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Research Article

International Business Firms and New Marketing Strategies

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Abstract: New global market conditions and widespread environmental changes, coupled with the demands of a new generation of customers, have led business firms to adopt new approaches. The present study seeks to study new marketing strategies used by the international business firms. The research was formulated using a qualitative research method in the handmade carpet industry of Iran and studied 23 business firms. The required data for the research were collected through interviews and analyzed by theme analysis method. Research findings show that managers of well-known brand firms are more likely to pursue innovation-driven strategies, and two new approaches have been used more by them introduces as co-creation and coopetition strategies. Finally, the research findings have led to the introduction of a new kind of strategy prioritization.
Keywords: Co-creation, coopetition, Innovation, Iran carpet industry, Brands.

INTRODUCTION

New global market conditions and widespread environmental changes, coupled with the demands of a new generation of customers, have led business firms to adopt new approaches. Strategic learning concept has led firms to adopt new strategies to overcome environmental uncertainty (Bouncken & Fredrich, 2016).

On the one hand, firms are leaning towards innovation (Tajeddini,2010), and on the other hand, innovation has been introduced into the literature of this field with strategies such as strategic alliances (Robson *et al.,* 2006), value co- creation (Buhalis and Sinarta, 2019), co-production (Ayer *et al.,* 2007),co-branding (Washburn *et al.,* 2000) and coopetition (Raza-Ullah and Bengtsson, 2018). Therefore, these new approaches are visible in this field that are based on innovativeness.

Innovativeness, co-creation, coopetition and other co-strategies had been studied more and more by researchers and consequently more aspects of these strategies have been revealed.

in on hand there is any research about mentioned strategies together and simultaneously by empirical researchers and how businesses firms use strategies, which is the main research gap in this area.

The important thing that remain as a Meaningful gap here is how top business executives prioritize these new strategies? And how they use strategies in a time period? On the other hand, there is no research report on how these strategies are prioritized by business managers.

The present study examines how brands are using modern marketing strategies and the main focus of the research is on the three strategies mentioned above and finally, we will prioritize these strategies and provide a continuum for use by business executives.

In the present study, we attempt to answer the following questions.

1. Given the new paradigms, which is marketing strategies use by brand executives in their current business environment?
2. How is the prioritization of these strategies?

An important contribution of the present study is to examine three new marketing strategies simultaneously in one field and on the other hand introducing a new type of strategy in this context will be another.

The results of this study can be useful for business managers and future researchers in this field.

Research Literature

Given the prevailing market environment, a variety of business firms, from small start-ups to international and global corporations, have seen the role and importance of the customer as a valuable resource for growth and survival in the competitive arena. In fact, business managers are well aware that engaging customers in every part of the process from production to distribution and development requires, because on the one hand, it led to a strong presence in the market and on the other hand will follow increasing in the general business performance.

The school of innovativeness has led to the emergence of new business strategies. And service dominant logic (SDL) is One example of this claim (Lusch & Nambisan, 2015).

Organizations operate in a dynamic environment where their lives depend on interacting with other actors in this area and referred to as the business ecosystem. Value in this field is a key element in achieving engagement with customers and stakeholders. Service, the basis of well-known exchanges, and material products are defined as a means of delivering a widespread service, a service to meet a need because the customer is always involved in creating value, and an organization alone cannot create value, organizations are only values Suggestions can be made that are meaningful in use. To get a good understanding of the business environment, we need to identify the actors. A value network consist of different actors as shown below. These actors have been identified based on game theory in the business world.

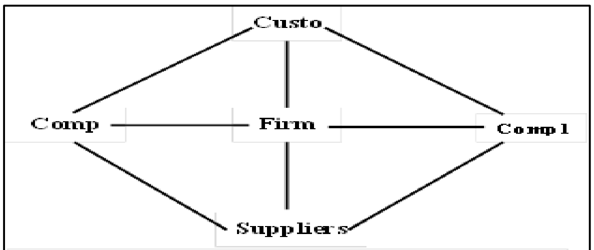

Figure 1: The actors of the value network

The dominance of service and innovation-center in today's business world are illustrated below. For being innovative in current situations, firm mangers should try to create value for all of their stakeholders and for this matter they need to chosse new strategies.

Co-Creation

To keep today's generation of customers satisfied, there is no other way than to engage them in value-creating processes. This strategy is called value co-creation.

Value co-creation is defined as the process of creating value shared between the organization and the customer but with different goals (Jaakkola, and Alexander, 2014).

In another definition, co-creation is shared value by the organization and the customer throughout the processof value creation (Vargo, and Lusch, 2004).

Therefore, many successful brands in the world, instead of focusing on mere advertising and spending a lot of money on this area, have turned their attention to more customer interaction and this is rooted in today's generation of marketing features.

