

The Impact Of Innovation Marketing Orientation In Achieving The Competitive Advantage In Hotel Establishments In Saudi Arabia "Case Study-Al Baha City-KSA"

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Abstract: This study was based on a sample taken from Saudi Arabia Hotels that operates their services in the city of Al-Baha, and this study adopted five key variables, including three variables describing the independent aspect, and two variables describing the aspect, where the independent variable was the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) and the dependent variable was competitive advantage (Responding & Distinction advantage). This study found the presence of the impact of each of (infrastructure for innovation, Impact of Innovation and Implementation of Innovation on Responding & Distinction advantage).

Index Terms: Innovation, Marketing, Market Orientation, Competitive Advantage, Infrastructure, Responding Advantage, Distinction advantage, Al Baha City, Saudi Arabia.

1 INTRODUCTION

Companies make great efforts in their attempt to be more successful in meeting the needs of their consumers than their competitors, consequently to achieve a better position in the market and better business performance. The needs of consumers and the activities of competitors often stimulate companies to introduce to the market either quite modified or new products, or to supplement their product line by new products. It is by innovation that companies try to improve their business performance and their market share. Market orientation in a company contributes to an improved understanding of the market. The philosophical background of market orientation is the concept of marketing, the basic assumption upon which it is founded. The systematic study of market orientation began at the beginning of the 1990s. In this respect important are the works of Kohli and Jaworski (1990) and Narver and Slater (1990) who began to study market orientation through a number of activities related to the marketing concept in business. The authors view market orientation from different angles. Kohli and Jaworski (1990) define market orientation in terms of organizational behavior, or activities relating to business, according to marketing principles, whereas Narver and Slater (1990) study it in terms of organizational culture. In line with this, Kohli and Jaworski (1990) point out three groups of activities which characterize orientation: (1) generation of market intelligence relating to present and future customers' needs, (2) dissemination of intelligence across departments within the organization and (3) the organizational responsiveness.

Narver and Slater (1990) view market orientation as a uni-dimensional construct made up of three behavioral components: customer orientation, competitor orientation and inter functional coordination and two decision making criteria: long-term focus and profit focus. It is worth mentioning that the mentioned approaches are not quite opposite or contradictory. As construed by Kohli and Jaworski, market orientation as an element of organizational behavior (1990) means the thorough activate of the marketing concept. This concept is grounded on the key activities of a company which operates according to the market concept principles. On the other hand, Narver and Slater (1990) integrate the essence of market concept in a better way by including under the market orientation concept all the attributes of the marketing concept and by pointing out the long-term perspective of profit making. According to them, marketing orientation constitutes an element of business culture, the acceptance of which leads to positive results in business. Viewed from this perspective, Narver and Slater's approach may be considered more coherent. This study aimed to investigate the impact of Innovation marketing orientation in achieving the competitive advantage in hotel establishments in Saudi Arabia, In order to achieve the objectives of the study, the researcher designed a questionnaire consisting of (25) paragraphs to gather the primary information from study sample which consisted (90) individuals. The statistical package for social sciences (SPSS) was used to analyze and examine the hypotheses.

2 LITERATURE REVIEW

2.1 Hurley & Hult (1998)

One of the prominent attempts to investigate the relationship between market orientation and innovation is the empirical study of Hurley and Hult (1998) in which they presented a conceptual framework to incorporate constructs that pertain to innovation in market orientation research. Researchers tested crucial relationships in that conceptual framework upon a sample which composed of 9648 employees from 56 organizations within a large agency of the U.S federal

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government. The results clarified that there is a high positive correlation levels between the levels of innovativeness in firms culture and capacity for adaptation and innovation measured by the number of successful innovations, also they concluded that higher levels of innovativeness are usually accompanied with cultures which emphasize learning, development, and dual decision making processes. In addition to, the results indicated that innovation is important for understanding market orientation and organizational learning, and that relationship should be examined in the context of culture. Finally, they suggested that it is beneficial to incorporate innovation constructs more directly into market orientation researches.

