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# INVESTIGATING EFFECTIVE FACTORS ON EXPORT PERFORMANCE WITH EMPHASIS ON THE ROLE OF EXPORT SECTOR CAPABILITIES: A STUDY IN PEGAH ZANJAN COMPANY

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**ABSTRACT**: Export plays an important role in the economic development of countries, at the enterprise level; exports create growth opportunities for companies. By expanding the level of access to foreign markets, the company can reach a higher level of production. The underlying factors that encourage countries and companies for international trading are complex and many .Theorization in the field of international trade has tried to explain the patterns of trade between countries by identifying these factors. This research is descriptive and survey oriented in method and also is a kind of applied research in purpose. In this research, a standard questionnaire is used to collect data that is completed through face-toface interviews. The statistical population of this research is 202 personnel of Pegah Zanjan Company. The Morgan table was used to estimate the sample size of 127 people. Data were collected using a questionnaire and simple random sampling. In this study, the Cronbach's alpha, which was 0.76, was used for evaluation. Also descriptive and inferential statistics were used to analyze the data. All statistical analyzes were performed using SPSS software. The results show that the independent variables of this research have the ability to predict about 66% of the dependent variable. The results of the research show that Human Resources Strategic Management variables and competition intensity have a significant effect on the capabilities of the export sector.

**KEYWORDS:** Export Performance, Export Sector Capabilities, Export Commitment, Marketing Mix Adaptability, Pegah Company

## **INTRODUCTION**

Exports are a more complex activity of the domestic business, and employees and managers who are responsible for making decisions in foreign markets play a key role in this field. For example, the linguistic abilities of export in human resources, maintaining a relationship of exchange with foreign agents and distributors in the market that influences the flow of information and also permanent cooperation between agents is important for small and medium-sized international companies.

Provision and allocation of human resources to export activity helps in better organization and export planning, and has become increasingly involved in changing regular exporters rather than scattered exporters. This condition is committed to the export company having a tendency to work in foreign markets. Human resources play a key role in researching and interpreting the conditions of foreign markets. Having enough staff and managers, especially those dedicated to these tasks, is one of the key bases for future export success. Human resources may help in the development of a combined marketing strategy that will shape the

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specific characteristics of each country in the market; consequently, the success of export companies is conditional on foreign markets. Competitive intensity refers to the degree of competition among the various factors in one section. By increasing the total number of users of a market, the amount and fluctuations (in terms of timing and nature), strategic changes can be greatly increased. As a result, organizations must respond to these moves. These needs indicate an increase in the organization's efforts to respond in a timely manner to a highly competitive environment and to increase organizational export commitments. In the field of export activities, some researchers found a positive relationship between the level of competitive intensity of the country's market and the degree of compliance in marketing plans, which is in line with the principles of the contingency approach. The unsetting associated with competitive intensity in foreign markets is to modify the marketing plan that responds to the demand of foreign customers. In addition, this unset environment encourages the organization to offer a satisfactory offer in the domestic market and to compete against national rivals with guarantees in international markets (Najafi, 2011: 140).

One of the key elements of an export strategy is the standardization or adaptation of the marketing plan. However, there are benefits and drawbacks of any complex situation. The standardization of the marketing plan involves different production lines with similar prices using similar distribution systems, and promotion of product lines with the same communications programs in several countries (advertising, promotion, etc.). A few authors point out once a standard strategy that the company's marketplace behaves in the same way. However, opponents of international standard marketing strategies show that the difference between countries will be significant if social and economic eases are combined in one part of the market. These differences may be similar to different marketing incentives due to varying national values, local market conditions of the target country, public policy and legal regulations, and different consumer responses. In this context, a standard strategy may have a reverse outcome. The adaptation of the combined marketing approach involves any change in product features, price, distribution, or communications program to match the inherent characteristics and demands of each country. As a result, some authors argue that the development of a distinct marketing strategy in foreign markets forces the company to adapt to the requirements of the markets. The adoption of export marketing tactics has the following advantages: (1) allowing firms to correct the precise characteristics of each market, which reduces the insecurity of foreign consumers; (2) improves interactions with native intermediaries; And (3) the organization can achieve better profitability, and improving product market alignment can lead to more customer satisfaction, which may create greater pricing freedom for competitors. As a result, the regulation of export marketing policies improves the operational and strategic export performance (Pourbarazjani, 130: 1392).

Export plays an important role in the economic development of countries, at the enterprise level, exports create growth opportunities for companies. By expanding the level of access to foreign markets, the company can reach a higher level of production. The underlying factors that encourage countries and companies to engage in international commerce are complex and many .Theorization in the field of international trade has tried to explain the patterns of trade between countries by identifying these factors. Export performance from a global point of view, includes strategic and operational factors, as Kausgill and Zoe (1994) argued; researchers describe the export commitment as a strategic determinant of asset allocation to the business of foreign companies, and is an essential element for the continuous development and expansion of foreign markets. This feature can condition managers' willingness and raise the company's marketing forces to reach the company's international

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goals. Our goal in this research is to investigate the most important factors affecting the export performance of Pegah Zanjan Company, and how the export function capabilities of this issue will be discussed in this discussion.

