

Impact of Electronic Marketing on the Performance of Pistachio-Exporting Companies in Iran

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ABSTRACT

Electronic commerce (e-commerce) and especially electronic marketing is an important factor in developing export and companies can use it to improve their export performance in international and export markets. The present research was conducted to investigate the impact of e-marketing on export performance..3 dimensions were considered (using internet in activities related to customer, activities related to sales and distribution channels and activities related to marketing studies) and two dimensions of financial performance and market performance were defined for export performance. Furthermore, some indices were considered to measure each of these dimensions which were designed in research model. Analysis of gathered data from companies which are members of Iranian Pistachio Association showed that using internet has impact on activities related to customer, activities related to distribution channels and activities related to marketing research has impact on financial performance and market of exporting companies and generally it was proved that using e-marketing in export process will result in assets turnover rate, market share, sales growth, keeping customers and attracting new customers.

KEYWORDS: e-marketing, financial performance, market performance, pistachio exporters

1. INTRODUCTION

In the present age, advertisement media and electronic communications have been grown a lot. Introduction of information master gates has revolutionized commerce and e-marketing allows sellers to represent their products and allows buyers to look for information, recognize what they need or want and place orders using credit cards. Products are delivered at customer's house or office, or it can be delivered electronically using computers. Marketing in simple words is identification of market systems and needs, wants, expectations and preferences of customers and quick responses to satisfy them through satisfactory transactions which lead to a stable relationship. Considering the development of communications and new technologies and developing competition in global markets, the exporting approach of Iranian industries has been changed compared with past. In the past, exporting industries dictated their products to their customers but now they are competitive and customer-oriented. Need to use new marketing methods and especially e-marketing is essential. In the today's world, information and communications technology (ICT) and its applications have resulted in considerable changes in economical, social and cultural processes such that some of the previous procedures have been completely abolished and replaced by third-world methods or "virtual" methods. Progress of ICT along with computer science changes have resulted in great changes in business world. Export is not an exception; i.e. e-commerce and e-business solutions have caused export simplification (Hashemi, 2010). Development and advancements in ICT have brought up deep impacts on business processes and internet as the most effective basis for e-marketing with global coverage have facilitated accessing international markets. However, most of companies are not completely aware of e-marketing methods and its impacts on export markets (Hosseini et al, 2008). A part of international commerce is export. In fact, one way to increase foreign currency and consequently economic development is products and service export. Export development has also other positive influences. Country's industries can increase their production level and therefore receive lower costs and higher efficiency. On the other hand, export development result in higher level of occupation and increase of competencies. Considering Iranian government's emphasis on non-oil export and investments in this field and exporting industries' need for attracting customers and increasing sales and service, requires companies and organizations to find solutions for attracting customers and increasing export. Because pistachio was one of the main exporting items until the past few years but in the recent years pistachio export has been reduced very much, one of the main reasons for that can be incompatibility of exporters with changes in e-commerce and IT. Marketing managers expect to satisfy customers needs with the best quality and as quicker as possible.

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Customers want to receive the best products and service with the lowest cost and very quickly. Therefore, it must be noted that a successful manager is one who can simultaneously keep customers and look for new customers and markets. A pioneer manager tries to use e-marketing tools and achieve new markets and increase customers' quantity along with customers' qualitative increase. E-marketing management tries to integrate information mechanisms and select the best service and provide the best products for them in a way that the customer feels he/she is related to a dynamic organization (Aghazadeh et al, 2004). In the present research, the researchers try to answer this question "whether using e-marketing can influence on Iranian pistachio export performance?"

2. Theoretical concepts

2-1. E-marketing

Marketing is referred to activities that are done for satisfying consumers' needs.

