

## **Acceptance & Invitation Letter**

### **International Symposium on Business and Social Sciences August 27-29, 2017 Bali, Indonesia**

Paper ID: ISBSS-0013

Title: Strategy Marketing Renewal and Marketing Success :Evidence from SMEs, Buriram Province, Thailand

Dear Rapheephan Phonginwong,

We sincerely appreciate your paper submission. On conclusion of the peer-reviewed process, we are pleased to inform you that your paper is accepted for Oral presentation at The International Symposium on Business and Social Sciences (ISBSS 2017) in Bali, Indonesia. Decisions were made based on a double-blind review process. The exact time and room of your presentation session will be specified in the ISBSS Conference Program online at <http://www.isbss.org/> generally a month ahead the conference date.

Please make sure your manuscripts conform to the writing format which is available on the conference website. Furthermore, ISBSS 2017 policy requires at least one author to register for and attend the meeting to present the paper. Papers with unfinished payment by the deadline will be withdrawn from the conference program and proceedings. We highly appreciate your cooperation.

If you have any further questions, please do not hesitate to contact the secretariat of ISBSS 2017 by sending your email [isbs@isbss.org](mailto:isbs@isbss.org) with your manuscript ID number listed above on all communications. Again, congratulations on the acceptance of your paper. On behalf of the Program Committee, we look forward to your full participation in the ISBSS 2017 Conference.

Yours Sincerely,

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# **Strategy Marketing Renewal and Marketing Success :Evidence from SMEs, Buriram Province, Thailand**

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## **Abstract**

This research has focused on strategy marketing renewal and Smart Businesses. though information technology as mediators. This studying dynamic capability theory explains information technology and marketing success. The sample were 221 the entrepreneurs of SMEs businesses in Buriram province, Thailand. The result shows that strategy marketing renewal relationship to marketing success. Potential discussion with variables is effectively implement in the studying. Theoretical and managerial contributions are explicitly provided. Conclusion and suggested and directions of the future research is empirical studying.

**Keywords:** Strategic Marketing Renewal, Internal Development, External Sourcing, Information Technology, Marketing Success

## **1. Background**

Nowadays, the fast-moving business environments open to global competition so the firm will be adaptation and change organization follow by situation change (Teece,2007). In 2016, Thai government encourage the Thailand 4.0 and the most small businesses used the information technology to operation businesses. Firms will be adaptation as selection the intelligent employees and cost reduction. Thus, the social network was the channel to communication between the businesses and customer and the internet encourage to publication information to customer. Hence, this studying was the researcher would like to represent the gap the result of use strategic marketing renewal which helpful firm to lead marketing success. In addition, strategic marketing renewal is that a firm 's marketing strategy has a positive effect on its sustainable marketing performance. In the current

literature, the strategic marketing renewal is the importance tool that the firm adaptation with environment change, (Charpavang and Ussahawanitchakit, 2010). Interestingly, this studying which use dynamic capability theory to back up the operation of business as marketing innovation and information technology (Teece, 2007; Teece, Pisano and Shuen, 1997).

Overall, this studying addresses these existing research gaps and makes the following key contributions to the strategic marketing renewal and information technology relationship to marketing success by information technology are mediated. This article's aim is to fill the two major gaps in the strategic marketing renewal literature by addressing two fundamental questions:

1) How does the strategy marketing renewal effect positive to marketing success?

2) How information technology as mediator between strategy marketing renewal and marketing success?

The remainder of this article is organized into four major sections. The first section reviews existing significant literature in the areas and streams of strategy renewal, information technology, and marketing success, links between the concept of the aforementioned variables, and develops the key research proposition of those relations. The second explicitly details research methods, including data collection, measurements, and statistics. The third gives the results of the analysis and the corresponding discussion. Finally, conclusion and managerial contributions. The suggested the future research.

Theoretical framework, in this studying literature review theoretical that to study in this conceptually link dynamic capability theory refer to firm operate the process of firm in the rapidly environmental change and firm manage resource and employees agreeable with situation. However, dynamic capability definition to the firm of process that use resource advantage according to the event and time (Eisenhardt and Martin 2000). The article of Griffith, Noble and Chen 2006) suggested that dynamic capability approach is tool of entrepreneurial proclivity relative positive to market responsiveness. Likewise, (Teece et al., 1997) finding to dynamic capabilities to helpful organizational form that has increased rent as resource based advantage. Moreover, Khavul, Peterson, Mullens and Rasheed (2010, p. 24) suggested to dynamic capabilities are process through which firm use the resource difficult to imitate and substitute. Firm capabilities can be created new resource to present match or even create a market change. Hence, this study apply dynamic capability theory to back up strategic marketing renewal, internal development, external sourcing and information technology.

