

The Impact of Marketing Strategy on Organization Reputation: Analytical Study on Jordanian vegetable oils companies listed on the Amman Stock Exchange

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ABSTRACT

Purpose – The objective of the paper is to study the impact of marketing strategy on the reputation of an organization, in addition to the outcome of the analytical study on companies of middle and minor status in Jordan.

Design/Methodology/Approach – The survey was created and spread for employees of middle and higher managerial status. Researchers used the various recession analyses to estimate the impact of marketing strategy on organization reputation.

Findings – The modern study of the impact of the marketing strategy on organization reputation.

KEYWORDS:

Jordan; Marketing; Organization Reputation; Strategy.

1. INTRODUCTION

All organizations are confronted by the challenges of strategic direction: some stemming from an aspiration to grip hold of new opportunities while others aspire to overcome substantial difficulties. In this study, we shed light on strategy as the compass of an organization over the long term, which gives an organization an advantage in the ever-changing marketing environment throughout its arrangement of resources and competencies, with the intention to satisfy the shareholders' anticipations. (Johnson, Scholes, Whittington, 2008) While the marketing strategy is an element of an organization's main strategy to accomplish its objectives by pinpointing and studying the market's targets market and developing a marketing mix (product; price; promotion; and place) to meet the needs of individual in that market. (Pride, Ferrell, 2011) Though applying and building an accurate marketing strategy that will effect organization reputation where we live in a dynamic environment and strong competition organizations struggle to keep clear, good, and positive reputation focusing in small and middle size organization.

2. THEORETICAL BACKGROUND

2.1. MARKETING STRATEGY

The marketing mix strategy is a crucial perception of marketing theory, business environment live in dynamic and changeable circumstances where it will effect organization situation in a positive or negative way. Through building a right marketing strategy by applying for a fit product, price, promotion, and place strategy to the right target market and through forecasting or studying the surrounding environment to gain a competitive advantage over competitors. (Foxall, 2001) In our study, we focused on marketing strategy as being an indication of how each element of the marketing mix will be used to achieve the marketing objectives. Also marketing strategy consist of analysis, strategy enhancement, and the employment of activities in: evolving a vision concerning the market an organization is interested in, deciding on market-target tactics, setting goals, and developing, implementing, and supervising the marketing program, setting strategies intended for measuring up to the value required by clients in specific market segments. (Cravens, Percy, 2009)

2.1.1. PRODUCT STRATEGY

Where many studies refer to or define a product as goods or services that a company offers in the market. (Goi, 2011) The product is consistent of (3) main benefits; first is core product, which generally addresses the clients' essential requirements. Following are the complementary features of a product, which offer additional attributes or qualities, as well as its core utility or benefits. Finally, the consumer also receives benefits based on their experiences. (Pride, Ferrell, 2011)

2.1.2. PRICE STRATEGY

Where the concept of the price refers to the cost paid in exchange for products. Goi (2011) stated that the price is an estimation of the value of the obtained service. Furthermore, many studies identified the price as the one element a marketer can alter quickly to adapt to the changes demanded or to the actions and reactions of rivals. Price is a significant component in the marketing mix since it widely relates to the generation of revenue and has a psychological impact on customers. When setting a price a company has to specify what they want to accomplish through pricing strategy to help marketers solve the practical problem according to Chung and Shin. (2008)

2.1.3. PROMOTION STRATEGY

Promotion happened primarily through communication by constructing and maintaining relations via informing and influencing different types of audiences. (Al-Muala and Al-Qurneh, 2012) where many organizations spend considerable resources on promotion to build and enhance relationships with current and potential customers, through right proper promotional planning, implementing, controlling, and controlling of communication. Many promotional tools can be used to communicate with individuals, groups, and organizations. Promotion Mix is defined as an arrangement of means used to sponsor a certain product through (advertising; personal selling; public relations; and sales promotion).