Many different definitions have been presented for e-marketing and each of the definitions approach e-marketing concept from a particular view: Gilmore et al (2007), defines e-marketing as using internet and related technologies along with other marketing tools in order to carry out the traditional marketing operations and activities, finding customer, communicating with them and delivering value to them. Stan (2003), defines e-marketing as electronic application of traditional marketing mix elements (4p). In another definition, Strauss and Raymond (2001) believe that e-marketing is the very traditional marketing which utilizes IT in achieving its goals and increases marketing efficiency. E-marketing is the application of internet and other digital technologies in achieving marketing goals (Chaffey et al, 2000). Smith and Chaffey (2001) define e-marketing as achieving marketing goals through applying electronic communications technology. This technology includes internet, e-mail, e-books, databases and mobile phones. JavadianDehkordi et al(2011) in a research investigated four main e-marketing tools including: mobile marketing, e-mail marketing, website marketing and marketing through social networks websites that are used to implement and improve e-marketing and understanding their different impacts on consumers perception. The results showed that marketing through mobile phone has been changed a lot with introducing smart cell phones and provided many advantages for companies. Marketing through e-mail is a unique way of distributing advertisement messages and creating value for customers because of cheap price, cost-effectiveness and abundance of addressees. Marketing through website is a necessity for companies because of its natural capacities. Social networks are combinations of text, picture and video and ... that help companies increase their productivity and create value for their customers. Social networks facilitate relationships between companies and customers and using this tool, companies can understand their customers' needs and discover their products' weaknesses and strengths in electronic world and from the customers' idea. Abdel MonimShaltoni and Douglas C. West (2009) stated that using e-marketing results in advantages like market development and costs reduction. Findings have shown that e-marketing orientation (EMO) has been made up of both philosophical and behavioral elements. By means of conceptualizing EMO and simplifying its measurement, marketers will be able to try their activities and evaluate their attempts. They are also able to determine some place to concentrate their resources in order to improve e-marketing processes. Edward W.N Bernroider (2008) stated that e-marketing methods are mostly used by SMEs but e-marketing diversity is low in such organizations. they also showed that in most small companies (MEs), distribution is very symmetric and only traditional marketing tools were used. Companies that are powerful in branding, pricing, product diversity, internationalization and achieving new technologies, can support advanced e-marketing in higher levels. Research results indicated a positive relationship between evaluated organizational performance factors and application of electronic marketing especially in small companies (MEs).

Maria Bengtssonand et al (2007) stated that application of internet for marketing advanced operations provide challenging opportunities for companies in all sizes. However, such an investment may waste investments in current market channels and consequently bear characteristics of a radical innovation. The conceptual model of the present research is based upon a combination of internal and external factors, company size, and tendency to evolution, entrepreneurship motivations, management support, and market pressure. The results of the mentioned research indicated that the combination of factors upon which companies decide on application of internet-based marketing operations is largely dependent on company size (Jeffrey Dilts and et al(2006) stated that using one single marketing method will get nowhere and will lead to failure all over the world. All countries have some material (purchase behavior) and nonmaterial (traditions, attitudes and rules) cultural differences that makes their thought about internet and purchase decision different. Therefore, businesses must use combinational approach for strengthening locally acceptable patterns in the field of purchase through internet. In order to minimize costs, not only top-level understanding of local culture must be regarded, but also inter-regional unities must be established for further success. This allows e-businesses to reach global growth while they are concentrated on local markets in a multi-channel world. Jagdish N. Sheth and ArunSharma (2005) found that international e-marketing strategies are basically changing and this change will be continued for changing marketing thought in international markets. They also state that future e-markets will bear little resemblance with the present markets. This means companies must monitor their international

environment to determine the strategy they must follow. The proposed strategies include: combination of new and traditional strategies, digitalization, purchase groups, substitute infrastructure, a company for leading e-marketing strategies, and company's transactions. V. Kanti Prasad et al (2001), measured indices that include the three main marketing field of a company (1- activities related to customer, 2- distribution and sale channels, 3- marketing research and communications management/coordination) in order to measure the process of using IT and internet. Researchers concluded that internet has affected activities that are carried out through 3 marketing channels in both business to business (B2B) and business to consumer (B2C) marketing: 1) communication channels, which have the main duty of alerting present and future buyers of products and service availability, their features and possibility of establishing relationship between buyers and sellers; 2- transaction channels, which have the main duty of facilitating economic transactions between buyers and sellers; and 3- distribution channels, which have the main duty of facilitating physical transactions. Results are indicative of the fact that integrating internet in marketing activities has considerable impact on companies' marketing competencies and improves their export performance and has a positive impact on their export.

