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Examining the Effect of Industry Competitive Intensity: The Mediating Role of Marketing Capabilities and Market-Focused Learning

Meysam Shirkhodaie[a], Mohsen Alizadeh Sani[b], Sepideh Masoumi Aghbolagh[c,*]
[a]. *Associate Professor, Department of Business Management, University of Mazandaran, Babolsar, Mazandaran, Iran*
[b]. *Assistant Professor, Department of Business Management, University of Mazandaran, Babolsar, Mazandaran, Iran*
[c]. *PhD student in marketing, Faculty of Management and Economics, Azad University of Science and Research, Tehran, Iran*

Abstract

The purpose of this paper is to explore the impact of industry competitive intensity on brand performance that marketing capabilities and market-focused learning and organizational innovation have the mediator role. Survey of top firms of Tehran Stock Exchange for the last 4 years is explored. We used questionnaire for gathering data and 77 firms of 92 responded to the questionnaire. In order to test the validity of the questionnaire Dillon - Goldstein (cρ =0/70) coefficient used. AVE was used to assess the validity of indicators that show the validity of the questionnaire have been favorable. This study analyzed the data in two levels of descriptive and inferential statistics using Smart PLS, SPSS18, Excel2007. To calculate the significant path coefficient and to gain the test statistic T we used Astrab boot (via insertion of the sampling method). The results show that industry competitive intensity has a positive and significant effect on brand performance and all hypotheses were confirmed. The mediation effect of marketing capabilities and market-focused learning and organizational innovation was approved too.

Keywords: Industry Competitive Intensity, Market-Focused Learning, Marketing Capability, Organizational Innovation, Brand Performance.

1. Introduction

In marketing, brands are often the starting point, the distinction between the products and services presented and the products and services competing in the market, so that this plays a vital role in the success of organizations (Trong Tuan, 2012). Brand means symbol, sign and logo; This brand should have such power that can attract the costumer and turn him into an exclusive customer (Trong Tuan, 2014). Although the brand is not the target itself, it can be an important tool for evaluating the overall performance of an organization. Brand can create value for customers and generate more revenue for the company (Coleman et al., 2015). If brands are evaluated consciously and consistently, they will bring more success and better performance, and because the manager wants to have a strong brand, it is expected that the factors affecting brand performance will be evaluated more accurately (Chirani, 2012). In this regard, brand performance is defined as the relative measurement of brand success in marketplace (Trong Tuan, 2014). According to Luxton et al. (2015), The brand performance can be taken into account as a factor that corresponds to the evaluation of brand success in the markets and it can help the brands achieve their goals in the marketplace (Luxton et al., 2015). Today managers try to balance competitive intensity and characteristics of the organization, and their task is to achieve coordinating and fit between organization and external environment to increase brand performance (Mu, 2015).

* Corresponding author.
E-mail address: masomi.sepideh@yahoo.com (S. Masoumi)
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Therefore, it is necessary to study the effect of competitive intensity on brand performance for the success of organization and its long-term sustainability (O'Cass & Ngo, 2007). The increasing intensity of competition between organizations in the current century has led them to always look for ways to gain a competitive advantage and wining the competition (Kitchen & Burgmann, 2015). To do this, organizations must develop marketing capabilities in order to survive in a changing environment (Rostek, 2012). According to O'Cass and Weerawardena (2010), managers who understand that the industry environment is turbulent develop market-focused learning and marketing capabilities (Najafi Tavani, 2016). Learning from markets and the ability to reach target customers with value-added products are main capabilities of organizations which follow innovation-based competitive strategies (Tafesse & Kitchen, 2015). Hence, they are drivers of organizational innovation (Albertini, 2016). Therefore, by producing new goods and products, it is possible to gain more market share, create new markets and provide superior value to customers for the company and that is the value that distinguishes a brand from other brands and improves brand performance (Zahay, 2014). Due to the fact that in previous studies, the relationship between these variables has not been examined together, in this study, an attempt has been made to create a coherent model in which the impact of competitive intensity on brand performance with the mediating role of marketing capabilities, market-focused learning and organizational innovation is explored.