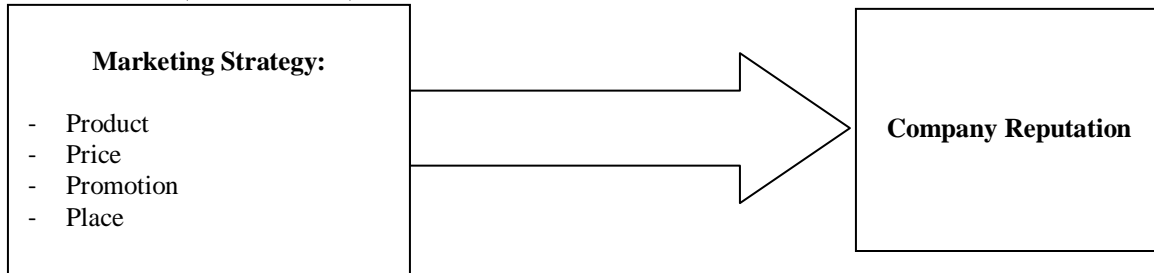
2.1.4. PLACE STRATEGY

Also known as distribution. It is defined as the activities which make products accessible to clients whenever and wherever they want to obtain them. It is in control of marketing channels elucidated as people and organizations that direct the course of products from the manufacturers all the way to clients. They are the distributors connecting manufacturers to other retailers or customers through contractual arrangements. (Kotha et al., 2001)

2.2. COMPANY REPUTATION

The company reputation is a key concept of a company asset, where its consider as an intangible asset which differentiates company than other and attracts customers to use companies products or services also to pay a higher

sum of money (Eberl and Schwaiger, 2005) Companies with a good reputation have a competitive advantage than competitors. Every company assesses reputation using (8) attributes: 1) comprehensive administration; 2) products/services quality; 3) originality; 4) long-term investment value; 5) financial security; 6) the ability to attract, advance and retain talented people; 7) duties toward the community and the environment and 8) the sensible use of corporate resources. (Firestein, 2006)



However, the attention driven through the companies wasn't that much to the marketing strategy through the marketing mix which will reflect the company reputation.

3. THE OBJECTIVES OF THE STUDY

The most important aim of the study is to classify the dimensions of marketing strategy and their impact on organization reputation with the use of study questions:

To achieve the objective of this study, it requires study to answer questions which are the following:

Q1: What is the effect applied to marketing strategy dimensions on organization reputation in the Jordanian vegetable oils companies?

Q2: What is the application level of marketing strategy in the Jordanian vegetable oils companies?

4. SUGGESTED MODEL

A figure is divided into (2) variables: the independent variable (Marketing Strategy), and the dependent variable (Company Reputation), as shown in figure (1).

Figure (1): Research Model

5. STUDY HYPOTHESES

The hypotheses of the study were built depending on the problem of the study and its various components so as to achieve the purpose of the study:

HO1: There is no statistically noteworthy effect of the Marketing Strategy dimensions on Organization Reputation.

This mentioned-above hypothesis branches out into (4) sub-hypothesis:

- HO1.1: There is no statistically noteworthy effect of the Product on Organization Reputation.
- HO1.2: There is no statistically noteworthy effect of the Price on Organization Reputation.
- HO1.3: There is no statistically noteworthy effect of the Promotion on Organization Reputation.
- HO1.4: There is no statistically noteworthy effect of the Place on Organization Reputation.

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6. METHODOLOGY

6.1. POPULATION AND DATA COLLECTION

The population of this study is embodied by Jordanian vegetable-oil corporations registered in the Amman Stock Exchange. The number of workers in these corporations during (2014) equalled (358) employees. Researchers distributed (185) questionnaires randomly on the employees. The valid questionnaire for analysis was (172) questionnaire (92% response rate).

In terms of demographic findings, the male percentage reached (78.5%) while the females reached (21.5%). In terms of age, it is worth mentioning that only (6.9%) of them were younger than (25) years. However, (20.3%) fell into the (25-34) age category, while (48.3%) identified under the (35-44) age category. Only (24.5%) were above this category.

Furthermore, and from an educational point of view, the population of the sample whom only had a diploma or less equalled (17.6%), whereas the percentage of university-certificate holders reached (71%); the rest had higher-level education degrees (10.4%). Additionally, and in accordance with the number of experience years, (19.3%) of the respondents had (5) years or less, while (26.7%) had (6-10) experience years. On the other hand, (29%) had (11-15) years of experience, and only (25%) had more than (15). Refer to chart (1).

