

IMPACT OF ORGANIZATION STRATEGIC ORIENTATIONS ON ORGANIZATION COMPETITIVE ADVANTAGE: MEDIATING ROLE OF MARKETING CAPABILITIES

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ABSTRACT: *The concept of organization strategic orientations, marketing capabilities and competitive advantage remains the central attention of researchers from few decades. Drawing on resources base view theory and competitive capabilities theory, this paper measures the extent of the relationships among organization strategic orientations, marketing capabilities and organization competitive advantage. Previous researchers have focused on strategic orientation disjointedly and addressed only one or a combination of two or three aspects and only a partial view of strategic orientation is presented. In this paper, a holistic view of the four different orientations is taken that collectively measures organization strategic orientation. Therefore, the main objective of this study is to examine the extent of the relationships of the four orientations (market, learning, technological, and entrepreneurial) with organization marketing capabilities, and their influence on organization competitive advantage. This study adopts a causal research model and to test the hypotheses of the study, questionnaires were sent to 166 employees of the manufacturing industry of Pakistan. Collected data was analyzed using regression and moderation effects through Baron and Kenny approach. The results of the study confirm the relationships between organization strategic orientations, marketing capabilities and competitive advantage and contributes to both strategic management and marketing by defining and finding the common trends between them that can bind them together.*

Keywords: strategic orientation, marketing capabilities, competitive advantage.

INTRODUCTION

With the development of two leading but still competing concepts: that is, competitive forces view [1] and the resource-based perspective [2], the idea that how an organization creates and sustains competitive advantage has got magnificent consideration in the strategy literature. The prior proposes that corporate structure and organization long term positioning are the main forces of creating and sustaining competitive advantage, though the later proposes that the creation of competitive advantage results from the organization incomparable resources and distinctive capabilities. In today's market the only source of survival for companies in this highly competitive environment depends on how they are renovating and formulating their long term strategies and capabilities. The strategic marketing literature has proved that an organization strategic orientation is an important sign of its function, performance and organizational long term orientation [3].

The strategy of an organization is one of the most important and dominant concepts in strategic management research. The role of the strategic orientation of the organization on the capability to produce effective new goods and services has not been satisfactorily examined. Though, this strategic orientation choice is important to direct the activities which lead to strong performance and organizations should have successful long term strategic orientation and should build competent marketing capabilities so that they can provide such type of products and services that cannot be easily replicated, duplicated and followed so as to build a competitive edge over competitors. Latest studies, have initiated to explore the relations between any two overlapping orientations, and undeniably, many scholars have investigated the association of market and learning orientation [4], or

market and entrepreneurial orientation [5] as well as the market-technology orientation relationships [6]. Moreover, preceding studies have emphasized the significance of examining the interactions among different strategic orientations, and Grinstein [7] primarily recognized that organizations that concentrate completely on only a single orientation cannot perform significantly in the long term. Grinstein [7] and Aloulou and Fayolle [8] recommend that researchers ought to emphasis on the combination of a number of strategic orientations that organization can practice in various circumstances. This study will inspect the collective effect of four strategic orientations namely market, learning, technological and entrepreneurial orientation and their relationship with organization marketing capabilities and competitive advantage. These all are little investigated yet in the strategic management literature.

Research Objectives

This research serves the following objectives.

1. To identify the organization strategic orientations that are necessary for creating, building and sustaining organization competitive advantage.
2. To identify the organization marketing capabilities which are necessary for sustaining competitive advantage.
4. To empirically investigate the relationship and interaction of organization strategic orientations and marketing capabilities to create, build and sustain organization competitive advantage.

Research Questions

1. What are the organization strategic orientations that are necessary for creating, building and sustaining Organization competitive advantage?
2. What are the organization marketing capabilities that are necessary for sustaining competitive advantage?
3. How the organization strategic orientations and marketing

capabilities are related and their interactions to create, build and sustain organization competitive advantage?

Significance of the Study

This study takes a holistic perspective of organization strategic orientations that are market orientation, learning orientation, technological orientation and entrepreneurial orientation which have not yet been studied collectively in previous literature. The study also fills a gap in that there is very little research that addresses the collective relationship of these strategic orientations with marketing capabilities to create and sustain competitive advantage. This study will help professionals in developing organization strategies especially the marketing strategies and strategic orientations strategies and will provide an insight how to become a market driven organization.