## LITERATURE, THEORETICAL FOUNDATIONS AND HYPOTHESES

The concept of human resource management has been introduced since the mid-eighties and aims to provide methods for managing staff and helping to improve the performance of the organization. The human resources of the organization are no longer seen as a source of cost but as valuable assets for competitive advantage .That is why human resource planning has become a top priority in organizations. Michael Porter believes that the skills and motivation of the company's individuals can be considered as a major factor in the company's competitive advantage. In general, human resources management has identified the selection, recruitment, training and development of human resources in order to achieve the goals of the organization. In other words, HRM consists of: Analyzing the human needs of the organization with respect to changing conditions and taking the necessary measures to meet these needs. Human resource management can be seen as a kind of management approach to people that is based on these four principles: (Robinson, 2011: 3)

1) Employees are the most important assets of the organization and the success of the organization depends on effective management practices.

2) If organizational policies closely linked with the achievement of the organization's goals and strategic plans, and to help achieve those goals, the organization's chances of success will increase.

3) The culture and values of the organization, the organizational circumstance, and the management behavior that results from that culture will have a major impact on achieving organizational excellence. Therefore, the organization's culture must be guided and managed.

4) Encouraging all members of the organization to work together and bring them to a sense of common purpose requires a continuous effort, especially the maintenance of a commitment to change, is a necessity. Examining the principles ,outlined the strategic importance of the organization's human resources management. In fact, doing any successful act in the organization, including planning, implementing and controlling the organization's major strategies, implementing transformation plans, and pursuing organizational goals without management and paying close attention to human resources, will not be possible. Hence, strategic focus on human resources in the form of strategic human resource management is of great importance. (Talebian, 1391: 53).

## **Export performance**

Export performance is usually measured using the measure unit index approach, and export sales, export sales growth, export profits and export intensity are the most commonly used indices. (Zhu and Province, 2011, 341). However, there are so many evidence that show export performance has been considered as a multifaceted structure and should not be measured by a single indicator.

Vol.5, No.9, pp. 13-32, December 2017

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In general, we define the export performance as the result of the company from international sales. (Schoemg,2010,67). The results include the strategic and financial aspects of performance, and should include a timeline for incorporating changes. Kusgill and Zoe (1994) point out that most of the past research has used export-oriented to measure export performance, which is related to financial aspects. In addition to the problem related to the content, the other problems are related to how the export performance will be measured. (Katix et al., 2010: 10) The objective and subjective measurement criteria are possible options. Interestingly, although both measurement approaches have weaknesses, evidence suggests that the findings do not differ significantly from one approach to the other.

The three dimensions of export performance are: (1) export effectiveness (2) export intensity (3) export sales. The measurement criterion used for the combined export efficiency is to overcome the criticisms of single-case indicators and gain managerial perceptions of changes in strategic and financial outcomes. Export intensity and export sales go back to financial dimensions. And are used as objective measurement criteria. The goal is to use triple dimensions to overcome different aspects of performance. (Karimpour, 1391: 65).

#### Identification of the determinant factors of export performance

This review focuses on the empirical literature on determinants of export performance, which are completed and compiled by Zhu and Province (1998) between 1987 and 1997. The three main criteria for selecting articles for review are: First, the articles should be of an empirical nature, and the analysis of the data should be based on a statistical test. Second, the articles should use several types of measurement tools for export performance as an independent variable. Third, articles should be in the nature of a cross-sectional study. Case studies are not included.

#### **Controllable - internal factors**

There are basically two types of controllable and internal controls. The first type is related to aspects of the company's marketing strategy. The strategy factors studied include product matching, product capability, promotion matching, promotion intensity, price matching, competitive pricing, distribution channel relationships, and distribution channel types. Export planning and organizational variables fall into this category. The second category is related to the attitudes and perceptions of management.

## **Export Performance Criteria**:

There is no agreement on how to measure export performance. Although several broad approaches have been supported. Researchers have used unique names to name out the criteria for measuring export performance, which resulted in creation of large number of names. This issue is detrimental to the advancement of literature, since it makes it difficult to compare the findings from various studies. In this review, all criteria for measuring export performance are grouped into seven categories, which are illustrated by financial, non-financial, and composite scales. (Ten notes, 1391: 91).

"Sales" includes criteria that measure the volume of sales of all exports or the intensity of exports. "Profit" includes criteria that measure the total profit of exports, and include relative measures such as export earnings divided by total export profits or export profits divided by domestic market profits. When the benchmarks of "profit" or "sale" are static, the "growth" criterion, which refers to changes in sales or export profits, is measured over a period of time.

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"Success" includes criteria such as the beliefs of executives about how much exports make up the overall profitability of the company and how much their reputation is. "Satisfaction" refers to the general satisfaction of managers about the company's export performance. "Achieving the goal" is to evaluate managers in comparing performance with goals. Finally, the "combination scales" are based on criteria and the general advantages of the various measures of performance. Export sales, export profits, and hybrid scales are the most commonly used measurement criteria. (Ten memories, 1391: 92).

