The Relationship Between Marketing Capabilities and Performance in Sustainable Competitive Advantage: An Application in Manufacturing Enterprises in Ankara Province

Nurhan PAPATYA
Süleyman Demirel University
Faculty of Economics and Administrative
Sciences
Isparta, Turkey
orcid.org/0000-0001-8942-8094
nurhanpapatya@sdu.edu.tr

Gürcan PAPATYA
Süleyman Demirel University
Faculty of Economics and Administrative
Sciences
Isparta, Turkey
orcid.org/0000-0002-9647-5662
gurcanpapatya@sdu.edu.tr

A. Buğra HAMŞIOĞLU
Mehmet Akif Ersoy University
Faculty of Economics and Administrative Sciences
Burdur, Turkey
orcid.org/0000-0002-4973-8773
abhamsioglu@mehmetakif.edu.tr

Extensive Summary

Introduction

The changing realities of competition and the new reality in the *marketing paradigm* present unique roadmaps to businesses. The main driving point of these roadmaps is to focus on the enterprise's internal resources and marketing capabilities and to ensure sustainable competitive advantage. Enterprise's internal resources and marketing capabilities are decisive for generating more *value* for competitive advantage and ensuring long-term performance.

The marketing capabilities of businesses to gain and sustain competitive advantage enable the value-generating capabilities of customers to be addressed together with the strategies that are correct and that make difference. For this reason, the essential conditions for uniqueness in the competition are seen as the development of internal resources and capabilities, and provision of coordination in accordance with changing competition conditions.

To this end, this study is designed to examine the impact of marketing capabilities on the performance for sustainable competitive advantage. Two main directions were followed in the study: First, the conceptual-theoretical aspect was defined, then the field study and the findings/interpretations were presented.

Method

The universe of the research is the list of the manufacturing enterprises operating in the province of Ankara, obtained from the Ministry of Trade and Industry. The total number of manufacturing enterprises in this list is 5192. Communication has been made using the business addresses and phone numbers of these enterprises. Interviews were conducted with 730 business managers who agreed to participate in the interview and the study, and a survey was conducted. In application phase, interviewers were used. The sample size was calculated as 357 with 95% confidence interval and 5% error (Altunışık et al., 2002). However, the study was conducted with a sample size that was above the calculated sample size.

In the generated research theoretical model, the variables expressed by hypotheses were estimated using the Partial Least Squares (PLS) algorithm of Lohmöller (1988). PLS is a multi-variable modeling technique that has been used by researchers in recent years to establish cause-and-effect relationships (Fornell, 1992; Fornell et al., 1996). This technique simultaneously realizes the harmony of the relationships between the implicit factors (Latent Variables - LV) the measures of the factors (Manifest Variables - MV) and the empirical verification of the relationships between the theoretically hypothesized factors (Compeau and Higgins, 1995, Celik and Basaran, 2008, Vinzi et al., 2010). To identify dependent variables and/or variables in the PLS model, the key components combine multivariate regression with factor analysis (Edvardsson et al., 2000).

Exogenous relationships between MV (exogenous variable x and endogenous variables y) and LV (exogenous factor ξ and endogenous factor η) are predicted by factor analysis, as shown in the path graph 1. Subsequently, the internal relations between the measurement model and the exogenous LV (ξ) and endogenous LV (η) are predicted by means of regression, and a structural model is presented (Kristensen et al., 1999).

Findings

According to the findings of the study, there is also a positive and significant effect of marketing capability (ξ_1) on the performance (η). There is a significant direct and positive effect of marketing ability on business performance ($\gamma_1=0.80$, $t=10.24$, $p=0.001$). Thus, the generated research *hypothesis H1 has been accepted*

Conclusion

In this study, which aims to determine the effect of marketing capabilities on business performance in manufacturing enterprises in Ankara province, the following results were obtained:

• The data of the research shows that market engagement capabilities, technical capabilities, and information technology capabilities are three sub-factors that determine the marketing capabilities. The marketing capability influences these factors directly and positively. For market engagement capabilities, the enterprise's perception of market power, customer retention, and marketing and resource capabilities are seen as more prominent capabilities. For businesses, technical capabilities include new product development capabilities, integrated logistics capabilities, cost control capabilities and financial management

capabilities. Finally, within information technology capabilities, information processing capabilities for facilitating the creation of market intelligence, facilitating the integration among different functions, new product development projects and external communication (suppliers, customers, and chain elements) are deemed to be important in terms of manufacturing enterprises.

• In addition, this study shows that the factors of sales, profitability and overall business performance are the three sub-factors that determine business performance. Business performance directly and positively affects these factors. For sales, the phrase "sales level in recent years is better than competitors" and "satisfaction with sales are much better than competitors" are considered important. For business performance, "profitability of sales is much better than competitors" and "satisfaction with net profitability of sales is better than competitors" among profitability expressions. Finally, for overall performance, it can be said that "overall performance of business units is much better than last year" and "overall performance is much better than large competitors".

• The research hypothesis to test whether marketing capabilities directly affect business performance has shown that these abilities have a significant, direct and positive effect.

In addition, it is considered that the manufacturing enterprises will be able to keep pace with the change by perceiving the general change in the sector they are active in, reacting and to achieving competitive advantage, developing their marketing skills effectively, and by developing their own resources and capabilities for this.

It should be taken into consideration that the findings/results presented by this research are obtained under various limitations. The fact that the research is carried out only in the manufacturing enterprises in Ankara province prevents the generalization of the findings for manufacturing enterprises operating in other provinces. In the future, the results to be obtained by the studies to be carried out in the manufacturing enterprises in different provinces can be compared, the number of samples can be expanded and a roadmap can be formed for the manufacturing enterprises with the obtained results.

Finally, due to personal statements, interviewer and respondent errors, the actual situation may not always be fully reflected. Therefore, it is doubtless that in future research, different sample sizes, different sector groups will have different results.