LITERATURE REVIEW

Organization Strategic Orientation

Commonly strategic orientation refers to umbrella term covering different constructs such as market orientation, entrepreneurial Orientation and Learning Orientation [9]. In previous studies all these four strategic orientations are empirically tested in relationship with other variables like organization performance, customer value, innovations etc., but all these strategic orientations are tested separately or in a combination of any two. However, these studies are silent on the relationship of strategic orientations with marketing capabilities to create and sustain the organization competitive advantage [10,7].

Market Orientation

Opinions about market orientation were primarily put onward by Drucker [11], and its theoretical background developed after 1990 [3]. The first effort is presented by Kohli and Jaworski [12] who defined market orientation as a philosophy and realized the truth that no clear and perfect sense about the concept exists. The second effort was made by Narver and Slater [3], who directed the initial practical working out concerning the theory and claimed a significant and affirmative relationship concerning market orientation and operating profitability. These two studies have initiated other studies presented in 1990. The third approach, consider market orientation as a system oriented management behavior, forwarded by Becker and Homburg [13]. Narver and Slater [3] operationalized market orientation as a culture that (a) aimed at the provision of greater customer value while taking into consideration the benefit of other key stakeholders; and (b) offers criteria for behavior adaptation concerning the organization growth and reaction to market actions. A superior understanding of customer needs, competitive actions and market trends that help organizations to recognize and build up the necessary capabilities for long lasting performance. Van Raaij and Stoelhorst [14] conclude that, market orientated organizations are well up to date about the market and have the talent to use that information advantage to offer superior customer value. So in the light of the previous literature we can make a sense of market orientation as the behavior of organization that deals with identifying customer needs (customer orientation, understanding competitors' actions (competitor orientation and organization inter-functional coordination to fulfill customers' needs and overcome competitors' challenges [3].

Learning Orientation

Organizational learning is organization-wide doings of producing and utilizing information that support organization to create competitive advantage [15]. This comprises of acquiring and distributing facts about customer requirements, market fluctuations and competitors activities. It is believed as an intangible resource which is articulated by particular orientations implanted inside the culture and procedures of an organization. Learning organization is described as a setup where knowledge is completely used, its volume is increased, manners are transformed and competencies are achieved [10]. Marquardt [15] describes that, a learning organization is a system-connected organization which acquires greatly and cooperatively and constantly relocating itself to acquire, distribute and utilize knowledge in best way for organization success. In this study, learning orientation corresponds to this explanation of learning organization and is defined as the organization's tendency to acquire and utilize knowledge, and the processes it in organizational practices [16] to achieve competitive edge. So this study operationalize and measure learning orientation as defined by Calantone et al. [16].

Technological Orientation

According to Grinstein [7], technology orientation represents an organization's tendency to instigate or exploit the latest technologies, creations or inventions. It proposes that the ever-lasting achievement of an organization is better constructed by means of new inventions, technological determinations, goods, services or manufacturing procedures. Technology orientation could be seen most directly associated with the resource-based view of strategy, as it proposes that technological means when distinctively combined, institute the foundation of competitive advantage. According to Cooper [17], a technology-oriented organization can be explained as an organization with the capability and the motivation to achieve a significant technological framework and to practice it in the production of new products. In this study technological orientation is operationalized as an organization tendency to acquire and implant latest and modern technologies in organization [18].

Entrepreneurial Orientation

Entrepreneurial orientation is examined comprehensively in the entrepreneurship literature [19]. It is also a strategic orientation that describes particular entrepreneurial aspects of an organization [19], specifically taking risks, proactive actions and innovative activities. Previous studies put forward that entrepreneurial orientation progressively influences performance [19]. The performance influence is grounded in the concept that taking risk is practical and inventive is best competent to regulate its actions in a vibrant challenging situation. According to Slater and Narver [20] entrepreneurial orientations has an effect on equally new goods and market growth. The elements of entrepreneurial orientation expedite risk taking related with growth of new technologies and proactive and innovative production of new goods and services which gives a competitive edge over competitors [19]. Hence, this study operationalizes entrepreneurial orientation as organization orientation that deals with organization risk taking behavior, innovative and proactive actions [19].

