

## Research Article

### Investigating the Meditative Role of Innovation Orientation and Marketing Capabilities between the Competitive Intensity and Customer Relationship Performance

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**Abstract:** This study aims to test a conceptual model which shows the impact of marketing capabilities and innovation orientation on customer relationship performance. This study is placed in the group of descriptive survey research. According to the fact that the expected results can be applied to the ways of dealing with customers, this research can be considered an applied study. This research is also a kind of correlative study since the relationship between variables is examined by using correlation coefficient. It was found that expected competitive intensity impacts on both marketing capabilities and innovation orientation. Further, marketing capabilities and innovative orientation underlie customer relationship performance of firms. A key limitation of this study is that the questions about customer relationship performance are answered by employees. The result of this study suggests that firms should be prepared to take advantage of their innovation and marketing capabilities especially when they face high competitive intensity. Researchers proposed a model according to the theoretical framework and research objectives. The findings of this study suggest that bank managers will find opportunities and they will play an important role in strengthening marketing capabilities and customer relationship performance.

**Keywords:** Competitive intensity, customer relationship performance, innovation orientation, marketing capabilities

## INTRODUCTION

Banking industry has undergone major changes in various countries due to changes in the technological developments and organizational structures. The need to keep up with these environmental changes has made this industry to establish its credibility based on long term and effective relationships and this way there will be a guarantee for its survival. Nowadays the national banks are forced to gain and maintain sustainable competitive advantage in order to actively participate in the competitive markets and succeed in the domestic market. Because of this effect on the intensity of growing competition, banks are directed to recognize their abilities and capabilities in the field of marketing and to create new innovations. Therefore the most important purpose of this research is to investigate theoretical stability upgrade, external validity and the expansion of the previous scientific findings regarding the abilities and capabilities of marketing and innovation-orientation in the national banks. This study emphasizes the effects of competition on the marketing capabilities, innovation-orientation and their impact on performance of customers in the banks. Therefore banks can be more flexible in market changes through the identification and implementation of dynamic capabilities which eventually led them to improve their

performance in modern innovations. We would like to propose a path for industry executives and managers of this field and acquaint them with related perspectives. Marketing can find its true meaning, value and actual position in the banking system when the owners and bank managers believe in the marketing objectives, responsibilities and achievements and consider them in nature of the activities and banking services (Rousta, 2008). External environmental conditions have great effect on different levels of organization (Ruekert *et al.*, 1985).

Since competitive intensity has considerable impact on organization, it makes sense to believe that fluctuations of competitive intensity for improving various performances force organizations to be innovation-oriented and to identify abilities and capabilities in order to be effective in marketing (Ruekert *et al.*, 1985). Thus the key factor for an organization is to recognize the abilities which provide continuous competitive advantage. To continue these capabilities they should be difficult to imitate and they should also support business strategy Organization (Day and Wensley, 1988). Moreover, resource-based theory suggests that heterogeneity in organizational performance occurs due to the different sources of productivity. The ability of an organization is defined like this: Organization ability is to use organization

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resources (input) and access to the desired goals (output) (Dutta *et al.*, 1999).

As far as marketing strategy and dynamic capabilities are concerned with marketing, resources and capabilities should be bonded with other complementary capabilities and competitive advantage should be created and maintained (Menguc and Auh, 2006). Dynamic capabilities are aimed at process management and organization, creativity and coordination, reclassification and transfer of resources (Teece *et al.*, 1997). Marketing capabilities of an organization are an indicative of an organization's overall marketing knowledge and staff skills. Marketing organization that leads to customer satisfaction ultimately creates better performance for organization (Day, 1994). Therefore many theorists view source-oriented employees as a key element for an organization to create, strengthen and sustain financial outcomes (output) as well as valuable marketing. Marketing capabilities by Vorhies *et al.* (2009) based on specialization and division structure are divided into two categories. While the expertise of marketing activities includes marketing communications, personal selling and pricing, a structural capability for effective use of marketing activities expresses components of marketing cooperation.

It is believed that the performance of management-customer orientation must be measured in terms of customer behavior, because customer behaviors are the main source of value identification for given customers in the organization and make it possible to increase revenue sources which are related to existing and future customers (Shahraki, 2010).

