

## **EFFECTS OF DEVELOPING AND IMPLEMENTING STRATEGY ON FIRM PERFORMANCE; (CAST STUDY: IRAN KHODRO COMPANY (IKCO) SALES AND MARKETING ENTITY)**

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### **Abstract**

Given the major role of strategic planning in conducting organizations in the long-term movement towards defined goals, it is essential to examine the effectiveness of implementing this program at operational and actual level within companies so far as measures in order to correct distortions caused the company to be conducted in the correct direction. In this study, effects of developing and implementing strategy on performance of Iran Khodro Company (IKCO) sales and marketing entity have been examined. The questionnaire has been used to collect data, and it has been implemented in Second half of 2012. According to findings of this research, it was specified that implementing strategy has been resulted in increasing customers' satisfaction with Iran Khodro Company sales service, mentioned that customers are satisfied with services provided including Product quality (original quality and durability of the product), services provided in the areas of sales and after Sales Service, but could help for price promotions on a market share.

**Keywords:** Strategic management, strategy, Kano model, performance management, customer satisfaction

### **Introduction**

On the eve of economic globalization, the Iranian producers to survive and gain competitive advantages, inevitably paid more attention to the customer and his/her needs. Draw customer satisfaction and effective communication with consumers rely on emphasizing market development processes. Iran Khodro Industrial Group given objectives above and in order to receive customers call as soon as possible and meet their actual demands, has separated its after-sales service activities from ISACO company and put together its sales activities since 2003, and started taking all control of a department entitled marketing and sales department. This company to maintain and support their customers, paid a special attention to a network of sales and after sales services as a sector named Sales and Marketing department based on responsibility for the marketing and sales processes. Among major initiatives to achieve this important, compiling a booklet for strategy of marketing and sales department given director' expectations and long-term plans has been regarded. This booklet in line with statement of organization's mission, vision and market development so as to introduce strategic plans of marketing and sales department given coordinates of internal and external factors affecting marketing and sales department's performance and in order that enhancing these conditions to achieve long-term corporate goals, has been proposed.

For this, this process is performed during a program organized by the strategy team and then fulfilled regarding views and expectations of director of company. After compiling these strategies in 2005 and serving them in the beginning of 2006, implementing these strategies has been started since the early 2006. Since Developing and implementing strategy on firm performance is time consuming and expensive, therefore, it is essential to have accurate information on how firm operates as well as likely advantages of the firm, so far as get succeed to bring about likely corrections besides being informed of functioning of this system. Since developing and implementing strategy within Iran Khodro Company's Sales and Marketing department have been started since the early 2006, and only six years have passed since applying this study, thus, it is required for Iran Khodro Company's Sales and Marketing department to provide a comprehensive study in examining effects of developing and implementing strategy so as to take step in bringing about changes required. This study addresses examining the results from implementing strategy on two cases of the most important performance indices that are from the most important goals of implementing strategy within Iran Khodro Company's Sales and Marketing department: customer satisfaction, price promotions on a market share. In this study, data from performance of Iran Khodro Company's Sales and Marketing department during 2001-2011 in two areas of customer satisfaction and price promotions on a market share in two time intervals 2001-2005 and 2007-2011, was compared with each other. Implementing the strategy since the early 2006 was a better choice turning back to the point that this strategy has been introduced in this year, so 5 years ago and later this year can be taken suitable aiming at comparing the data. To extract price promotions on a market share, the number of automotives produced in that year by each of automakers multiplied by an average price of automotive, and Iran Khodro Company's share has been extracted. On the basis of customer satisfaction, further data extracted by Iran Standard and Quality Inspection Company has been used. These organizations as an autonomous public authority is in charge of extracting and examining customer satisfaction with automotives and services of automotive companies, and take step independently in monthly intervals to get customers' feedback and evaluate their satisfaction based on Kano Model of Customer Satisfaction. In this study, average customer satisfaction with sale services in Interval (1 year) has been extracted and used.

#### **Problem statement**

According to the fact that Developing and implementing strategy on firm performance is time consuming and expensive, and requires much time and energy spent, therefore, it is essential to examine whether developing and implementing strategy can lead to improving organization's performance or just increasing costs and time consuming, so that this study aims to examine the effects of developing and implementing strategy on organization's performance.

#### **Strategic management**

Human beings always seek ways to achieve their goals. Study background of successful people;

suggest that there are secrets in their behavioral style. Many factors are involved in the success or failure of individuals and organizations(Cutler, 2007). the institutions which enjoy Strategic management, not only strategies and practices are in conflict with each other, but also in explaining management tasks at different organizational levels, are intrinsically linked to each other. One of the important tasks of management is decision making and managers without relying on key data fields, could not adopt strategic decision making and this lies in a fact that decision making is based on accurate information. The lowest layer in the organizational hierarchy is the layer of technical experts. This layers as decisions on

organizational decision making play very important role. Technical experts through operating planning play this role in their technical roles(table 1).

**Table 1.** Compare roles, Scope and powers of decision making at different organizational levels(Porter, 1980)

organizational levels	Role	Scope	Powers
The highest level (senior managers)	decision maker	Strategic Thinking	- Strategic decision making -goals for organizational level -total orientation
Middle level (middle managers)	The decision maker	Strategic Planning	-sectoral strategies - Operational policies and tactics
Lowest level (technical experts)	Decision support	Operational planning and implementation	-operating goals -strategies -budget and plan

Strategic management is the art and science of formulating, implementing and evaluating Cross Functional decisions that enables a multifunctional organization to achieve its goals(figure 1).