2. Theoretical development and Background

2.1. Industry Competitive intensity

The industry competitive intensity refers to the degree of competition that an organization faces in a particular market (Chan et al., 2012). Song and Parry (2009) define competitive intensity as the ability and desire of competitors to change marketing mix decisions in order to gain a competitive advantage. Jermias (2008) states that competitive intensity in a particular sector is determined by the number of firms in that sector and the market share of each competitor. The more competitors there are in a sector, the more intense its competitive environment (Jermias, 2008). The concept of Industry Competitive intensity is hypothesized by five competitive factors: the threat of new companies, the threat of alternative products, the bargaining power of buyers, the bargaining power of suppliers, and the intensity of competition among existing companies within a company environment (Ucmak & Arslan, 2012; Wu et al., 2012).

2.2. Marketing Capabilities

According to Nath (2010), marketing capabilities refer to integrated processes in which an organization uses its tangible and intangible resources to understand complex and specific customer needs, achieve distinctive products from its competitors, and achieve superior brand equity. In some studies, marketing capabilities are defined as integrative processes designed to apply the collective knowledge, skills, and resources of the firm to the market-related needs of the business, enabling the business to add value to its goods and services and meet competitive demands (Mu, 2015). Individuals and employees acquire these capabilities through past experiences such as sales, new product development, and distribution that are specific to them. Therefore, marketing capabilities are not easily imitated by competitors and are able to create a sustainable competitive advantage (Griffith et al., 2010). Mu et al. (2018) consider the organization's marketing capabilities as part of the organization's ability to respond to environmental changes and achieve better performance achieved by creating value for customers.

2.3. Market-focused learning

This capability was first introduced by Weerawardena as market-focused learning and was created by combining the ability to connect with customers and the ability to understand the market (Day, 2014). According to Weerawardena, market-focused learning capability is the capacity of an organization relative to its competitors to obtain market information, distribute and use it throughout the organization, and use it to renew existing knowledge. (O'Cass & Weerawardena, 2010). Market-focused learning capability has been conceptualized to integrate market learning activities to assess changes in customer preferences and competitors' actions, and researchers have shown great interest in conceptualizing and measuring it as a capability (Unger-Aviram and Erez, 2016).

2.4. Organizational Innovation

Organizational innovation is the utilizing of ideas that are new to the organization and implemented in products, processes and management or marketing systems (Bolı´var-Ramos et al., 2012). According to some studies, organizational innovation means applying new ideas in the organization to create added value directly for the company or indirectly for customers (Liu, 2017). Camison and Villar-López (2012) define organizational innovation from two perspectives: Traditional and modern, which in the traditional view of organizational innovation refers to the implementation of a new organizational method in an organization. The new view defines organizational innovation as the implementation of a new organizational method in the organization's business activities or external relations (Camison and Villar-López, 2012).

2.5. Brand performance

For most today's organizations, companies and businesses, the brand is the first competitive factor and the most valuable strategic asset, and everyone, both as an individual and as a business manager, are facing with increasing options and effort to reduce and select decision time. Accordingly, the capabilities of brands in simplifying customer decisions, reducing risk and defining their expectations are invaluable (Coleman et al., 2015). Firm performance is an important area that has attracted a great deal of attention in the marketing and strategic management literature. Whilst the majority of performance measures have been discussed at the macro level (e.g., firm performance), recently a critical perspective is drawn from a firm's product performance and in reality, this is operationalized at the brand level (e.g., micro performance) (Coleman et al., 2015). The notion of brand performance resides in the marketplace strength of a firm's brand as evidenced by its sales, market share, sales growth, and profitability. The central logic of this view is that an organization that builds a strong and successful brand will create stronger earnings, and will be more stable in its marketplace performance.