The review of literature related to this subject area show that consideration of organization different abilities in January 1994 is under discussion and the impact of various issues on that is measured. In this research we will try to evaluate the effect of competitive intensity on marketing and innovation capabilities in the banking environment. We also will emphasize that to what extent marketing capabilities, innovation and effective use of them in different situations in bank branches can be effective in establishing and maintaining effective relationships with customers. Pursuant to the above, we conduct this research to respond to the following questions:

- What are the effects of the intensity of competition on identification and application of marketing capabilities in banking environment?
- What is the effect of competition on innovation oriented banks?
- What are the effects of marketing capabilities and innovation orientation on customer relationship performance?

Given that in today's marketing literature knowledge about marketing plays a critical role in the success of the companies; therefore, it appears that this issue is of great importance and concerned organizations and companies can use it to expand their function to the highest level. In this study we develop a theoretical idea of competition and recognition of severe impact on marketing capabilities and innovation-oriented banks by using the experimental results of this research and their integration with previous findings.

The scientific aim of this study is to investigate the effect of competitive intensity on the capabilities of marketing and innovation-orientation. Further the effect of competition intensity on marketing capabilities and innovation-orientation will be measured in terms of the performance of customer relationship.

## LITERATURE REVIEW AND HYPOTHESES

**A study framework for competitive intensity:** A considerable amount of literature has been published on competitive intensity. In this study competitive intensity was purposed the level of competition within the environment which leads to generating a dynamic and uncertain operating environment (Griffith *et al.*, 2012).

Rumelt in 1984 claimed that A firm's competitive position is defined not only by a bundle of unique resources but also by relationships (Sheng-Hsiung and Chih-Hung, 2011).

Barnett (1997) demonstrated that competitive intensity at firm level is the effect that a firm has on other firms' persistence chances (Griffith *et al.*, 2012).

The significance of this is that firms within an industry compete differently depending on their resources and their competitive efforts. The subsist of stronger competitors is likely to increase competitive intensity and the actions that a firm takes in response (Griffith *et al.*, 2012).

In addition, recent evidence argues that though some degrees of competition can provide pressures for greater efficiency, high levels of competition almost always reduce firm profitability (Scherer and Ross, 1990). This literature assumes that firms face identical levels of competition.

Many marketing scholars (Nelson and Winter, 1982) have attempted to explain that a firm's competitive intensity is influenced by its ability to gain market share with using its resources in the context of evolution and uncertain environments while faces challenges from other actors who make similar efforts (Griffith *et al.*, 2012).

Griffith *et al.* (2012) believe that this definition recognizes that some firms are more likely to exert

greater competitive pressures and affect the viability of competitors more significantly than others.

In 1992 Burt published a paper in which he described firms that face low levels of competitive intensity are more likely to attract potential partners, many of whom are facing higher levels of competitive intensity (Griffith *et al.*, 2012) and thus they will have more opportunities to take advantage of environmental chance.

Detailed examination of competitive intensity by Griffith *et al.* (2012) showed that firms face higher levels of competitive intensity as a result of lack in distinctive resources or the inability to utilize such resources.

A longitudinal study of competitive intensity by Vickers and Yarrow (1988) report that the degree of product market competition and the effectiveness of regulatory policy typically have rather larger effects on performance than ownership per se (Ramaswamy, 2001).

This stream of work largely supports this contention that private banks achieve superior performance outcomes in comparison to state owned banks. This leads to the conclusion that they are more flexible to environment changing in their competitive space.

Indeed, it might be argued that firms need to have greater desire to collaborate in order to reduce competitive pressures when facing high levels of competitive intensity.

Drawing on competitive intensity literature, we examine how marketing capabilities and innovation orientations relate to customer relationship performance. As well as, we consider the moderating role of competitive intensity.

Consequently we propose to test the following hypothesis:

**H1:** Competitive intensity is positively related to the innovation orientation.

And hence, it is hypothesized that:

**H2:** Competitive intensity is positively related to the marketing capabilities.

**A study frame work for innovation orientation-customer relationship performance:** While a variety of definitions have been presented for innovation, this study will use the definition suggested by Dewar and Dutton (1986) who saw it as an idea, practice, or material artifact perceived to be new by the relevant unit of adoption (Zhang *et al.*, 2013).

