

Investigating the effect of service marketing mix on increasing the sales in Special Cooperative Company of Iran Khodro

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Abstract: According to the purpose, this study has done to investigate the effect of service marketing mix on increasing the sales in Special Cooperative Company of Iran Khodro. The research methodology in this study is descriptive - survey research. According to the purpose this study is applied research. Sample size based on number of population that it is 1000 people by using the sampling method of limited population has used that according to Cochran formula, 278 people was identified. Therefore, it can conclude that factors of service marketing mix components such as price, physical factors, advertisement, Human Resource, efficiency, and place and product effect on increasing the sales of Iran Khodro Special cooperative company and there is a positive and significant relationship and the results of priority has showed the most effectiveness rate located on sales rate. Priorities of marketing mixed factors components respectively include: efficiency factors, place, advertisement, process, price, physical factors, Human Resource, and finally the most effective is on the sale rate in Iran Khodro special cooperative company.

Keywords: Service marketing mix, sales, price, physical factors, advertisement, human resource, Efficiency, Process, place and product

Introduction

In the competitive situation of today market establishing an appropriate place in consumers' minds in a way that consumers remain loyal to the company is of significant importance. Nowadays Car manufacturers are under intense pressure from other competitors. Also due to the rapid growth of information and communication technology and unpredictable changes of market they are constantly in search of new markets, providing better services and new ways to increase their share of market. Today increasing growth of services has become a major trend in the world. Investments in services are so important that that today attracts a significant portion of consumer's financial resources to themselves. Financial system of service companies has a significant growth and comprises more than a fourth of international trade value. I between all this view and attention of service and production organizations to marketing is very important. Because no organization, either big or small, profit or none profit will not succeed without a correct marketing system. That group of organization that has accepted marketing principles and has based its plans and designs and programs on marketing mixed factors, will achieve positive results.

Problem statement

Modern institutes will not be able to survive without communication with consumers and knowing their opinions and their understanding of their performance. These institutes must know pricing methods very well to make their sell prices more appealing. Also through selecting the right distribution channels, they will try to make their products available for consumers. Advertising and product advancing, in a way that consumers obtain necessary information about these products and demand them, are other fields that these units must be aware of (Cutler & Armstrong, 1391, 59).

Investigations show that companies' unsuccessfulness comes from their inability in applying marketing techniques. These companies ignored markets evolutions and consumers consumption pattern changes, and instead of approaching advanced marketing, they attempted sales and they preferred higher profit gain over consumers satisfaction. At the same time marketing is a war, not a war with weapons and guns but, as "Albert Amry" puts it: Marketing is a civilized war which in most of them, companies and organizations are successful that use more favorable words, ideas and intellectual order, In other words, they have a cohesive and up to date marketing in order to take steps in competition ground and struggles. Composition of marketing fixed factors includes any measure that a company is able to perform for its product and to affect demand. These factors include:

product, price, distribution, promotion. These factors comprise the foundation of marketing activity (Cutler, 1385, 131).

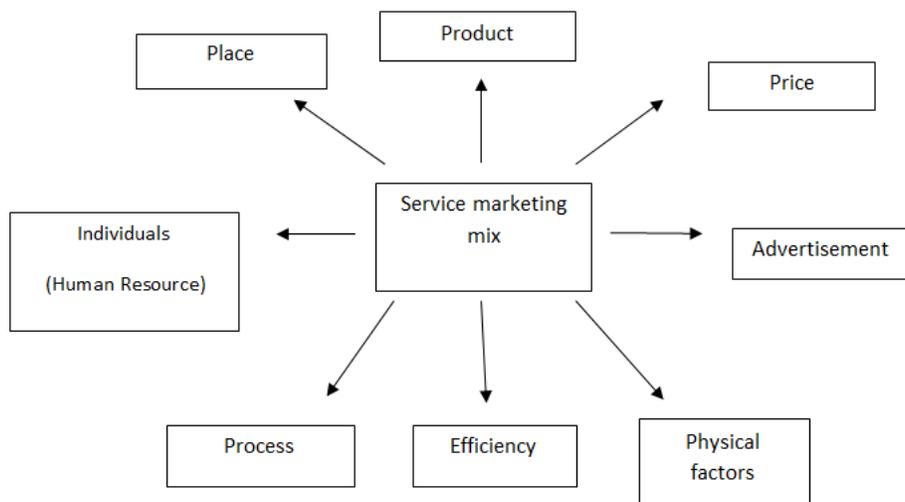
Due to the overexpansion of automobile industry in the world and the increase in competitiveness among manufactures, marketing for this popular product has received much attention. In these conditions attending marketing issue is of great importance. Therefore; service marketing's mixed (fused) have recognized 8p instead of 4p hence; the main problem of the research is stated in this way that how service marketing fixed affects company's sale growth? Therefore, the current research tries to investigate the effect of service marketing mix on increase of sales in Special Cooperative Company of Iran Khodro. By performing