In this studying, strategic marketing renewal is a main determinant of driving marketing

success through mediating functions of information technology. The strategic marketing renewal –marketing success are systematically investigated. Thus, the conceptual, linkage, and research model presents the a associations between strategic marketing renewal and marketing success as show in Figure 1.

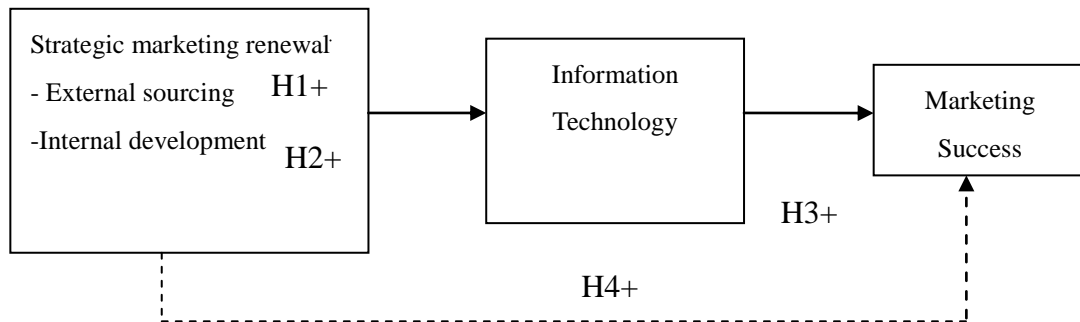


Fig. 1: Relationship model of strategic marketing renewal and marketing success

Strategic marketing renewal refers to evolutionary process associated with adaptation, promoting, utilizing new knowledge and innovation and including order to bring about change in firm and focus on marketing function( Prashantham 2008). However, Bosch, Volberda, Stienstra and Baaij (2004) finding to strategic renewal is important enhance opportunities in markets which strategic renewal as same as observation environment both internal and external organization. Moreover, the article of Charpavang and Ussahawanitchakit found the strategic marketing renewal definition is happening of the process marketing which are component promotion, creative new knowledge and innovation. Firm use strategy marketing renewal to organization’s core competences. Hence, Strategic marketing renewal as same as the activities that firm reactive to competitor and responsiveness to customer which firm observe both internal and external firm. Likewise, firm ability to develop new product, R&D and employee awareness to creativity ( Capron and Mitchell 2009).

External sourcing refers to firm look up out of the organization and it is the activities which market scanning and exploration accepting product of firm. For example, firm seeks the opportunity in marketplace and searching new knowledge, information competitors and including customer need to develop product. Moreover, Prashantham ( 2008) suggested to external sourcing as same as firm can be exchanged idea in social context and firm will be to seek new knowledge to increase valuable source in firm. It is firm bring external information to be changing method and product development. Hence, external sourcing

relationships are proposition as show below.

Internal development refers to firm ability to adaptation follow situation such as responsiveness customer need, proactive activity, create new idea and including research and development. Moreover, the work of Charpawang and Ussahawanitchakit (2010, p 4 ) finding the internal development as same as dynamic product improvement mindset refers to firms' perspective which creates , builds, improves new product introduced to marketplace and focus on new technology. It is means firm's belief in improvement product helps firm to access new opportunities. In addition, Kim and Penning ( 2009) demonstrate to internal development is firm ability to development product and quality product offer to marketplace. Firm will be bring information customer lead to create new product. Likewise, Prashantham ( 2008) suggested to firm bring information which exchange in social context and develop product. Therefore, internal development relationship are proposition as show below.

Hypothesis 1 : External sourcing is relationship positively to information technology

Hypothesis 2 : Internal development is relationship positively to information technology

Hypothesis 4 : External sourcing and internal development are relationship positively to Marketing success.

Information technology(IT) refers to application of information technology both of internal and external ITs or customer communication ( out of order and internet technology)( Brady, Saren and Tzokas 2002). Moreover, the relative capabilities that help an organization create technical and market knowledge and facilitate intraorganizational communication flow. Firm use information technology to facilitate internal communication and cross-functional integration (Song. Nason, Anthony and Benedetto 2008). On the other hand, Teng, Grover and Fiedler (1996) finding to information technology help to organization reduce process service customer such as Hewlett-Packard Co., which use IT in the sales process underwent significant change and reduce time to work. Moreover, the IT is advanced to coordination between employees and customer. The result of operation is customer satisfaction and reduce process operation. Therefore, information technology leads to the proposition proposed as below:

Hypothesis 3 : Information technology is relationship positively to marketing success.