2.2 Panesar & Markest (2008)

This study used a collection of information from both literature and the Norwegian oil and gas industry. A study based on a survey and guided interviews. They concluded that finding innovative solutions to complex organizational and technological difficulties is a necessity as a result of accelerated changes and developments. The results indicated that market needs and customer initiatives are the most important service innovation process drivers, and the most important activity to support service innovation is customer's feedback. In addition to that, service innovation (either creating new services or improving the existing services) is a result of interaction, this finding is consistent with Kuusisto and Meyer (2003); Gronroos (2000), who conclude that the key points for service innovation and performance enhancement are the dual generation of knowledge and joint problem solving practices. Finally, service innovation process is complex because it depends heavily upon management and coordination for a large number of inter organizational activities and interactions between different managerial levels, as well as service innovation process depends heavily on deliberated planning and detailed understanding of customers' needs, wants, and preferences. Panesar and Markest (2008)

2.3 Kandampully (2002)

Kandampully stressed that customer- focused firms are capable to create new and better ways to serve their customers. The results indicate that technology, knowledge and networks constitute a crucial group of variables which energize innovation in service firms, since the combined influence of technology, knowledge and networks renders the organization the capability to concentrate its resources on the future (expected or unexpressed customer needs). Though the fact that service innovation results in increasing customer expectation, and then establish a self created challenge. The most important point is that service innovation results only when organization is capable to concentrate all its capabilities to think in behalf of their customers.

2.4 Ordanini & Maglio (2009)

Ordanini and Maglio used a qualitative comparative analysis technique to address their study question that was: which sets of alternatives among the three decision nodes- customer and market orientation, internal process organization and external networks- are more amenable to maximize the success of new service development (NSD) processes, the researchers constituted their research upon Menor and Roth (2007,p.826) definition of new service development which is "an offering not previously available to the firms customers that results

from either an addition to the current mix of the services or from changes made to the service delivery process" The researchers applied their new service development framework in the context of hospitality services, they concluded that there are two sets of crucial conditions to create a successful new service development constructs within service firms which are: (1) the availability of a proactive market orientation and a formal top- down innovation process, with the absence of responsive market orientation and (2) the availability of both proactive and responsive market orientation, in addition to open innovation model. They stressed that despite the result which stated that proactive market orientation is a significant condition, there is no single factor can be considered as a sufficient condition to have a success new service development construct.

2.5 Atuahene - Gima (1996)

Atuahene-Gima performed an empirical study which reported upon a cross- sectional survey of a sample of 600 firms (300 services and 300 manufacturing), research sample composed of independent firms and business units of huge multisided firms in Australia. The hypothesis were examined using path analysis according to a series of regression for the total sample and for both product and service innovation samples. Study findings are consistent with the prior idea that market orientation influence is pervasive and it is not limited to a certain organizational processes or activities. They concluded that there is a strong direct impact of market orientation on the performance of innovation, though that influence is insignificant on market success when mediated by innovation characteristics. They found that market orientation is not a panacea for ineffectiveness in the innovation process, that notion does not indicate that market orientation is unimportant construct for service- product innovation but it stressed that it is a necessity to integrate more factors before testing the impact of market orientation on service- product performance or organizations performance. The surprising conclusion for the researcher was a little support of his prior prediction that market orientation will makes a stronger contribution to the performance of service innovation than product innovation.

2.6 Junarsin (2010)

Junarsin presented another paper which discusses key issues to be considered in the service innovation construct. He concluded that innovation in service sector is crucial and can reinforce the company's competitive position. He concentrated upon six critical issues which must be taken into account in the service innovation process that are: (1) intangibility of services, (2) in homogeneity, (3) perishes ability, (4) multifaceted nature, (5) variations in customer contact, (6) gaps within services quality. Consequently, increasing customer inputs to the overall processes – starting point of market orientation construct- is one of the paramount strategies that can be adopted to enhance service innovation management.

3 THE STUDY IMPORTANCE

the importance of the present study Showing by testing many variables that ignored by the previous studies that were reviewed a number of them in the previous item under the title (literature review), so researcher will try in this study to find a new model with new variables were not covered by earlier researchers, so a researcher will has many of the independent

variables and many dependent variables of which will express of Innovation Marketing Orientation in achieving the Competitive Advantage. In light of the importance of the study, the researcher used a set of variables to accomplish the purpose of this study was the most important: the infrastructure for innovation, the impact of innovation, implementation of innovation, distinction and responding

4 THE STUDY OBJECTIVE

This study aimed to investigate the impact of Innovation marketing orientation in achieving the competitive advantage in hotel establishments in Saudi Arabia, In order to achieve the objectives of the study, the researcher designed a questionnaire consisting to gather the primary information from study sample and he use the statistical package for social sciences (SPSS) to purpose of analyze and examine the study hypotheses.

5 THE STUDY PROBLEM

The problem of this study appearing through that the difficulties faced by institutions and companies owners in directing the process of marketing for their products, whether commodity or service, so it is necessary to find a marketing mixture that combines between profitability and innovation, where it cannot achieve profitability without a the competitive advantage, and if we helped business owners to direct their marketing innovative to serve the competitive advantage, then we will have achieved the main goal of the facility which is to maximize the wealth of owners.