Characteristics	Frequency	Percentage
Gender:		
Male	135	78.5
Female	37	21.5
Age:		
Less than 25 Years	12	6.9
25 – 34	35	20.3
35 – 44	83	48.3
45 Years and More	42	24.5
Educational Level:		
Diploma or Less	30	17.6
Bachelors	124	71
Higher Education	18	10.4
Experience Years:		
5 Years or Less	33	19.3
6-10	46	26.7
11-15	50	29
16 Years and More	43	25

Chart (1) Demographic Characteristics of respondents (n=172)

Data-Collection Approach: The study relies on surveys as the main instrument, which entails three parts; the first gathers demographic information, while the second covers the marketing strategy aspects (product; price; promotion; and place) over (20) questions adopted from previous studies. The third part covers organization reputation which concludes (9) questions adopted from earlier studies, and all questions have been answered according to the Likert scale.

6.2. VALIDITY AND RELIABILITY

Factor analysis was initially used to evaluate the fundamental relations between lots of items, and to decide whether or not they can be reduced to a smaller amount. The validity test relies on content validity, where both the survey and the study model have been distributed to a group of professors in the department of business and marketing to be assessed, and according to their valuable notes, adjustments to the survey were made.

Cronbach Alpha factor has been used to examine reliability. Results shown that the Cronbach Alpha factor was (0.0.86), the marketing strategy factor was (0.0.81), and the organization reputation factor was (0.83). (Sekaran and Bougie, 2009)

7. RESULTS AND DISCUSSIONS

As it shown on the chart (2) the effect of a product on the organization reputation, the result shows that there significant effect for the product on the organization reputation. The value of ($\beta=0.310$), and (T-Value=10.951), and the restriction parameter (P-Value) was (0.000) of the organization will be caused by the product. Given these results, the alternative hypothesis HA-1.1: There is a statistically noteworthy effect of the Product on Organization Reputation. The alternative hypothesis will be accepted.

Results show that value of ($\beta=0.453$), and (T-Value=16.401), and the restriction parameter (P-Value) was (0.000) of the organization will be caused by the price. Given these results, the alternative hypothesis HA-1.2 states as follows: There is a statistically noteworthy effect of the Price on Organization Reputation. The alternative hypothesis will be accepted.

Likewise, the study has shown that there is the effect of promotion on the organization reputation; the result shows that promotion has a significant effect on the organization reputation. The value of ($\beta=0.299$), and (T-Value=11.189), and the restriction parameter (P-Value) was (0.000) of the organization will be caused by the promotion. Based on this result, the hypothesis has been deemed null, and the alternative hypothesis has been accepted in its place. This latter hypothesis states that HA-1.3: There is a statistically noteworthy effect of the Product on Organization Reputation.

As the outcomes of the study showed, the Place, as a component of the marketing strategy, has an effect on the organization reputation; the result shows that there is a significant effect of the place factor on the organization reputation. The value of ($\beta=0.079$), and (T-Value=2.875), and the restriction parameter (P-Value) was (0.005) of the organization will be caused by the promotion. Based on this result, the hypothesis has been deemed null, and the alternative hypothesis has been accepted in its place. This latter hypothesis states that HA-1.4: There is a statistically noteworthy effect of the Place on Organization Reputation.

Variables	β	T-Value	P-Value
Product	0.310	10.951	0.000
Price	0.453	16.401	0.000
Promotion	0.299	11.189	0.000
Place	0.079	2.875	0.005

Chart (2) Regression Results

8. CONCLUSION AND RECOMMENDATIONS

Results of the study showed that there are good levels of the availability of the dimensions of the marketing strategy and an interest in the industry, manufacturers of vegetable oils, which indicates that the marketing strategy in those companies with high efficiency,

The results also indicate the existence of the effect is statistically significant for strategy, marketing (in all dimensions) in the ability of companies to improve their reputation, which ranged from the value of beta coefficient for all dimensions between (0.310, 0.453, 0.299, and 0.079), and can be explained by this effect because of that there is interest in those organizations marketing strategy.

Taking these findings into consideration, the following recommendations can be made: the manufacturers of vegetable oils Jordanian give more attention to marketing strategy in terms of impact on the reputation of the organization. That given, the results showed the effect of this strategy on the reputation of the organization.

The study provides recommendations for researchers to conduct future studies related to the marketing strategy and its relationship with other variables not addressed by the current study, factors such as the external environment and other variables that can help these organizations to enhance its reputation.

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