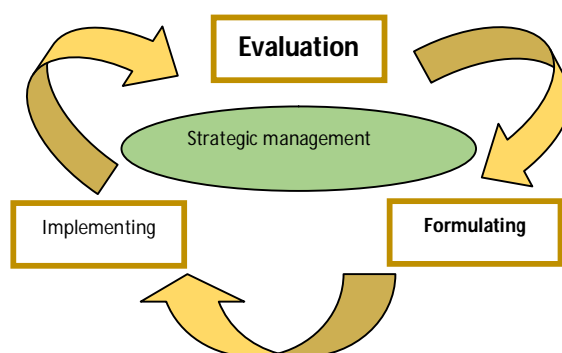


Figure 1. Measures of Strategic management

Strategic planning is a long-term plan that sees the organization as a whole. To understand a long-term planning and its difference with other planning, the points as follows have to be taken into consideration:

- Long-term program focuses only on the part of the organization, not the whole organization
- The program's emphasis on a certain future (for future development)
- Making more decisions based on the status quo
- less Future orientation
- Focus less on environmental changes
- More attention to efficiency to effectiveness

“Strategic management "and" strategic planning "are similar to each other (porter 1980).

**Comprehensive model of strategic management**

Corporate Philosophy: It is a permanent statement. From the very beginning, it is enacted as a statute by director. Corporate Philosophy is the statement on whole goals of organization from the expected performance of the institution, also a primary expression in terms of growth and profitability.

**Mission:** Mission is Identity document and philosophy of the organization. For this, it is called upon as document. Corporate Philosophy indicates the relationship between entity and The initial shareholders, employees, customers, partners, suppliers, entity and community in which entity takes steps. Corporate Philosophy explains the fundamental policy of organization regarding the issues including management style, organizational policies, human resource management, finance policies, marketing, technology and so forth.

**Vision:** Many companies develop vision of organization together with its mission. Common vision in an organization can stimulate employees and develop common interests and give assistance to focus on opportunity and challenge.

**Budgeting:** this is the final task which involves strategies for Macro and specific executable programs. Organization evaluates these programs, allocates resources, and has an obligation on the amount of budget through signing agreement, moreover, performance measures that required to act a control define Smart strategic management(Besanko 1996).

**Ideals:** this is idealistic, ambitious, and motivating and can more towards it for years. Figure 2 indicates Strategic Planning Pyramid.



Figure 2. Pyramid of strategic planning

The more moves from lower levels of pyramid to upper levels, upcoming levels would be more idealistic, ambitious, and the motivating, and qualitative.

**Competitive Advantage:** A strategy must be able to work in a field, or to create a competitive advantage or to keep this phenomenon. Competitive advantages could be the product coming from one of three fields as follows(South 1981):

- 1-Resources
- 2-Skill
- 3-Position of Product
- 4-Time(Stalker 1988)

Analytical framework in Strategy formulation

Analytical framework in Strategy formulation enjoys stages as follows: the first stage is the input stage that provides the original data to enter phase 2 and 3 through matrix below(figure 3).

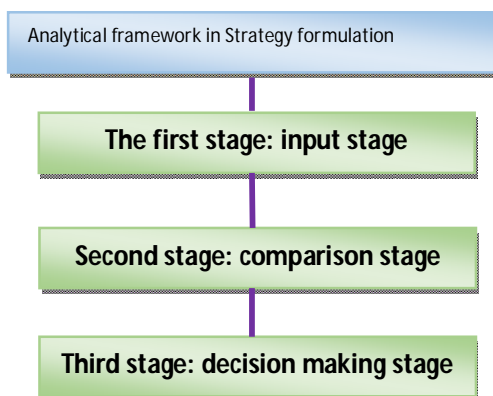


Figure 3. Analytical framework in Strategy formulation

The first stage (input stage): Strategy formulation  
 As shown in figure 4, different matrices at this stage are used.

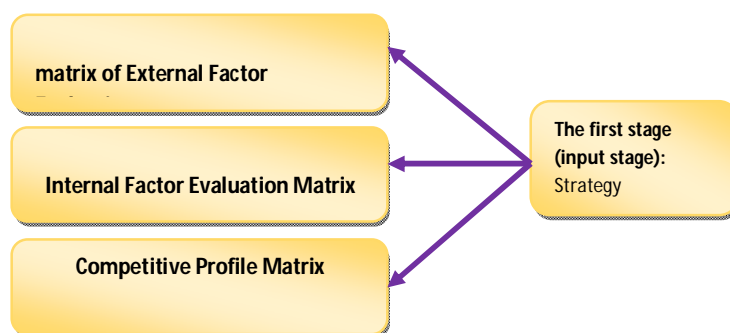


Figure 4. Matrices used at the first stage of strategy formulation

**Internal Factor Evaluation Matrix (IFE):** Some organizations assume to be the best have to review what have done previously, but this would not come true always. Each organization with its own specific characteristics including cultural, resources, systems and its own sub-systems would have outcomes totally different from others, and it would not be clear that two similar organizations without similar characteristics could act like the past or not. Hence, to evaluate internal factors existing in organization in form of Strengths and weaknesses so as to improve organization’s performance, a variety of instruments and strategies to enhance Strengths and modify weaknesses have to be applied.