Marketing Capabilities

Approaching from a resource-based viewpoint and its current dynamic capabilities extension, the employment of particular organizational resources call for the organization to get hold of the consequent capabilities, like the capability to incorporate, develop, and reorganize intrinsic and extrinsic capabilities accordingly that corresponds to the variations in the organization and the market environment [21]. To take advantage of market based competencies positioning, as Morgan et al. [22] argued that organization requires developing marketing capabilities to coordinate the execution processes. Marketing capabilities are defined as an incorporative or integrative attempt of utilizing the shared knowledge, expertise, and organization assets associated with the market requirements of the organization, facilitating to increase quality of goods and processes and face the competitive challenges. Cavusgil and Zou [23] stated that marketing capabilities are the cornerstone of the organization's competitive advantage. This research effort is made to know, what are the organizational capabilities necessary for creating, building and sustaining competitive advantage?

Marketing capability is defined as "incorporative practices for exercising the shared information, abilities, and resources of the organization related to the market and industry requirements by adding value organization products/services and marketing mix elements which build competitive advantage" [24]. Many researchers have emphasized on the function of marketing capabilities in the realization of an organization's competitive edge, from the perspective of organization resource based view [25,26] and organization capability-based perspective [21], marketing researchers have approved that market related resources and capabilities of an organization can create and maintain organization competitive advantage due to their scarcity and uniqueness [26]. Vorhies and Harker [27] have presented marketing capabilities as a critical source of organization competitive advantage and have identified five independent marketing capabilities that are market research, pricing, product development, channels management, promotion, and market management which collectively measures the overall organization marketing capabilities. Hence, this study also uses this operationalization of marketing capabilities.

Competitive Advantage

From strategic perspective, an organization's competitive advantage is the ability and expertise to grow or acquire organizational distinctive resources and unique capabilities, achieving a dominant place in market and enforcing a challenging strategy that address the prospects and pressures for the outside environment [1]. Competitive advantage is a lead over competitors achieved by providing superior customer value, either by lesser prices or by offering better product qualities and services that defends a higher price [1]. Porter [1] expresses competitive advantage by three aspects, lowering of cost, differentiation of product and services and focus on competitors' actions. An organization can differentiate in several ways, such as providing innovative attributes, introducing valuable promotions, offering excellent services, promoting a compelling brand name, etc. Further, Miller [27] expresses that an organization overtakes its competitors by distinguishing between two kinds of

advantages: market differentiation and innovation differentiation. In specific, a market differentiation advantage take place when an organization builds a distinctive position in the market and attains customer devotion by means of fulfilling their specific requirements, and innovation differentiation advantage take place if an organization creates the most demanding products and services by heading opponents in value, productivity, design and smartness [27]. Hence, this study measures the organization competitive advantage from the perspective of organization Innovation differentiation and Market differentiation [28].

THEORETICAL FRAMEWORK AND HYPOTHESES

This study aims to investigate the direct effects of organization strategic orientation on organization competitive advantage as well as the mediating influence of organization marketing capabilities on this relationship. The proposed framework of the study is shown in figure 1.

Direct Relationship: Market Orientation and Marketing Capabilities

According to Dev *et.al* [28], market orientation offers distinctive information base for satisfying target market. As such, market orientation focuses the acquisition and utilization of required resources and capabilities for creating and maintaining superior customer value. Thus market orientation serves as antecedent to marketing capabilities development to create and maintain customer value, organization performance and competitive advantage. Hence, this study hypothesizes that:

H1: *Organization market orientation positively influences organization marketing capabilities.*

Direct Relationship: Learning Orientation and Marketing Capabilities

According to Vorhies *et al.*, [29], Marketing capabilities are acquired when the organization's employees constantly use their knowledge and abilities to solve the organization's market related problems. This implies that the marketing capabilities development of an organization, similar to other organizational capabilities, rests in the exercise of organizational learning [30]. This stands for adopting a learning orientation behavior to continuously acquire knowledge about market [31,16]. Thus, it is hypothesized that:

H2: *Organization learning orientation positively influences organization marketing capabilities.*