By definition, brand performance refers to the relative measurement of brand success in the market (Trong Tuan, 2012). This assessment has been performed in different studies with different criteria. Baldauf et al. (2003) consider brand performance to consist of two parts: brand market performance and brand profitability performance. According to this view, brand profitability performance is an indicator of brand financial share in relation to retail profit and is evaluated using profit and profit margin, while brand market performance is considered market demands and with is evaluated indicators such as sales level and market share (Baldauf., 2003). Yang et al. (2014) used indicators of perceived brand satisfaction, loyalty, and success from a customer perspective to measure brand performance. Customer satisfaction with the brand refers to a cognitive process in which the customer evaluates the brand in terms of previous experiences. In this study, customer loyalty to the brand has been measured from the perspective of purchase loyalty and Attitudinal loyalty. Also, based on the definition of perceived success, the customer as a shareholder creates views based on their experience and knowledge of the brand that ultimately leads to the success of the organization. In some studies, brand performance has been measured through brand market penetration, requirements share and market share volume (Zarantonello et al., 2016). From this perspective, brand market penetration refers to the number of customers who have purchased a particular brand from the total population during the year and have had an upward trend during the two years of their purchase. The share of requirements refers to the number of brand purchases on the total purchases of that collection by buyers during one year and its increase during two years, and the volume of brand market share indicates the sale of one brand unit on the total sales of collection units during the year and its increasing continuity Over the last two years. Lee et al. (2008) in their study consider brand performance in two dimensions: customer performance and financial performance. Customer performance is conceptualized as the performance that can be enhanced by the continuous relationship between a customer and a brand. Specifically, customer performance includes customer acquisition, customer maintenance, customer satisfaction, brand awareness, brand image, brand relationship related performance, and so on. Financial performance is conceptualized as the evaluation of financial ratios related to a brand by a marketing manager or a brand manager. they develop four items include sales growth, margin, market share, and return on investment of a corresponding brand. some studies have measured brand performance by indicators of market share, sales growth, and overall brand performance (Trong Tuan, 2012; O'Cass & Weerawardena, 2010). By reviewing previous studies on brand performance measures, in this study, market share, sales growth and profit margin are considered as criteria for measuring brand performance.

3. Development of hypotheses and conceptual model

In dynamic environments, managers need more information of marketplace and therefore Should have more ability to learn from the market (O'Cass and Weerawardena, 2010). Managers try to better understand their customers and control the actions of their competitors. Therefore, the industrial environment leads to increasing learning from the market (Weerawardena et al., 2006).

Hypothesis 1: The industry competitive intensity has a positive and significant effect on market-focused learning.

The competitiveness of the industry affects different functional units, such marketing. Thus, organizations facing environmental changes tend to develop marketing capabilities (Theodosiou et al. 2012). O' Cass & Ngo (2007) argue that organizations operating in predictable and less competitive environments have less need to develop their marketing capabilities than organizations operating in highly competitive environments (O'Cass & Weerawardena, 2010).

Hypothesis 2: The industry competitive intensity has a positive and significant effect on marketing capabilities.

Learning from customer needs and competitor behavior provides valuable input to the innovation process. Entrepreneurial organizations actively learn from changes in customer preferences and competitors' behaviors and actively integrate market knowledge with both technological and non-technological value creation activities (Fraj et al., 2015). Learning from the markets is a vital capability for the organization that follows innovative strategies based on innovation (Liu, 2017) and thus influences organizational innovation.

Hypothesis 3: Market-focused learning has a positive and significant effect on organizational innovation.

Marketing capabilities are critical in the product development phase because competitors and consumer needs must be assessed at this stage and information for new product ideas must be shared to make progress in the development phase (Luxton et al., 2017). Numerous researchers (Mu et al., 2018; Day, 2014) believe that organizations need the appropptiate resources and marketing skills to be able to successfully develop new products. Accordingly, marketing capabilities affect organizational innovation:

Hypothesis 4: marketing capability has a positive and significant effect on organizational innovation.

