



The Role of Marketing Management in Supporting the Competitive Advantage of Organizations(An Applied Study on Food Industry Organizations in Egypt)

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Abstract

The idea of competition became the main interest for organizations to achieve some degree of competitive advantage or excellence over their competitors. On the strategic level, the use of the marketing as an activity of value chain which can achieves competitive advantage for organizations, the researcher selects the (4ps) to express the marketing management as an independent variable, and select the customer value to express the competitiveness of food industry organizations as a dependent variable. In this research will examine the relationship between the (4ps)as a selected item to express the marketing management and the customer value as a selected item to express the organization's competitiveness. This research will explain the relationship between the marketing management as an activity of value chain practices and achieving the competitive advantage in food industry organizations, especially in those organizations which are working in producing juices. Additionally, this research tempts to show how these organizations through using the value chain activity (marketing management) can attain their competitive advantage. The researcher use the multiple regression to determine the nature of relationship between the independent variable and the dependent variables, the multiple regression measure the relationship between (the marketing as an activity of value chain) as an independent variable and (the competitiveness of food industry organizations) as a dependent variable. The results of this research show that there is a statistically significant relationship between the marketing mix (product, price, place and promotion) and the customer value, that this relationship is positive and strong .also any increase or decrease in the (4ps) as a selected item to express the marketing management will explain the increase or decrease of achieving the competitiveness of food industry organizations which is customer value.

Keywords : Value chain- competitive advantage-customer value

الملخص:

أصبحت فكرة المنافسة هي الاهتمام الرئيسي للمنظمات لتحقيق درجة معينة من الميزة التنافسية على المستوى الاستراتيجي ، استخدام التسويق كنشاط لسلسلة القيمة يمكن أن يحقق ميزة تنافسية للمنظمات ، إختار الباحث (المزيج التسويقي) للتعبير عن إدارة التسويق كمتغير مستقل ، واختار قيمة العميل للتعبير عن القدرة التنافسية لمنظمات صناعة الأغذية كمتغير تابع (صناعة العصائر). في هذا البحث سوف يتم التعبير عن ادارة التسويق من خلال (Ps4) وسوف يتم التعبير عن الميزة التنافسية للمنظمات من خلال تحقيق (قيمة العميل). يشرح هذا البحث العلاقة بين إدارة التسويق كنشاط لممارسات سلسلة القيمة وتحقيق الميزة التنافسية في مؤسسات صناعة الأغذية ، وخاصة في تلك المنظمات التي تعمل في إنتاج العصائر. وذلك لإظهار كيف يمكن لهذه المنظمات من خلال استخدام نشاط سلسلة القيمة (إدارة التسويق) تحقيق ميزتها التنافسية. استخدم الباحث البرنامج الإحصائي أسلوب الانحدار المتعدد، وذلك لتحديد طبيعة العلاقة بين المتغير المستقل والمتغيرات التابعة ، وقياس الانحدار المتعدد العلاقة بين (التسويق كنشاط لسلسلة القيمة) كمتغير مستقل و(تنافسية منظمات الصناعات الغذائية) كمتغير تابع. تظهر نتائج هذا البحث أن هناك علاقة ذات دلالة إحصائية بين المزيج التسويقي (المنتج ، السعر ، المكان ، الترويج) وقيمة العميل ، أن هذه العلاقة إيجابية وقوية ، وأيضاً أي زيادة أو نقص في (Ps4) كعنصر محدد للتعبير عن إدارة التسويق سوف يشرح الزيادة أو النقصان في تحقيق القدرة التنافسية لمنظمات صناعة الأغذية التي تمثل قيمة للعملاء.

الكلمات الدالة : سلسلة القيمة - الميزة التنافسية - قيمة العميل.

1. INTRODUCTION

Over the last decades, some changes have taken place in management, an essential concept has emerged know as competitive advantage. The idea of competition became the main and important interest for organizations to achieve some degree of competitive advantage.

On the strategic level, the use of the value chain achieves competitive advantage and increases the customer's value. As a recent concept, this research will search the role of marketing management as value chain's activity in achieving the competitive advantage for food industry organizations.

Many studies discussed the relationship between the competitive advantage and value chain, and the impact of using the value chain practices in achieving the competitive advantage. Yet, this research will explain the relationship between the value chain practice (marketing management) and achieving the competitive advantage in food industry organizations, especially in those organizations which work in producing juices.

