

Original Research Article
**The impact of Marketing Strategy Alignment on
Supply Chain Performance**

Author details: Ali Alavi¹, Mohammad Faryabi², Seid Kamal Sadeghi³

1Department of Economic, Business and Trade, Tabriz University, Iran.

2Assistant Professor of Tabriz University, Department of Economic, Business and Trade, Iran.

2Associate Professor of Tabriz University, Department of Economic, Business and Trade, Iran.

Email: Alavi-ali90@ms.tabrizu.ac.ir , Alialavi82@gmail.com

ABSTRACT

Aims: Considering competition concept changed from an inter-organizational concept to competition in Supply Chain level and made organizational competition concept to have competitive and survival ability in its activity area in current complicated environment by planning marketing strategies and aligning these strategies in Supply chain level. So, planning such strategies is very important.

Place and Duration of Study: In this research chemical industry in Zanjan province and in Iran are discussed for 2 months and questionnaires are used to collect the data.

Methodology: In first part of this research, the subject importance and investigating theoretical background of this research is addressed and the relations between hypothesis and cohesion and coherence of model are investigated precisely. Because of limited scope of the research, total of the Population that includes managers and marketing experts and Supply chain of 80 companies are analyzed. Researchers used the Structural Equation Modeling to Investigate research Model, So LISEL Software is used to solve the Model. Also SPSS Software is used to analyze descriptive Statistics.

Results: There the results are analyzed which are divided in to two descriptive and deductive sections. The results indicate that the two main hypotheses of this research and all in all the variables of model have positive and significant relationship with each other. At last, some recommendation for future research and results and applicable suggestions are presented.

Conclusion: Considering insufficient studies and practical steps in this area, the results of this research are considered as a guideline for managers and experts to find their ways in marketing strategies and especially in chemical products industry.

Keywords: Marketing Strategy Alignment, Supply Chain Management Practices, Supply Chain Performance, Structural Equation Modeling.

1. INTRODUCTION

Fast and inevitable change in present day caused by globalization phenomenon and scientific fast improvement in economic, social, political and industrial dimensions especially in two previous decades, were accompanied by tremendous changes in technology in information and relations. Acceleration speed of these changes in deferent dimensions guide managers to improve inside processes of organizations and companies to help their survival in world that is more competitive than yesterday. Organizations review their strategies by **different** ways and find survival code in creating more satisfaction of customers. So, **competitiveness, flexibility and products diversity are considered by productive organizations.**

In this regard, one of the considered philosophies was Supply chain manger philosophy. On the other hand, marketing strategies and Alignment between them have a great importance in advance of organizational goal in implementation of Supply chain processes.

Supply chains are valuable chains which include from Supplier scope up to final customers. Supply chain manager required unity and coordination in business processes during Supply chain to answer demand changes of final customers. [1], [2]

The business processes that must necessarily be integrated and coordinated include: purchasing, manufacturing, marketing, logistics, and information processes. As Jarratt and Fayed (2001) state, "The development of integrated supply systems moves competition into a new phase, with systems competing against systems to create efficiency and client value at each point in the system." [1], [12]

To be considered effective a well-formulated strategy must be implemented successfully. Implementation effectiveness however, clearly depends on the appropriateness, feasibility and desirability of the strategy. Our argument is that through the development of competency in implementation—the ability to translate ideas into actions and generate positive outcomes—can provide a source of competitive advantage for the organization. A diversity of perspectives has been put forward in defining the concept of strategy implementation. [13]

1.2. Research objectives

On the one hand this study aims to investigate role of Marketing Strategy Alignment in Chemical Companies in specific area (Zanjan Province), on the other hand, tries to pursue Marketing and it's strategies from wider scope like Supply chain.

2. LITERATURE REVIEW

2.1. Marketing strategy concept

Marketing strategy is an important principle that an organization uses to organize and allocate its resources to make profit from customers (who are part of market) with logical parameters related to its components and size. [3] Aaker stated in his research that marketing strategies included widespread function of strategies like positioning, pricing, distributing and globalizing strategies. A successful marketing need and stable competitive advantageous in planning and executing. [4]

In another definition which is presented by Tikanen et al, marketing strategy is a systematic effort through recognition of organizational goal in making optimums values for customers, stock holders and other organizational partners who are relating with operational and strategic goals. [5] Organizational marketing strategy with understanding defined activities for marketing in organizational business strategy took measures to plan this strategy by totalizing manager and systematic processes of complicated changes, coordination, matching, and market and customer intelligence in inside business channel related to organization. [5] Dramond an Answer defined marketing strategies as environment analysis and customer requirements definition, matching activities with customer needs and executing plans to achieve a competitive condition in related with competitors. [6]

Two kind of strategic principle are brought up in the literature of this area. The first type of hypothesis is miles and snow's hypotheses which are of 4 kinds as, Prospectors, Analyzers Defenders, and Reactors. [7] And the second kind related to generic porter who was divided strategies in to 3 kinds as leadership cost, differentiation and focus. [8] Both of these strategies are used in literature widely but porter's hypothesis is considered more because of marketing view point. Since it mentions the ways of creating values by organization. [9] As differentiation and leadership cost and how an organization covers its marketing limitations. [10] Also Slotter said that there were little researches in the field of investigating marketing strategies integrally. Then Slotter and Olsoon Categorized marketing strategies which included offensive marketing, mass marketing, spastic marketing, valuing marketing. [10] Offensive strategies emphasizes on unique, qualitative productions, innovation in productions with high price and special strategies for distribution. While mass marketing presented wide limitations of productions by using of widespread distribution and low prices. Spastic marketing had the least consideration to marketing and valuing marketing of low prices in contrast with high services to customers. [11]

2.2. Marketing Strategy Alignment

Considering the views and investigation of Green et al in 2012 a discussion as marketing strategy Alignment is presented. This view is a near relation with Supply chain processes and especially making relationship with Supply chain partnership and marketing strategies Alignment which are used for creating coordination between Supply chain members in Supply chain, which includes; co-ordination of

organizational marketing strategy philosophy with its other partners, creating new concept of productions and services and productions expansion, pricing strategy execution, executing promotion strategy, implementing distribution strategy as well as expansion of unite activity for creating values. [1]

In this research this model is used to investigate marketing strategies and Alignment among processes. In following we are going to explain these factors and this model.