Direct Relationship: Technological Orientation and Marketing Capabilities

Resource base view perspective of an organization offers a complete basis for inspecting how technology and corresponding resources can be integrated to develop benefits creating capabilities [32]. Whereas many studies have addresses the resource base view of the organization to explain technology supported marketing capabilities of the organization [33]. It is therefore hypothesized that:

H3: *Organization technological orientation positively influences organization marketing capabilities.*

Direct Relationship: Entrepreneurial Orientation and Marketing capabilities

According to Lai, Wong & Cheng [33], entrepreneurship oriented organizations are those organizations having a sort of culture that might encourage an organization to

aggressively go in different markets as well as to present different products. No problem entrepreneurship exists in organization's proprietor, uppermost management or industry culture, the organization will perform more innovatively, more evolutionary, and more courageously to do new business. Entrepreneurship shows very vital role in the development of market oriented capabilities and as well as critical for introducing new goods and services [34]. Thus, it is hypothesized that:

H4: *Organization entrepreneurial orientation positively influences organization marketing capabilities.*

Direct Relationship: Market Orientation and Competitive Advantage

Kohli and Jaworski, [12] have also put forward that Market orientation is stated as an ability of an organization that diagnose potentials for competitive advantages and new offerings to fulfill the requirements of market. So, market orientation is a very critical source of gaining competitive advantage. As well as the researchers of Strategic management [35] and marketing [12] suggest that market orientation offers a foundation for creating sustainable competitive advantage. Therefore, it is hypothesized that:

H5: *Market orientation positively influences organizational competitive advantage.*

Direct Relationship: Learning Orientation and Competitive Advantage

In resource base view literature, learning is considered as the key cause of creating competitive advantage [36]. The capacity of employees in an organization to learn quicker than competitors creates the only competitive advantage. A greater learning base can be linked to greater strategic elasticity and quicker response to situation deviations [37]. Thus, according to the above facts, this study hypothesizes that:

H6: *Organization learning orientation positively influences organization competitive advantage*

Direct Relationship: Technological Orientation and Competitive Advantage

According to Lin [38], technological orientation is an important component of organizational capability development and a critical mean of sustainable competitive advantage. Gatignon, Hubert and Robertson [39] argue that product innovations and cost advantages are achieved through the development of modern technologies and the incorporation of existing and modern technologies distinguish organization from its competitors through strong competitive advantage. Therefore, we hypothesize that:

H7: *Organization technological orientation positively influences organizational competitive advantage.*

Direct Relationship: Entrepreneurial Orientation and Competitive Advantage

Entrepreneurial orientation is involved with the organization-level strategies that organizations use to achieve a competitive advantage. As stated by Spender [40], entrepreneurial orientation is as well a source and an organization capability that creates long-term competitive advantage and superior performance to the firm. Therefore, we hypothesize as:

H8: *Organization Entrepreneurial orientation positively influences organization competitive advantage.*

Direct Relationship: Marketing Capabilities and

Competitive Advantage

The resource based view of the organization and the capability-based perspective of the organization have put their emphasis on marketing capabilities revealed that organization marketing capabilities can create and sustain organizational competitive advantage because these capabilities are uncommon to others, hard to attain, challenging to match and their worth can be seized by the organization [26,40]. We therefore, hypothesize as:

H9: *Organization marketing capabilities positively influences organization competitive advantage.*

Indirect Relationships: Market Orientation, Marketing Capabilities and Competitive Advantage

Hooley et al., [26] argue that market orientation serves as an antecedent to marketing capabilities. Previous researchers like Barney [41] and Teece et al [21] state that that organization marketing capabilities serve as the basis for the creation of competitive advantage because these are the unique capabilities of the organization that cannot be easily identifies by the competitors. Thus we hypothesize as:

H10: *Organization marketing capabilities positively mediate the influence of organization market orientation on organization competitive advantage.*

Indirect Relationships: Learning Orientation, Marketing Capabilities and Competitive Advantage

According to Vorhies and Harker, [29], marketing capabilities take birth when the organization's employees constantly use their knowledge and abilities to solve the organization's market related problems. The capability based view of the organization emphasizes marketing capabilities as an important source of competitive advantage [21]. Therefore, we hypothesize as:

