Conclusion and Discussion

In this section, the collected results derived from data analysis are interpreted and the applied suggestions are proposed according to the given results. Likewise, based on research history and findings of this study, some suggestions are posited for conducting studies with domain of subject in the present research. The results from testing research hypotheses:

First hypothesis: The marketing potentials may affect on competitive advantage in importer companies. With respect to the results came from data analysis, this hypothesis is accepted. The marketing potential significantly affect on competitive advantage at importation companies, pricing, developing of new product, and marketing communication potentials indicate the effect of market orientation in achieving competitive advantage. In their studies, Cambodia et al. (2015) concluded that the marketing capabilities might affect on competitive advantage.

Second hypothesis: The marketing potentials may affect on performance of importer companies. With respect to the given results from data analysis, this hypothesis is accepted. Similarly, Baron and Kenny test was carried out to examine mediator variable of competitive advantage in relation to marketing potentials on performance of importation companies where it was concluded that the competitive advantage might be effective in rate of impact of marketing potential on performance of importer companies. Likewise, they came to this result that with entering variable of competitive advantage, the rate of effect of predictor variable (marketing capabilities) on dependent variable (performance of importation companies) might be improved. Kheiri and Roshani (2013) concluded that the marketing capabilities might affect on performance and companies with higher market-orientation might achieve better commercial performance since they perceive the expressed requests of customers and their latent requirements, strategies and potentials of rivals, needs and developments of market canal and environment better than rivals. Ren et al. (2014) concluded that the marketing capabilities might noticeably affect on performance and innovation in Small- and Medium-Sized Enterprises (SMEs) and also innovation in performance might influence in

developing exportation. SMEs should never stop creating marketing potentials. The corporate marketing directors should deal with Research and Development (R&D) by their best efforts and through cooperation with each other so that to be able to improve corporate performance. Murray et al. (2011) found that the marketing potential might cause improvement in business practice of companies. Similarly, pricing, developing new product, and marketing communication potential might moderate the effect of market-orientation in corporate performance. Smirnova et al. (2011) concluded that employing marketing potentials might be effective on improving relationship among the company and customer and give competitive capability to the company and finally these items will be followed by improved performance. Azizi et al. (2009) identified that the marketing capabilities might essential affect on performance and only marketing potential shows this efficient impact in performance general model. The high marketing potentials include capability to use marketing tools and employing creativities, ideas, and marketing plans. Also, Cambodia et al. (2015) emphasized on this relationship. They also concluded that the performance is weakened by entering variable of competitive advantage into the model.

Third hypothesis: The competitive advantage affects on performance in importation companies. With respect to the given results from data analysis, this hypothesis is approved. Shafiyee and Tarmast (2014) came to the result that the competitive advantage was significantly related to organizational performance. But with intervention of competitive advantage, the intensity of relationship among supply chain management (SCM) and organizational performance is improved. Acquisition of competitive advantage causes improvement in organizational performance. Svarova and Vrchota (2014) found that the competitive advantage might significantly affect on performance. By the aid of enhancement in working processes, the competitive advantage significantly affects in improvement of organizational performance. Most of business owners assumed perceiving competitive advantage in quality of work and products and then in flexibility of business knowledge. Innovation is one of the main cornerstones for SMEs in today competitive market and it is deemed as one of main sources for competitive advantage. The perceived strategy of producers is the main source of competitive advantage. Also, Murray et al. (2011) verified the effect of competitive advantage on performance of enterprises.

Fourth hypothesis: The risk management may moderate the impact of competitive advantage on performance of importation companies. This hypothesis was rejected with respect to the results came from data analysis. Tarverdi and Damchi Jelodar (2012) concluded that two variables of risk management namely competition of industry and size of company were positively related to corporate performance. In contrast, two other variables of risk management factors including environmental trust and supervision of board of directors had no relationship with corporate performance. Elahi (2013) concluded that the risk management might affect on competitive advantage in companies and cause achievement of enterprises in competitive scene. Knowing the impact of risk management on competitive advantage and awareness about way of their control encourages directors to cope with this challenge. It has not been dealt with moderating role of risk management on effect of competitive advantage in performance in the previous studies but this subject was explored and measured in the present research.

The researcher suggests the followings based on the research findings:

- Focusing on marketing specialized potential including giving fast response to pricing tactics taken by the rivals; using market information and potential for marketing management
- The enterprises shall possess the potentials thereby they can use them in creation of inimitable, valuable, rare, and irreplaceable sources and develop competitive advantage and make competitive advantage and its benefits permanent in companies.
- The greater market share will be available to the company that may perceive customer's requests at best and provide the highest benefit for its target customers. Quality of giving services to customers and using market data and potential for marketing management between enterprises may lead to creation of competitive advantage.
- Identifying and targeting attractive customers; maintenance of loyalty in attractive customer and encouraging customers to use their services through various ways including efficient promotion, polling, sending message in different occasions, and also full implementation of marketing plans are important in effectiveness of market and they positively affect on organizational performance.

- Marketing capabilities noticeably affect on performance in SMEs. Innovation in performance impacts on development of importation. The SMEs should never stop creating marketing potentials. The corporate marketing directors should deal with R&D with best efforts and cooperate with each other so that they are able to improve corporate performance.
- The greater market share is possessed by a company in competition between enterprises that can perceive customer's request at best and provide the highest benefit for their target customers.
- Today, in addition to formulation of strategies to attract new customers and transaction with them, enterprises have tended to maintain the current customers as well and create relationship with them. In better words, they have found that losing customer is something more than losing a sale item and that means total trend of purchase in which the customer could remember it throughout his/her life and when s/he was a buyer of product of the given company. Customer's satisfaction causes improvement of performance.
- For any enterprise at any industry, the success key is not only reliance on a source to acquire advantage, but the best and most successful companies know that all of them should look at competitive advantage from various points of view and benefit from different types of sources to create competitive advantage. Improvement in features of product is recognized as the offered priced by the company compared to the rivals and reducing sale price of goods and strong communications for efficient access to the commodities may lead to acquisition of competitive advantage and improving corporate performance.
- In order to acquire competitive advantage, the importer enterprises should reduce commodities clearance charges from customs, import high quality goods, and give more confidence to customers for delivery of commodities. One can achieve better performance with developing these competitive advantages.
- Risk assessment in business process, strategic risks assessment, market risk assessment, economic risk assessment, corporate governance risk assessment may lead to achievement of enterprises in competitive scene and thereby causes acquiring competitive advantage.
- Creation of value for enterprise, implementation of risk management causes acquisition of competitive advantage as an integrated part of organizational process and a part of decision-making, systematic and structured dynamic and iterative risk management with potential for improvement and enhancement.
- Suggestion for the future researches
- Suggestions for future studies are as follows:
 - Identifying and order preferences of effective factors in competitive advantage and performance in importer companies (including private and public importation companies and in servicing sectors and other industries)
 - The present research has explored this subject only within certain time interval and for this reason conducting similar research within longer time period may consolidate and confirm the results of this study.
 - The current study may be carried out in comparative form between importation and exportation companies.
 - Given the importance of marketing capabilities on competitive advantage and performance in importer companies, it is suggested to identify the factors as barriers against acquisition of competitive advantage in importer companies and improvement of performance in these enterprises in this study.

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