2.3. Alignment of marketing philosophy

The organizations arrange their marketing activities on base of the following five viewpoints. These viewpoints are: generation, selling, holistic. In the following we are going to explain these philosophies briefly.

2.3.1. Compatible Marketing Philosophies

2.3.1.1. The Production Concept

The production concept, one of the oldest in business, holds that consumers prefer products that are widely available and inexpensive. Managers of production-oriented businesses concentrate on achieving high production efficiency, low costs, and mass distribution. [14]

2.3.1.2. The Product Concept

Other businesses are guided by the product concept, which holds that consumers favor those products that offer the most quality, performance, or innovative features. Managers in these organizations focus on making superior products and improving them over time, assuming that buyers can appraise quality and performance. [14]

2.3.1.3. The Selling Concept

The selling concept, another common business orientation, holds that consumers and businesses, if left alone, will ordinarily not buy enough of the organization's products. The organization must, therefore, undertake an aggressive selling and promotion effort. This concept assumes that consumers must be coaxed into buying, so the company has a battery of selling and promotion tools to stimulate buying. [14]

2.3.1.4. The Marketing Concept

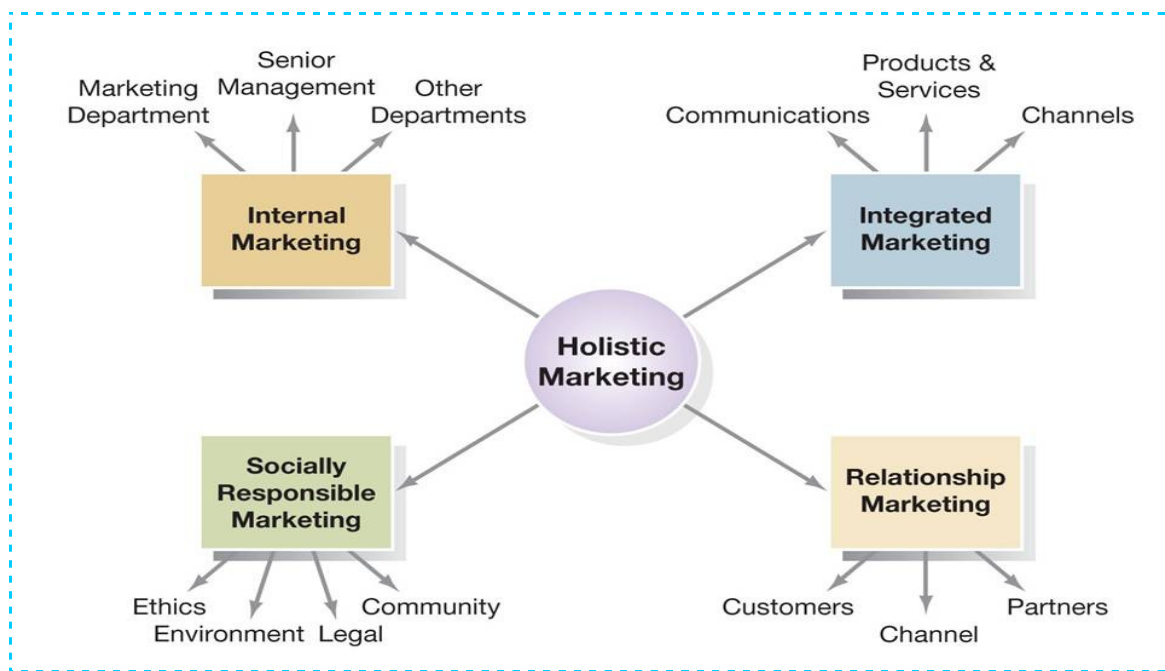
The marketing concept, based on central tenets crystallized in the mid-1950s, challenges the three business orientations we just discussed.¹⁸ The marketing concept holds that the key to achieving

organizational goals consists of the company being more effective than its competitors in creating, delivering, and communicating customer value to its chosen target markets. [14]

2.3.1.5. The Holistic Marketing Concept

Kotler Define Holistic Marketing Concept in this way “Develop, design and implement marketing programs, processes and activities that recognize breadth and interdependencies. Holistic Marketing recognizes that everything Matters. As it can be seen it in figure1 it includes 4 dimensions Internal Marketing, Social Responsible Marketing, Integrated Marketing and Relationship Marketing. [14]

Figure1. Holistic Marketing Dimensions



Source: [15]

2.3.2. New Product Development and Innovation

Innovation is a survival source of blood in an organization. A company should constantly look for new goods and marketing improvement to supply customer's satisfaction constantly and offend itself against

competitors is removing them away. Anyway, this is just part of equation, and innovation also depends on changes in goods, processes and activities. [16] Johnson defined innovation as commercializing new things which could be investigated through following items:

- A new technology
- A new user in shape of new goods, services or processes
- A new market or part of market
- A new instructional diagram or a new managing approach or a combination of these two or more components. [17], [18]
-

2.3.3. Pricing strategy

Pricing is a value (which is measured by some money) those sellers agree to exchange the goods with money and the buyers agree to take goods or services in exchange of paying the value. [19], [20]

Price has different dimensions that are:

- Stability: price doesn't always have a special value and the agreement between seller and buyer determine it precisely.
- Negotiable: buyer and seller negotiate to arrive at an agreed price.
- Has domain: one part of price is stable but the other part of price is negotiable. The stable part of price is usually affected by total cost of seller. [19]

2.3.4. Promotion Strategy

In managing a marketing communications systems require a draft strategy and sales programs that effectively and efficiently. Promotion is a key element in corporate campaigns and promotional campaign is best done by satisfied customers. Thus, the campaign needs to be handled carefully because the problem is not just concerned on how to communicate with customers but also about how much it costs, and the costs must be adapted to the conditions and the ability of companies. [21]

Sales promotions are also a key marketing tool in communication programs that influence brand equity. However, different types of promotional tools (e.g., monetary and non-monetary promotions) may have different effects on sales, profitability or brand equity. [22]

2.3.5. Defining the role of distributor in marketing strategy

Marketing strategy plays a crucial role in managing the channels of industrial distribution. In the area of industrial distribution, this strategy has been the case for accurate attention from various angles, including:

1. Producer's marketing strategy and especially the goals that he chooses for gaining competitive advantage, quality, price, availability, execution engineering and technical services , complete production line, technical production leadership etc.
2. The situation of the producer in the market, whether it is a follower or the leader in the market.
3. The technical specifications and characteristics of production, especially far different production features among various marks in the world and technical judgment of satisfying customer needs.
4. The importance (capability) of production immediate access (product) to customer or vice versa, to the extent to which customer needs are predicted and planned.