The first serious discussions and analyses of innovation emerged during the 1950s by Schumeter.

In recent decades research clearly shows that after the rapid advances being made in science and technology, innovation has become a key concept (Zhang *et al.*, 2013).

According to the best available definition of innovation, Knight (1967) has argued that innovation is the adoption of a change that is new to both an organization and to the relevant environment (Zhang *et al.*, 2013).

Categorized innovation is divided into four types which are: product-service innovation, product-process innovation, organizational structure innovation and people innovation (Zhang *et al.*, 2013).

Previous researches (Drucker, 2002; Hurley and Hult, 1998) have reported that an important driver of innovativeness is identified as market knowledge (Carrillat *et al.*, 2004).

Dewar and Dutton (1986) sorted innovation into two bodies: radical innovation and incremental innovation (Zhang *et al.*, 2013).

Chandy and Tellis (1998) sorted innovations into four descriptions: incremental innovations, market breakthrough innovations, technology breakthrough innovations and radical innovations (Zhang *et al.*, 2013). We emphasize that Oslo definition as well:

"Innovation is the implementation of any new or significantly improved product (goods or services), operational processes (methods of production and service delivery) and any new marketing methods (packaging, sales and distribution methods), or new organizational or managerial methods or processes in business practices, workplace organization and external relations" (Gronum and Tim, 2012).

Numerous studies (Drucker 2002; Gatignon and Xuereb, 1997) have attempted to explain that A firm's innovative culture results from a conscious and purposeful search for innovative opportunities (Carrillat *et al.*, 2004).

Hunt (2002) convincingly argues that organizational learning and innovate capacity result in acquiring resources that may constitute a differential advantage (Carrillat *et al.*, 2004).

An evolving architecture of research on innovation argued that innovation effects based on consumer response is a prerequisite for adoption and most of them just consider consumer's perspective on the innovative product itself (Zhang *et al.*, 2013).

In order to increase firm's innovative capabilities firms can leverage their innovations by securing business opportunities in those markets (Horitinha *et al.*, 2011).

In the history of development for innovation orientation firms have been thought about how to manage their resources as a key factor.

More recently literature has known that the interplay of three elements have an important role on capacity innovation. These elements are as the following:

- The propensity to take risk
- The extent to which risk taking fosters innovativeness
- The ability to manage risk through interactive organization

Numerous authors (Christensen and Bower, 1996; Hamel and Prahalad, 1994; Im and Workman, 2004) have attempted to explain that if firms focus on customer too much they may lose their innovation competences. Horitinha *et al.* (2011) Related to these arguments is the critique that (Gatignon and Xuereb, 1997; Kleinschmidt and Cooper, 1991; Zhou *et al.*, 2005) as customers are not sufficiently familiar with technological trends and market, experts who rely on customer more than necessary may lose technological opportunities and because of that they may get stuck in developing incremental innovations and conversely more than necessary technology orientation may lead to unsuccessful innovation (Horitinha *et al.*, 2011).

We saw in the above definition that innovation orientation influences the customer relationship performance.

Various measures for innovation-customer relationship performance by Geroski and Machin (1993) have argued that the marginal effects on corporate profitability continue to increase as the number of innovation objectives rises, indicating that higher innovation extends benefits profitability. This view is supported by Dahlander and Gann (2010) who maintained that various measures for innovation are employed in empirical studies, including innovation Extention which has been shown to underpin firm performance (Gronum and Tim, 2012).

Finally empirical results of innovation-customer relationship performance consequences show that (Kumar and Scheer, 2000) innovativeness occurs either in terms of value proposition made to customers or in terms of business systems uniqueness used in the creation, production and delivery of value (Carrillat *et al.*, 2004).

We therefore propose that:

**H3** : Innovation orientation is positively related to the customer relationship performance.

**A study frame work for marketing capabilities-customer relationship performance:** While a variety of definitions have been suggested for capabilities, this study will use the definition suggested by Amit and Schoemaker (1993). They emphasized that capabilities are the ability of firm to effectively use resources in order to achieve its goals (Nguyen and Nguyen, 2011).