The organization's innovative behavior focuses on improving its market performance. Organizations with a strong innovation culture recognize that building a successful brand not only depend on interprets the feedback received from customers and competitors, but also the organization's ability to innovate in unique ways that lead to higher value for customers. (O' Cass & Ngo, 2007). By producing new goods and products, it is possible to gain more market share, create a new market and provide superior value to customers for the company, and this is the value that distinguishes a brand from other brands and improves brand performance (Albertini, 2016).

Hypothesis 5: Organizational innovation has a positive and significant effect on brand performance.

The survival of market-oriented organizations depends on their ability to continually understand market events and conditions and how to deal with them. (Unger-Aviram and Erez, 2016). A review of previous studies on the relationship between market learning and brand performance (O'Cass & Weerawardena, 2010; Luxton et al., 2015) suggests that organizations that follow market learning are likely to have stronger brands. The logic of this view is that knowledge gained through the mentality and mindset of customers about the brand is one of the most valuable assets that organizations can gain from past marketing programs (Luxton et al., 2017). For this knowledge to be fruitful, Organizations must constantly explore new horizons of opportunities for customer satisfaction; Therefore, learning seems to be a prerequisite for success in the market. (luxton et al., 2015)

Hypothesis 6: Market-focused learning has a positive and significant effect on brand performance.

Extensive research has indicated that marketing capability contributes to the commercial success of the products and services that the organization offers in the market (Nath et al., 2010; Ngo & O' Cass, 2011). For example, Shane and Eigen (2012) found that inadequate market analysis and insufficient efforts in sales, distribution, and advertising lead to product failure (Shin & Aiken, 2012). According to LUxton et al. (2015) "An organization's marketing capability reflects that organization's ability to differentiate its products and services from competitors and create successful brands" and "the proper performance of all marketing activities is the key to success." It is therefore argued that marketing capabilities lead to better brand performance.

Hypothesis 7: Marketing capabilities have a positive and significant effect on brand performance.

The proposed conceptual model (Figure 1), which is based on the model of O'Cass & Weerawardena (2010) and Weerawardena & O'Cass (2004) and Weerawardena et al. (2006), describes the relationships between five variables called industry competitive intensity, market-focused learning, marketing capabilities, organizational innovation and brand performance. According to this model, organizations operating within a highly competitive industry tend to learn from the market seriously and also tend to develop better marketing capabilities (O'Cass & Weerawardena, 2010). On the other hand, learning from markets and the ability to reach target customers with value-added products, improve organizational innovation (Liu, 2017). As a result, organizational innovation, market learning, and marketing capabilities enable organizations to achieve better brand performance (O'Cass & Weerawardena, 2010 Weerawardena et al., 2006).

4. Methodology

Regarding the objective, this is a practical study and in case of data collection method it is correlational-descriptive through which the relations between variable of industry competitive, market-focused learning, marketing capabilities, organizational innovation, and brand performance are examined. The statistical population is top firms of Tehran Stock Exchange which were selected for two reasons: firstly, there were continuously among active firms through the Stock Exchange. Secondly, during the last 4 years they had been placed at least once among the 50 most active companies of the Stock Exchange.

Sampling was random-stratified. Stratified random sampling requires classification and then random selection of subjects from each stratum. In this type of sampling, the statistical population is first divided into heterogeneous categories which are relevant, proportional and significant in the context of the research. Since the population in this study is limited, Cochran's formula has been used to estimate the sample size, which is as follows:

$$n = \frac{N z_{\frac{\alpha}{2}}^{2} p(1-p)}{(N-1)\varepsilon^{2} + z_{\frac{\alpha}{2}}^{2} p(1-p)}$$