## **Export Marketing Strategy**

In the global competition market, the importance of creating an effective marketing strategy has attracted a lot of attention. The relationship between export marketing strategy and performance has attracted significant attention in contemporary literature. Although many studies have focused on specific marketing strategy elements alone or have examined the relationship between marketing and performance strategies in developed countries, they have not addressed the marketing issues of exporters in developing economies. (Karimpour, 1391: 69).

Marketing strategy is a tool that the company responds to competitive market conditions. Traditionally, marketing strategy is divided into four elements of the marketing mix: product, pricing, distribution channels and promotion. The relationship between marketing strategy and export performance has been one of the subjects of research in international marketing research. Such as Kaker (1975), Pearce (1981), Kausgil and Zoe (1994), and Zwoasthen (1998). Although many studies have been done in this regard, but the variety of concepts and measurement tools of action has led to inconsistent and contradictory findings.

## **Export Channel Strategy**

Export channel strategies are divided into direct and indirect parts. In direct export, exporters directly sell goods to a foreign importer or buyer. Direct exports have several advantages: (1) leads to better knowledge of export markets that are the result of direct contact (2) to increase export profits by absorbing a portion of gross profits generated by trading companies. Instead, exporters involved in indirect exports use independent intermediaries in the foreign market. These intermediaries use the foreign distribution network and their sales force. Research shows that direct exporters are more successful than indirect exporters. (Stump et al., 1998, 17) Exporters using direct channel strategy can gather a lot of information from the market and respond quickly to changes in the export market. Direct channel-directing exporters are therefore able to improve their performance. (Musa Khani, 2011: 21).

## **Export Promotion Strategy**

Advertising and promotions are two categories of promotional promotions. The positive effect of advertising on export performance is based on the logical reason that, through appropriate promotional practices by an exporter, it can increase the sales of its products. Exporters who are more committed to their export markets will incur higher levels of advertising costs and higher performance. Thus, the cost of foreign exporters' exportation will positively affect export performance. (Musa Khani, 2011: 22).

## Export commitment:

The commitment of management to export activities has a strong impact on the success and export behavior of manufacturers. In order to ensure the survival of exports and to maintain regular export operations, it is essential to understand the attitudes of foreign buyers and carry out advanced marketing activities. To create such capacity, management commitment to exports is important. Management commitment is reflected in activities such as a separate export organization, export control and planning, export marketing research, and regular visits to the export market. (Doayi , 1390: 89).

# Export performance evaluation method

The two main methods of performance evaluation that are outlined in the literature are: objective criteria of measurement (such as reports of corporate profit figures, sales levels, and such numbers and figures) and subjective criteria (perceptions of managers). In the field of export markets, the majority of studies use objective indicators. However, two different sources of problems emerge as a result of using objective criteria for measuring export performance. One of these sources is related to research methods. In this regard, two major issues attract attention. First, corporate financial statements and their reports often do not differentiate between domestic and export operations, and the fact is that companies look at exports as developing domestic activities. The question that arises is whether the correct indicators of export performance can be obtained? Second, mistake may be due to the inherent weakness of the measurement criteria, which lies mostly in the objective measurement criteria. For example, profitability depends on factors such as methods for calculating depreciation and ways to allocate overhead. This problem becomes more complicated when the export dimension is integrated into the operation. Another problem with the use of performance measurement criteria is related to theoretical considerations, and it is suggested that managers monitor the process of shaping and implementing the strategy and therefore can choose where and how to compete. Therefore, managers' decisions depend on their perception of the internal and external environment of the company rather than the real reality of these environments. Particularly about the evaluation of export operations, management, through its perception of management, instead of the objective grading of performance is guided by performance. This, in turn, increases the acceptance and development of metrics for conceptual (subjective) measurement of export performance. (Doayi, 1390: 93).

## Strategic export performance

Export plays an important role in the economic development of countries, at the enterprise level, exports create growth opportunities for companies. By expanding the level of access to foreign markets, the company can reach a higher level of production. The underlying factors that encourage countries and companies for international trading are complex and also many .Theorization in the field of international trading has tried to identify the patterns of trade between countries by identifying these factors. The most important theories presented in this regard are the classic theory of international trading, the theory of the ratio of production factors and the theory of product life cycle. The level of analysis in all of these views is countries not companies. Since export is a kind of strategic management response to the interplay of the internal and external factors of the company, so the export strategy and export marketing performance can be studied within the general framework of strategic management. The main theoretical framework considered in this research is the principle of

Vol.5, No.9, pp. 13-32, December 2017

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the alignment of the strategy-environment. The concept of alignment, which has been mentioned under other titles such as compatibility, adaptation, has been considered as one of the important concepts in organizational studies, including strategic management (Vida Hassanpour et al., 2013: 20).

## Marketing

Two researcher Tom Peters and Robert Watterman (Cutler et al., 2010: 52) conducted extensive studies in highly successful companies like Mariot et al and several other successful companies. The purpose of these studies was to determine the reasons for the success of these companies in highly competitive markets. The results of these studies were later presented in a book called "In Search of Excellence". The results of these studies showed that these companies all have a set of common marketing principles. In other words, companies have a clear understanding of how to encourage their employees to improve their quality and value the customer.

