An empirical analysis on the effects of marketing communications on market share adjustment

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CHRONICLE	ABSTRACT
Article history: Received August 25, 2013 Received in revised format 19 September 2013 Accepted 23 October 2013 Available online November 12 2013 *Keywords*: *Irancell* *Factor analysis* *Marketing planning* *Mobile*	During the past few years, there has been growing competition between two primary sources of mobile service providers including Hamrah Aval and Irancell in Iran. The competition is so tight that both service providers have spent significant amount of money on marketing planning. Therefore, it is necessary to find important factors influencing on better marketing planning. This paper presents an investigation to analyze the effects of marketing communications on market share adjustment. The proposed study of this paper has used principle component analysis and it has detected four factors environment issues, marketing organization, market development and relationship oriented.

1. Introduction

During the past few years, there has been growing competition between two primary sources of mobile service providers including Hamrah Aval and Irancell in Iran. The competition is so tight that both service providers have spent significant amount of money on marketing planning. These days, these two mobile providers sponsor most popular TV movies, people could see their promotion plans on different billboards located in high ways, subways, etc. Therefore, it is essential for such firms to find appropriate communication channels to penetrate into market, more efficiently and effectively so that not only retain their market share but also gain more market share. There are literally various methods for offering high quality products into the market. For years, many industries attempted to offer high quality products to attract more customers and gain more market share using various techniques such as build-to-order and lean manufacturing processes (Sharma & LaPlaca, 2005; White & Dieckman, 2005; Belch et al., 2008).

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Market-based organizational learning has been recognized as a primary source of sustainable competitive advantage and benchmarking has been used as management tool for identifying and enhancing valuable marketing capabilities (Vorhies & Morgan, 2005). Eid et al. (2006) provided some basis for further research and good practice in benchmarking by combining the best characteristics of traditional and new internet marketing activities. The multi-channel challenge is another important technique for penetrating into market (Wilson & Daniel, 2007). Blois and Ramirez (2006) discussed different capabilities as marketable assets. Dutta et al. (2005) discussed conceptualizing and measuring capabilities by introducing a methodology and empirical application.

Payne and Frow (2005) developed a conceptual framework for customer relationship management (CRM) to investigate its role in enhancing customer value as well as shareholder value. They explored different characteristics of CRM, and identified three alternative perspectives of CRM. They also detected five key cross-functional CRM processes including a strategy development process, a value creation process, a multichannel integration process, an information management process, and a performance assessment process.

Mithas et al. (2005) evaluated the impact of CRM on customer knowledge and customer satisfaction and explained that gains in customer knowledge were enhanced when firms share their customer-related information with their supply chain partners. According to Guenzi and Troilo (2006), marketing–sales integration is a multi-aspect construct made up of various components, which influence different marketing capabilities and highlighted its antecedents and consequences. Donthu et al. (2005) used data envelopment analysis for benchmarking the business activities. Kalaignanam et al. (2008) concentrated on leveraging the Internet for enhancing the efficiency of a business' marketing operations. They presented an organizing framework, which could provide some insights into opportunities for reaching marketing efficiency gains in the context of the interactivity, personalization and addressability characteristics of the Internet.

According to Varadarajan and Yadav (2009) we could expect that marketing strategy and marketing operations would be even more extensively integrated and blended in the Internet-enabled market environment in the future. Rodriguez and Peterson (2012) investigated the role of social CRM and its potential effect on lead generation in business-to-business marketing. Edmiston-Strasser (2009) studied integrated marketing communication in US public institutions of higher education. Caemmerer (2009) discussed different perspectives of integrated marketing communications.

2. The proposed study

In this paper, we present an empirical investigation to detect the effects of marketing communications on market share adjustment. The study is concentrated on regular customers who use Irancell services in city of Tehran, Iran. This firm is the second largest mobile service provider in Iran. The proposed study designs a questionnaire in Likert scale consists of 16 questions, distributes it among 185 Iranian experts and analyzes it based on principal component analysis. During the survey, the number questions are reduced to 16.

Cronbach alpha is calculated as 0.90 and Kaiser-Meyer-Olkin Measure of Sampling Adequacy and Approx. Chi-Square are 0.906 and 2124, respectively. Fig. 1 demonstrates the results of Scree plot. As we can observe from the results of Fig. 1, there are four factors, which could be extracted for further studies. In addition, as we can observe from the results of communalities given in Table 1, most factors are well above the minimum acceptable level of 0.5. Table 2 demonstrates the results of factor analysis on these factors.
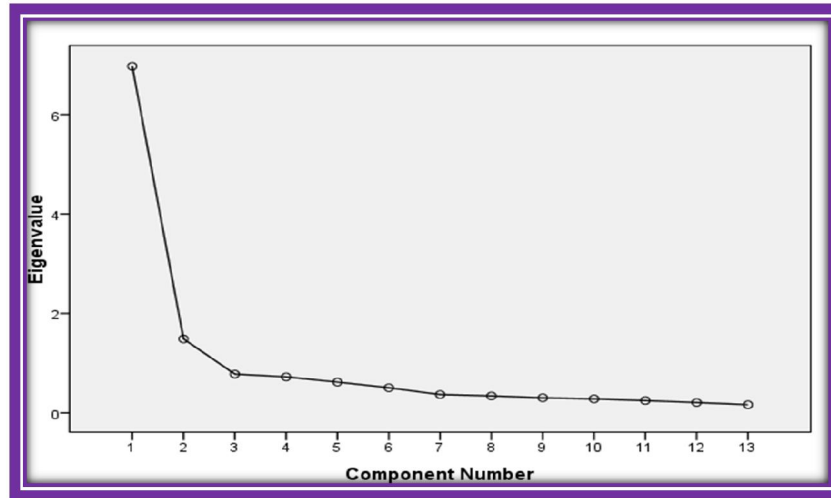
Fig. 1. The Scree plot of different factors