In the above formula, N indicates the size of study population, which in the present study is 92 companies. Za/2 is the confidence level of the statistical population with the assumption of normal distribution and at 90% confidence level it equals 1.96. P indicates success probability, 1-p indicates failure probability which are both 0.5 in present study. Moreover, ε indicates calculation precision which is usually selected between 0.01 – 0.1 and here it is taken as 0.05. Based on above mentioned formula, the number of necessary samples are calculated by:

$$n = \frac{92 \times (1.96)^{2} \times 0.5 \times 0.5}{(0.05)^{2} \times (92-1) + (1.96)^{2} \times 0.5 \times 0.5}$$

Finally, 77 questionnaires out of 77 questionnaires were collected and after investigating them, two of them were removed since they were incomplete. In total, 75 questionnaires were probed. In addition, questionnaires were filled in under supervision of firms' marketing managers. In present study, the data collection tool is the questionnaire which is adapted based on the questionnaire used in surveys by O'Cass & Ngo (2007) and O'Cass and Weerawaredna (2010), and Lee et al. (2008). It comprises two sections. The first relates to subjects' demographics. The second section is comprised of 35 items and in separate parts items related to each variable are mentioned. In Table 1 criteria (characteristics) stated in the questionnaire are mentioned.

Table 1- Criteria stated in the questionnaire

Variable		Component	Reference
Industry competitive intensity	Competition	Firms compete intensely	O'Cass & Weerawaredna (2010)
		Price competition	
		Competition is intense, fierce	
		Competitive moves have noticeable effects	
	Suppliers	Small number of suppliers contribute a large proportion of inputs	
		Suppliers are powerful	
		Suppliers can gain concessions	
	New entrants	Retaliation by established firms on new entrants	
		New entrants spend heavily to overcome existing brand loyalties	
		New entrants' risk strong reaction	
		Small scale entrants face considerable cost disadvantages	
	Substitutes	Strong competition from substitutes	
		Large numbers of substitutes	
		Considerable pressure from cheaper substitutes	
	Buyers	Buyers are highly concentrated	
		Buyers are powerful	
		Buyers demand concessions	

Variable	Component	Reference
Marketing capabilities	Applying promotional activities	O'Cass & Weerawaredna (2010)
	Potency of distributing networks	
	Ability to carry out research through market	
	Ability to distinguish the product	
	Rate of introducing the new product	
	Outsourcing marketing activities	
	Marketing capabilities contribution in organization prosperity	
Market-focused learning	Searching for innovative ideas among innovative data	O'Cass & Weerawaredna
	Sharing data with the staff	
	Making use of rivals' information and customers in innovation	
Organizational innovation	Budget allocated to developing new products	Garcia Mularis et al. (2012)
	Innovation acceptance by the manager	
	Questioning the staff on not practicing new ideas	
Brand performance	Sales growth	lee. et al (2008)
	Market share	
	Profit margin	

To evaluate questionnaire validity, we used structure validity which is examined through convergent and divergent validities. Convergent validity assesses correlation of dimensions of a single variable. Divergent validity evaluates the correlation between one variable and an unrelated variable. To evaluate convergent validity, we used Average Variance Extracted (AVE) and to examine divergent validity correlation matrix and square root of AVE of each variable were used. In order to study reliability of structures, three criteria are assessed based on a study by Fornell and Larcker which are: 1. Reliability of each item, 2. Composite reliability of each structure, and 3. AVE. To analyze data, descriptive and inferential statistics were applied. In case of descriptive statistics, frequency tables, frequency percentage, average, and standard deviation were used to describe respondents and study variables. In case of inferential statistics PLS structural equating modeling (PLS) was used to estimate path coefficients (Beta) and also testing the hypotheses. Moreover, to calculate the significance of path coefficients and obtain T-test, BootStrab (sampling by substitution) was employed. It is noteworthy that in order to enter data and rudimentary analysis of data, Excel 2007 and SPSS18 were used and for PLS modeling, SmartPLS software was applied.