Internal Factor Evaluation Matrix (IFE) besides investigating inter-organizational factors in form of Strengths and weaknesses existing in entities and recognizing the relationships between them, addresses analyzing the status going on in the organization. Specific scores can be acquired by putting Strengths and weaknesses in Internal Factor Evaluation Matrix and giving weight and rank to each of them and then multiplying these two figures by each other, and the final score of organization can be determined using the sum of scores.

**Internal Factor Evaluation Matrix(EFE):** an investigation into intra-organizational factors and political, economic, social and cultural factors can give assistance to address determining

external environmental opportunities and threats, and then specific scores can be acquired by putting them in Internal Factor Evaluation Matrix and assigning weight and rank to each of them and multiplying these two figures by each other, so that the final score of organization can be determined by determining the sum of scores. This coefficient has to be considered based on the severity of the threat or opportunity, mentioned that the coefficients are considered based on the industry. Note that the factor with the most effect on organization would be found with the most weight assigned to it, and it can be even threat or opportunity, and the sum of the coefficients has to be taken equal to 1.

**Competitive Profile Matrix:** this matrix recognizes the main competitors of company and its strengths and weaknesses in relation to a sample of company's strategic status.

**The second stage (comparison)**

The second stage of analytic framework mentioned formulating strategies for the comparison stage. The strategies as follows are defined using a structured comparison between the factors as follows:

- internal resources and skills
- Opportunities and risks that are caused by external factors

Comparison stage is the second stage of formulating strategy that can refer to a variety of matrices existing at this stage (figure 5).

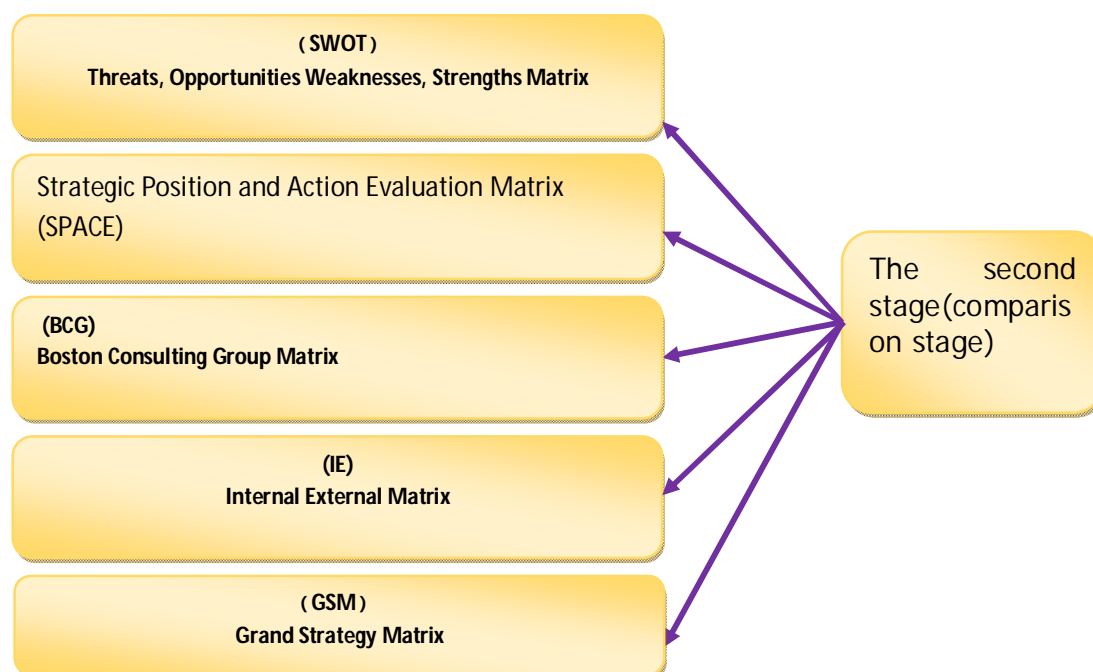


Figure 5. Matrices used at the second stage of formulating strategy

**Threats, Opportunities Weaknesses, Strengths Matrix– SWOT**

the first type of matrix, **SWOT** matrix has been addressed here. Given this matrix, four types of strategies by investigating Threats, Opportunities Weaknesses, and Strengths can be achieved. The strategies include: WO, WT, SO & ST.

The Strategic Position and Action Evaluation Matrix or SPACE analysis matrix

The second matrix addressed here is the very Strategic Position and Action Evaluation Matrix or SPACE analysis matrix. As shown in figure 6, The Strategic Position and Action Evaluation Matrix or SPACE analysis matrix includes the characteristics as follow:

Its Framework has been developed from four corners (quarter page). Each corner indicates the strategy relevant with the associated status that includes:

- Aggressive
- Defensive
- Conservative
- Competitive

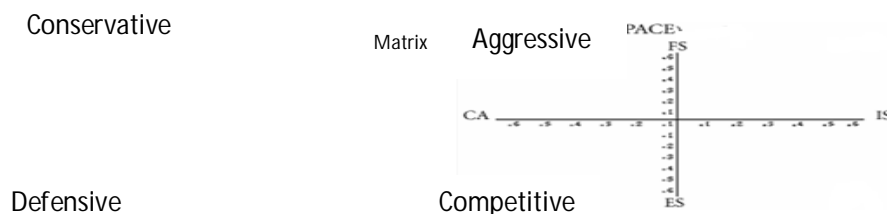


Figure 6. The Strategic Position and Action Evaluation Matrix or SPACE analysis matrix

Boston Consulting Group Matrix(BCG): the third type of matrix investigating is the very Boston Consulting Group Matrix. This matrix is used in the cases below. The firms developed from different sectors determine their own strategy through this matrix.