Selling products using industrial distributors must be done through the marketing strategies' framework, because industrial distributors have an important role in meeting market demand. Considering the role of industrial distributors in marketing strategies' success (e.g. entering new products to the market, fulfilling the needs of small segments in the market) industrial distributors' features and particular capabilities must be examined. [23]

2.3.6. The concept of value and value chain

Value chain is like a precious index that its usefulness in determining the strategies for attaining competitive advantage is proved. This model that is presented in the Fig. 2 primarily was developed for accounting goals in order to discern the profitability of different processes in production and manufacturing. Instead of profit, recently this model has been used for measurement and competitive advantage scales. Porter (1980) suggests that instead of profit competitive advantage has been used and will be used. [8] In 1985, Porter claims that to a large scale competitive advantage is determined through the way that companies manage each element and the transactions between the elements. For companies, value chain provides a tool for finding out approaches to create more customer value and it deals with analyzing the capabilities of an organization. Initially, the mentioned model was applied in service sectors as well. [24]

2.4. Supply chain management

The concept of supply chain management (SCM) originated and flourished in the manufacturing industry [25]. The term which has been mainly used for SCM in the literature is framework though apparently there is a lack of consensus about what actually a framework [26]. Many researchers and consultants have tried to propose frameworks to perform developments in SCM over a period of time. After all some researchers have noted the lack of clear definitional constructs to consider as the base to SCM research. According to Soni and Kodali, The constructs of the framework are frequently used and observed constructs in SCM literature so it is the reason to call it a framework for SCM excellence [26]. In the framework mission and vision of a business are situated on the top of the house that this fact clarifies that

the ultimate goal to a company or a member of supply chain is to achieve mission and finally vision. Based on mission and vision, business strategy is formulated that is referred to as competitive strategy which is at the bottom of building that signifies on the basis of business strategy only, further strategies are framed. [27]

2.5. SCM Practices

SCM practices have been defined as a set of activities undertaken in an organization to promote effective management of its supply chain. [28] Li et al Proposed 5 Supply Chain Management Practices in organization. We consider their Model in this Research and Briefly Discuss each item.

2.5.1. Strategic supplier participation

Managing suppliers depends on the kind of communication that the organization establishes in developing and maintaining the relationship with suppliers. In the latest studies, the researchers have examined the different varieties of communications with suppliers; Cannon and Perrcault believe that relationship with suppliers can be developed according to the level of exchanged information, operational persistency, cooperation norms and coordination of seller and buyer. In the information exchange element, sharing important information from both sides describes the communication. Operational persistency involves functional integrations of the organization in establishing relationship from the view of systems, procedures and technologies. Cooperation norms are the level of expected prototype of cooperating with each other to reach individual and shared goals. [29]

2.5.2. Customer relationship

The necessity of information technology evolution and in particular global internet network and electronic commerce has offered an opportunity to improve relationship with customers in association with previous facilities in today's' competitive markets. The ultimate aim of turning this communications and transactions into more profitability is through increasing repurchasing and decreasing the costs of obtaining customer. [30] Some definitions for Customer Relationship Management (CRM) from the theorists' point of view are narrated below;

CRM is a part of a strategy of an organization for discovering and maintaining customers' satisfaction and transform them into permanent customers. Also in along with managing customer relationship with company and for maximizing customer value it helps company. [31] CRM is the collection of methodologies, processes, software and systems which assists institutions and companies in effective and organized management of customer relationship. [32] Managing customer relationship means creating and retaining personal relationship with profitable customers. [33] As a process, CRM entails supervising customers (e.g. gathering their appropriate data), managing and evaluating data and finally creating real advantage from the output information of transaction with them. [34] Managing customer

relationship is a business and marketing comprehensive strategy which integrates the processes technology and the entire of business activities all-round the customer. [35]

From the discussed descriptions, it can be concluded that CRM is a business strategy for optimizing profitability, making revenues and customer satisfaction that is designed based on organizing selling services according to customer needs, increasing the level of customer satisfaction while core concern is customer and implementing customer locus processes.

2.5.3. Level of information sharing

Information sharing refers to the company ability in sharing knowledge with supply chain partners in an efficient and effective way. Shared information in contemporary supply chain system requires information among direct partners (members) and also all Networks that encompasses the entire of supply chain. Information sharing is needed for effective and efficient use by partners. This information must be transferred from an assured resource to a safe framework. Effective information sharing is accounted as a fundamental ability of supply chain processes. [36] Information sharing has two dimensions: qualitative and quantitative. In the process of implementing supply chain management both of these dimensions are extensively effective while each has been put forward as an independent variable in the previous studies of supply chain management. The word level refers to the quantitative facet of information sharing and it clarifies to what extent crucial and private information should be shared with supply chain partners. [37]

2.5.4. Quality of Information Sharing

The quality of information sharing involves dimensions like accuracy, scheduled plan, sufficiency and credit of the exchanged information. [38] Since information sharing is important, its importance on supply chain management relies on three elements:

What information is shared? By Whom, When and How sharing process is done?