2-2. Export performance

Export performance contains all activities of a company in export markets (Sousa, 2005). Vinh N. Lu and Craig C. Julian (2007) investigated relationship between internet (when used for communications, network, market research, sale, improvement of mental image, costs reduction and competitive advantage goals) and export marketing performance in export market. Results showed that internet is used to achieve competitive advantage and reduce costs in international commerce. When internet is used for reducing costs and as a competitive tool, it has a positive impact on export marketing performance. Katsikeas and et al (1996) designed a model in order to evaluate and measure export performance of exporters in a small country in EU which had regular commercial activities with external distributors. In this model, 3 factors i.e. specific characteristics of companies, export commitment and variables related to export understanding were analyzed as potential factors in export performance in export markets. Valos and Baker (1996) investigated export performance decisive international factors and classified them in 4 categories: tangible factors, (product, distribution technology), attitude, skill and knowledge. Researchers combined these decisive factors in a process model. After executing the model in that country and comparing with international sample, they noticed some differences like attention to degree and type. The model was adjusted to remove such problems and concentration on long-term view and attitude- and skill-based factors was increased. The results showed that it is necessary to become aware of factors that are against export performance decisive factors in order to change attitude and reach basic achievements in internal and external markets. In a comprehensive research, 43 studies conducted in relation to export performance between years 1998-2004 were investigated and abstract and objective indices and criteria for export performance measurement were stated. The mentioned indices classified as objective and abstract criteria related to sales (export intensity, export intensity growth, export sales growth, export sales volume, export sale efficiency, export sale volume compared with competitors, export sale growth compared with competitors), related to profit (export profitability, export profit margin, growth of export profit margin), related to market (export market share, export market share growth, market diversification), general and miscellaneous (export strategic performance, creation of awareness and impression in abroad) and their repetition level has been provided (Hosseini et al, 2008).

2-3. Conceptual framework

Based upon what was said in the previous parts, e-marketing model for the present research was defined in 3 dimensions, i.e. using internet in marketing activities related to customer, marketing activities related to distribution and sale channels and activities related to marketing research and management relationships. This model has been extracted from the model provided by Prasad V. Kanti and et al". The researcher also considers two financial and market dimensions which have been extracted from the model presented by Chiquan Guo. Finally, a model was designed to show the relationship between these variables and their dimensions and the model was tested.

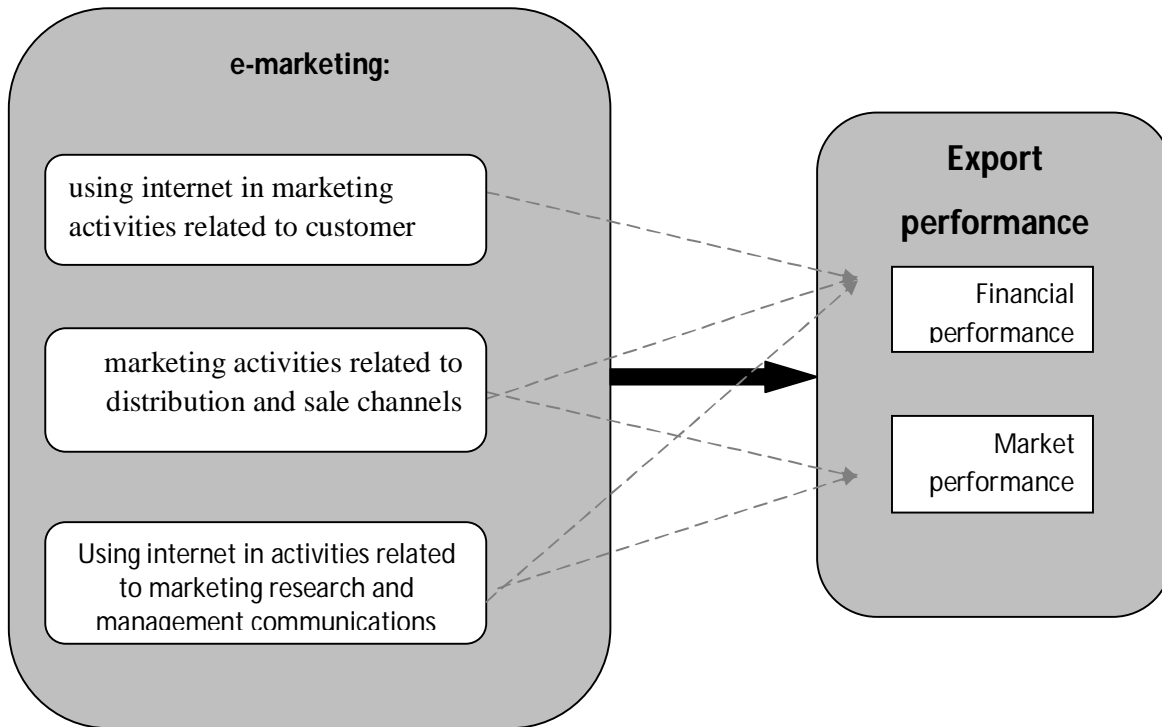


Figure 1. research model

H1: e-marketing influences export performance.