- It focused on two factors including price promotions on a market share(Market share in an industry sector where the share of the largest competitor in the same industry exists) and Industry growth rate.
- Matrix of the third type allows control all over the sector comes to realize regarding price promotions on a market share and Industry growth rate.

**The main strategy matrix:** The fourth type of matrix is the main strategy matrix. This matrix has been mentioned as defined instruments to formulate evident strategies which focused on two dimensions as follows: 1- Competition status, 2- Market Growth.

**The third stage(decision making) :** The third stage of analytic framework is the notion which lies in formulating decision making stage. At this stage, the final strategies in priority as following can be acquired. Here, it is mainly focused on Quantitative Strategic Planning Matrix (QSPM). According to this matrix, it has to take advantage of Intuitive judgments.

The stage of decision making is an analytic technique which determines relative attractiveness of alternative strategies. Outputs from the first and second stages are used as inputs. Indeed, the stage of decision making is an instrument based on critical factors of internal and external success which is used to evaluate alternative strategies.



**Quantitative Strategic Planning Matrix:** The last type of matrix evaluating is the very Quantitative Strategic Planning Matrix that is an analytic strategy to investigate relative attractiveness of alternative strategies. This matrix is used to formulate strategies as an analytic framework.

To implement this matrix, the results from the analyses of the first stage which are related to comparing inter-organizational and intra-organizational factors are used at second stage so as to determine executable strategy. Quantitative Strategic Planning Matrix enjoys a variety of advantages and disadvantages that advantages include:

- A set of strategies are analyzed simultaneously or consecutively in this matrix
- interrelated Internal and external factors are embedded in the process of decision making

Limitations of this matrix followed by its advantages are referred which include:

- Intuitive judgments of educational premises
- Suitability of them depends on the information provided previously

### **Implement strategy**

If director and employees working in organization do not understand strategies and are not committed to implementing instructions, their attempts in implementing strategies would face failure. As stated previously, the stages of strategic management include: Formulation, implementation and evaluation.

Comparative study on implementation and formulation of strategy	
implementation of strategy	formulation of strategy
-controls employees during managing process -highlights efficiency - It is essentially an operating process -it requires motivation and leadership skills -it requires balance among a number of individuals	-Prepares employees before any action -highlights effectiveness - It is essentially an intellectual process -it requires Good intuitive powers and analytic skills -it requires balance among a number of individuals

Table 2. Comparative study on implementation and formulation of strategy

After formulation of strategy, it has to seek adopting executable strategies in performing strategy, mentioned that this requires investigating instructions associated to performing strategies.

### **Review, evaluate and control strategy**

Although strategic management process starts with the formulation stage and continues with implementing strategies, it complete with evaluation stage. Evaluation as a dynamic system consists of the outputs of this stage that gives assistance to organization in the process of formulation and implementation in order that achieves its goals.

In other words, evaluation of performance and observation as well as investigation is the most fundamental stage at strategic management process in which directors make attempts to assure that the chosen strategies have been performed properly and would help for realization of goals. If this stage does not come to realize, the strategic process and program would found without the capability for evaluation and there will be no assurance of its implementation.



Importance of the issue of observation and investigation depends on a fact that supervision and evaluation on the whole is the leading factor to increase knowledge management, which further helps for enhancing organizational potential within an organization. productivity and improvement would not occur within an organization unless the last strategic mission, that is, supervision and evaluation, comes to realize.

Areas under supervision and evaluation in the general classification include:

-internal area of Organization

- External area of organization

To implement supervision and evaluation in the given areas, important elements at each of areas have to be specified and fulfilled as a supervision underlying executable aspect using quantitative and qualitative survey.

According to importance of internal factors within organization, the areas at supervision and evaluation influenced of strategic operating planning include areas as follow:

-Resources

-Organization

-Leadership

Given areas have a pivotal role in an organization, and surely leadership area plays more important role in organizing management department. A particular attention has to be paid on supervision and evaluation system at all areas.

Strategy evaluation criteria

Certain criteria have to be defined so as to evaluate adopted strategies. Now, this question come to mind “what are Strategy evaluation criteria? ”; as shown below, there exist four criteria for Strategy evaluation. Four criteria in Strategy evaluation include:

- Compatibility
- Coordination
- Feasibility
- Advantages (benefits)

According to the criterion of compatibility in strategy evaluation, drawing attention to the factors below gives better understanding of the use of this criterion. A strategy must not provide short-term goals and policies of inconsistency.

-Despite changes in human resources management issues persist, so possibly incompatible strategies sustain on.

-If success in one part means the failure at another part, probably incompatible strategies sustain on.

-If the problems of subordinates refer to top managers and such a situation goes on, possibly conflicting strategies would sustain on.

According to the criterion of coordination in strategy evaluation, drawing attention to the factors below gives better understanding of the use of this criterion.

-Strategies in evaluating the strategy should consider a series of procedures.