The literature of this issue is filled up with examples of nonfunctional effects of presented information in supply chain that are inaccurate and deferred. Diverse interests and seeking their own favors among supply chain partners and information asymmetry along the supply chain impacts information quality. [39], [1]

2.5.5. Postponement

Postponement is defined as the transference of one or some processes (manufacturing, resource finding and delivering) to another spot in supply chain. [40] There are two considerable points in developing

postponement strategy: 1. determining the number of stages for postponement 2. Determining the stages which require postponement. Postponement allows the organization to have different flexible production in meeting customers' changing needs and product differentiation or change in demand function. [41] Various kinds of postponement strategy and discussions about its benefits are introduced in debates of marketing, logistics and supply chain management. Alderson and Bucklin presented two articles in this area. Apparently, Alderson was the first who introduced this theory and later on the extension of this theory was proposed by Bucklin. Alderson discussed postponement from the marketing viewpoint that put forward this theory as a promising reaction to demand uncertainties which leads to drop in costs. Bucklin introduced this concept in the distribution channels area and offered this question; where, how and when to store the inventories to decline the cost. [42], [43]

As mentioned above, some other postponement strategies were presented by some scholars like; Cooper, Dapiran, Feitzinger and Lee, Pagh and Cooper, Van Hoek, Yang and Burns and also Mikkola and Larson. In some papers qualitative section of the postponement strategies are remarked and in others quantitative section has been reviewed. [44]

2.6. Indexes of Performance Measurement in Supply Chain

Altogether, variety of efforts have been made to clarify the indexes for performance measurement in supply chains that each effort entails a different view and approach for categorizing and grouping such indexes. Representative studies of this kind can be:

- Focusing on the status of indexes being qualitative or quantitative that has been examined in the works of Beamon in 1999.
- What to be measured; This topic focused on different issues; In Gunsacaran and Tuni (2001) on indexes to be costly or not; in works of Ashonsil (2004) on quality, cost, flexibility and delivery; In Beamon's (1999) studies on resources, output and flexibility; In Heeber's work in the frame of supply chain cooperation, on combining and coordination efficiency and in Chan's papers (2003) on input, output and processing.

Some of quantitative criteria are:

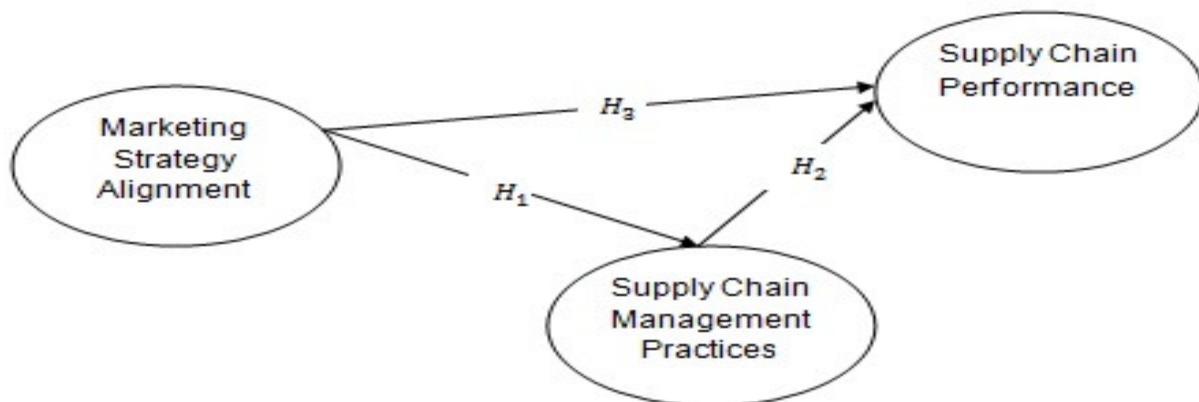
- Cost based criteria like minimizing cost, cutting down investment in inventories, maximizing profit and maximizing Return On Investment (ROI)
- Customer oriented criteria like the percentage of fulfilling orders (rate of supply), minimizing the delay in product delivery, minimizing the time to respond customers, minimizing LT (the time between obtaining and delivering the order) and minimizing tasks replication
- Productivity based criteria like; maximizing the use of capacity and making use of resources.

- Considering strategic, operational or technical focus of indexes to which the studies of Gunasacaran (2001) were devoted.[45]

2.7. The Green's method in evaluating supply chain performance

For examining supply chain performance, Green et al. considered 11 scales in their article. These criteria are related to supply chain implementation processes. These factors consist of: the ability of delivering products without any deficiency to the final customer, the potential of delivering products and services with value added to the final customer, the ability to remove any delay, damaged and deficient orders to customers, the capability of replying and solving customers' issues in a short time, the ability to deliver products in on time, the ability of delivering the right number and quantity of products to the customers, the capability of delivering orders in various sizes, being able to offer products of tiny sizes (special products) to customers, the ability to reduce the total cost, being capable of minimizing any kind of waste throughout the supply chain, the ability to minimize stored channels along the supply chain. Due to the aims of the research, Green' method will be applied in the study. [1]

Figure2. Conceptual Framework



1.2.4. The role of logistics in supply chain In Chemical Companies

Transportation processes are one of the necessary sectors of supply chain. These processes, maintain the flow of the materials which a firm has with its suppliers and customers. An integrated view on transportation processes, manufacturing and inventory maintenance is a description of the concept of a modern supply chain management.

In a supply chain, transportation processes are taking place in a way that comes below:

Supplying raw materials from foreign suppliers or from a remote domestic factory to the place of manufacturing, from the logistic outlook both are the same.

Products distribution from a factory to the customers Distribution system depends on the kinds of products:

- Capital goods like machineries or industrial customers' equipment are carried through a specific transportation linkage just once or rarely.
- Also materials for production are forwarded to industrial customers; regularly, repeatedly and through the same direction.
- Consuming goods to wholesalers and retailers are often sent in customized tiny sizes that demands combining transportations when they are launched. [27]

Regarding other technics that is used in Chemical companies supply chains, most of companies use following methods. In order to supplying raw materials, Most of companies make use of cyclic procurement system, in a way that in daily or weekly timelines, transportations flows are left to be gathered in the form of massive parcels then ordering is fulfilled. In addition to the modern inventory systems, in most cases ABC system is used for ordering in the companies. FIFO method is used for the goods in the warehouse. In the process of distribution to the customer the system of direct distribution, the easiest system of distribution is used. In which manufactured items are transferred to the sale points in the form of large parcels, then representatives of distribution process initiate selling and delivering the items to the customers.

3. RESEARCH METHODOLOGY

The aim of this research, at first stage investigates marketing strategies among chemical industry companies in specific geographical region (Zanjan province). Also, coordinating these strategies for improving Supply chain Practice and its Performance.