H2: using internet in activities related to customer has impact on export financial performance.

H3: using internet in activities related to customer has impact on export market performance.

H4: using internet in activities related to distribution and sale channels has impact on export financial performance.

H5: using internet in activities related to distribution and sale channels has impact on export market performance.

H6: using internet in activities related to marketing research and management communications has impact on export financial performance.

H7: using internet in activities related to research and management communications has impact on export market performance.

3. RESEARCH METHODOLOGY

Researchers studied different books and papers related to research topic and investigated statistical population and used a questionnaire for testing hypotheses and 5-point Likert scale was used to answer the questions. Then, marketing professors and experts comments were asked about the questions of the questionnaire in order to test content validity of the research. Furthermore, the questionnaire's reliability was measured using Chronbach's alpha coefficient and 0.96 was the result which is considered as an indicator of high reliability. Statistical population of the research was all exporting companies which were members of Iranian Pistachio Association and data was obtained through distributing questionnaires among marketing and sale mangers of the companies. Correlation test, regression equations and related tests were used to analyze data.

Table 1: variables and indices of research model

<ul style="list-style-type: none"> • Promotion and advertisement • Online catalog- e-newsletter- e-journal- e-mail- news groups- chat rooms- banner ads- e-coupons- electronic purchase discounts- website 	Using internet in marketing activities related to customer	e-marketing
<ul style="list-style-type: none"> • Answering customer's questions • Accessing to product information • Becoming committed to purchase 		
<ul style="list-style-type: none"> • Possibility of Online order • Awareness of orders 		
<ul style="list-style-type: none"> • Online access of sellers to information of current and future customers, products, promotions, price, competitors 	Using internet in marketing activities related to distribution and sale channels	
<ul style="list-style-type: none"> • Online transfer of information 		
<ul style="list-style-type: none"> • Online purchase from suppliers 		
<ul style="list-style-type: none"> • Online support 		
<ul style="list-style-type: none"> • Using cookies 	Using internet in activities related to marketing research and management relationships	
<ul style="list-style-type: none"> • Gathering market info-customers info-competitors info-industry's info 		
<ul style="list-style-type: none"> • Receiving comments, suggestions and criticisms 		
<ul style="list-style-type: none"> • Websites visitors info 		
<ul style="list-style-type: none"> • Assets turnover rate 	Financial performance	Export performance
<ul style="list-style-type: none"> • Market share 		
<ul style="list-style-type: none"> • Sale growth 		
<ul style="list-style-type: none"> • Keeping customers 	Market performance	
<ul style="list-style-type: none"> • Attracting new customers 		

4. Demographic analysis

Table 2 shows the demographic information of the questionnaire. As it can be seen, from 43 respondents, 36 people were male and 7 were female and about 45 percent of them were from 30 to 40 years old, also 56 percent of the respondents had higher than master degree education. From among exporting companies, 82 percent had an experience more than 5 years.

Table 2: Demographic characteristics

percentage	frequency	level	feature
83.7	36	male	gender
16.3	7	female	
20.9	9	20-30 years	age
44.2	19	30-40 years	
23.3	10	40-50 years	
9.3	4	More than 50 years	
4.7	2	Diploma and associate's degree	education
34.9	15	Bachelor degree	
46.5	20	Master degree	
9.3	4	PHD	
4.7	2	Not responded	
18.6	8	Lower than 5 years	Company's experience
37.2	1616	5-10 years	
30.2	13	10-20 years	
14	6	More than 20 years	

5. Hypotheses test

After analyzing data and measuring correlation coefficient among e-marketing dimensions and export performance, all hypotheses were verified except for the third hypothesis. In other words, test result shows that there is a positive and significant relationship between using internet in marketing activities related to customer and activities related to marketing research and management communications and financial performance of exporting companies, but there is not a significant relationship between using internet in marketing activities related to sale and distribution channel and financial performance of exporting companies despite positive relationship. Furthermore, there is positive and significant relationship between using internet in marketing activities related to customer, marketing activities related to distribution and sale channel and activities related to marketing research and management communications and market performance of exporting companies. Finally, the main hypothesis of the research which questioned impact of e-marketing on export performance was verified.