5. Data analysis

5.1. Investigating demographics

Demographics of subjects were investigated as age, gender, education, and job position. The results showed that 66.6% of subjects were males and 33.3% were females. Also 32% of respondents aged between 24-30 years old, 40% aged 31- 35 years old, 13.3% aged 36-40, and 14.6% were over 41. In addition, 1.3% of subjects had an associate, 40% held a bachelor degree, 50.6% had a master degree, and 8% had a PhD. 80% of subjects were experts in various sections, and 20% were managers and heads of various units and sections.

5.2. Investigating reliability of measuring tools

To investigate reliability of structures: (1) In case of reliability of each item, factor loading of 0.6 and more for each item in factor analysis indicates a good structure. Moreover, factor loading of items should be significant at least 0.01. (2) To investigate composite validity of each structure, Dillion-Golstein coeffient (pc) was used. Acceptable p-values have to 0.7 or more. (3) The third indicator of investigating reliability is AVE. Fernell and Larcker recommend AVE values of 0.5 and more which means the respective structure determines almost 50% or more of its variance indicators. Table 3 presents factor loadings, pc, AVE, and α coefficient of each structure. The values reveal suitable reliability of structures.

Table 2. Indictors of items reliability

Item	Factor loading	T Value	P_c	AVE	α
competitive intensity (1)	0/75	21/07	0/86	0/56	0/80
competitive intensity (2)	0/76	16/78			
competitive intensity (4)	0/82	35/55			
competitive intensity (7)	0/68	12/03			
competitive intensity (10)	0/73	17/21			
Organizational innovation (1)	0.91	69.15	0.91	0.83	0.80
Organizational innovation (2)	0.92	80.68			
Market-based learning (1)	0.87	46.12	0.88	0.65	0.82
Market-based learning (2)	0.72	10.36			
Market-based learning (3)	0.74	17.92			
Market-based learning (4)	0.88	50.20			
Marketing capability (1)	0.60	9.64	0.81	0.50	0.72
Marketing capability (2)	0.60	6.71			
Marketing capability (3)	0.72	18.21			
Marketing capability (4)	0.60	7.41			
Marketing capability (5)	0.73	18.36			
Marketing capability (6)	0.68	15.02			
Brand performance (1)	0.85	30.45	0.83	0.62	0.70
Brand performance (2)	0.72	9.42			
Brand performance (3)	0.78	16.14			

5.3. Investigating reliability of measuring tools

To study reliability in PLS, reliability of the structure i.e., convergent and divergent reliabilities are used. Fornell and Larcker (1981) introduced AVE criterion for evaluating convergent reliability and stated that in case of AVE, the critical value is 0.5, which means values above 0.5 indicate acceptable convergent reliability. As visible in Table 3, AVE of all structures are more than 0.5 which indicates a reasonable reliability. To investigate validity or divergent validity of structures, Fornell and Larcker (1981) mentioned that the square root of AVE has to be higher than its correlation with other structures. Table 4 shows the results of the criterion. This model has an acceptable divergent reliability if the inserted figures on the main diameter are higher than values beneath. As can be seen, this model has a suitable divergent reliability.

Table 3. Correlation matrix and square root of AVE of each variable

No.	Variable	1	2	3	4	5
1	Competitive intensity	0/75				
2	Marketing capabilities	0/48	0.71			
3	Market-based learning	0/42	0.59	0.81		
4	Organizational innovation	0/52	0.50	0.53	0.91	
5	Brand performance	0/05	0.41	0.36	0.21	0.79

5.4. Testing conceptual model and research hypotheses

In table below the tested model of brand performance is provided. All direct paths are significant. Moreover, reports direct impacts coefficients, standard error, as well as t-test statistics of each path.