Collis (1994) commended on organizational capabilities, he considers it as the firm RBV (resource based view) for being a source of sustainable competitive advantage (Akroush, 2012).

Several studies (Barney, 1991; Teece *et al.*, 1997; Eisenhardt and Martin, 2000) have revealed that a firm will enjoy competitive advantage if it has the ability to create new resources and capabilities that are valuable, rare, not easily substitutable and immovable (Nguyen and Nguyen, 2011).

Day (1994) identifies Marketing capabilities. His research demonstrated that Marketing capabilities represent the accumulated knowledge and skills of firm's marketing staff that are utilized to create customer satisfaction outcomes and ultimately firm performance (Linda *et al.*, 2011).

During the last 20 years much more definitions have become available on marketing capabilities. One of these definitions is that they are firm-specific and provide superior market sensing, customer linking and channel bonding capabilities and as a consequence they can be a key factor to succeed in markets (Blesa and Ripolles, 2007).

Day (1994) identified three concepts of marketing capabilities:

**Outside-in capabilities:** Skills and ability which are used by the firm to have more effective market operation.

**Inside-out capabilities:** Concentrate on internal abilities such as cost control, technology, financial management.

**Spanning capabilities:** The capability to integrate inside-out and outside in capabilities.

In this research the classification of Vorhis and Morgan is taken into consideration for marketing capabilities. Vorhies *et al.* (2009) introduced 6 groups of marketing capabilities which are: Pricing capabilities, product capabilities, distribution capabilities, marketing communications capabilities, selling capabilities and market planning capabilities.

Many historians have highlighted the contribution of such capabilities in satisfying customer needs (Akroush, 2012).

Resent evidence suggests that three adaptive firm's capabilities are necessary:

- Alert market learning that enhance deep market insights
- Adaptive market experimentation that continuously learns
- Open marketing that forges relationship (Day, 2011)

Day (1994) suggested that market knowledge is fundamental and important for improving marketing capabilities. Data from several sources have identified that market knowledge development refers to a firm's knowledge-producing activities focused on understanding the market. These activities include

market knowledge acquisition, analysis and distribution (Vorhies *et al.*, 2011).

The process of building a marketing asset is when marketing managers make walled communication with their customers.

Finally many historians (Krasnikov and Jayachandran, 2008) have argued the impact of a firm's marketing capabilities on performance. As noted above, Srivastava *et al.*, (1998) conceptualized market-based assets impact on customer relationship performance and maintaining firm's customers. In other words, Srivastava *et al.* (1998) strongly claim that with deployment of assets that can focus on building and sustaining relationships with customers (Vorhies *et al.*, 2011).

Consequently we propose to test the following hypothesis:

**H4:** Marketing capabilities are positively related to the customer relationship performance.

### CONCEPTUAL MODEL

The variables and indicators were identified for investigation according to library studies and documents and previous researchers' findings. Therefore, researchers proposed a model to investigate and test according to the theoretical framework and research objectives. The proposed model is shown in Fig. 1.

**Research methodology:** By considering that social phenomena are complex and each phenomenon is not only unique but also requires investigation from different perspectives, a phenomenon cannot be investigated with a unique approach or we can't prefer one method over other methods. Each approach should be used in its own place and time.

It can be noted that this study is an exploratory research because our aim is to describe patterns or relationships between variables of competitive intensity, innovation-orientation, marketing capabilities and customer performance.

Due to this fact that the relationship between variables is analyzed based on the aim of research, this study is placed in the group of descriptive survey researches. Also, this research is an applied study because expected results can be applied to the ways of dealing with customers. This research is also a kind of correlative study since the relationship between variables is examined by using correlation coefficient.