Other researchers also talked about their success factors in books such as "triumphant performance", "customer target", "US service" (Cutler et al., 2010: 36). Although these researchers consider factors such as the superior performance of prestigious employees and the desired information system as the factor behind the success of these companies, their main emphasis is on factors such as proper understanding of the customer, the provision of optimal services and the provision of their needs in a target market.

Many top executives of today's companies have the most important issue in developing, implementing and reviewing competitive marketing strategies and policies, and hence, the demand of companies for top-level marketing managers is increasing. It can be concluded that marketing is the main factor behind the success of business companies. The word marketing should not be misunderstood with its old concept of selling. The new meaning of marketing is the supply of customer needs. (Haghighi, 1391: 34).

## Various marketing dimensions

Unfortunately, there is a misconception but a common term among marketing science professionals who call marketing one of the marketers and defines it as an expression by looking at markets and their parts to introduce goods and services and create favorable conditions for sale of products to target markets. (Cutler, 2010: 46).

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Example	Explaining	Marketing	Rows
Customer reverence based on a real insight, not a paper pamphlet	Market orientation and customer needs are the first feature of marketing, and managers need to inject this tendency into their organization.	Market orientation	1
Investigating potential tourists from a park that opens five years later	Understanding is the need for every wise move .The purpose of collecting, recording information about all components of the market system, such as identification of actual and potential buyers and sellers, intermediaries, competitors, existing products, complementary organizations, related organizations, such as banks, insurance, transportation, warehouses, organizations Research and advertising, and the recognition of the elements, such as laws and decrees, people of influence and political, cultural, economic and technological affiliation	Marketer	2
An attempt to obtain 5% of the share of production and supply of flower and plant market in Mashhad and the suburbs	Searching for the most suitable market that we want to offer in a strong and effective way and determining the products we want to offer in that target market. Resources, facilities and capabilities are limited and should be selected.	Marketing	3
Sony sound and image products	Maintaining or increasing the market share or market penetration so that it is possible to create an appropriate image of the company and its products in the target market and ultimately reach the desired position.	Market development	4
The presence of companies at international exhibitions	The changing world today rejects the backdrop or stops . Every day a new phenomenon is emerging, a new idea and new demands that must be answered. The purpose of the international gathering is Participating in competition and observing markets.		5
Negative growth for lawn mower products in London	We must identify, collect and analyze our past experiences and our future prospects, thus identifying our strengths and weaknesses and the opportunities and threats of the environment. A tool for measuring functions, finding deviations, and identifying gaps repair methods.		6
People's dissatisfaction with Iran Khodro products and its after- sales service	Permanent communication with the people and providing appropriate services to the customer. In other words, the arts and skills of satisfying customers. The customers do not only cite the product but also buys the value of the interests and respect. Maintaining a customer is far more difficult than attract new customers		7
Advertising LG by Using Artists	Prompt and timely encouragement to inform and persuade people and to buy and communicate more with the institution.		8
Team and president of marketing	Market management includes planning, implementation, control of various market related issues. That is, the sum of the eight above dimensions		9

 Table 2-1 Various Marketing Dimensions (Cutler, 2010: 46).

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### Market system analysis:

Marketing capabilities reflect the ability of companies to deliver products and services that are distinct from competitors and make a successful brand. With regard to the characteristics of the systemic attitude, the market can be analyzed as one of the following: (Hasan Gholipour, 2011: 52).

## **Target:**

All systems have goals that all the components should be oriented towards and in line with these goals. The objectives of the market are shaped by the value system and the facilities and constraints of each society. Objectives must be principled and operational. **Components:** 

The most important market components are:

- Suppliers: All real and legal people who are involved in supplying and assuring the requirements of the producers and providing them with the materials of the producers.
- Producers: Manufacturers and suppliers of various products and services that are tailored according to the needs and demands of customers and the market.
- Customers: This group includes customers, consumers and effective factors in purchasing decisions that can be divided into potential and actual buyers.
- Intermediary factors: This group includes all those who have a role in their production, such as retailers, wholesalers, dealers, agents, brokers, chain stores, consumer cooperatives, companies and businesses. And Industrial Distributors.
- Facility and Service Factors: Another component of the market system is the various factors of the facility and services that are: banking groups, insurance, transportation, communications, data banks, public warehouses, clearance and customs, protection, cleaning, advertising agencies , Media, exhibitions, chambers of commerce and consulting and after-sales services.
- It is in line with the dynamic social environment. (Karimpour, 1391: 62-63)

# Export Marketing mix

The coordinated and planned combination of marketing methods or tools used to achieve predetermined goals is called marketing planning or marketing mix. The marketing plan should be tailored to the needs and interests of the consumer and structured in such a way as to integrate the customer within the company and lead to the establishment and maintenance of a firm relationship between the company and the customer. A company that does this is a kind of market-oriented, and it deals with what its customer would buy. Market-oriented marketing is orientated towards market creation rather than market control, and the process of improvement is based on the real goal of marketing the ownership of a market, not just the production or sale of products in it. (Karimpour, 1391: 63).