H11: *Organization marketing capabilities positively mediate the influence of organization learning orientation on organization competitive advantage.*

Indirect Relationships: Technological orientation, Marketing capabilities and Competitive advantage

Wade and Hulland, [32] argue that technology and corresponding resources can be integrated to develop competitive advantage. Technology orientation is the behavior of an organization to use latest and advance technologies that help in reducing cost of production and acquiring knowledge about market and generating effective goods and services that gives competitive advantage to the organization [38]. Therefore, we hypothesize as:

H12: *Organization marketing capabilities positively mediate the influence of organizational, technological orientation on organization competitive advantage.*

Indirect Relationships: Entrepreneurial Orientation, Marketing Capabilities and Competitive Advantage

According to Knight [34], entrepreneurship oriented organizations have a sort of culture that encourages an organization to aggressively enter in different markets as well as present different products/services. Entrepreneurial orientation shows a very important role in the development of marketing capabilities. Entrepreneurial orientation is involved with the organization-level strategies that organizations use to achieve a competitive advantage [42]. Therefore, we hypothesize as:

H13: Organization marketing capabilities mediate the influence of organization, entrepreneurial orientation on organization competitive advantage.

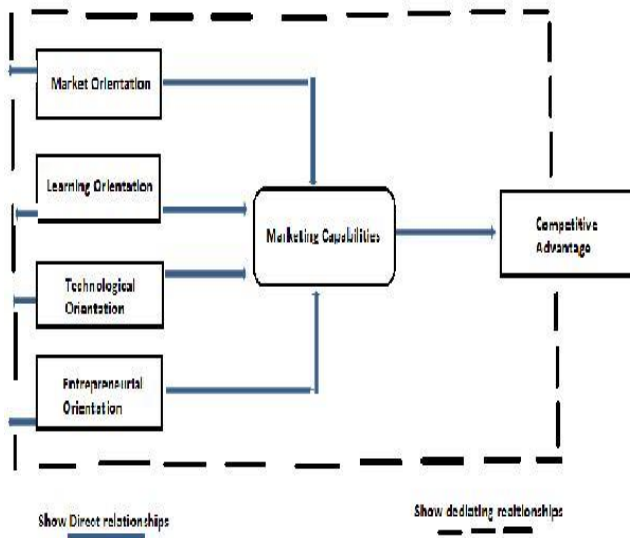


Figure 1: Theoretical Framework of Org. Strategic Orientations, Competitive Advantage and Org. Marketing Capabilities.

RESEARCH DESIGN

Data Collection, Sampling and Measures

The manufacturing sector of Pakistan was selected to test the hypotheses of this study. A closed survey questionnaire using 5 points likert scale was sent to a total of four hundred employees of manufacturing organizations through emails, facebook and LinkedIn. The response rate was fifty two percent and hence the actual sample size remained 208 employees. Organization market orientation was measured by adopting 15 items scale from Narver and Slater [3], organization learning orientation scale consists of 12 items adopted from Bakers and Sinkula [4], organization technological orientation scale was adopted from Derozier [18] consisting of 5 items and organization entrepreneurial orientation scale consisted of 9 items adopted from Halaka [43]. Organization marketing capabilities scale consisting of 23 items was adopted from Vorhies, and Harker [29] and Organization competitive advantage scale consists of 7 items was adopted from Dev, Zhou, Brown and Agarwal [44].

RESULTS

Contents Reliability and Validity

As all the variables of this study were adopted from the contemporary literature on marketing capabilities, hence, the research relied only on reliability analysis. The internal item consistency analysis revealed that all the variables of this study are internally consistent with each other. Table 6 shows that the Cronbach Alpha of all the variables are greater than 7.0 and the overall questionnaire Cronbach Alpha is 0.884 which shows that the questionnaire used in this study is internally consistent and reliable.

Testing of Hypothesis: Direct Relationships

Table 2 gives a detailed overview of the regression analysis, including the model fitness, and the explanatory power of the independent variable. Model 1 to model 9 shows the

Table 1. Internal reliability of Study Constructs

| Variables | Cronbach Alpha |
|-----------|----------------|
| MO | .703 |
| LO | .742 |
| EO | .850 |
| TO | .704 |
| MC | .830 |
| CA | .693 |
| OVERALL | .884 |

regression detail of each hypothesis respectively.