3.1. Research Hypotheses

This Study includes 3 main Hypotheses and 5 subsidiary hypotheses.

H1. Marketing Strategy Alignment in Chemical Companies positively and directly affects Supply Chain Management Practices.

H1-1- Marketing Strategy Alignment in Chemical Companies positively and directly affects Strategic Supplier Partnership.

H1- 2- Marketing Strategy Alignment in Chemical Companies positively and directly affects Customer Relationship.

H1-3- Marketing Strategy Alignment in Chemical Companies positively and directly affects Level of Information Sharing.

H1-4- Marketing Strategy Alignment in Chemical Companies positively and directly affects Quality of Information Sharing.

H1-5- Marketing Strategy Alignment in Chemical Companies positively and directly affects Postponement.

H2. Chemical Companies with high levels of Supply Chain Management Practices will have the higher levels of Supply Chain Performance.

H3. Chemical Companies with high levels of Marketing Strategy Alignment will have the higher levels of Supply Chain Performance.

3.2. Data gathering method

Two methods are used to collect data. Primary information and Secondary information. In this research, secondary information includes using related English and Persian sources and similar investigations as well as existing information in industries and mines organization archive, chemical companies through internet and expert in this field. The primary information in this research is totally collected by questionnaire method as well as email and in some cases because of impossibility of this method; the questionnaire method is used in verbal and personal way.

3.2.1. The Research questionnaire

In this research, a three-part questionnaire is used to evaluate variables. The first part, relates to marketing strategies Alignment in which 7 questions are presented to evaluate the Alignment of these strategies, the second part relates to Supply chain management practice which includes 5 factors that a question is presented for each, and the third part relates to Supply chain Performance that 11 questions are presented for its measuring. (The table of part 4 is located here. In this section we look for categorizing and ranking variables and for this as well as considering basic research method, the best scale in this research is ordinal scale.

Considering research instruction and the used variables, Likert's five scales is used as a proper scale in designing questionnaire Population and Statistical Sample.

3.2.2. The Population and Sample

Population in this research includes all of the companies in chemical industry as lead and zinc industry, color and other chemical production that are active in zanjan province. According to secondary data, that are achieved through the source of industry and mine organization of zanjan province, 88 companies were active in this province in 2013. Based on the research goal, if it was possible, the researcher collect data from all of these companies. So, the sample member was equal to population.

3.2.3. Validity and Reliability of Questionnaire

3.2.3.1. Validity

In designing questions and content of this questionnaire, two important tasks were done. At first, the efforts made to extract questions and especially questionnaire content from valid sources and essays. So, most of the translated questions from these sources which were investigated by both researcher and essay referees increase the truthfulness and accuracy and all in all questionnaire Validity very much. In second place, after Supply questionnaire, the professors and expert's idea about the questions and content of them in this area are asked to amend in the case of probable misunderstanding and insufficiency. By using ideas of professors and experts in this field, the questions related to the questionnaire of part one (marketing strategies Alignment) has changed mainly and one question was deleted from a set questions in this part, some of these questions in next sections were not understandable because of some problems in translation that were eliminated by some reforming.

In order to test the Validity of this research confirming factor analysis method was done by LISREL software which is explained in the following. Parts of results are shown in Table3.

3.2.3.2. Reliability

In this research, we tried to use different methods of Reliability evaluation. Reliability is a logical coordination among questions is one of the most important and common Reliability evaluation methods that in this research considerable consideration was paid to it and with the help of SPSS software, this index was achieved. The Results are shown in Table2.

3.3. Data analysis method

3.3.1. Structural Equation Modeling

Presupposition method of LISREL software in instructional equation modeling is the probable maximum method, this method estimates a set of parameters, based on these estimated primary value, fitness function were calculated, this function is a coefficient that describes fitness parameters with research data.

In this research, the second estimation was calculated based on primary estimation to achieve a function with a smaller fitness function and this process continues to shape the smallest fitness function. [46], [47]

3.3.1.1. The First Order Factor Analysis

In first order factor analysis, it was supposed that the scores in each studies in a variable, in fact reflected its condition in a more fundamental factor which had no accurate measurement because of its Latent. But this latent factor was not considered as another latent factor dimensions and in fact only there was one

latent layer of variable or variables in orbit. The first order (or higher) factor models could be one factor, two factors, three factors or more number of factors. In the first order factor models there were 3 kinds of variables ; these variables included outside latent variables and error variables which was as a latent variable kinds , so it was located in circle or oval and X variable was an observed variable kind, so it was located in triangle or square. [48]

In order to investigate variables of marketing strategy Alignment and Supply chain Performance, factor analysis of this kind was used in this research.

3.3.1.2. The second order factor analysis

The second order factor model defined as a kind of factor models in which latent factors are measured by using of observable variables which itself effected by a more fundamental variable, in another word, latent variable, but located in a higher level; in fact second order factor models were presented in a time that first order factors were explained by instructional factor. [49]

In this research in investigating Supply chain management practice Variable the second order factor analysis was used.

Fitting indicators model fitting model determined a degree that support variance-covariance data sample of instructional equation model. Fitness model become so different and complicated, so the concept of fitness model and indicators were able to interpret fitness model in best way, therefore; many researchers faced with a kind of bewilderment. The existence of many indicators and loss of agreement in choosing and accepting domain of some of them in instructional equations modeling Model were so clear. [50]