-strategy has to react properly against external environment and leading changes in internal environment.

- Many of the processes are obtained of interaction and communication between other processes.

-given formulating strategy, integrating important internal and external factors is a difficult task.

According to the criterion of feasibility in strategy evaluation, drawing attention to the factors below gives better understanding of the use of this criterion.

Strategy must not use too much of available resources or create insoluble problems. Would the strategy be used in the area of financial, human and physical resources within entity?

Levels of individual and organizational capabilities face strategic choice with limitations that have to be taken into account. It is always important to investigate whether Organization previously has enjoyed characteristics such as strength, ability, competence, skills and talents necessary for implementing the or not?

According to the criterion of Advantages (benefits) in strategy evaluation, drawing attention to the factors below gives better understanding of the use of this criterion. Strategy must be able to work in a field, to create a competitive advantage or maintain the competitive advantage.

Problems of evaluation strategy include:

- Increasing environmental complexity
- Lack of accurate predictions
- Increasing the number of variables
- The high rate of obsolescence of even the best designs
- Increase of events in regional and global areas
- Reducing time scope of projects that can be implemented with more confidence

A particular attention has to be paid on important points in Strategy evaluation process. The points include:

- Strategy evaluation process has to start about expectations and assumptions
- long-term goals and values have to be investigated
- innovation has to be encouraged in building alternatives and evaluation criteria

### **Strategy evaluation framework**

A particular attention has to be paid on important factors in Strategy evaluation framework. As shown below in figure 7, the factors include:

- Theoretical Investigation of strategies
- Performance Measurement
- Corrective action

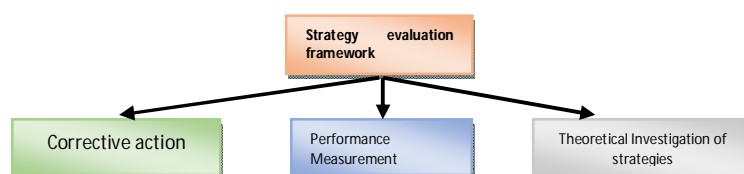


Figure 7. Strategy evaluation framework

Theoretical Investigation of strategies is one of the factors which have to be taken into account in Strategy evaluation framework. Given Strategy evaluation framework, the questionnaire associated to Reviewing the external evaluation matrix is used. This helps for findings response for the questions in this context.

Given Strategy evaluation framework, the next stage has been mentioned the very Performance Measurement. A particular attention has to be paid to the factors below at this stage.

- Compare Organization performance of different time periods
- Compare Organization performance with competitors
- Compare Organization performance with mean of industry

Corrective action is the last stage at Strategy evaluation framework which refers to the changes through which the organization in future would find a new position especially in terms of competing with competitors.

### **Kano's model of customer satisfaction**

In the late seventies of the twentieth century, Dr. Nvryaky Rica School in Tokyo, one of the foremost experts in the field of quality management, proposed a model that is used today in most models of customer satisfaction (Kavoosi, 2005). Dr. Nvryaky Rica, in his model (Figure 8), divided the needs of customers, or in other words the qualitative characteristics of products into three classifications, and showed each three type of needs in a two-dimensional diagram, that two dimensions were as follows:

- The stage at which products applied
- the stage reported by customer satisfaction

Vertical axis shows satisfaction or customer satisfaction and horizontal axis indicates providing quality requirements of the customer. The highest and lowest point of the vertical axis indicates a place where the customer enjoys a balance in terms of satisfaction. Intersection of horizontal and vertical axis indicates a place where the customer enjoys balance in terms of satisfaction and lack of satisfaction. Right side of horizontal axis indicates a place where expected qualitative requirement has been provided totally, and left side of horizontal axis is the point to provide a product which lacks the expected qualitative characteristic, and the expected qualitative requirement has not been considered ever in the product or service.

Comparing parameters of performance quality and consumer satisfaction in 2 axis table indicated that definition of quality is much more complicated. Quality in two axes showed three different definitions of quality to Dr Kano which include:

- Basic Quality
- Performance Quality
- Excitement Quality



Satisfaction  
Motivating  
quality

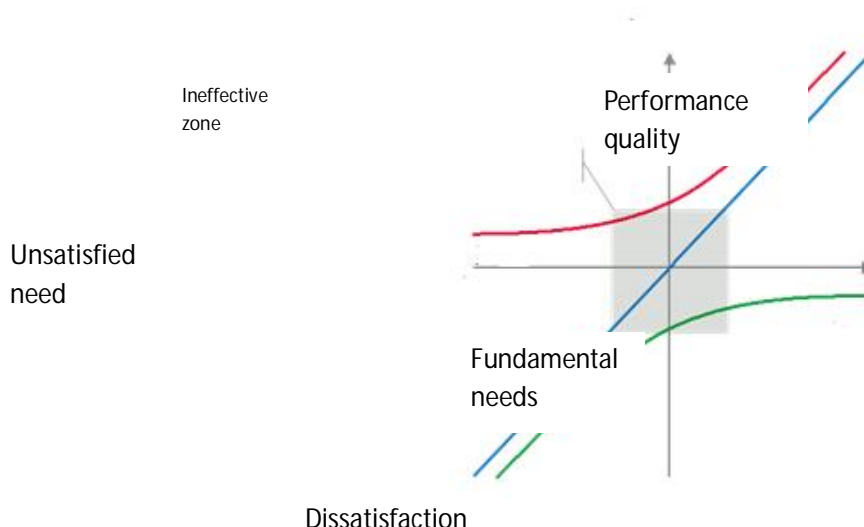


Figure 8. Kano's model of customer satisfaction

### Components of model

**Basic Quality (fundamental needs):** such fundamental requirements poorly increase customers satisfaction, but failure to access such requirements severely affects increasing customers dissatisfaction.