Table 4. Estimation of direct coefficients

Variables	Path coefficient	Standard error	T Value
Effect of competitive intensity on:			
marketing capabilities	0/52**	0/06	8/17
market-focused learning	0/44**	0/07	6/57
Effect of marketing capabilities on:			
Organizational innovation	0.27**	0.07	4.12
Brand performance	0.35**	0.09	4.01
Effect of market-focused learning on:			
Organizational innovation	0.38**	0.06	5.88
Brand performance	0.23**	0.09	2.51
Effect of organizational innovation on:			
Brand performance	0.16*	0.08	2.13

*p<0.05, **p<0.01

According to the table, the coefficient of impact of industry competitive intensity on market-focused learning is β = 0.44 The impact of industry competitive intensity on marketing capabilities as well is β = 0.52. Impact factor of market-focused learning on organizational innovation is β= 0.38, the impact factor of marketing capabilities on organizational innovation is β= 0.27, impact factor of market-focused learning on brand performance is β = 0.23, marketing capabilities factor on brand performance equals β = 0.35 which are all significant at 0.01. Thus, all hypotheses are confirmed.

6. Discussion and conclusion

The research was investigated the effect of the industry competitive intensity on brand performance in the top companies of the Tehran Stock Exchange. To investigate this issue, seven hypotheses were proposed. Hypotheses were tested using PLS method. We will now review the findings of the research. As can be deduced from the results, the industry competitive intensity has a positive and significant effect on marketing and market learning capabilities (H1 & H2). That is, the more competitive the industry, the more willing organizations are to learn from the market and increase their marketing capabilities. Market-focused learning refers to the ability of an organization to acquire knowledge from the market, distribute market knowledge in the organization, use market knowledge within the organization. Marketing capabilities refer to an organization's ability to integrate public knowledge, skills, and resources so that it can effectively respond to changing market needs, face competitive pressure, and add value to its goods and services. Therefore, in dynamic environments, managers need more market information and therefore need to be more able to learn from the market. On the other hand, in order to be able to be present in the competition scene and overtake competitors in satisfying the needs of customers, they must strengthen their marketing capabilities O'Cass & Weerawardena (2010) found that organizations operating in predictable and less competitive environments were less likely to develop their marketing capabilities than organizations operating in highly competitive environments. O'Cass &

Weerawardena (2010). In the study of Weerawardena et al. (2006), the effect of competitive intensity on learning capabilities (internal learning, market learning, relational learning) was measured, which showed that the competitive intensity has a greater effect on Market-focused learning than other learning. As can be seen, the results of previous studies are consistent with the results of the present study.

according to the research findings, marketing capabilities and Market-focused learning affect organizational innovation. (H3 & H4). Organizational innovation is the applying of ideas that are new to the organization. Thus, with information gained from competitors' needs and behaviors, organizations can identify undeclared customer demands that competitors have not been able to detect and use them in innovations. On the other hand, in order to organizations to be able to successfully develop new products, they must have the appropriate resources and marketing skills. Having marketing capabilities provides the ability to make better use of the organization's resources and thus provides more opportunities for new ideas to emerge. This can also be seen in the Mu (2015) study. In their study, organizations that follow marketing and market-focused learning capabilities achieve sustainable competitive advantage through innovation. The result of their study is that marketing capabilities are more powerful in achieving sustainable competitive advantage while market-focused learning is more effective in improving organizational innovation (O'Cass & Weerawardena, 2004). Therefore, as shown in the results of this study, market learning (0.38) has a greater impact on organizational innovation than marketing capabilities (0.27).