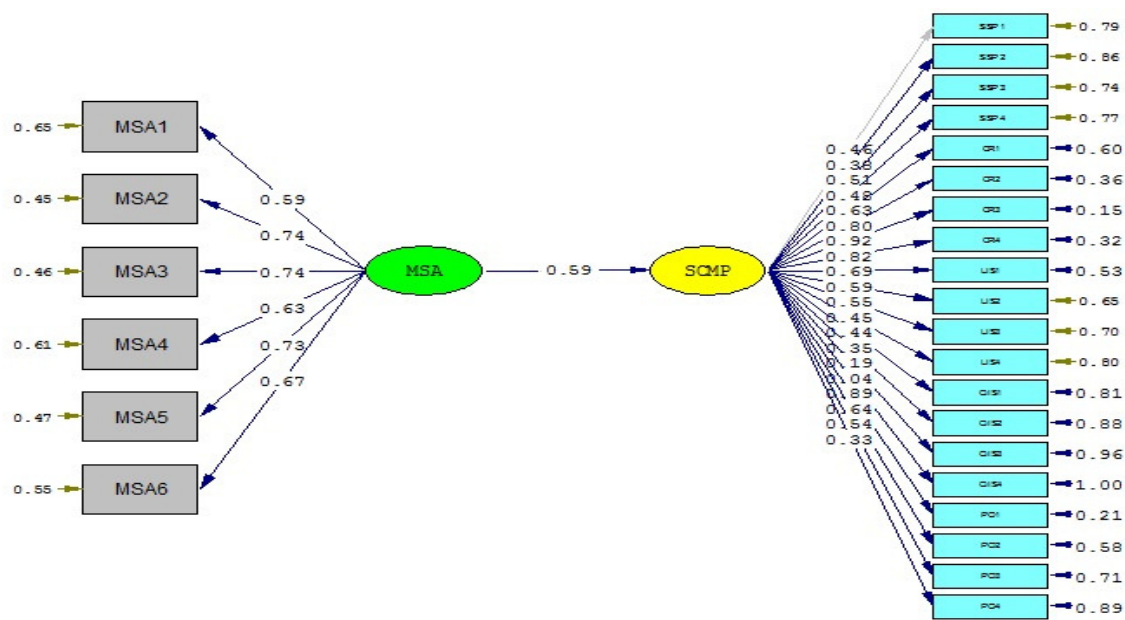
4. RESULTS

Figure3 shows the relationship between Marketing Strategy Alignment and Supply Chain Management Practice which is related to Main Hypothesis 1. As it can be seen in figure3, 6 questions were posed to measure Marketing Strategy Alignment. Observed variables which are demonstrated in Figure3 (MSA1 to MSA6) is related to Marketing Philosophies, New Product Development and Innovation, Pricing, Promotion, Distribution and Value Chain Respectively. New Product Development and Innovation and Pricing have the most correlation with Supply Chain Management Practices of 4 other items.

Figure3. The Relationship between MSA¹ and SCMP²

¹ Marketing Strategy Alignment (MSA)

² Supply Chain Management Practice(SCMP)



Chi-Square=2653.54, df=310, P-value=0.00000, RMSEA=0.025

Table1 illustrates Descriptive Statistics for 3 main variables. As it can be seen in table 1 Supply Chain Performance has the highest Mean of 2 other variables. Also it has the lowest standard Deviation.

Table1. Descriptive statistics

Variables	Mean	Std. Deviation	Skewness	Kurtosis
Marketing Strategy Alignment	3.44	1.07	0.052	-1.243
Supply Chain Management Practices	3.77	1.01	-0.303	-1.007
Supply Chain Performance	4.04	0.88	-0.547	-0.546

Table 1 indicates Reliability Assessment Results. As it can be seen in table 2, first column shows the scales for 3 main items, the second column shows number of questions in questionnaire and column 3 indicates Cronbach's Alpha Coefficients, in which all of variables coefficients are higher than 0.7. Therefore, we can say the questionnaire is reliable enough for data gathering.

Table2. Reliability Assessment Results

Scale		Number of Items	Cronbach's Alpha
Marketing Strategy Alignment		6	0.884
Supply Chain Management Practices	SSP	4	0.872
	CR	4	0.867
	LIS	4	0.912
	QIS	4	0.932
	PO	4	0.896
Supply Chain Performance		11	0.958

466

467 Table 3 shows Dimensionality and convergent validity assessment results. 6 important indexes have
468 been considered in software's output. Considering relevant resources to analyze Structural Equation
469 Modeling, if relevant coefficients belonging to CFI, NFI, NNFI, GFI indexes are more than 0.9, it can be
470 claimed that the model has good fitness, also coefficients more than 0.95 shows excellent fitness. In this
471 Research Coefficients indicate that almost all of variables are in the acceptable and good fitness index.

472 **Table3. Dimensionality and convergent validity assessment results**

Scale	NNFI	NFI	CFI	GFI	RMSEA	SRMR
Marketing Strategy Alignment	0.89	0.92	0.90	0.94	0.078	0.10
Supply Chain Management Practices	0.89	0.87	0.94	0.90	0.061	0.07
Supply Chain Performance	0.92	0.93	0.94	0.94	0.068	0.08

473

474 Table 4 illustrates Main hypotheses Correlations. The relationship between Supply Chain Management
475 practices and Supply Chain Performance shows the highest coefficient of 2 other hypotheses with 0.74.
476 All of main Hypotheses have been accepted strongly. So, it can be argued that all the variables have
477 positive and direct impact in each other. Table 5 shows Subsidiary hypotheses Correlations. The

relationship between Marketing Strategy Alignment and Postponement is not significant and the coefficient for this hypothesis is 0.09. Except this hypothesis, the others are significant at the 0.01 level.

Table4. Main hypotheses Correlations

Variables	MSA	SCMP	SCP
Marketing Strategy Alignment	1.00		
Supply Chain Management Practices	0.59**	1.00	
Supply Chain Performance	0.62**	0.74**	1.00

*Correlation is significant at the .05 level (two-tailed).

**Correlation is significant at the .01 level (two-tailed).

Table5. Subsidiary hypotheses Correlations

Variables	SSP	CR	LIS	QIS	PO
Marketing Strategy Alignment	0.53**	0.48**	0.70**	0.74**	0.09

*Correlation is significant at the .05 level (two-tailed).

**Correlation is significant at the .01 level (two-tailed).

5. DISCUSSION AND CONCLUSION

Based on the results of Factor analysis, beside the variables of strategic supplier association and information sharing level as well as information sharing level and information sharing quality, the rest of the variable had a considerable solidarity with each other.

Considering the presented tables, the two main hypothesis of this research were accepted and among secondary variables, the variable which was related to postponement and its Alignment with marketing

strategies were rejected and the rest were confirmed. The existing coordination's degree indicated partial strong relations among variables. As discussed in Literature in this research, implementation of postponement discussion depended on characteristics of organization market as well as the type of production, so it was not applicable in all conditions. The acquired coordination degree showed that information sharing quality variable and then information sharing level with 0.74 and 0.70 had the greatest coordination among variables. This issue indicated a desired condition of information sharing as well as its quality. On the other hand, the matching degree of these variable with marketing strategy Alignment variable was considerable in a way that information sharing and it's doing quality could be a way to actualize marketing strategies in organization in a best way.