Hypothesis one was concerned with the relationship between market orientation (independent) and marketing capabilities (dependent). As shown in model 1, table 2, marketing orientation brings 34% variance in marketing capabilities i.e. ($\beta = 33.6, p < .05$) and the ANOVA figures indicate a significant relationship ($p < 0.05$). Hence the hypothesis that market orientation positively influences marketing capabilities is supported. Hypothesis two is related to finding the relationship between learning orientation and marketing capabilities. The figures in table 2 model 2 show that learning orientation (independent) has 23 percent variance in marketing capabilities. Further the ANOVA table shows that the relationship is also significant, i.e. ($\beta = .23, p < .05$) and hence H2 is supported. Hypothesis three stated that technological orientation has a significant positive relationship with organization marketing capabilities. Results show that it has 25 percent variance in marketing capabilities ($\beta = .25, p < .05$). Further, to test H4, the regression analysis found that organizational entrepreneurial orientation has a significant relationship with marketing capabilities (ANOVA) and that organizational entrepreneurial orientation explains 32 % variance in the organizational marketing capabilities ($\beta = .32, p < .05$). Hypothesis five was concerned with the relationship between market orientation of an organization and the organization competitive advantage. Results found that this relationship is significant (ANOVA) and the variable marketing orientation explains 29 percent change in the organization competitive advantage. ($\beta = .29, p < .05$). Similarly, Hypothesis six stated that learning orientation has a significant positive impact on organization competitive advantage. The analysis also revealed so (ANOVA) and the beta value showed that learning orientation predicts 17 percent change in the organization competitive advantage ($\beta = .17, p < .05$). As such this hypothesis was also supported. Hypotheses seven, eight and nine were concerned with the significant relationship between organizational technological orientation, entrepreneurial orientation, organization marketing capabilities and its association with organization competitiveness. As shown in table 2 models 7, 8 and 9, the figures from ANOVA and Regression Coefficient tables show that all these independent variables have a significant positive relationship with the organization competitive advantage respectively. Further, the beta values for the respective independent variables shows that these variables predict 18 percent, 17 percent and lastly

73 percent respectively in the organization competitive advantage (Model 7: $\beta = .18$, $p < .05$; Model 8: $\beta = .17$, $p < .05$; Model 9: $\beta = .73$, $p < .05$).

Table 2: Regression Analysis: Direct Relationship Hypotheses

| Model | R | R2 | Beta | Sig |
|---------|---|-------|------|-------|
| Model 1 | Market Orientation and Org Marketing Capabilities | 0.03 | 0.34 | 0.000 |
| Model 2 | Learning Orientation and Org Marketing Capabilities | 0.05 | 0.23 | 0.004 |
| Model 3 | Technological Orientation and Org Marketing Capabilities | 0.06 | 0.25 | 0.001 |
| Model 4 | Environmental Orientation and Org Marketing Capabilities | 0.10 | 0.32 | 0.000 |
| Model 5 | Market Orientation and Org Competitive Advantage | 0.085 | 0.29 | 0.000 |
| Model 6 | Learning Orientation and Org Competitive Advantage | 0.02 | 0.17 | 0.029 |
| Model 7 | Technological Orientation and Org Competitive Advantage | 0.03 | 0.18 | 0.021 |
| Model 8 | Entrepreneurial Orientation and Org Competitive Advantage | 0.02 | 0.17 | 0.031 |
| Model 9 | Org. Marketing Capabilities and Org Competitive Advantage | 0.53 | 0.73 | 0.000 |

Testing of Hypothesis: Mediating Relationships

To find mediating relationships for H10 to H13, the widely used technique of Baron and Kenny [45] was used. For each respective hypothesis, the mediation results through regression analysis are shown in table 3 to table 6 below respectively.

Hypothesis ten was related to the mediation effect of organization marketing capabilities on the relationship between organization market orientation and organizational competitive advantage. As per the approach of Baron and Kenny [45], step one, two and three in Table 3 show simple regression results for market orientation (independent variable) and marketing capabilities (mediating variable), market orientation (independent variable) and competitive advantage (dependent variable) and marketing capabilities (mediating variable) and competitive advantage (dependent variable) respectively. Further, for mediation, both market orientation and marketing capabilities were taken as independent variables and competitive advantage as dependent. The results as shown in table 3 reveal that all these direct relationships are significant.