6 THE STUDY VARIABLES

6.1 The Independent Variables: Innovation Marketing Orientation

6.1.1 Infrastructure for Innovation.

- Personal Innovation: Empowers workers to tap into their creative talents to make performance improvements in their own jobs, much like Toyota's TPS system.
- Collaborative Innovation: Facilitates self-organizing teams to collaborate and develop breakthrough ideas, similar to Google's "time off" innovation policy.
- Enterprise Innovation: Guides formal innovation teams to find and turn incremental and radical opportunities into commercial innovations, e.g. GE workout sessions.

6.1.2 The Impact of Innovation.

It means the impact of a change made in the established way of doing things. The classic business definition for innovation is: To turn a creative idea into products and services of value and profit. The basic goal of all innovation is positive change, to make someone or something better.

6.1.3 The Implementation of Innovation.

Implementation is defined as a specified set of activities designed to put into practice an activity or program of known dimensions. According to this definition, implementation processes are purposeful and are described in sufficient detail such that independent observers can detect the presence and strength of the "specific set of activities" related to implementation. In addition, the activity or program being implemented is described in sufficient detail so that

independent observers can detect its presence and strength.

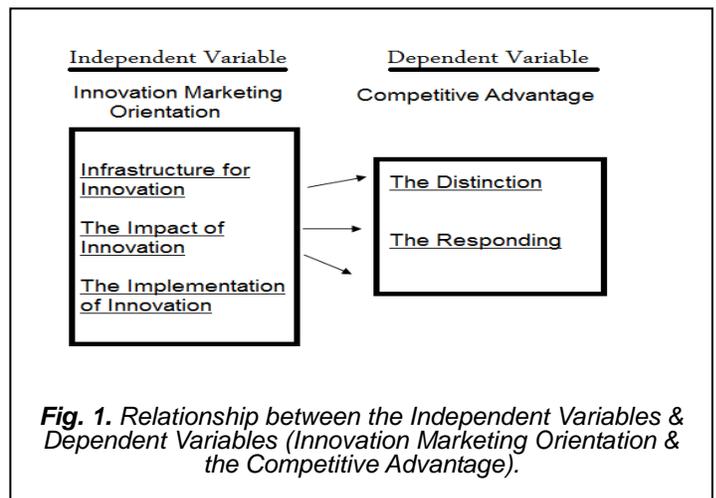
6.2 The dependent Variables: The Competitive Advantage

6.2.1 The Distinction

6.2.2 The Responding

7 THE STUDY MODEL

The figure below shows the Study Model for variables above:



8 THE STUDY HYPOTHESES

8.1 The 1st Hypothesis:

H0: There is no statistically significant impact of the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) to achieve the Distinction advantage for the hotel establishments in Al Baha city in Saudi Arabia.

8.2 The 2nd Hypothesis:

H0: There is no statistically significant impact of the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) to achieve the Responding advantage for the hotel establishments in Al Baha city in Saudi Arabia.

9 THE STUDY TERMINOLOGY

9.1 Innovation:

The process of translating an idea or invention into a good or service that creates value or for which customers will pay. To be called an innovation, an idea must be replicable at an economical cost and must satisfy a specific need. Innovation involves deliberate application of information, imagination and initiative in deriving greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. In business, innovation often results when ideas are applied by the company in order to further satisfy the needs and expectations of the customers. In a social context, innovation helps create new methods for alliance creation, joint venturing, flexible work hours, and creation of buyers' purchasing power.

9.2 Marketing:

Marketing is the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.

9.3 The market orientation:

A business approach or philosophy that focuses on identifying and meeting the stated or hidden needs or wants of customers

10 THE STUDY POPULATION

The study population is a group hotel in the city of Al Baha in Saudi Arabia, and they are very limited number (The number of hotels is one of the determinants of this study) and these hotels are: Traveler Hotel, Al Baha Hotel and Golden Tulip Hotel.

11 THE STUDY SAMPLE

The study sample that used by researcher to achieve this study include all hotels in a study population, and the table below shows that:

12 DATA COLLECTION

12.1 The Questionnaire:

The researcher has designed a questionnaire to explore the views of hotel managers and employees in marketing services (high and mid management) through quintet Likert scale, where it was distributed (90) questionnaire. It has been recovered (72) questionnaire of them with a percentage of (80%).