Marketing success refers to the marketing activity, that measure six categories as follow: financial measure , measurement of competitive market, measure of consumer behavior, measure of consumer intermediate, measure of direct customer, measurement of

innovativeness( Llonch , Eusebio and Ambler,2002). Moreover, marketing success is marketing performance that interest in profit maximization which effect on product innovation, product quality and appropriate price ( Lages, Silva and Styles, 2009; Shergill and Nargundkar, 2005; Hurley and Hult,1998). On the other hand, Hun and Arnett (2006) find out the market success is creating resource of competitive advantage and highly valued by a market segment. In this study focus on the marketing success refers to profit and non-profit. For example firm capability to growth market share and customer satisfaction to product, the growth sale, including old customer buy product of firm continue. On the other hand, Sashi and Stern (1995) suggested to marketing performance as firm ability to customer service, present product differentiation, information services and provide by manufacturers for develop good product. Likewise, customer satisfaction, growth profit and product acceptance which clearly market success.

## 2. Methods

In this paper focusing on sample of 221 SMEs businesses in Buriram province, Thailand (Industry Buriram province) . The sample were the businesses that have the ten year of experience. The data collected through a questionnaire survey administered.

Variables measurements, all constructs in the model are measure with multiple-item scales. Each of these variable measured by five point Likert scales, ranging from 1 ( strongly disagree) to 5 ( strongly agree). The variable measurement of dependent, independent, mediating, antecedent and control variables are described as follows: external sourcing is 4 items, internal development is 4 items, information technology 5 items and marketing success 4 items

Reliability and validity, This study was assessed by the measurement model using confirmatory factor analysis (CFA) and testing the hypotheses by using multiple regression analyses by n=30. The set of items to CFA to test validity of construct, all factors loading were .485 to .953 as being greater than 0.40 cut-offs and statistically significant the rule-of-thumb (Nunnally & Bernstein,1994). The results were displayed in Table 1. The reliability of the measurement was evaluated by Conbach's alpha coefficients. The value of Conbach's alpha coefficient for all constructs were higher than the 0.6 cut off value by Hair (2006: 340), but in this research ranging from .667 to .859, the result of value the Conbach's alpha coefficient of human capital under by Hair. The results therefore were shown in Table 1 and evaluated in each item according to their expert opinions as to whether each item was measured what had intended to measure (content validity).

To protect possible response bias problems between respondents and non-respondents, a t-test comparison of the all variables means between early and late respondents was conducted in corresponding with the test for non-response bias by Amrmstrong & Overton (1977). The results showed there was no significant difference between early and late respondents demonstrates non-response bias between respondents and non-respondents. And the latest respondents represented non-respondents. Thus, non- response bias was unlikely to be problematic in this research.

Table 1. Result of measure validation (N=30)

Items	Factor loading	Conbrach Alpha
External sourcing ( ET)	.626-.873	.859
Internal development (ID)	.903-.925	.667
Information Technology (IT)	.485-.770	.825
Marketing Success (MS)	.886-.953	.845
Stategy Marketing Renewal (SMR)	.587-.939	.875

Hypotheses testing, this study utilized regression analysis in order to validate the research framework and hypotheses. The independent variables were entered into the equations as a group (stepwise method). The grades calculated from exploratory factor analysis were used. Data in the strategic marketing renewal, external sourcing, internal development, information technology and marketing success were made in average. The conceptual models were specified as follows.

$$\text{Equation 1: MS} = \beta_{01} + \beta_{02} \text{ET} + \varepsilon_1$$

$$\text{Equation 2: MS} = \beta_{03} + \beta_{04} \text{ID} + \varepsilon_1$$

$$\text{Equation 3: MS} = \beta_{05} + \beta_{06} \text{IT} + \varepsilon_1$$

$$\text{Equation 4: MS} = \beta_{07} + \beta_{08} \text{SMR} + \varepsilon_1$$

Before expounding the results of the regression analysis, this study was examined possibly multicollinearity problems in an approach of studying correlations between the variables

included the regression analysis. By this way, by means of Pearson's correlation coefficient, we can measure the degree of linear associated with every pair of variables. The descriptive statistics and correlation matrix for all variables were exactly presented. The verified multicollinearity problems by intercorrelations among independent variables were not higher than the 0.8 cut-offs (Stevens,2002). The VIFs range 1.00, well below the cut-off value of 10 as recommended by Neter, Wasserman & Kutner (1985), meaning the independent variables and not correlated with each other. Therefore, there were no substantial multicollinearity problems encountered in this study as shown in Table 2.