Since the marketing plan contains a set of interactive and related activities, it can be considered as a system. The marketing activities of the variables are controllable, and the geographic, economic, social, political, and cultural situations (in the internal and external

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environment) as well as the specific characteristics of the company are uncontrollable variables. The status of uncontrollable variables affects the combination of marketing mix and functional relationships between the elements in the marketing mix. A company engages in marketing activities to adapt itself to its environment in such a way that its goals can be attained. This is a core issue of domestic, international and export marketing management. The relationship between controllable and uncontrollable variables has been used by Warren Bieleck (1985) as the basis for formulating and testing the export marketing mix.

## **Competitive Advantage**

Competitive advantage is one of the important issues that have been emphasized in recent years in strategic management and marketing literature. In this regard, different perspectives are presented about the determinants and effective factors, where theoreticians of the industrial organization consider environmental factors as dominant factors and determine the competitive advantage. (Rahman Sarsht, 1391: 12). According to Porter's model, the main unit is to analyze the industry. In this regard, he believes that the profitability of companies depends on the attractiveness of the industry and the relative position of the company in the industry. According to this model, if the strategy makes the organization different and distinct from competitors, then the core competencies will facilitate the choice of diversity and differentiation and will bring competitive advantage to the organization. Other ideas of this group include the Amit and Schumacher theory. According to these two, the company's profitability depends on the degree of adaptability of the strategic assets and the strategic factors of the industry, and therefore the basis of competitive advantage is based on the interaction of the industrial organization and the competence theory . In contrast to this set of theories, a number of theorists emphasize the importance of in-organizational factors in gaining competitive advantage, such as resource-based attitudes and dynamic capabilities. The resource-based view looks at organizations as resource collections and believes that the basis for the competitive advantage of the organization is its resources, provided that the characteristics of rarity, value, low ability and insecurity or difficulty and imitation. In other words, the source of the competitive advantage is the resources of the organization, and if the resources have the four characteristics above, the competitive advantage will be sustainable. The dynamic capability view sees the source of competitive advantage as distinct processes (coordination and combination). In this approach, the term "dynamic" refers to the capacity to reconfigure competencies that are compatible with the changing business environment, the dependencies of the given path and the actual market positions, and the term "capabilities" as the key role of strategic management in alignment, integration, and resources and organizational skills to meet the requirements of a changing environment. (Rahman Sarsht, 1391: 13-14).

In a new era, the organization, product, relationship and activity, and, in general, their business, have become virtual and electronic, and the changes are so severe that the lifespan of the technologies and products is minimized. The competitive advantage of relying on traditional capabilities is not enough for a successful firm presence in competitive environments and markets. This requires new measures and new competencies based on ICT and the Internet.. Creating and transferring information and communicating through this way are the most important features of a successful company in the Internet market. It seems that companies can have a successful and continuous presence in these markets that have the competencies of information and communication and relying on them to create valuable

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competitive advantages and using the right and timely of these advantages, makes it lasting and brings a great performance. (Rahman Sarsht, 1391: 15).

## **Concept of competitive advantage**

The competitive advantage is a kind of the underlying concepts in international business which determines the competitive position of the organization and gives the organization the ability to create a defensive position against its rivals. In the path to creating a competitive advantage, two important points are consider. First, this pathway is a sequential process that leads to high performance and competitive ability of the organization. Secondly, because of the increasing complexity of the environment and the intensity of competition, the competitive advantage is easily imitated by rivals, or as soon as customers get the color it should be replaced with new advantages. Accordingly, the organization must seek to gain its competitive advantage. An organization will gain competitive advantage when it comes to value for its customers compared to competing organizations. Of course there are two distinct types of competitive advantage. One is an advantage of the cost, that is, an organization, offers its products and services at a low cost, which is associated with low costs of production, procurement, distribution, etc., and secondly, the distinction is that customers have a fundamental difference in their product and service characteristics. In fact, the competitive advantage is the level of understanding of the competitive strategy through low cost or the distinction by creating value. (Musa Khani, 2011: 26).

Advantage of cost requires systematic efforts of the organization to increase efficiency if the distinct advantage is considered as the product and service benefits that they innovate in, increase the quality of the product or service as well as the rapid response to the needs of customers and meeting their expectations. A competitive advantage for the survival and development of the organization on the market is critical. If an organization can match its competitive strategy with changing market positions, it can achieve its goals individually and maintain its survival on the market continually. With the knowledge of its activities, the organization can also develop competitive advantage and can overcome its rivals in the market (Mosa Khani, 2011: 30).

# Sources of competitive advantage:

(A) Performance of the organization includes: profitability, return on sales, return on investment and overall operational efficiency. B-Innovation in the organization: Innovation is a key source of competitive advantage for organizations, which enables them to develop their capabilities in a way that supports the long-term business performance. Innovation creates a new market for existing products and new products for existing markets and increases the use of technology. Successful innovation provides a unique feature to the organization. This innovation includes the following: product innovation, technical design process, research and development, production management and activities which are necessary to the market and new or improved products or services or to select and develop new products. (Rahman Sarsht, 1391: 97).