**Population and statistical sample and sampling:** In this study the total number of the statistical population are the staffs of banks' branches who are about 5,000 people. Due to the qualitative nature of research variables, the sample size is selected according to

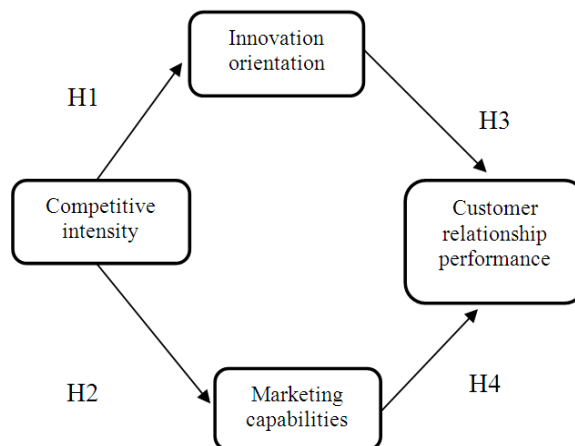


Fig. 1: Conceptual model

Morgan and Krejcie table. The sampling approach is simple randomization.

Finally 384 people totally were drawn from population as statistical sample. By considering that an extra 5% of subjects who either do not respond or their responses are incomplete, 404 questionnaires were distributed, among which only 400 questionnaires can be used.

**Research tools, validity and reliability:** In this study the questionnaire and field methods were used to collect primary data. The questionnaire was comprised of two main sections. The first section contained demographic questions which were related to investigated variables such as gender, age and work experience. The second section was related to research variables and conceptual model which included 37 technical questions. Indexing design was according to LIKERT SCALE.

Logical validity of questionnaires was confirmed by experts and scholars not only from two aspects of content validity and external validity (due to clearness and unambiguity of item), but also from the aspect of sufficient quantity and quality. The amount of alpha coefficient and C.V.R has been shown in the following Table 1.

The factor analysis techniques were used for validity. Each of questions had non zero loading factors based on factor analysis technique. The results of confirmatory factor analysis showed that the loading factor of all research questions is greater than 30/0 and the fitness indicators are the sign of appropriate fitness of research tools. The appropriate fitness indicators for model are RMSEA, GFI and AGFI. In this case, the model has an appropriate fitness when the ratio of X2 to freedom degree (df) is less than 3, the amount of RMSEA is less than 1 and the amount of AGFI and GFI is more than 80% which has been shown in the following table.

Table 1: Validity and reliability estimates for the measures

	Number of questions	C.V.R	Coefficient alpha	Source
Competitive intensity	5	0.75	0.813	Jean <i>et al.</i> (2012)
Innovation orientation	5	1	0.822	Bill <i>et al.</i> (2011)
Marketing capabilities	17	1	0.879	Neil <i>et al.</i> (2009)
Customer relationship performance	10	1	0.822	Marios (2012)

Table 2: The correlation coefficient between variables

	Competitive intensity	Innovation orientation	Marketing capabilities	Customer relationship performance
Competitive intensity	1			
Innovation orientation	0.41**	1		
Marketing capabilities	0.51**	0.632**	1	
Customer relationship performance	0.262**	0.581**	0.547**	1

\*\* : Correlation coefficient is significant at 0/001 level

### METHODS OF DATA ANALYSIS

In this study, the Spearman Correlation Coefficient has been used to analyze assumptions due to the use of scale rating for measuring research variables. At the end the structural equation model has been used to investigate the overall fitness of research model.

In the structural equation model, on the one hand the adaptation of research data and conceptual model will be discussed in order to understand whether the model has an appropriate fitness and on the other hand the significance of relationships in the fitness model will be examined. The appropriate fitness indicators of model include  $X^2$ , RMSEA, GFI and AGFI. In this case, the model has an appropriate fitness when the ratio of  $X^2$  to freedom degree (df) is less than 3; the amount of RMSEA is less than 1 and the amount of AGFI and GFI is more than 80%. Statistical soft ware's such as SPSS and LISREL have been used for these analyses.

**Data analysis:** Correlation analysis was applied in order to identify significant relationships between model variables, therefore items' mean has been used. The results of correlation analysis can be observed in Table 2.

As the results of correlation analysis demonstrate, there is significant relationship between the intensity of competition with innovation oriented and between marketing capabilities and relationship performance with customers.

According to the assumptions, the existence of direct and significant relationship between variables was considered. Therefore, the considered assumptions will be investigated by using structural equation modeling.