**Performance Quality (performance requirements):** second class of requirements known with performance requirements is in a way that lack of providing them would result in customers dissatisfaction, and instead total supply of these requirements would be followed by customer satisfaction. Importance of performance requirements lies in a fact that recognizing and considering them at product or service is the least attempt which cause organization position in competitive environment sustains on.

**Excitement Quality (Excitement requirements):** third class of qualitative characteristics in Kano model mentioned qualitative expectations that are not attributed as a need and requirement when applying product or service, and as a result lack of providing them would not result in customer satisfaction, but providing them at product would be found with high satisfaction and excitement in customer (Elahim 2007).

### The advantages of the Kano model

- Better communication with customers
- Understanding clients and customers and their needs
- The ultimate customer satisfaction

### Kano model limitations

- Express needs without thinking
- Denunciation
- Is not important (not serious)

### Research method

This study in terms of orientation and aim is of applied-descriptive research method. It also categories as field study in terms of place scope, and it is sectional in terms of time horizon.

To collect data, the data available during 2003-2011 has been used, mentioned that Mean comparison test has been used to test hypotheses.

**Statistical population and sampling**

Statistical population in this study mentioned customer’s satisfaction during 2003-2011, as well as price promotions on a market share during these years. As the statistical population provided available to carry out the study, there was no need to sampling. To collect data, data existing on price promotions on a market share that is gathered monthly by Iran Khodro marketing research department. Further, to achieve the goal of customers satisfaction, the data gathered by Iran Standard and Quality Inspection Company (ISQI) *has been used*.

**Time scope and place scope**

Time scope in this study refers to 2012, and place scope refers to Iran Khodro Company (IKCO) sales and marketing entity.

**Analysis**

**How to calculate price promotions on a market share**

The number of automotive produced by all the automotive companies is gathered and published by Department of Trade and Industry. Multiplying the number of automotives produced by average price promotions on a market share, the automotives produced in each company can be obtained, and by dividing this number to the total price promotion on automotive produced in each month, monthly price promotion for each company would be obtained. To define this more, how to calculate price promotions on a market share has been shown as follows:

$$\begin{aligned}
 & \text{Price on automotives produced by Iran Khodro in different months of year } i \\
 & = \text{Number of automotives produced by Iran Khodro in month } i * \text{The average price of that car in the month } i \\
 & \text{Price of Iran Khodro market in year } j \\
 & = \frac{\text{Sum of price on automotives produced by Iran Khodro in different months of year } j}{\text{Sum of price on automotives in all automotive companies in different months of year } j} \text{ Months of the year } = i \text{ 2001-2011 } = J
 \end{aligned}$$

... on keting by Department of Marketing Research-Marketing and Sales Assistant have been calculated annually and published for managers’ information. According to the data received, this share during 2001-2011 has been as the one shown in table 3.

<b>price promotions on a market share(%)</b>										
2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
59.86	63.73	66.65	65.63	60.25	55.8	54.9	54.8	56	56.3	55.7

Table 3. price promotions on a market share

### **How to calculate the index of customer satisfaction**

In previous years it was looked at the measurement of customer satisfaction in a modern design and advanced process by the companies which provide services and products. Yet, in recent years, this research activity has become one of the indispensable needs for the senior managers within organizations. Due to the need for monitoring customer satisfaction, after approving the procedure adopted to measure automotive customer satisfaction at the ninth meeting of Automotive Policy Council, it was appointed that Iranian Standard and Quality Inspection (ISQI) on the behalf of The Deputy Minister of Industry measures customer satisfaction in the areas of quality of product, sale and after sale services using design and implementation of getting feedback of customers, and provide them for decision makers in the automotive industry and suppliers. According to what discussed above, areas getting feedback in relation to automotive industry customer satisfaction can be considered relevant with three areas regarding figure 9.

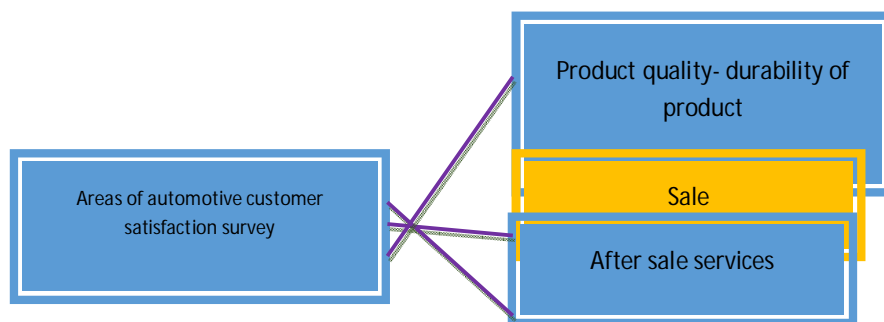


Figure 9. areas of examining automotive industry customer satisfaction

To measure customer satisfaction with sales of automotive companies, sale indices regarding expected activities and performances at this area have been designed as follow:

- Information and accountability
- Considering customer demands
- Cost and time
- Vehicle delivery

To examine customer satisfaction based on sale's four-item indices introduced above, a questionnaire entitled "questionnaire to measure customer satisfaction with sale services" has been designed through which status of sale indices followed by customer satisfaction with sale services supplied by automotive companies can be measured. The questions embedded in the questionnaire mentioned as designed to investigate status of sale indices, are called characteristics of evaluation. The questionnaire includes 18 questions and/or characteristics of evaluation that relates to four-item characteristics of sale as shown in figure 10.