The effect of organization market orientation (independent variable) on org. competitive advantage (dependent variable) that was $\beta = .291$ was reduced to $\beta = .051$ (Step 4). Thus, according is to the conditions stated by Baron and Kenny [45], since the value of β of independent variable reduced, the hypothesis that organization marketing orientation significantly mediates the influence of org market orientation on org competitive advantage is therefore substantiated.

Table: 3 Mediation Effects of Org. Marketing Capabilities on the Relationship between Organization Market Orientation and Org-Competitive Advantage

| Steps | IV | DV | R2 | Beta | Sig |
|-------|---|-------------------|-------|------|------|
| 1 | Market Orientation | Mark-Capabilities | 0.114 | 0.33 | 0.00 |
| 2 | Market Orientation | Comp-Advantage | 0.085 | 0.29 | 0.00 |
| 3 | Marketing Capabilities | Comp-Advantage | 0.53 | 0.73 | 0.00 |
| 4 | Market Orientation and Marketing Capabilities | Comp-Advantage | 0.53 | 0.05 | 0.37 |
| | | | | 0.71 | 0.00 |

H11 was concerned with the mediation effect of organization marketing capabilities on the relationship between organization learning orientation and organizational competitive advantage. Step one to step three in table 4 shows the simple regression between learning orientation (independent variable) and marketing capabilities (mediating variable), learning orientation (independent variable) and competitive advantage (dependent variable), and marketing capabilities (mediating variable) and competitive advantage (dependent variable) respectively which shows that all these direct relationships are significant. For mediation effects, learning orientation and marketing capabilities, both were taken as independent variable and competitive advantage as the dependent variable. Analysis shows that the effect of learning orientation (independent variable) on organisational competitive advantage (dependent variable) that was $\beta = .172$ (Step 2) reduced to $\beta = .007$ (Step 4). Hence, H11 stating the mediating influence of organisational marketing capabilities on the relationship between organization learning orientation and organization competitive advantage is also supported.

Table: 4 Mediation Effects of Org. Marketing Capabilities on the Relationship between Organization Learning Orientation and Organization Competitive Advantage

| Steps | IV | DV | R2 | Beta | Sig |
|-------|---|--------------------|-------|-------|------|
| 1 | Learning Orientation | Mark-Capabilities | 0.05 | 0.224 | 0.00 |
| 2 | Learning Orientation | Org Comp-Advantage | 0.029 | 0.17 | 0.02 |
| 3 | Marketing Capabilities | Org Comp-Advantage | 0.53 | 0.73 | 0.00 |
| 4 | Learning Orientation and Marketing Capabilities | Org Comp-Advantage | 0.53 | 0.007 | 0.9 |
| | | | | 0.728 | 0.00 |

H12 stated that Organization marketing capabilities positively mediates the influence of organization technological orientation on organization competitive advantage. Step 1 to step 3 in table 5 below shows the simple regression results for technological orientation (independent variable) and marketing capabilities (mediating variable), technological orientation (independent variable) and competitive advantage (dependent variable), and marketing capabilities (mediating variable) and competitive advantage (dependent variable) respectively.

The results as shown in Table 5 state that all the direct relationships are significant. For mediation, both technological orientation and marketing capabilities were taken as independent variables and competitive advantage as the dependent variable (Step 4). The effect of technological orientation (independent variable) on competitive advantage (dependent variable) that was $\beta = .179$ (Step 2) reduced to $\beta = 0.001$ (Step 4). As such, H12 is also supported.