**The explanation of customer's relationship performance based on effective factors:** Since the customer relationship performance and predicted variables were assessed quantitatively thus, step by step multiple regression will be used.

According to the information obtained from tables <<3>> and <<4>>, it is considered that all predicted variables (the intensity of competition, innovation

orientation and marketing capabilities) have been remained in model. The correlation coefficient is equal to  $R = 0/862$  and the determination coefficient has been obtained  $R^2 = 0/391$  and  $R^2 = 0/387$ . According to the amount of variance analysis which is equal to  $F = 93/205$  and  $p = 0/00$ , it is concluded that regression is linear and the Beta coefficient of intensity of competition, innovation oriented and marketing capabilities are equal to  $0/524$ ,  $0/305$ ,  $0/264$ .

Generally there is a direct relationship between the variables of the intensity of competition, innovation-oriented and marketing capabilities with the customer's relationship performance.

The equation of the linear regression model is as the following:

$$\text{Degree of customer relationship Performance} = 1.935 + 0.524 (\text{Competitive intensity}) + 0.305 (\text{Innovation Orientation}) + 0.264 (\text{Marketing capabilities}).$$

### The compilation of structural equation causal model to explain customer relationship performance:

In order to determine the performance of customer's relationship, at first step by step multiple regression was used. After calculating the partial coefficients and part coefficients of independent variables which are obtained from Table 3 and 4, it was found that all variables which were present in determining the performance of customer's relationship (the intensity of the competition, innovation and marketing capabilities) remained in regression model. We use the structural equation for hidden variables since all remained variables in the model are structural variables which have multiple dimensions and components.

Based on the analytical model of research, it was determined that there are one external structure and three internal structures in the model.

Table 3: Model summary

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	S.E.E
1	0.41 <sup>a</sup>	0.168	0.165	0.628
2	0.626 <sup>b</sup>	0.391	0.387	0.417

a: Predictors (constant), competitive intensity; b: Predictors (constant), marketing capabilities, innovation orientation and competitive intensity

Table 4: Predictive modeling of customer relationship performance

Model	Unstandardized coefficient		Standardized coefficient		
	B	S.E.	$\beta$	T	Sig
(Constant)	1.925	0.258		7.45	0.000
competitive intensity	0.481	0.063	0.410	7.67	0.000
(Constant)	1.935	0.160		12.1	0.000
Competitive intensity	0.524	0.052	0.510	10.110	0.000
Innovation orientation	0.305	0.046	0.393	6.642	0.000
Marketing capabilities	0.264	0.052	0.298	5.039	0.000

Table 5: Partial least squares results for the proposed model

Hypothesis	Parameter	t-value
Innovation orientation → Customer relationship performance	$\beta_3 = 0.42$	4.5
Competitive intensity → Innovation orientation	$\beta_4 = 0.33$	2.5
Competitive intensity → Innovation orientation	$\gamma_1 = 0.76$	6.53
Competitive intensity → Marketing capabilities	$\gamma_2 = 0.87$	7.23

Model fit indices

RMSEA = 0.009; p-value = 0.000; Chi-square = 359.41; df = 148; AGFI = 0/85; GFI = 0/91

The first hypothesis measures the relationship between competition and innovation. Based on the results ( $\gamma_1 = 0.76$ ,  $t = 2.91$ ) the intensity of competition has an impact on innovation. In the second hypothesis of research, the relationship between the intensity of competition and marketing capabilities are investigated and the results of analysis ( $\gamma_2 = 0.87$ ,  $t = 7.23$ ) confirm this hypothesis. The third hypothesis examines the significant relationship between innovation and customer relationship performance and the results ( $\beta_3 = 0.42$ ,  $t = 4.5$ ) demonstrate the significant impact that innovation has on customer relationship performance. The fourth hypothesis measures the relationship between marketing capabilities and customer relationship performance and based on the results ( $\beta_4 = 0.33$ ,  $t = 2.5$ ) marketing capabilities has an impact on customer relationship performance. The summary of research results has been given in Table 5.