TABLE 1
THE STUDY SAMPLE*

S.R	The Hotel Name	Place
1	Traveler Hotel	Al Baha
2	Al Baha Hotel	Al Baha
3	Golden Tulip Hotel	Al Baha

TABLE 2
THE QUESTIONNAIRE DISTRIBUTED *

S.R	The Hotel Name	NO.	Recovered
1	Traveler Hotel	20	16
2	Al Baha Hotel	30	24
3	Golden Tulip Hotel	40	32
Total	-----	90	72
	-----	100%	80%

**the researcher takes into consideration the size factor In the process of distribution of questionnaires for each hotel.*

12.2 The Likert Scale:

TABLE 3
THE LIKERT SCALE *

Dimension s	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
The Degree	5	4	3	2	1

12.3 The Cronbach's alpha scale:

The researcher used Cronbach's alpha scale to test the Stability coefficient of the internal consistency of the dimensions of the questionnaire, and the table below shows the Cronbach's alpha scale results:

TABLE 4
CRONBACH'S ALPHA SCALE*

S.R	Dimension	No. Paragraphs	Value (α) Alfa
1	Innovation Marketing Orientation	15	0.84
1-1	Infrastructure for Innovation	5	0.741
1-2	Impact of Innovation	5	0.809
1-3	Implementation of Innovation	5	0.701
2	The Competitive Advantage	10	0.812
2-1	Distinction	5	0.803
2-2	Responding	5	0.777
Total		25	0.869

**Indicators point that the study tool has a high credibility & good internal consistency The Study Test hypotheses*

13 TEST HYPOTHESES

In this section the researcher will test hypotheses related to the study through the result of analysis test multiple regressions.

13.1 Test the 1st hypothesis:

H0: There is no statistically significant impact of the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) to achieve the Distinction advantage for the hotel establishments in Al Baha city in Saudi Arabia.

TABLE 5
RESULTS OF ANALYSIS TEST MULTIPLE REGRESSIONS

Dep . Var.	R	R ²	F- Cal	Sig *	Ind. Var.	B	T- Cal	Sig *
Dist					Var 1	0.306	2.667	0.008
	0.593	0.351	13.123	0.000	Var 2	0.566	4.299	0.000
					Var 3	0.461	4.625	0.000

Where:

Dep. Var.: Dependent Variable

Dist: Distinction

F-cal: F value calculated

Ind. Var.: Independent Variable

T-cal: T value calculated

From the table (5) the Results of statistical analysis show that existence of a statistically significant effect for the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) on achieve the

Distinction advantage, The total correlation coefficient (R) = 0.593, and (R^2) = 0.351, This means that (0.351) of the changes that occur in distinction advantage in Hotels in Saudi Arabia in the city of Al-Baha Resulting from the level of the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation). The result: from the analysis above the researcher REJECT the Hypothesis nihilism and Accept that There is statistically significant impact of the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) to achieve the Distinction advantage for the hotel establishments in Al Baha city in Saudi Arabia.

13.2 Test the 2nd hypothesis:

H0: There is no statistically significant impact of the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) to achieve the Responding advantage for the hotel establishments in Al Baha city in Saudi Arabia.

TABLE 6
RESULTS OF ANALYSIS TEST MULTIPLE REGRESSIONS

Dep. Var.	R	R ²	F- Cal	Sig*	Ind. Var.	B	T- Cal	Sig*
Resp					Var1	0.641	11.87	
	0.913	0.834	122.1	0.000	Var2	0.543	9.84	0.000
					Var3	0.398	6.85	0.000

Where:

Dep. Var.: Dependent Variable

Resp: Responding

F-cal: F value calculated

Ind. Var.: Independent Variable

T-cal: T value calculated

From the table (6) the Results of statistical analysis show that existence of a statistically significant effect for the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) on achieve the Responding advantage, The total correlation coefficient (R) = 0.913, and (R^2) = 0.834, This means that (0.834) of the changes that occur in Responding advantage in Hotels in Saudi Arabia in the city of Al-Baha Resulting from the level of the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation). The result: from the analysis above the researcher REJECT the Hypothesis nihilism and Accept that There is statistically significant impact of the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) to achieve the Responding advantage for the hotel establishments in Al Baha city in Saudi Arabia.

14 CONCLUSION

This study was based on a sample taken from Saudi Arabia Hotels that operates their services in the city of Al-Baha, and this study adopted five key variables, including three variables describing the independent aspect, and two variables describing the aspect, where the independent variable was the Innovation Marketing Orientation (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) and the dependent variable was competitive advantage (Responding & Distinction advantage). This study found the presence of the impact of each of (infrastructure for innovation, Impact of Innovation and Implementation of Innovation) on Responding & Distinction advantage.

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