According to the theoretical framework of the research, market-focused learning and marketing capability both directly (H6 & H7) and indirectly affect brand performance through organizational innovation. But what the research results show is that the indirect effect of these two capabilities on brand performance is very weak (0.04 and 0.06). Therefore, based on direct impact, the stronger the marketing and market-focused learning capabilities of the organizational market, the better the brand performance of the organization compared to competitors. That is, by strengthening marketing capabilities, as its definition shows, different products can be produced and offered from competitors, and this has a significant impact on increasing market share and sales growth, which leads to improved brand performance. Also, in order to organizations be efficient and perform better, they must constantly check the horizons of new situations and actively learn from changes in customer preferences and competitors' behavior (Jiménez-Jiménez& Cegarra-Navarro, 2007). O'Cass & Weerawardena (2010) in their study sought to investigate the effect of these two capabilities on brand performance, but the results of their study did not confirm the impact of market-focused learning on brand performance (O'Cass & Weerawardena, 2010) And so far the direct effect of market-focused learning on brand performance has not been confirmed. As seen in the study O'Cass & Weerawardena (2010) and Weerawardena et al. (2006), market-focused learning indirectly has a better effect on brand performance. In their study, market-focused learning through marketing capabilities affects brand performance. In the present study, the direct effect of market learning on brand performance 0.23is almost non-existent and it may be better to measure its effect on brand performance through marketing capabilities, as in the study of O'Cass & Weerawardena (2010). Therefore, based on the research findings and the results of previous research, it is inferred that organizations that perceive their industry environment competitive tend to better understand their customers and competitors' activities, which enables them to Develop their marketing mix so that they can reach their target market more effectively with superior products and services than competitors.

The relationship between industry competitive intensity and brand performance is not significant according to the research correlation matrix. But its indirect effect and through marketing and market-focused learning capabilities (0.33) seems almost appropriate. As confirmed by the study by Weerawardena et al. (2006) and O'Cass & Weerawardena (2010), this indicates that industry competitive intensity indirectly affects brand performance (O'Cass & Weerawardena, 2010; Weerawardena et al, 2006). In other words, in highly competitive environments, in order to achieve better brand performance, marketing capabilities and market-focused learning capabilities must be strengthened. This result, as argued by O'Cass & Weerawardena (2010), proves that in dynamic and changing environments, managers must commit to their strategic resources in order to better understand their customers and competitors. In this way, they will be able to use their marketing tools effectively to serve the market and marketers can be better at understanding the factors influencing brand performance by focusing on the core environmental forces of Porter's five competitive forces and developing marketing-related capabilities (marketing capabilities and market learning). Moreover,according to the research findings, the industry competitive intensity through the two capabilities of marketing and market learning also has an indirect effect on organizational innovation. However, the study of O'Cass and Ngo (2007) did not confirm the direct effect of competitive intensity on the culture of innovation. Therefore, it can be concluded that one of ways for improving organizational innovation in highly competitive environments, is to strengthen marketing and market learning capabilities. It can be inferred from the results that: the coefficient of model determination in the dependent variable of brand performance is 0.20 .This means that the variables entered on this variable can explain 20% of changes in brand performance. This value is a bit weak and indicates that the variables may not have been selected correctly to influence brand performance. However, in the study of O'Cass & Weerawardena (2010), the amount of coefficient of determination in the effect of marketing capabilities and market learning on brand performance is appropriate. And in the study of Weerawardena et al. (2006) this amount is weak in the impact of organizational innovation on brand performance. These results indicate that organizational innovation may not have much effect on changes in brand performance and it may be appropriate to remove this variable from the model. It is clear according to the path coefficients, the path coefficient between these two variables is 0.16 (H 5) and indicates that the organizational innovation variable explains 0.16 of the brand performance variables. Which is a bit weak. While this value for the marketing capabilities and market-focused learning's relationship is 0.34 and 0.23, respectively. Therefore, it can be concluded that it is better for companies to strengthen their marketing and market-focused learning capabilities rather than organizational innovation in order to improve their brand performance.

6.1. Directions for future research

- Measuring brand performance using objective data that is available for sales growth and market share and brand profit margins.
- Carrying out similar research in which brand performance is measured in terms of both financial and customer marketing
- Examining moderating variables such as brand orientation or type of strategy that can affect the relationship between marketing capabilities and market- focused learning and organizational innovation on brand performance.
- Carrying out similar research in which the statistical population is organizations from all industries of the country.

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