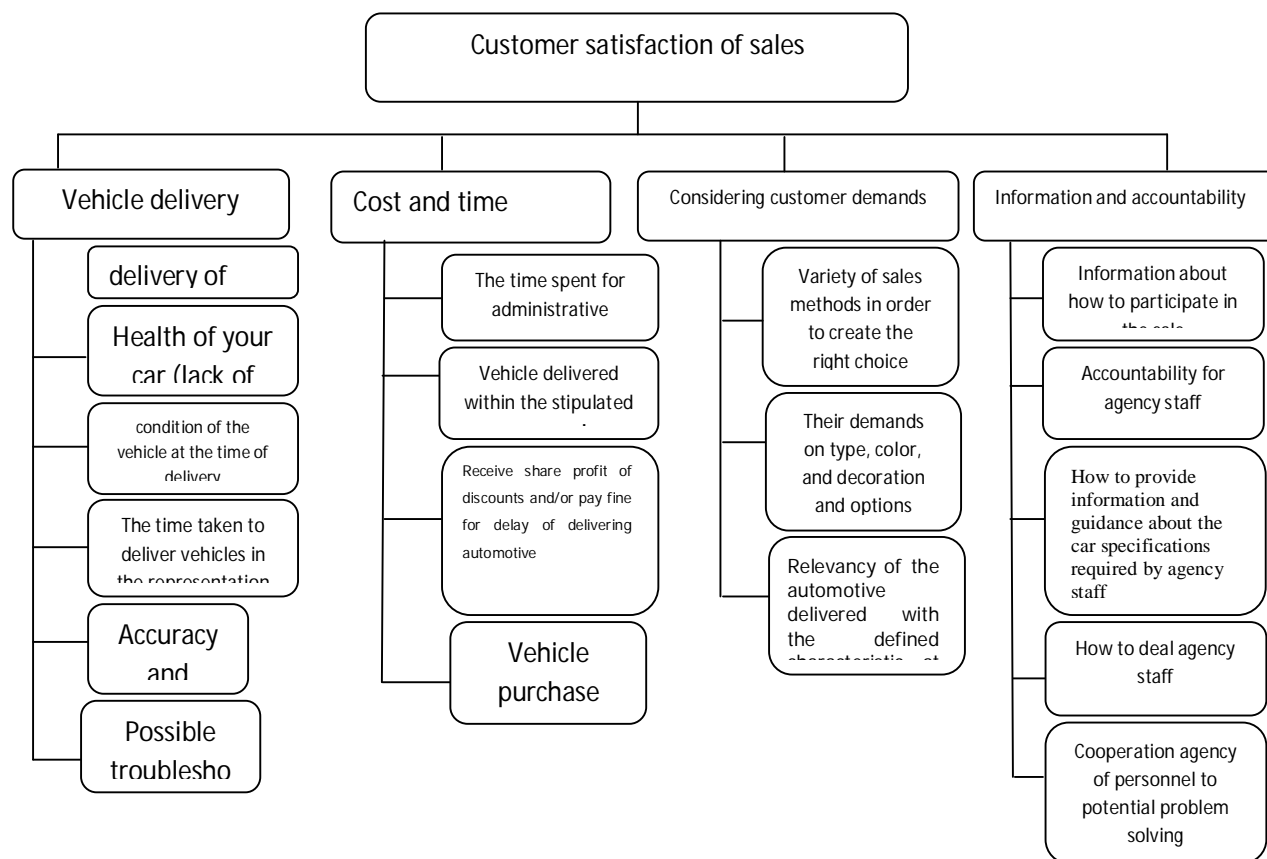


Figure 10- the relationship between questionnaire and four-item indices of sale

**Other main items of plan include:**

Research tools: a questionnaire with Likert scale package

Materials and methods: survey (interviewed via telephone)

Sampling methodology: based on Cochran formula confidence interval 95% and 5% error for each agency

Study time interval: the cars delivered to customers in the second half of 2011

Number of Interviews: 58,389

The number of representatives evaluated: 843 Mission

According to the studies carried out by Customer Relationship Management Unit and Iran Khodro Quality Management Unit and data proposed by Iranian Standard and Quality Inspection(ISQI), customer satisfaction with sale services existing in this company during 2001-2011 has been reported as follows shown in table 4.