Considering the second main hypothesis and the path coefficient, we could suppose a high relation between Supply chain management implementation and improving the organizational Performance, especially improvement of Supply chain Performance in a way that if Supply chain management implementation process was done correctly and effectively, we could get a considerable result from it. In another word, high ability organizations in Supply chain Practice would have a high level in supply chain performance. Totally, we could claim that better Performance of organization in marketing strategies Alignment caused improvement in Supply chain management Practices and as a result would improve supply chain Performance of organization.

7. RESEARCH LIMITATIONS AND CONSIDERATIONS

This research is one of the first and best researches in the field of marketing strategy with concept of Supply chain. So, we can consider this research as an exploratory one than confirmative one. In collecting research data, we tried to take managers and expert's opinion that were familiar with Supply chain issue and its component. The studied industry in this research was chemical industry which had a very few research of this industry in Supply chain and marketing strategy.

Since this industry is hyper competitive in the studied field and many companies tries to archive a big share of this market, so investigation in this area could analyze this industry in the field of marketing strategy and Supply chain and expend a new area in literature of this field. Since Performance evaluation especially Supply chain Performance always faced with some ambiguity, we tried to design a proper questionnaire which able to evaluate research variables, and the variables of the research literature models which were presented by conth, et al, co-ordinates with variable of this research, so with the localization of this questionnaire in the studied industry and by doing Validity and Reliability, the accuracy and correctness of this research were confirmed to evaluate variables.

The present research confirms Supply chain management implication which was discussed less. Though most organizations understand Supply chain management Practice, because they don't know the component of Supply chain management so good, they don't know what should be executed. The current

research can present some practical steps by suggestion and expansion and validation of an operational multi-dimensional model as well as expressing its efficiency in Increasing Supply chain Performance and improving organizational competitive advantageous to help organization problems. [28]

In this research there are 5 important steps that most researches in this area confirm it and results of this research discusses about Supply chain management Practice.

The importance of considering competition changed from a concept between organizations to competition between Supply chains, many organizations look for Supply chain management to decrease Supply chain costs. The findings of this research confirm the inevitable function of Supply chain management Practice on Supply chain Performance.

8. SUGGESTION FOR FURTHER RESEARCHES

In future researches we can expand model by adding related variables to organization and its concept like organization size, organization instruction, Supply chain instruction and other variables. Since the concept of Supply chain management is complicated and its accurate evaluation required investigating the total chain which has a function in Supply and delivering productions. So it is suggested in future researches, the total chain analyze. Considering the limitation of the studied scope and other limitations in research, high data collection was not possible, so it is suggested that in future researches more data will be collected to evaluate variables better and also more reliability achieves.

In future researches we can expand Supply chain management area and other variables such as on time production ability, variables related to Supply chain quality like six sigma, excellent organizational models, etc., coordination between duties, logistic unity and other variables. Considering its wideness, placing these variables in this research was avoided. [28]

REFERENCES

1. Green Jr Kenneth W, Dwayne Whitten, aligning marketing strategies throughout the supply chain to enhance performance, Industrial Marketing Management Journal, 2012, Vol. 41, PP. 1008–1018.

2. Lambert, D. M., & Cooper, M. C. Issues in supply chain management. Industrial Marketing Management, 2000, 29(1), PP. 65–83.

3. Kim BJ, An empirical research on relations between business strategy and marketing strategy: based on Miles and Snow's strategic typology and Porter's genetic strategy. Journal of Global Academic Marketing Science, 2004, 14, PP. 81–100.

4. Aaker DA, Strategic market management. 9th Ed, New York: Wiley; 2009.

- 560 5. Tikkanen Henrikki, Kujala Jaakko, Artto Karlos, The marketing strategy of a project-based firm: The
561 Four Portfolios Framework, *Industrial Marketing Management*, 2007, Vol. 36, PP. 194–205.
- 562 6. Drummond G, Ensor J, *Strategic Marketing Planning and Control*, Butterworth- Heinemann, 2001.
- 563 7. Miles R E, Snow C. C, *Organizational strategy, structure and process*. New York: McGraw-Hill, 1978.
- 564 8. Porter M, (1985), *Competitive Advantage: Creating and Sustaining Superior Performance*, Free Press.
- 565 9. Paswan Audhesh K., Guzmán Francisco, Blankson Charles, Business to business governance
566 structure and marketing strategy, *Industrial Marketing Management*, 2012, 41, PP. 908–918.
- 567 10. Slotter, S. F., & Olson, E. M, Marketing's contribution to the implementation of business strategy: An
568 empirical analysis, *Strategic Management Journal*, 2001, 22(11), PP.1055–1067.
- 569 11. Murphy, P. E. Enis, B. M, Classifying products strategically, *Journal of Marketing*, 1986, 50(3), PP.
570 24–42.
- 571 12. Jarratt, D., & Fayed, F, The impact of market and organizational challenges on marketing strategy
572 decision-making: A qualitative investigation of the business-to-business sector. *Journal of Business*
573 *Research*, 2001, 51(1), PP. 61–72.
- 574 13. Noble, C. H., & Mokwa, M. P, Implementing marketing strategies: Developing and testing a
575 managerial theory, *Journal of Marketing*, 1999, 63(October), PP. 57–73.
- 576 14. Kotler Philip, *Marketing Management Millenium Edition*, Tenth Edition, Prentice-Hall, Inc, 2001.
- 577 15. Kotler, P and K. L. Keller, 12th Edition, *Marketing Management*, New Jersey: Prentice Hall, Inc, 2006.
- 578 16. Meek Helen, Meek Richard, *Strategic Marketing Management (Planning and Control)*, an imprint of
579 Elsevier Science, Butterworth-Heinemann, Oxford, 2002.
- 580 17. Booz, Allen and Hamilton, *New Product Management for the 1980's*, Booz, Allen and Hamilton.
- 581 18. Janszen F, *The age of Innovation*, Ft Prentice Hall, 2000.
- 582 19. Wright R, *Business to Business Marketing*. England: Prentice Hall, 2004.
- 583 20. Hunt, J M, Forman H, The role of perceived risk in pricing strategy for industrial products: a point of
584 view Perspective, *Journal of product and brand management*, 2006, 15 (6), PP. 386-393.
- 585 21. Fransiskaa Yessie, Andhikaa Febri, Indraa Masca, Rengganisa Renni , Determining the Most
586 Effective Promotion Strategy for Clothing Company in Bandung, Indonesia, *International Conference on*
587 *Small and Medium Enterprises Development*, 2012.
- 588 22. Buil Isabel, Chernatony Leslie de, Martínez Eva, Examining the role of advertising and sales
589 promotions in brand equity creation, *Journal of Business Research*, 2013, 66, PP. 115–122.
- 590 23. Seid Javadin Seid Reza, Esfidani Seid Rahim, *Industrial Marketing*, Negah Danesh Publication, Iran,
591 2009. (In Persian)
- 592 24. Porter, M. E, *Competitive strategy: Techniques for analyzing industries and competitors*. New York:
593 Free Press, 1980.