Therefore, customer interaction and communication can speed up the organization's adaptability to changes in the competitive environment. In other words, unlike traditional marketing practices, value co- creation involves the customer being part of the firm during the interaction process and As a result, it provides value beyond the consumption of goods and services (Paralad & Ramaswamy, 2004).

On the other hand, based on value co- creation basis, Organizations understand customer as a strategic partner of the firm, not an out-of-organization element, and thus the firm will be able to acquire the customer's capabilities, knowledge and skills, achieve sustainable competitive advantage (Zhang *et al.,* 2014).

Strategic Alliances

Another group that should be considered in a business ecosystem is the competitors of the firm.

Generally the types of relationships between firms can be classified into four types of relationships: coexistence, competition, cooperation, and coopetition (Bengtsson & Kock, 2000).

Coexistence means the absence of any interaction between companies, and the goals of each firm are set independently of the other company. Collaboration occurs when companies collaborate on information, resources, or social exchange. Companies have common goals and the scope of the difference between each individual goal is limited. In other words, cooperation is seen as a relationship in which both parties share resources or opportunities or use it as a lever to increase mutual benefit.

In fact, strategic alliances are agreements between two or more companies that unite to pursue a set of goals that are agreed upon but remain independent (Johansson, 2008). These definitions have referred to strategic alliances as the exchange or sharing of management resources. According to another definition, strategic alliance is a partnership agreement between two or more organizations seeking to improve their competitive position and performance through shared resources (Ireland, 2002). Elsewhere, strategic alliance is defined as: partnerships of two or more business units or more to achieve the important strategic goals that partners mutually benefit from (Villeen & Hanger, 2000). Strategic alliance means a formal or informal long-term agreement between two organizations and more while each of them maintains its independence (Beitran *et al.*, 2002).

In general, the many and many definitions of strategic alliance can be described as the following:

Partnerships between two or more companies: Partnerships that aim to achieve the specific goals of the partners. Its purpose is to satisfy the needs and benefits of both parties.

- Cooperation in various forms is based on a contract or agreement.
- Collaboration between real or potential competitors and organizations in different aspects.
- Non-intervention and reversible forms of co-operation where the core activities of companies remain independent.
- Long-term cooperation but within a specified time frame.
- Partnerships involving mutual investment or the specific type of activity that the partners are involved in.
- Partnerships that include the right mix of resources, competition, skills, and tools from both sides to achieve the goal are essential.
- Collaboration that enables partners to prepare for a coalition or acquisition of some area of activity or the whole company.

Coopetition

In the late 1980s, strategic studies began to develop a new perspective that sought to establish cooperative relationships between firms rather than the paradigm of competitive interactions, and this paradigm change, shifted from a win-lose to a win-win approach. ", Coupled with the integration of heterogeneous resources, skills, and abilities to justify firm performance improvement (Dyer & Singh, 1998). Strategy literature, however, was still focused on competitive relations or partnerships. Assuming that, like water and oil, the two categories of competition and cooperation do not intermingle (Gomes-Casseres, 1996). This new type of strategy called coopetition (Bengtsson & Kock, 2000).

Why this strategy has emeged into the literature of strategic management and business economics has been attributed to the weaknesses of two competing and cooperative strategies that over time have shown themselves to senior executives and researchers in their respective fields. In other word, in the past, the theory of competition and cooperation was considered as two different research streams. Inspired from this perspective, competitive advantage can also come about when companies gain a favorable position in an industry or deploy all of their core capabilities. In this way, they will be able to offer better products to their customers than competitors (Prahalad & Hamel, 1990). But today, business success requires companies to pursue both competition and cooperation strategies at the same time (Lado *et al.*, 1997). Because in the competition paradigm, there is no room for the likelihood of positive performance impacts on interdependence and cooperation is seen as a market failure that impedes competition between firms. On the other hand, in the perspective of cooperation, the dynamics of competition are underestimated and treated as negative effects because they may increase the risk of knowledge overflow or learning contest (Padula & Dagnino, 2015; Brandenburger and Nalebuff, 1996).

Co-Marketing

Another cooperation-centric and inter-firm strategy in today's world is co- marketing strategy. Co-marketing alliances between firms afford new opportunities for both sides (Bucklin & Sengupta, 1993). According to the provisions of this strategy, firms carry out some of their marketing activities jointly in the form of a partnership agreement.

Co-Branding

Another new strategy that senior executives tend to focus on is co-branding. Another new strategy that senior executives tend to focus on is co-branding. Co- branding is a marketing cooperation between at least two different brands which are independent providers of goods or services. Co-branding, defined as pairing two or more branded products (constituent brands) to form a separate and unique product (Park *et al.*, 1996).