Table: 5 Mediation Effects of Marketing Capabilities Org. Technological Orientation and Competitive Advantage Relationship

| No | IV | DV | R2 | Beta | Sig |
|----|---|-------------------|------|-------|------|
| 1 | Learning Orientation | Mark-Capabilities | 0.05 | 0.224 | 0.00 |
| 2 | Learning Orientation | Comp-Advantage | 0.02 | 0.17 | 0.02 |
| 3 | Marketing Capabilities | Comp-Advantage | 0.53 | 0.73 | 0.00 |
| 4 | Learning Orientation and Marketing Capabilities | Comp-Advantage | 0.53 | 0.007 | 0.9 |
| | | | | 0.728 | 0.00 |

H13 stated that organization marketing capabilities significantly mediates the influence of organization entrepreneurial orientation on organization competitive advantage. Step 1 to step 3 in table 6 below shows a simple regression analysis for entrepreneurial orientation (independent variable) and marketing capabilities (mediating variable), entrepreneurial orientation (independent variable) and competitive advantage (dependent variable), and marketing capabilities (mediating variable) and competitive advantage (dependent variable) respectively. The above results show that all these direct relationships are significant. To test the mediation effect of organizational marketing capabilities on the relationship between org. entrepreneurial orientation and org. competitive advantage, both the entrepreneurial orientation and marketing capabilities were taken as independent variables and competitive advantage as dependent variable. The effect of entrepreneurial orientation (independent variable) on competitive advantage (dependent variable) that was $\beta = .167$ (Step 2) reduced to $\beta = -0.072$ (Step 4). Hence, H13 is also supported.

Table: 6 Mediation Effects of Org. Marketing Capabilities on the Relationship between Org. Entrepreneurial Orientation and Competitive Advantage Relationship

| Steps | IV | DV | R2 | Beta | Sig |
|-------|---|-------------------|------|--------------|--------------|
| 1 | Environmental Orientation | Mark-Capabilities | 0.10 | 0.31 | 0.00 |
| 2 | Environmental Orientation | Comp-Advantage | 0.02 | 0.16 | 0.03 |
| 3 | Marketing Capabilities | Comp-Advantage | 0.53 | 0.73 | 0.00 |
| 4 | Learning Orientation and Marketing Capabilities | Comp-Advantage | 0.53 | -.07 0.75 | 0.20 0.00 |

DISCUSSION AND RECOMMENDATIONS

The results of this study support the relationship of organization strategic orientations, marketing capabilities and competitive advantage. The results show that all four orientations play a significant role in the identification and development of marketing capabilities required for creating or maintaining competitive advantage. As such, this study also supports both resource-based theory and capability-based theory. This study confirms that both market orientation and marketing capabilities are complement to each other while estimating organization competitive advantage. This study further confirms that organization learning orientation mainly focuses the behavior of organization on identifying and recognizing what kind of information, resources and capabilities are required for creating and maintaining competitive advantage. According to the finding of this study, organization technological orientation is the tendency of the organization to adopt and acquire advance technology that helps the organization in collecting market research, interact with suppliers and distributors and the acquiring of information about customers’ needs, market trends and competitors’ actions which helps in developing marketing capabilities and competitive advantage. This study also signifies that organizations having entrepreneurial orientation

are more innovative and their products and services are sufficiently differentiated from competitors which help the organization in the development of marketing capabilities to create competitive advantage.

Overall, this study concludes that organizations using all these four strategic orientations can be in a better position to influence more effectively its marketing capabilities which helps the organizations to create and offer more innovative and market differentiated products and services that gives the organization an edge over their competitors by creating and maintaining organization competitive advantage.

Managerial Implications

This study recommends to the managers of concerned and alike organizations that in order to achieve competitive advantage and develop effective marketing capabilities, they should focus on all the four major perspectives of strategic orientations which are market orientation, learning orientation, technological orientation and entrepreneurial orientation. As a first step, they should understand their strategic orientations and identify and develop the important marketing capabilities such as market research, pricing, product development, channel management, promotions and market management in order to create and sustain competitive advantage. This will help them in formulating long-term strategies, promoting a holistic view of strategic orientation and hierarchy of marketing capabilities necessary for competitive advantage.

LIMITATIONS OF THE STUDY

From an academic point of view, this study used a cross-sectional method of sampling. We used a closed survey questionnaire which limits the feelings and responses of the respondents. Hence, in order to understand the real feelings of managers about their strategic orientation, future studies should focus on qualitative measures which will more closely captures managers’ strategic orientations. Further, the data was collected from the manufacturing sector of Pakistan. Hence, to generalize the findings of this study, the future study should also consider financial and other service sectors.

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