- 594 25. Vrijhoef R, Koskela L. The four roles of supply chain management in construction, European Journal
595 of Purchasing and Supply Management. 2000; 3/4(6), PP. 169-178.
- 596 26. Soni G, Kodali R. A critical review of supply chain management frameworks: proposed framework,
597 Benchmarking: An International Journal. 2013; 20(2), PP. 263-298.
- 598 27. Alavi Ali, Shukri Muhammad, Kavandi Roya, Marjani, Amir Hossein, Introducing a Model for
599 Identifying Operative Enablers of Supply Chain Quality Management, British Journal of Economics,
600 Management & Trade, 2014, 3(4), PP. 468-486.
- 601 28. Li Suhong, Bhanu Ragu-Nathan, the impact of supply chain management practices on competitive
602 advantage and organizational performance, Omega Journal, 2006, 34, pp. 107-124.
- 603 29. Cannon Joseph P, Perreault Jr William D, Buyer-Seller Relationships in Business Markets, Journal of
604 Marketing Research, 1999, Vol. 36, No. 4 (Nov) , pp. 439-460.
- 605 30. Alavi Ali, Service quality and its relationship with customer satisfaction in insurance companies using
606 Servpref and AHP, First International Quality Engineering Conference, 2012, Tehran, Iran. (In Persian)
- 607 31. Turban, E, Mclean, E. and Wetherbr, J, Information Technology for management: Making
608 Connections for Strategic Advantage", 2nd Ed, New York; Wiley, 2002.
- 609 32. Burnett, Handbook of key Customer Relationship Management: The Definitive Guide to Winning,
610 Managing and developing key Account Business; prentice Hall: New Jersey, 2001.
- 611 33. Wild K.D, H.Hi Pner, C. Frieltiz and S. Martin, Marketing E-CRM: absatzwirtschaft, Dusseldorf, 2001.
- 612 34. Hampe j.F & P.Swatman, Customer Relationship Management, Case Studies of Five Swedish, Luella
613 university o Technologies, 2002.
- 614 35. Feinberg j. & N.C.Roman, Electronic Customer Relationship Management- Revising the General
615 Principles of Usability and Resistance - an Integrative Implementation Framework, Business Process
616 Management Journal , 2003, 9 (5), pp. 572 – 591.
- 617 36. Shore, B., & Venkatachalam, A. R, Evaluating the information sharing capabilities of supply chain
618 partners: A fuzzy logic model, International Journal of Physical Distribution & Logistics Management,
619 2003, 33(9/10), PP. 804– 824.
- 620 37. Monczka RM, Petersen KJ, Handfield RB, Ragatz GL, Success factors in strategic supplier alliances:
621 the buying company perspective. Decision Science; 1998, 29 (3), PP. 5553–77.
- 622 38. Moberg CR, Cutler BD, Gross a, Speh TW, Identifying antecedents of information exchange within
623 supply chains. International Journal of Physical Distribution and Logistics Management 2002; 32(9), PP.
624 755–70.
- 625 39. Feldmann M, Müller S, an incentive scheme for true information providing in supply chains. OMEGA
626 journal, 2003, 31(2), PP. 63–73.
- 627 40. Van Hoek RI, Measuring the immeasurable-measuring and improving performance in the supply
628 chain. Supply Chain Management, 1998, 3(4), PP. 187–92.
- 629 41. Waller MA, Dabholkar PA, GentryJJ, Postponement, product customization, and market-oriented
630 supply chain management. Journal of Business Logistics, 2000, 21(2): PP. 133–59.

- 631 42. Alderson W, Market efficiency and the principle of postponement, Cost and Profit Outlook, 1950
632 September, 3, PP. 15–18.
- 633 43. Bucklin L. P, Postponement, speculation and structure of distribution channels, Journal of Marketing
634 Research, 1965, 2, PP. 26–32.
- 635 44. Guericke Stefan, Koberstein Achim, Schwartz Frank, Voß Stefan, A stochastic model for the
636 implementation of postponement strategies in global distribution networks, Decision Support Systems,
637 2012, 53, PP. 294–305.
- 638 45. Beamon, Benita, Measuring Supply Chain Performance, International Journal of Operations and
639 Production Management, 1999, 19 (3), pp. 275- 292.
- 640 46. Hoyle R. H, Handbook of Structure Equation Modeling. New York: The Guilford Press, 2012.
- 641 47. Mueller R, O, Basic Principles of Structural Equation Modeling, an Introduction to LISREL and EQS.
642 Washington: Springer, 2013.
- 643 48. Hox, J, J, Becher T, M, An introduction to Structural Equation Modeling , Family Science Review,
644 1999, 1, PP. 354-373.
- 645 49. Kline, R. B, Principles and Practice of Structure of Structural Equation Modeling, (third edition), New
646 York: The Guilford Press, 2011.
- 647 50. Hooper D, Coughlan J, Mullen M R, Structural Equation Modeling: Guidelines for Determining Model
648 Fit, the electronic Journal of Business Research Methods, 2008, 6 (1), PP. 53-60.