this research the necessity of paying attention to creative marketing role in this respect and the necessity of paying special attention to this issue in sublimation of organization goals and realization of its mission is clarified, and is explained thoroughly scientifically and knowledge based.

Research Objectives

Identifying the effect of service marketing mix on increasing the sales in Special Cooperative Company of Irankhodro . Purpose of this research is practical. Practical of direct in this research is Special Cooperative Company of Iran Khodro in Tehran City. Other companies that are related to automotive industry can indirectly use the results of this research.

Research framework Model



Resource : (Aaker, 1991)

Figure 1

Research question

Is there significant relationship between factors of service marketing mix and sale rate in Iran Khodro special cooperative company?
How is the priority of effectiveness in these factors?

Research Background

Qanbari, Dastak (1393) in a research investigated marketing mixed patterns effect on policy purchase rate in Melat insurance company in Alborz province. The main purpose of the research is the effect of policy purchase rate in Melat insurance company. Marketing mixed factors in this research are product parts, time and place, process, efficiency and quality,

Human Resource, promotion and education, and physical evidences. The research methodology in this study, According to the purpose is applied research and according to the method is descriptive study. Research's required data is analyzed by distribution of 47 organized questionnaire among Melat insurance company representatives in Alborz province and through descriptive method and help of SPSS software. Research results showed that extent of effect of product parts, efficiency and quality and Human Resource on policy purchase rate is very high. Also the effect of time and place, processes, promotion and education, physical evidences and price and other expenses on policy purchase rate is high.

Naqi Zadeh & Telqani (1391) in a research investigated the effect of service marketing mix factors on life policy purchase tendency and depositing in Rasht Iran insurance company, Research results show that price, product, and consumer persuasion and education factors have the most effect among other factors physical evidences factor was not confirmed.

Esfehani (1393) conducted a research titled investigating the effect of service marketing mix factors on product's three layers (Lizink industry case study). Thesis subject is pursuing the field research of the effect of service marketing mix factors on Linzink industry layers with the approach of dividing Lizink product into three different layers for which research is conducted on Lizink industry capital products and is survey and practical.

Jain & Lodha (2012) was conducted with the title of effective factors in general satisfaction of insurance products in Rajstan state, India. Research results indicated that service quality, is the most important factor in satisfaction that includes IT infrastructure, clarity in trades, provided facilities for consumers. Next important thing is product quality that includes workers knowledge and agents and their tendency in providing services, honesty, and their tendency in solving without delay claims. Studying marketing management can be beneficial for insurance companies so that they focus on most important factors that moves toward consumer satisfaction and helps them in extending this strategy.

Bazini, Elmazi, Sinanaj (2011) was conducted with the title of business management importance and its relation in company's business in Albany. In recent years, managers have turned to understanding maintaining active consumers relation with companies as a key part of survival in market. Additionally, related companies profits are determined by loyal consumer count. This loyalty appears from "organization-consumer" relationship. The relationship is longer and stronger, nad has the highest profit. The purpose of this article, is emphasizing relationship marketing management importance in company's business. Consumer relation management is a problem that a company, small or big, must employ. A CRM strategy can provide significant profit for companies and consumers. There are related indexes this competitive confusion for Albanian company as a suitable solution in relation to marketing strategies. Management in the right direction is a key factor for success, and even survival, and business in Albany. Competition in market will certainly continue intensely. Banks,

companies, and other financial institutes in combining, selling mutual services and removing boundaries among related fields of financial services, are consistent. Financial markets in 21st century may not have a market called insurance company or bank. This development is necessary as a means of maintenance and deepening the profitable consumer relationships for survival and market share. Consumers were always clear but vital are the key for a company's good position in market in gaining profit. "Client is the king" proverb is well recognized in marketing.

