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Strategic marketing management: achieving superior business performance through intelligent marketing strategy

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Abstract

In the age of drastic changes organizations need sustainable competitive advantage to cope with changes and to succeed. They can create, sustain and use competitive advantage through strategic management. Organizations can formulate strategies that their implementation results in sustainable competitive advantage. Marketing strategies seem to be an important type of these strategies. Traditionally, according to an integrated approach which integrates resource-based view (RBV) and market-based view, organizations could develop marketing strategies based on their internal capabilities and external position. Then they implement these strategies to create competitive advantage through their core competencies include creating value for customers, attracting and satisfying them. Marketing strategies play two important roles to sustain competitive advantage: (1) encourage customers to return (according to market-based view), and (2) create distinctive competencies through making core competencies VRIO (according to RBV). VRIO refers to Valuable, Rare, not Imitable and to be able to Organize. In today's turbulent environment, VRIO and customer retention are necessary but not adequate to sustain competitive advantage and achieve superior performance. Then organizations must be market/customer oriented, think and act based on innovative knowledge, make a useful and long term relationship with their customers. This qualification is for those organizations that are able to be knowledge-based, formulate its marketing strategies and sustain its competitive advantage based on its own knowledge. In other words its marketing strategy is intelligent. Organizations must consider innovative knowledge as a new input to sustain competitive advantage and to develop intelligent marketing strategy (more than internal capability and external position as existing inputs). In this paper, we are going to contribute a new perspective to develop marketing strategy. It is sustaining competitive advantage and developing intelligent marketing strategy (IMS) through innovative knowledge to achieve superior performance. Accordingly we have developed a comprehensive model of Intelligent Marketing Strategy.

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1. Introduction

All organizations attempt to survive and achieve superior business performance in their competing markets. The success of organizations may be attained through different ways. Some organizations think of their internal capabilities while others account on their external position. Third group of organizations think of both their internal capabilities and external position. Anyway, an organization can achieve superior business performance only if it can provide products that customers will pay more for than it costs the firm to provide them. It means that the organization must be able to create value for its customers. Value creation seems to be at the heart of any successful strategy (specially marketing strategy). In order to create value, the organization must obtain a competitive advantage and maintain it sustainable (Saloner et al. 2001). But how an organization can sustain its competitive advantages? VIRO framework was the answer of this question in the 1990. In terms of VRIO, A competitive advantage of an organization will be sustainable when it can be valuable, rare, not imitable by competitors, and manageable by organization (Barney, 1991). In the 21 century that life and business are taking new nature and the environment of organizations is going to be more competitive and turbulent, VRIO seems not to be adequate for sustaining the competitive advantage of organizations. In the new era that product, technology and even organization life cycle is going to be shorter and shorter, there is a serious need to create and disseminate the innovative knowledge of anything related to organizational success. In knowledge-based economy it is only creativity and innovation that makes and maintains an organization competitive, whereas competitiveness is the mystery of survive and success (Sharkie, 2003; López Salvador Vivas, 2005; Tomaz Cater, 2003).

Intelligent marketing strategy (IMS) is a source of think-tank or pool of creativity, innovation and knowledge creation. IMS can play mutual important role for organizational success. In one hand it can provide requirements of sustainable competitive advantage (SCA) and in the other hand it can result in superior business performance using SCA through marketing assets. Applying marketing assets (informational and relational), IMS creates value for customers and satisfy them. As a consequence, satisfied customers return to the organization and bring it prosperity (Tomaz Cater, 2003). This paper is structured as follows: Antecedents of IMS (including competitive advantage and SCA), IMS (formulation and implementation), consequences of IMS (value creation and business performance), and conclusion (model of IMS) as a contribution of paper.

2. Antecedents of Intelligent Marketing Strategy (IMS)

2.1. *Competitive advantage*

Competitive advantage is a factor or combination of factors that make an organization more successful than other organizations in a competitive environment and cannot be easily emulated by its competitors (Feurer and Chaharbaghi, 1995; Lin and Chen, 2008). Strategy (specially marketing strategy) is related to competitive advantage mutually. In one hand competitive advantage is a base or an essence for formulating strategy, in the other hand, formulating strategy is to create and sustain competitive advantage in the line of organizational objectives (Fahy and Smithee, 1999; Harris and Ogbonna, 2001; López Salvador Vivas, 2005; Tomaz Cater, 2003; Teece et al. 1997; Peteraf, 1993; Hunt and Morgan, 1995; Woodruff, 1997). In the strategy and competitive advantage literature two main perspectives have been suggested: marketing or market-based perspective and resource-based view of the firm (RBV) or competence-based perspective (Prahalad and Hamel, 1990; Barney, 1991; Juttner and Wehrli, 1994; Fahy and Smithee, 1999; Liu et al., 2001; Siruastau et al., 2001; Hax and Wilde, 2002; Harmsen and Jensen, 2003; Hooley et al., 2003; Weerawardena and O'cass, 2003; Barney, 1991; Bharadwaj et al. 1993; Williams, 1992; Wernerfelt, 1984).

In order to achieve competitive advantage, an organization must consider its external position, based on marketing perspective (porter, 1980), while according to RBV, internal capabilities must be addressed (Barney, 1991). In a recent (third) perspective it is suggested not to consider sources of competitive advantage separately. According to this new perspective an organization must think of itself (internal Capabilities) and its market (external position) interactively

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