Table 2. Descriptive statistics and correlation matrix (N=221)

Variables	External sourcing (ET)	Internal development (ID)	Information Technology (IT)	Marketing Success (MS)	Marketing Success (MS)
Mean	4.191	4.111	4.254	4.410	.4.115
S.D	.565	.546	.475	.532	5.226
External Sourcing (ET)	1				
Internal Development (ID)	.759***	1			
Information Technology (IT)	.693***	.609***	1		
Marketing Success (MS)	.6781***	.991***	.652***	1	
Strategic marketing Renewal (SMR)	.951***	.923***	.730***	.924***	1
***p<.01, **p<.05, *p<.10, Beta coefficients with standard error in parenthesis					

### 3. Results

Table 3 presented the results of OLS regression of the relationships among human capital,



innovation awareness, social responsibility and human resource success which had previously shown in Model 1 , Model 2, Model 3, and Model 4

Model 1, the results showed that the external sourcing was positively effected to information technology . The previous research shows that the firm can be exchanged idea in social context and firm will be to seek new knowledge to increase valuable source in firm. It is firm bring external information to be changing method and product development (Prashantham ( 2008). Therefore, the supported results was  $H_1$  ( $H_1 : b_{02} = .877, p < 0.00$ ).

Model 2, The scholars of marketing finding to firm ability to adaptation follow situation such as responsiveness customer need, proactive activity, create new idea and including research and development. Moreover, the work of Charpawang and Ussahawanitchakit (2010, p 4 ) finding the internal development as same as dynamic product improvement mindset refers to firms' perspective which creates , builds, improves new product introduced to marketplace and focus on new technology. It is means firm's belief in improvement product helps firm to access new opportunities. Likewise, internal development was positively effected to marketing success. Hence, the supported result was ( $H_2 : b_{04} = .987, p < 0.00$ ).

Model 3, the information technology was positively effected to marketing success. The previous research shows that firm capabilities created technical and market knowledge and facilitate intraorganizational communication flow. Firm use information technology to facilitate internal communication and cross-functional integration (Song. Nason, Anthony and Benedetto 2008). On the other hand, Teng, Grover and Fiedler (1996) finding to information technology help to organization reduce process service customer such as Hewlett-Packard Co., which use IT in the sales process underwent significant change and , reduce time to work and firm used the social network communicated with customers. Interesting, the result supported  $H_3$  ( $H_3 : b_{06} = .605, p < 0.01$ ).

Model 4, to test hypothesis 4, strategic marketing renewal was positively effected to marketing success. Firm scan the external environment and development product. Firm operated promoting , utilizing new knowledge and including order to bring about change in firm and focus on marketing function (Prashantham, 2008). Firm use strategy marketing renewal to organization's core competences. Thus, hypothesis 4 supported ( $H_4, H_4: b_{08} .960, p < 0.01$ )

Table 3: . Result of OLS Regression Analysis<sup>a</sup>

Independent Variable	Dependent Variable			
	Model 1	Model 2	Model 3	Model 4
	Marketing Success (MS)	Marketing Success (MS)	Marketing Success (MS)	Marketing Success (MS)
External sourcing ( ET)	.877*** (.032)			
Internal development (ID)		.987*** (.011)		
Information Technology (IT)			.605*** (.054)	
Strategic Marketing Renewal (SMR)				.960*** (.019)
Adjust R <sup>2</sup>	.768	.975	.363	.922
VIF	1.578	1.589	1.375	1.435
***p<.01, **p<.05, *p<.10, Beta coefficients with standard error in parenthesis				

This studying is conceptual frame work which relationship among two dimension of strategic marketing renewal, information technology and marketing success. The dynamic capability can describe to the variables in this concept.

Theoretical contribution and future directions for research. This study is aspires to verify understanding of relationship among dimension of strategic marketing renewal, information technology and marketing success. The major contribution is the two dimension of strategic marketing renewal of conceptual paper in SMES in Buriram province, Thailand. The dynamic capabilities can explain information technology and marketing success to demonstrates firm ability to adaptation follow with environment change by the variables in

this studying as information technology and marketing success. Employees effectiveness help to firm adapt with competitors in environment competitive such as R & D , develop new project and develop product quality. Thus, future researching is needed to confirm this model by studying empirical research . Future researching should use in-depth interview.

Managerial contribution. This studying also provides important implication to executive, and marketing manager. It helps marketing managers justify key support of the two dimensions of strategic marketing renewal that may be more critical on marketing success. Firms can generate strategic marketing renewal by support team work, encourage team project, opportunities staff to train and study visit at trade show.

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