For the production and development of new products, companies need different resources that grow and develop quantitatively and qualitatively. These resources can be intellectual property, human resources, technical knowledge, and so on. It is difficult for any small and medium-sized firm to have all these resources needed. In fact, if a small and medium-sized firm strives to have all of these resources, it may also hit its core capabilities. Co-development is a framework where multiple companies invest their technical resources to develop technologies or products based on a mutually agreed schedule and specifications. Partner companies provide different resources and these different resources are considered as joint development inputs, and both companies benefit from outputs such as new products and services (Yasuda, 2005).

RESEARCH OBJECTIVES AND METHOD

The steps for collecting and analyzing data, or the process for doing research in general, are shown below. In the first part of the work, a review of the literature was used to identify new business strategies and an initial set of strategies was developed.

Then the interview protocol was designed and after identifying the leading brands of Iranian handmade carpet industry (based on their export performance and domestic sales over the past 5 years on the one hand and also documents available in government agencies related to Iran's top brands and exporters on the other), 23 firms were selected through purposeful sampling for interview. The interviews were semi-structured and the senior managers of the firms were selected for the interviews. The research method used in this study is multiple case study and for data analysis, theme analysis method was used as analysis tool. Fuzzy Delphi technique has also been used after identifying the main themes to objectify them and increase its validity and reliability. In other words, the main themes extracted from the interviews were distributed through a questionnaire among 46 experts in the field.

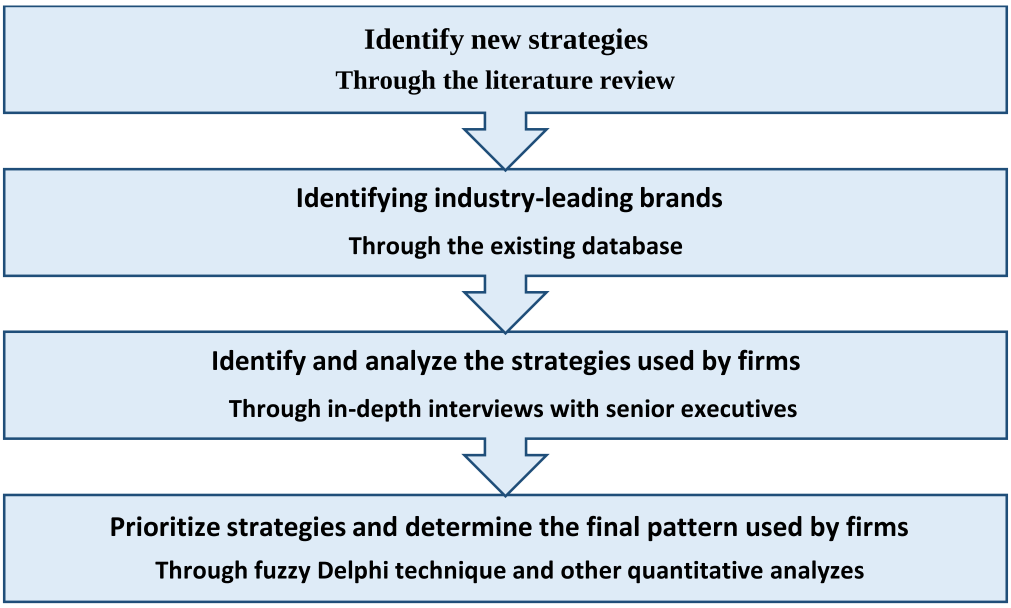

Figure2. Methodology and stages of research analysis

Data Analysis

The six-stage method of Clark & Brown (2006) was used to analyze the theme in the present study.

Table1. Theme Analysis process

Sub-themes	The main themes
Emphasis on customer demands Customer-friendly design of goods and services	Customer Orientation
Constant effort to design and create new features Continuous efforts in the field of packaging innovation, advertising and promotion	Innovativeness
Collaborate with competitors in R&D Collaborate with competitors in sales Collaborate with competitors to invest in new projects	Strategic alliances
Using customer ideas to design a new product or service Apply innovative customer feedback on existing products or services	CO-creation

Collaborate with other companies active in the industry and design a new brand or logo to continue cooperation Using part of a brand or partner logo to design a new brand	Co-branding
Cooperate with competing companies in parts of the value chain Cooperate with competitors in support areas and compete with them in customer areas	Coopetition
Doing some marketing activities with other companies Performing corporate advertising activities with the help of specialized advertising companies	Co-marketing
Designing parts of R&D activities in collaboration with other industry agencies Design new development plans in collaboration with knowledge-based small companies that have specific ideas in this area	Co- developing
Collaborate with other companies in the industry on p Collaborate with other industry players in designing general industry policies ricing within the union	Co- decision making

As the table above shows, the research data is categorized into nine main themes. After designing the main themes, the sub-items were distributed in a seven-item questionnaire with eighteen questions between forty-eight academics familiar with the industry and the strategies outlined above, and finally thirty-six questionnaires were returned to the researcher in full. A seven-phase fuzzy spectrum for evaluating indices, is presented in the below table.