Table 3: research hypotheses test results

Model support	sig	Correlation coefficient	hypothesis
YES	0.000	0.250	H1
YES	0.000	0.308	H2
YES	0.000	0.535	H3
NO	0.503	0.060	H4
YES	0.001	0.353	H5
YES	0.000	0.517	H6
YES	0.000	0.670	H7

In order to determine which of the 3 dimensions of e-marketing has more impact on financial and market performance of exporting countries, multiple regression coefficients were calculated. Table 4 shows multiple regression coefficients among 3 e-marketing dimensions and financial performance. Beta coefficient showed that using internet in activities related to marketing research and management communications had the most impact on financial performance.

table 4: multiple regression coefficients among 3 dimensions of e-marketing and financial performance

result	Sig. level	Beta coefficient	variable
Significant relationship	0.000	0.256	X1
Lack of significant relationship	0.523	0.049	X2
Significant relationship	0.000	0.488	X3

In the same manner, table 5 shows regression coefficients between 3 dimensions of e-marketing and market performance and Beta coefficient shows that from among 3 dimensions of e-marketing, using internet has the greatest impact on market performance of exporting companies in activities related to marketing research and management communications.

Table 5: multiple regression coefficients among 3 dimensions of e-marketing and market performance

result	Sig. level	Beta coefficient	variable
Significant relationship	0.000	0.367	X1
Significant relationship	0.001	0.336	X2
Significant relationship	0.000	0.548	X3

6. Conclusion

The main goal of the present research was to investigate the impact of e-marketing on export performance of pistachio-exporting companies in Iran and the results showed that e-marketing influences directly on pistachio-exporting companies export performance. In other words, using e-marketing through affecting assets turnover rate, export share, growth of sale and export, keeping the current customers and attracting new customers in export markets, improves pistachio-exporting companies' performance in two financial and market dimension. Using e-marketing and its advantages is an appropriate competitive tool for exporting companies' growth and conservation in international and electronic markets.

Using internet in marketing activities related to customer enables companies to establish one-to-one and closer relationship with customers, provide customers with more and quicker information, to answer their customers' questions and facilitate online purchase and generally turn customers from potential customers to real buyers and facilitate B2C transactions and interactions between company and customers. That is to say, live and direct nature of online relationship provides suitable basis for mutual influence of customer and company and therefore financial and market performance of exporting companies will be improved.

Using internet, companies can support their distributors and agents in marketing activities related to sale and distribution channels. They can also transfer information online and they can purchase online from their suppliers. Furthermore, sellers and agents can receive updated information about the present and future customers, products, promotions, price and competitors online. All these factors can increase assets turnover rate, market share and export growth and it also helps companies with keeping customers and attracting new customers and generally improve export performance.

Using internet, companies can get more information from customers, competitors and industry with lesser intervention and participation of human in activities related to marketing research and management communications. They can also investigate customers' behavior and receive their ideas and remarks and gather necessary information such that they will be able to present products and service with lower costs according to customers' needs and expectations. In general, all of these impacts of using internet in marketing research activities will result in financial and market performance improvement of exporting companies. Based on the obtained results, it is recommended to exporting companies to clarify company's goals before implementing e-marketing and e-marketing program be adjusted considering company's needs. E-marketing programs should be designed in a way that help companies chose export strategies. Assigning necessary budget is important for

implementing e-commerce policies in the country and e-marketing programs that have been designed for companies. Identification of obstacles and factors affecting e-marketing accepting by exporting companies and prioritization of these factors in order to adopt appropriate strategies and tactics is also inevitable.

Information gathered about companies' use of e-marketing showed that companies only use a limited number of e-marketing tools. Because e-marketing tools are complementary to each other and achieving all e-marketing advantages is related to using all e-marketing tools, therefore it is advised to companies to use different e-marketing tools widely.

Using skillful experts' experiences and creating necessary basis for expression of talents within organization is another recommendation. Companies should employ educated people who are skillful in e-commerce and e-marketing. Company's employees must be trained to learn to work with e-marketing tools and mass media.

Utilization of internal and external companies' experiences which have used e-marketing successfully in international transactions is also a good suggestion. Increase of regional participations in order to improve operational coordination in e-commerce development is also recommended.

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