The importance of this research stems from presenting some solutions through using the value chain practice (marketing management) which can solve most of these Egyptian organizations' problems. Also, one of this research's goals is to raise the awareness of the organizations that work in the Egyptian food industry sector about using the value chain activities, and understanding the relationship between the value chain activity (marketing management) and achieving the organizations competitiveness.

2. Research Problem:

The researcher defines the research problem as follows:

“The Egyptian food industry organizations suffer from problems which have a negative impact on the competitiveness of these organizations and using of the value chain practice (marketing management) can help them achieve their competitiveness” .

3. Research Objectives:

The research aims to achieve the following objectives:

- 1- Studying the relationship between marketing management as the first selected activity of value chain and achieving competitive advantage for organizations which is customer value.
- 2- Find the type and strength of the relationship between the value chain activity (marketing management) and organizations competitive advantages.

4. The Management of the (Marketing Activity)of value chain:

This research illustrates in the following the management of the marketing activity. Generally, Marketing¹ can be defined as a managerial department can help the organization to innovate a new product with high quality through using marketing management.

- Marketing is an activity or set of organizations and some more processes which is working together to create, communicate, deliver and exchange offering which have value for customers.
- According to Kotler, marketing is the science of finding, creating and delivery value, marketing is identification of customers' needs.

5. Nature of Competitive Advantage:

Ansoff, 1965 defined the competitive advantage separated from any characteristics or any especial opportunities in the field, Ansoff focused on the product- market relationship to define the competitive advantage, this advantage can achieve the growth for all organizations which are working in the same field, thus achieving the growth for this sector, also discussed that every organization individually can search about its unique features to achieve its own competitive position.

Alderson, 1965 discussed that the organizations must struggle to achieve their unique and different features to differentiate themselves from their competitors, achieving these especial characteristics also must be clear in front of customers, Alderson added that the organization's competitive advantage can be achieved through two ways, first lower prices and second, will be through the making new selective advertisements. Also the organizations must concentrate on the product innovation. As a result of this effort, the organization will gain a sustainable competitive advantage. After a decade later, (Hall, 1980) discussed that the organizations can achieve its sustainable competitive advantage through decreasing its cost and make its differentiation. In 80s (Henderson, 1983)

discussed the same meaning of Hall's definition, about achieving the sustainable competitive advantage through searching gaining a new competitive advantage inside the organization over its competitors.

Porter, 1985 discussed that the competitive advantage grows out finding an organization's value for customers, and value it may be lower prices than other competitors for same products, value also may be unique different benefits for customers.

Porter defined the competitive advantage for organization is when the organization can be the low –cost leader in its industry, and the organization can achieve its differentiation through providing some benefits for customers like: special features in the product (product image), different delivery system, the organizations must seek about providing something is different or unique, which can be perceived by customers. Customers can feel that something is new and valued.

Conye, 1986 discussed achieving the organization competitive advantage when its competitors couldn't imitate these advantages of this organization, and the meaning of sustainable competitive advantage is when the organization has four attributes in its products: providing a value for customers, its products are not imitated, its products with features are rare and the customer cannot substitute these products with another product.

Mcgee, 1986 discussed the idea of groupings or structures between industries, based on the similarity of organization's behavior, these groups of organizations are called strategic group which is a collaborative structure within industry, which can identify the features of the competitive position, also these groups can suggest a systematic or regular way of identifying the strengths and weaknesses (SWOT analysis) for the framework of organizations' competitive advantage in this industry.

Day and Wensley, 1988 discussed the sources of competitive advantages, which are that things indirectly is linked with the organizations ,which is related to facilitate the organization's performance to achieve its competitive advantages, these advantages may be adding value to customers, achieving lowest production costs.

Second:

In 90s some researchers discussed the competitive advantage, like: Ghemawat and Barney, Ghemawat mentioned that there is no permanent performance to achieve the organization's competitive advantage, and the organizations should decrease its cost in comparison with its competitors.

Barney, 1991 discussed this idea about the resources and the linkage between the organization's resources and achieving the sustainable competitive advantage, and explained that The organization should relate its resources with its performance; that means the organization can express this valuable resource in an economic value. The organization's resources must have unique features, it must be rare, valuable and

difficult to imitate. The ideas of Barney focused on the treating of these resources and evaluate these resources in an economic value; these unique resources can lead to achieve superior performance, thus, achieving organization's competitive advantage.