According to the testing,  $K^2$  has been obtained 359/41 for determining the accuracy of structural equation model in a significance level of  $P = 0/000$ . It demonstrates that presented structural model has necessary fitness and can explain the customer relationship performance which is the final internal hidden variable. Also, the amount of RMSEA is equal to 0/009 and this number is smaller than 0/1; therefore, it can be claimed that the structural model has necessary fitness and validity and obeys a structural causal model. Meanwhile the likelihood of GFI and AGFI models is equal to 0/91 and 0/85, respectively which represents the likelihood of Gammas, Betas and Lambdas' coefficients and it can be generalized to the statistical population. This shows that the presented structural model has the least external error of the model.

## CONCLUSION AND RECOMMENDATIONS

Table 5 obtained by the use of results of Table 3 and 4. Moreover, Fig. 2 which shows the relationship between variables of the research is obtained by the

results of Table 5, that is result of structural model of analysis.

Perhaps this article can be a pathfinder for other organizations which are both small and big. Therefore, we deduce and discuss about the findings of this research. This general impression is justifiable that the intensity of competition in the competitive environment of organization has an impact on its performance and allocation of its resources. This justification has led researchers to do this research. Therefore, organizations should identify their competitive position before any actions (especially when facing with fierce competition). The effective communication that organization establishes with its customers is one of these cases that can cause a boom in organization in competitive conditions. Therefore after organizations choose their target market and identify the appropriate position in the market, they should try to attract new customers who are loyal, expand innovation oriented capabilities in all aspects of their organization for loyalty and keep customers. Due to the first and second hypotheses which were confirmed in this study, another researcher's offer for organizations is to define inimitable competitive advantages according to the specific characteristics of organization which in this regard is to make innovative products and services. Also, it is necessary for organizations to allocate their resources efficiently. By confirming the third hypothesis of this research we come to this conclusion that innovation oriented has an impact on customer relationship performance and this relationship is one of the aspects of organization marketing functions which can be effective in overall performance of organization. Therefore it is recommended that a separate research to be done in order to investigate the impact of innovation oriented in all aspects of organization. Also it is in this case that the role of marketing capabilities and their application have already highlighted. Utilizing dynamic marketing capabilities can lead to organizational leadership in competitive marketing through its impact on relationship with customers. Thus, according to the

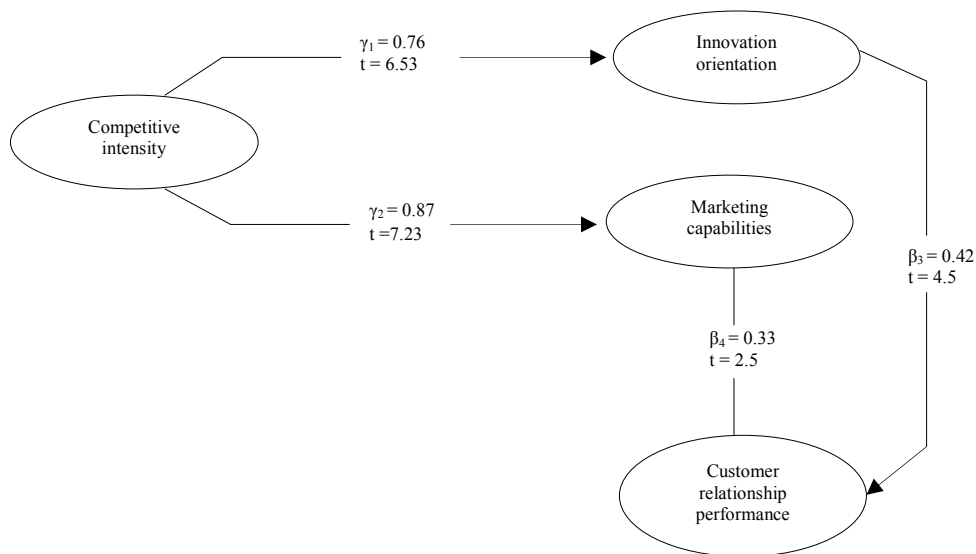


Fig. 2: Results of structural model analysis

fourth hypothesis of research it will be noteworthy that not only managers but also all the personnel of organization should employ marketing capabilities.

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