Innovation in the production process makes the company gain advantages over competitors, which include increasing the speed of the production process and increasing the flexibility of production from one product to another. Fundamental innovation leads to the creation of new markets that create patents for the company, giving the company a technological advantage

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over competitors. To acquire such innovations in the market, the company must invest heavily and continuously on the skills of staff and equipment. (Rahman Sarsht, 1391: 97).

## **Factors Affecting Competitive Advantage**

## **Environmental capabilities**

Today, global competition is taking place, and globalization is increasing, the supportive walls of countries from the national industry collapse one by one. In such a space, countries and companies will be able to take advantage of global market opportunities that will have the ability to create and develop competitive advantage. Obviously, under such conditions, the global space as the main system of governance and the national space of countries is considered as a subordinate system. The ability of its subsystems and sub-sectors (industries and country companies) to interact positively with the global economy is largely linked to the capabilities of the national space of each country. For example, Japan's competitive and motivated national environment is one of the main reasons for Japanese companies to compete globally. (Abrazari, 1391: 23).

## **Organizational capabilities**:

Attitudes based on industrial organization that are known for environmental perceptions of competitive advantage have limitations, which have been criticized over the last decade. In this regard, many efforts have been made to address the theoretical disadvantages of competitive advantage that mainly emphasize the role of internal resources and capabilities of the organization in the development of competitive advantage, including resource-based attitudes (RBV ), Competency-based competition (CBC) and dynamic capabilities (DCV) attitude. These three attitudes, in spite of slight differences, essentially provide fairly similar solutions in terms of competence theory. Competency Theory (CT) is practically the most suitable option for an Industrial Organization model.

## **Dimensions of competitive advantage**

Researchers and managers have been looking for a source of competitive advantage for companies over the years. These efforts have identified two sources of competitive advantage for organizations. One of the opportunities and threats of the external environment, and the other internal weaknesses. Today, many companies have been able to gain competitive advantage, regardless of the opportunities and threats of the external environment. Therefore, it is not enough to focus on the external environment for the success of a company, and it must be understood that the only force that benefits companies and their competitive advantage is not the structure of the industry. Because in some industries, companies are more profitable than the rest of them. This is because some of the companies have created elements as sources of their competitive advantage, which makes them surpass their rivals in the industry. From a resource-based perspective, the competitive advantage of companies is mainly based on the ability of companies to reduce costs through higher efficiency, production of quality products, innovation and customer satisfaction. (Abrazari, 1391: 34).

## **Strength of Competition and Marketing Planning Capability:**

During the past decade, researchers focused on identifying the relationship between the business environment and the firm's empowerment activities. One of the approaches to investigating this relationship is the ability of the firm. The aforementioned approach means

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that, while firms face challenges and how to overcome them, they also develop valuable capabilities. Such capabilities can provide important competitive advantages for the company. Marketing capability is one of the important capabilities that can lead to a competitive position in the export markets in a competitive environment. The marketing planning capability in the export markets includes export marketing planning skills, the existence of clear objectives in the field of export marketing, the design of innovative marketing strategies for exports, and the comprehensiveness of the export planning process. Previous studies indicate that the competitive environment of the industry affects the marketing planning capability. Such an export relationship has also been confirmed. Therefore, there is a significant relationship between competition intensity and marketing planning capability. (Rahman Sarsht, 1391: 102).

## The intensity of the competition and the marketing capability

Different authors have talked about the impact of environmental turbulence on the development of marketing capabilities, and all believe that companies experiencing high environmental turbulence are more likely to create and strengthen marketing capabilities. Therefore, environmental characteristics play an important role in determining the extent of development of marketing capability. One of the other important capabilities is to improve the competitive position of the company in the export markets. The ability to implement marketing strategies into practice, allocate the appropriate resources for implementation of export marketing strategies, monitor the performance of export marketing strategies, and organize for the effective implementation of the export marketing strategies. The relationship between intensity Industry-leading competition and marketability have been confirmed in various research. Therefore, the intensity of competition has a positive effect on marketing performance. (Rahman Sarsht, 1391: 104).

# **RESEARCH METHODOLOGY**

## Statistical population of the research

In this research, the personnel of Pegah Zanjan Company has been considered as a statistical society. The total number of statistical population are 202, of which 8 are managers, 6 are supervisors, 4 are heads, 10 are experts and the rest are operator and manager.

## Sample size and sampling method:

Morgan table (Fig. 3.1) was used to estimate the sample size. Which is based on the statistical population of 202, of which the sample size will be 127 according to Morgan's table? The sampling method in this research is simple random sampling. With regard to the probability of error in obtaining completed questionnaires, 145 questionnaires were distributed.

## **Data gathering method:**

The fieldwork was used to collect information about the subject of the study. Therefore, in this research, the required data were collected in two ways: library (articles, internet, books) as well as questionnaires. The sample was selected by simple random sampling and then a questionnaire was analyzed among 145 people. The questionnaire of this research consists of

Vol.5, No.9, pp. 13-32, December 2017

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54 questions about five variables of research, the main questions are based on 5 Likert scale. The first part of the questionnaire was designed to assess the demographic characteristics of the community, and the second part contains questions that measure the variables of the research.