Table 2: Seven-phase spectrum for the evaluation of indices

	Fuzzy variable	Fuzzy Number Scale
Quite unimportant	$\tilde{1}$	(0, 0, 0.1)
Very unimportant	$\tilde{2}$	(0, 0.1, 0.3)
Not important	$\tilde{3}$	(0.1, 0.3, 0.5)
Somewhat important	$\tilde{4}$	(0.3, 0.5, 0.75)
Important	$\tilde{5}$	(0.5, 0.75, 0.9)
Very important	$\tilde{6}$	(0.75, 0.9, 1)
Quite important	$\tilde{7}$	(0.9, 1, 1)

The Delphi technique was repeated in two rounds, and once the mean of the questions came together, the survey process was stopped. If the difference between the two steps is too low than threshold (0.2), Delphi process will stop. The summary of the Delphi results is shown in the following table.

Table 3: Delphi Rounds and End of Expert Survey Process

Indicators	Round 1 result	Round 2 result	difference	result
Item 1	0.741	0.790	0.049	Agreement
Item 2	0.928	0.908	0.021	Agreement
Item 3	0.731	0.817	0.085	Agreement
Item 4	0.932	0.897	0.035	Agreement
Item 5	0.752	0.844	0.092	Agreement
Item6	0.761	0.773	0.012	Agreement
Item 7	0.925	0.925	0.000	Agreement
Item 8	0.904	0.904	0.000	Agreement
Item 9	0.803	0.808	0.005	Agreement
Item 10	0.918	0.894	0.024	Agreement
Item 11	0.932	0.897	0.035	Agreement
Item 12	0.932	0.915	0.017	Agreement
Item 13	0.744	0.774	0.029	Agreement
Item 14	0.776	0.868	0.092	Agreement
Item 15	0.890	0.890	0.000	Agreement
Item 16	0.896	0.875	0.021	Agreement
Item 17	0.892	0.892	0.000	Agreement
Item 18	0.733	0.769	0.037	Agreement

Prioritize Strategies

After identifying the strategies and finalizing them, the strategies were prioritized.

Table 4: Prioritize identified strategies

High Importance Low Importance	**Q1** Co-branding Strategic alliances Co- decision making	**Q2** Innovativeness Customer Orientation Co- creation Coopetition
	Q3-	**Q4** Co-marketing Co- developing
	Low performance	High performance

Area of weakness (Q1): The factors that matter most are action.

Eligible Area (Q2): There are factors whose average status in the questionnaire is evaluated by senior, middle and upper-middle managers, and their importance to middle and upper-middle managers.

Area of indifference (Q3): Factors whose average status in the questionnaire is rated low or very low by officials and also by their importance as low or very low.

Dissipation Area (Q4): There are some factors that mean their current status in the questionnaire is rated as moderate, high and medium, and their importance is low or very low. The following table identifies strategies based on the importance-performance matrix and evaluates strategies based on their viewpoints.

Convergent validity is also calculated. Whenever one or more features are measured by two or more methods, the correlation between these measurements provides two important indicators of validity. If the correlation between the scores of the tests that measures the unit attribute is high, the questionnaire has convergent validity. For convergent validity, mean extracted variance (AVE) and composite reliability (CR) were calculated. The following relationships should be established:

CR> 0.7
CR> AVE
AVE> 0.5

Cronbach's alpha for all variables was greater than 0.6 so all variables were confirmed for reliability. The mean value of the variance extracted (AVE) is always greater than 0.5, so convergent validity is also confirmed. The composite reliability (CR) value is also greater than the AVE.

Therefore, it can be safely asserted that prioritizing the strategies identified by the research managers is correct.

Discussion and Conclusion

In the present study, new marketing strategies used by Iranian handmade carpet firms were investigated. As mentioned, innovation-centric and customer-centric are introduced as the basic strategies and strategic foundation for managers. In other words, business executives should first put the innovation-centric approach at the forefront of the work to pave the way for other members of the value chain to collaborate with them.

The customer can then be put into the value chain and used in the value creation process. In other words, managers at this stage can enter into the customer engagement phase. Finally, enterprise managers can collaborate with other firms active in the industry and their competitors in the industry and participate in the value creation process.

Generally, the 9 main strategies identified in the present study.

And finally, they were prioritized through the importance -performance matrix. Given the prioritization of managers, it is best to put innovation-centricity first, then the customer enters the value chain, and finally other firms and competitors of the firm.

Therefore, the findings of the present study are in line with the principles of service dominance logic and proponents of innovation school, and in this respect the importance of innovation in today's business world becomes more apparent.

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