In the end of 90s , it was a group of authors, who were among them, Ghemawat and Besanko. Ghemawat, 1999 discussed the achieved organization's competitive advantage can be measured by its achieving for a superior profit within its competitors or within its industry strategic group.

Besanko, 2000 discussed the same idea of Ghemawat, also mentioned that the competitive advantage for organizations can be measured through achieving an economic profit, a higher economic profit than its competitors in market. Besanko defined the economic profit; it is the difference between the profits which already achieved from investing resources in a specific way and the profit which would have been achieved by investing same resources in any profitable alternative.

Haslinda, 2010 discussed that the main reason of achieving the organization's competitive advantage that using its resources (tangible and intangible), Haslinda discussed the organizational resources which include the (financial ,physical, human and experimental), Physical resources which include: (equipment, production, technology) ,the Financial resources which include: (bank deposit, capital, stocks and shares) ,the Human resource which include : (top and middle management and administrative employees) and the Experimental resources like: (product reputation, manufacturing experience, brand name) these resources owned and controlled by the organization, these resources have a main role of achieving a competitive advantage , based on these organizational resources the competitive advantage will be achieved which will lead eventually to achieve the superior performance.

6. Multi Regression:

This section discusses the statistical findings of data analysis related to the role of value chain management in supporting the competitive advantage of organizations.

Some of these obtained results discuss the relationship between Marketing management (4Ps) which is divided into its components (Product, Price, place and promotion), and the competitive advantage which will be expressed into customer value and will be divided into its components (Product's quality, Customer satisfaction, Annual sales, and the organization's market share within 2018).

H1: There is no significant relationship between marketing management (4Ps) (Product, Price, Place, and Promotion) and the customer value (product's quality, annual sales, customer satisfaction and market share).

- Type and strength of the relationship between the (4Ps) (X1) which includes (Product, Price, Place, and Promotion) as an (independent variables) and the customer value (y) as a (dependant variable) from the food industry organizations managers and

employees' point of view, and also the relevant importance of the (4Ps) can be illustrated in the following table (1.1) and table (1.2). From the previous table, it is clear, that the total correlation (R) that (.787) there is a significant, positive, and strong relationship between the (4Ps) (Product, Price, Place, and Promotion) and the Customer value in the opinion of managers for food industry organizations. Strength of relationship is about 78.7% in the overall model (see Table 1.1).

Table 1.1. Model Summary of Relationship between the (4ps) and Customer value.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.787	0.619	0.614	0.25367

a. Predictors: (Constant), (Product, Price, Place, and Promotion)

Table 1.2. Relationship between the (4ps) (product, price ,place and promotion) and Customer value.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	30.873	4	7.718	119.944	0.000 ^b
	Residual	18.983	295	0.064		
	Total	49.856	299			

- The coefficient of determination (R^2) equals (.619) and that indicates that the variables of the (4Ps) (Product, Price, Place, and Promotion) the independent variable, (the managers of food industry organizations opinion) can interpret approximately 61.9% (according to R^2) from an overall variation in Customer value in these model (see table 1.1)
- The regression model statistically is significant, when the F test is significant at level of confidence (.99).

a. Dependent Variable: Customer value

According to the previous table, the value of beta for the independent variable equal (product, price, place, and promotion)= (.145, .216, .025 and .200) which means that the independent variable has an impact on the dependent variable.

- The Results of multiple regression analysis show that there are only ten variables representing the most important Marketing management (i.e., Product, Price, Place, and Promotion) and are related to Customer value. According to the above mentioned findings with respect to the relationship between the (4ps) (Product,

Price, Place, and Promotion) and the Customer value, the researcher must reject the first null hypothesis of this study and accept the alternative one.

Table 1.3. the variables coefficients of regression model Coefficient (A).

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.201	0.157		13.982	0.000
	Product	0.145	0.037	0.241	3.882	0.000
	Price	0.216	0.043	0.290	5.007	0.000
	Place	0.025	0.041	0.028	0.600	0.549
	Promotion	0.200	0.040	0.347	5.046	0.000

Table 1.4. The Importance of The (4Ps) (Product, Price, Place, and Promotion) variables.

Independent	Importance rank	Beta
Product	3	0.241
Price	2	0.290
Place	4	0.028
Promotion	1	0.347

CONCLUSION

The conclusion of this research is that marketing management (as a part of organization's value chain) is related to the achieving the competitiveness of food industry organizations. it's a strong and positive relationship between the (4ps) of marketing management and achieving the customer value for the customers.

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