# STATISTICAL FINDINGS

## **Evaluation of the measured model**

The analysis of data to examine the validity of the hypothesis in any research is of particular importance. Today, in most studies based on the information gathered from the subject under study, the analysis of information is the most important parts of the research which they are considered. The statistic population of this research are personnel of Pegah Zanjan Company whose staffing number are 202 people. A random sampling method was used to select the samples. Therefore, 160 questionnaires were submitted to the statistical community. 145 questionnaires were co,peleted and so were used in the research which was very close to the sample size, so the number of sample volumes Which will be included in the SPSS software for statistical computations was 145.

## Normality test (Kolmogorov-Smirnov test) :

In this section, using the Kolmogorov-Smirnov test, the assumption of the normalization of the samples was studied. The assumptions for testing the normality of the samples studied are as follows:

- H\_0: The sample has a normal distribution
- H\_1: The sample has not a normal distribution

Decision Making: If the probability value (Sig) is less than 5%, the Null hypothesis of the normalization of the sample will be rejected at the error level of 5%, otherwise, the Null hypothesis will be accepted, which means that the distribution in the sample is normal.

Table3-1. Testing the normalization	of the variables of the research
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Test result	Decision making	Sig	Amount of the Kolmogorov-Smirnov test statistic Z	Number	variable
Distribution is normal	Confirmation of null assumption	0.162	150.	145	Strategic Management of Human Resources
Distribution is normal	Confirmation of null assumption	0.200	232.	145	Intensity of competition
Distribution is normal	Confirmation of null assumption	0.152	.142	145	Marketing Mix Compatibility
Distribution is normal	Confirmation of null assumption	0.167	153.	145	Export commitment
Distribution is normal	Confirmation of null assumption	0.200	210.	145	Operating export function
Distribution is normal	Confirmation of null assumption	0.200	238.	145	Strategic export performance

Vol.5, No.9, pp. 13-32, December 2017

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Given the Sig values obtained in Table (1-1), all of which are greater than 5%, the Null assumption, ie, the assumption of the normal distribution of samples at the 5% error level, is confirmed, meaning there is not a significant difference between the distribution of samples with the normal distribution of the existence and the distribution is normal.

It should be noted that if the variable under study follow the normal distribution, then the statistical hypothesis for that variable will be used for parametric methods and otherwise non-parametric methods will be used. That is, to calculate the correlation coefficient between variables, if both variables are normal, then the Pearson correlation coefficient will be used , but if even one of the variables is abnormal, nonparametric methods, Spearman correlation coefficient, will be used.

#### **Regression model of research**

#### Table (2-2): Summary of regression testing

Model	U	The coefficient of determination	0	standard error	Significant indicator	Durbin- Watson Index
1	.815	.664	.657	1.82557	0.000	1.552

As shown in the table above, the Durbin -Watson value is 1.552, so the assumption of the independence of the data is confirmed for the regression test and the results of this regression are valid .

 Table (3-3): The variance analysis table

Model	sum of squares	Degrees of freedom	average of squares	F calculated	Sig index
Regression	930.321	3	310.107		
left over	169.914	141	3.333	93.049	0.000
Total	1400.234	144			

As can be seen, given the amount of significance level, we can say that the obtained F is completely meaningful and significant. This fact confirms that independent variables are effective in predicting dependent variables.

Vol.5, No.9, pp. 13-32, December 2017

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			standardized coefficient	Calculated	confidence
Model	The regression coefficient	Standard error	Coefficient	T student	level
constant number	397	.004		-8.416	000.
Export commitment	.637	.036	187.	8.234	.000
Strategic export performance	.825	062.	779.	13.300	000.
Marketing Mix Compatibility	.198	034.	584.	10.642	0.000

Table (3-4	4)• The result	t of the regression	n test to determine	the coefficients of the model
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Errors have a normal distribution with an average of 0, so the assumption of the normal error is confirmed and as a result, this regression test is valid and its results are acceptable. Based on the above tables, it can be concluded that with 99% confidence of export commitment, strategic export performance and adaptability of marketing mix are a good variable for export operation performance. In table (3-4), the value of the calculated coefficient is shown. The calculated explanation coefficient shows that the independent variables of this research have the ability to predict approximately 66% of the dependent variable.

## **Correlation test results**

In the following, the results of the correlation test are presented on the conceptual model:

# Table (3-5): Correlation test results



The impact of strategic human resource management on export commitment (correlation coefficient = 0.244) is greater than the effect of competition intensity on export commitment (correlation coefficient = 0.096).

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The effect of human resources strategic management on marketing mix adaptability (correlation coefficient = 0.323) is less than the effect of competition intensity on the adaptability of marketing mix (correlation coefficient = 0.386).

The effect of export commitment on export strategic performance (correlation coefficient = 0.557) is more than the effect of marketing mix adaptability on export performance (correlation coefficient = 0.317).