Table 1
The results of communalities

	Initial	Extraction
VAR00002	1.000	.520
VAR00003	1.000	.784
VAR00004	1.000	.600
VAR00005	1.000	.643
VAR00006	1.000	.651
VAR00008	1.000	.628
VAR00009	1.000	.651
VAR00010	1.000	.627
VAR00011	1.000	.591
VAR00012	1.000	.721
VAR00013	1.000	.630
VAR00014	1.000	.546
VAR00015	1.000	.623

Table 2
The summary of principal component analysis

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.309	17.762	17.762	2.309	17.762	17.762	1.920	14.766	14.766
2	2.044	15.726	33.489	2.044	15.726	33.489	1.685	12.961	27.727
3	1.436	11.048	44.536	1.436	11.048	44.536	1.661	12.774	40.501
4	1.274	9.803	54.340	1.274	9.803	54.340	1.493	11.481	51.982
5	1.151	8.852	63.192	1.151	8.852	63.192	1.457	11.210	63.192
6	.908	6.981	70.173						
7	.778	5.982	76.155						
8	.757	5.824	81.980						
9	.653	5.026	87.006						
10	.520	3.999	91.005						
11	.467	3.589	94.594						
12	.380	2.924	97.518						
13	.323	2.482	100.000						

Based on the results of our survey, we have derived four factors including environment issues, marketing organization, market development and relationship oriented.

3. The results

In this section, we present details of our findings on five influencing factors.

3.1. The first factor: Environment issues

The first factor is associated with environment issues and Table 3 demonstrates details of our investigation. As we can observe from the results of Table 3, "Information" is the most important factor, followed by "Motivation", "Perception" and "Power".

Table 3
The summary of factors associated with environment analysis

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Perception	0.735			
Information	0.844	2.489	68.223	68.223
Motivation	0.764			
Power	0.720			

Cronbach alpha =0.83

3.2. The second factor: Marketing organization

The second factor is associated with marketing organization and Table 4 shows details of our investigation. As we can observe from the results of Table 4, "Marketing capabilities" is the most important factor, followed by "Optimum advertisement".

Table 4
The summary of factors associated with marketing organization

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Optimum advertisement	0.748			
Marketing capabilities	0.766	2.039	56.766	56.766

Cronbach alpha =0.67

3.3. The third factor: Market development strategy

The third factor is associated with market development strategy and Table 5 shows details of our investigation. As we can observe from the results of Table 5, "General advertisement" is the most important factor, followed by "Sales competitions" and "Product".

Table 5
The summary of factors associated with market development strategy

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Product	0.663			
General advertisement	0.863	2.094	66.782	66.782
Sales competitions	0.798			

Cronbach alpha =0.88

3.4. The forth factor: Relationship oriented strategy

The last factor is associated with relationship oriented strategy and Table 6 demonstrates details of our investigation. As we can observe from the results of Table 6, "General administration" is the most important factor, followed by "Internet" and "Direct responsiveness".

Table 6
The summary of factors associated with relationship oriented strategy

Option	Factor weight	Eigenvalues	% of variance	Accumulated
Internet	0.780			
General administration	0.898	1.530	38.328	38.328
Direct responsiveness	0.425			

Cronbach alpha =0.62

4. Conclusion

This paper has presented an investigation to analyze the effects of marketing communications on market share adjustment. The study aimed on regular customers who used Irancell services in city of Tehran, Iran. The proposed study of this paper has used principle component analysis and it has detected four factors environment issues, marketing organization, market development and relationship oriented. The first factor, environment issues, includes four sub-components where "Information" was the most important factor, followed by "Motivation", "Perception" and "Power". The second factor, marketing organization, also includes three factors where "Marketing capabilities" was the most important factor, followed by "Optimum advertisement". The third factor was associated with market development strategy with two factors where "General advertisement" was the most important factor, followed by "Sales competitions" and "Product". Finally, the last factor was associated with relationship oriented strategy where "General administration" was the most important factor, followed by "Internet" and "Direct responsiveness". We hope the results of our survey could help Irancell service provider to optimize their services.

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