Index of customers satisfaction in different years(%)										
2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
60.32	61.27	63.28	62.15	59.16	63.26	62.25	57.6	61.1	63.6	63.9

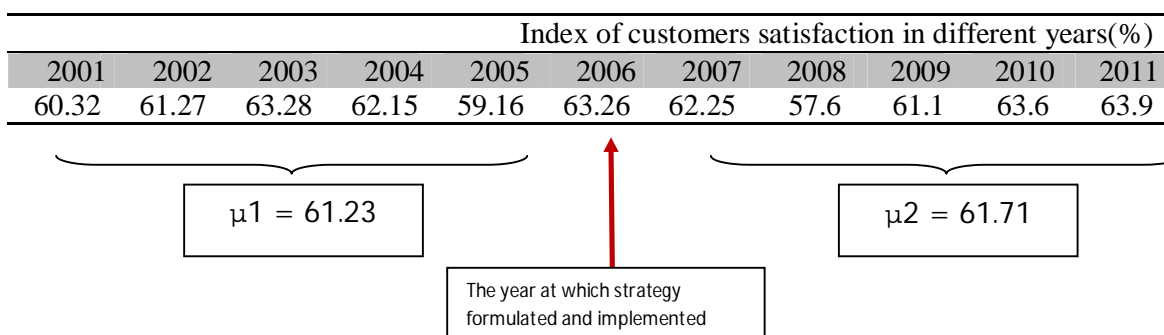
Table 4. index of customer satisfaction in different years

It should be noted that measuring satisfaction during six months can be carried out, and here average six months has been considered as the year.



**A survey on hypotheses**

First hypothesis: formulating and implementing strategy in marketing and sale department of Iran Khodro company have caused customer satisfaction increases.

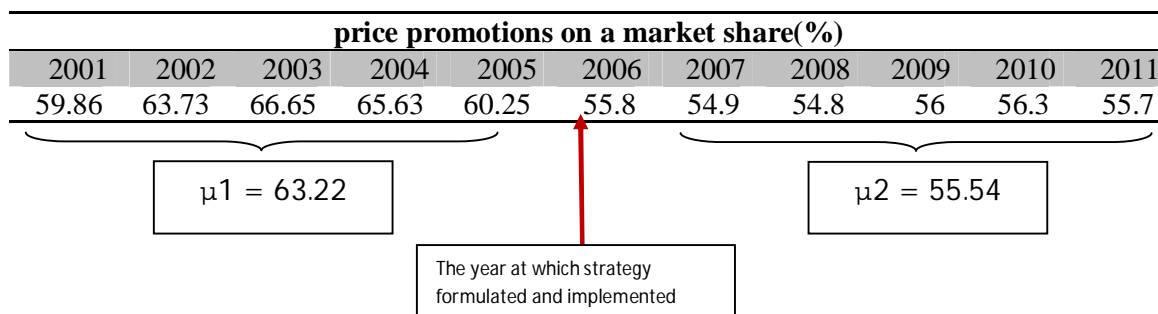


H0 hypothesis: mean of customer satisfaction in the years before implementing strategy(2001-2005) has been less than mean of customer satisfaction in the years after implementing strategy(2007-2011).

H1 hypothesis: mean of customer satisfaction in the years before implementing strategy(2001-2005) has been greater than mean of customer satisfaction in the years after implementing strategy(2007-2011).

According to the calculations carried out and first hypothesis tested, it was confirmed that formulating and implementing strategy has been the leading factor through which customer satisfaction with marketing department of Iran Khodro company increases.

Second hypothesis: formulating and implementing strategy in marketing and sale department of Iran Khodro company have caused price promotions on a market share(%) increases.



H0 hypothesis: mean of price promotions on a market share in the years before implementing strategy(2001-2005) has been less than mean of price promotions on a market share in the years after implementing strategy(2007-2011).

H1 hypothesis: mean of price promotions on a market share in the years before implementing strategy(2001-2005) has been greater than mean of price promotions on a market share in the years after implementing strategy(2007-2011). According to the calculations carried out and second hypothesis tested, the second hypothesis was rejected, that is, it was confirmed that formulating and implementing strategy has been the leading factor through which price

promotions on a market share within marketing department of Iran Khodro company has not increased.

### **Conclusion**

Given confirming the first hypothesis and rejecting second hypothesis, it can conclude that formulating and implementing strategy found effective in some performance aspects of sale and marketing department, but not found effective in other aspects. According to obtained results, formulating and implementing strategy have led to an increase in customer satisfaction during the years when strategy was being implemented; further customers were more satisfied with the services supplied to them in terms of quality and durability of products, and services supplying to them at sale time as well as after sale services. The findings of this study are relevant with the previous study grounded on recognizing and ranking barriers to implementing strategy in Iran Khodro Company.

### **Suggestions**

According to the results from this study, the suggestions as follows can be proposed for researchers:

Implementing this study once more based on other performance indicators such as Fast delivery to customers, precision at doing tasks, responsiveness to customer needs and expectations on the relevancy between automotive and customers expectations and other performance sub-indicators dedicated to deputy of Marketing and Sales.

According to survey studies before carrying out this study, it was specified that performance of deputy of Marketing and Sales can be attributed as a sector of the whole Iran Khodro Company, impact of Macroeconomic Policy Management on removing or adding products and Product proliferation can severely influence deputy of Marketing and Sales. Hence, if the effects of these confounding variables be under control of performance of deputy of Marketing and Sales, the possibility of access to better outcomes would come to realize. It is recommended to carry out this study once more in a 5 years so as to investigate the procedure undergoing the impact of implementing strategy on performance of deputy of Marketing and Sales. It is recommended to form teamwork so as to provide a plan to cope with barriers to implement strategy in deputy of Marketing and Sales within Iran Khodro Company, giving assistance to this deputy to move forward to go through implementing the strategy effectively.

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