The effect of export strategic performance on export performance (correlation coefficient = 0.784) is more than the effect of export commitment (correlation coefficient = 0.496) and marketing mixing adaptability (correlation coefficient = 0.446) on export performance strategic performance.

## **DISCUSSION AND CONCLUSION**

Humans have long been exploring the phenomena around them to understand nature and its phenomena and to deal with them. Its achievement in a systematic way has led to significant advances in the resolution of unknowns. The goal of all sciences is to understand the world around us. In order to understand the problems of the social world, scientific methods have found significant changes. These trends and movements have led to the use of the scientific method for the study of various human disciplines. One of the features of a scientific study that aims to make truth is using an appropriate research method. The choice of appropriate research method depends on the objectives, the nature and subject of the research, and the means of implementation, and the purpose of the research is to provide accurate and easy access to the answers to the research questions. The basis of every action is the method of knowing it, and the validity and value of scientific laws are based on a methodology in which science is used. Now, research in the humanities is a scientific method that looks at many of the issues and events in doubt and examines them in a variety of ways and in different ways in order to understand them, and the solution or pattern to improve the situation. The research methodology is a systematic process for finding the answer to a question or solving a problem and a set of validated systematic rules, tools, and methods for investigating the facts, identifying the unknown, and solving the problems (earthy, 1384).

#### **Proposals and research limitations**

### **Functional suggestions**

#### Suggestions based on the first hypothesis:

1. Promotion and training of export manpower based on the analysis of creativity and innovation in exports:

It is recommended to Peghah-e-Zanjan company to plan a pipeline-based export structure on the export unit chart, so that the units will seek new markets that both require innovation .

2. Creating the vision and culture of exporting in the organization by reforming the organizational structure:

It is recommended to Pegah Zanjan company, because of the purposefulness of its exports and its effectiveness on the activities of the organization, all other units works in relation to the desire of the target market.

## Suggestions based on the second hypothesis:

1. Strengthening human resource communication in the organization and its impact on customer orientation:

It is recommended to the company of Pegah Zanjan to expand customer culture in the organization's body.

2. Analysis of CRM and its deployment in the organization and its impact on the development of information systems for marketing development:

It is recommended that Pegah Zanjan be involved in the implementation of the CRM system in the company, in order to obtain customer feedback and make the necessary adjustments.

## Suggestions based on the third hypothesis:

1. Increasing market share and its impact on marketing expansion.

It is suggested that the company of Pegah Zanjan intends to target the country and the market with a general effort to increase the consumption of the product. To develop and increase the consumption culture of dairy products through the promotion and promotion of information and comparing per capita consumption with other countries should be fashion To comment.

2. The impact of marketing on the surface and depth of sales:

It is suggested to Pegah Zanjan Company that due to the fact that one of the factors influencing the sales and sales depth of the new marketing method is to increase the level of sales of the geographical level of sales by adding the number of target countries, and also in the depth of sales sales increase in target countries.

## Suggestions based on the fourth hypothesis:

1. It is proposed to the company Pegah Zanjan to increase the variety of production based on the products needed by customers in each region on its agenda.

2. It is recommended to Pegah Zanjan Company to identify the needs of customers in each region and produce the required products based on the production system of Pegah company in order to complete production capacity and increase sales.

#### Suggestions based on the fifth hypothesis:

1. Effect of New Products on Export Performance:

It is recommended that Pegah Zanjan company have a strong research and development unit in the company to study and recognize the new products needed by the export markets of Pegheh Company.

2. Impact of expansion of export sales level on export performance:

It is suggested to Pegah Zanjan Company that its efforts to add or expand sales to other target markets would increase exports as a result of increased performance.

## Suggestions based on the sixth hypothesis:

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1. Impact of Market Research in Target Countries on Export Development:

It is proposed to the Pegah Zanjan Company to focus on market research by market research unit and focus on the results of the reports presented and its implementation in the executive operations in order to strengthen and increase exports on its agenda.

2. Influence of consumer culture on regional countries in export development:

It is recommended that Pegah Zanjan company, considering that in each country there is a special culture of consumption of products, first the culture of the target country should be identified and then the country will produce and export the products in accordance with it.

## Suggestions based on the seventh hypothesis:

1. The impact of the demographic composition of target countries in the development of exports

2. Impact of transport costs of target countries on export performance:

It is recommended that Pegah Zanjan Company, considering that dairy products are high and shipping costs are significant, it is therefore preferable to export with neighboring countries and the proximity of the target market as one of the most important policies of Pegah Company In order to control shipping costs and increase export performance.

#### Suggestions based on the eighth hypothesis:

1. Determine the strategic objectives of exports in developing export performance:

It is suggested to Pegah Zanjan Company that the mission and vision, strategic objectives of the organization, which should be expressed by the executive management policies of the organization, will be implemented at Pegah Zanjan Company.

2. Implementing Strategic Export Objectives in Developing New Products:

It is suggested to Pegah Zanjan Company to develop an export strategy for Pegah Company in order to develop and diversify products that could ultimately lead to increased sales and its impact on export performance.

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Vol.5, No.9, pp. 13-32, December 2017

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