Ezirim & Nwokah (2010) conducted a research called comprehensive quality management and image management for effective marketing. Purpose of this article, is investigating comprehensive quality management hypothesis and investigating concept and aspects of effective marketing. In this article a descriptive approach in describing comprehensive quality management formulations and products effective marketing management is taken. This project show that a human is separate from physiological and physical aspects which makes an individual's image of another different and it is related of human senses. Traditional marketing problems are high expenses in consumer's needs and lack of quality as competitive means and also inability in marketing is an internal function. To create a long term relationship with consumers, it is necessary to make value for satisfying consumer's need for the first time and or repeatedly.

Research Method

The method of this research is descriptive-survey. This research is considered applied research in terms of purpose, because the results of the research is used for applying service marketing mix to improve right marketing strategy for better services and better profit.

Statistical population and sample size

Statistical population of the study includes managers, experts and Irankhodro special cooperative company personnel which are 1000 individuals. Sample mass considering number of society members and using Cochran limited society sampling formula, 278 individuals were selected.

$$n = \frac{NZ^2 \cdot \frac{pq}{1-\frac{\alpha}{2}}}{(N-1)\epsilon^2 + Z^2 \cdot \frac{pq}{1-\frac{\alpha}{2}}} \Rightarrow \frac{1000 \times (1.96)^2 \times (0.5)^2}{999 \times (0.05)^2 + (1.96)^2 (0.5)^2} \cong 278$$

Analysis of research model variables

Table 1. standardized path coefficient of research model variables direct effects

Path	Factor Loading	T	significant level
Service marketing mix (x9) Product (x1)	0.36	7.99	0.01
Service marketing mix (x9) Place (x2)	0.82	7.74	0.01
Service marketing mix (x9) Process (x3)	0.71	10.23	0.01
Service marketing mix (x9) Efficiency (x4)	0.83	7.68	0.01
Service marketing mix (x9) Human Resource (x5)	0.55	9.70	0.01
Service marketing mix (x9) Advertisement (x6)	0.79	7.59	0.01
Service marketing mix (x9) Physical factors (x7)	0.57	6.10	0.01
Service marketing mix (x9) Price (x8)	0.65	9.58	0.01

According to the above table there is a significant relationship in path coefficient or factor loads of all variables under study of this research. According to table 1 path coefficient or factor loads of all variables under study of the research are statistically significant. (T is more than 1.645) IT is necessary to explain that T more than 2 means that the relation is significant at 99% level. And If T is between 1.645 and 2 then the relationship will be significant at 95% level. Therefore as it is clear significant T rate among between service marketing mix and variables of product, place, process, efficiency, human Resource, advertisement, physical factors and price are more than 2 and amount of loading factor is positive. As a result a positive and significant relationship can be seen. Therefore, according to the obtained results that factor of service marketing mix has a significant relationship with rate of sales in Irankhodro special cooperative company. In reply to research’s second question based on this case that how Is the priority of effectiveness these factors? According to amount of factor loads respectively, efficiency factor with 0.83 has the most effect on the increase of Iran Khordro special cooperative company sell rate was considered in point of view respondents, after that, respectively place factor with 0.82, advertisement 0.79, process 0.71, price 0.65, physical factors 0.57, human resource 0.55, and in the end product with 0.36 have priority of effect on sell rate in Iran khodro special cooperative company has reported.

Results of testing the first research question

Is there significant relationship between factors of service marketing mix and amount of sales of Special Cooperative Company of Iran Khodro?

According to table 1 path coefficient or factor loads of all variables under study of the research are statistically significant. (T is more than 1.645) IT is necessary to explain that T bigger than 2 means that the relation is significant at 99% level. And If T is between 1.645 and 2 then the relationship will be significant at 95% level. Therefore as it is clear meaningful T rate among of service marketing mix and variables of product, place, process, efficiency, human Resource, advertisement, physical factors and price are more than 2 and amount of loading factor is positive. As a result a positive and significant relationship can be seen. Therefore, according to the obtained results that factor of service marketing mix has a significant relationship with rate of sales in Irankhodro special cooperative company.

Results of testing the second research question

How is the priority of effectiveness in these factors?

In reply to research’s second question based on this case that how Is the priority of effectiveness these factors? According to amount of factor loads respectively, efficiency factor with 0.83 has the most effect on the increase of Iran Khordro special cooperative company sell rate was considered in point of view respondents, after that, respectively place factor with 0.82, advertisement 0.79, process 0.71, price 0.65, physical factors 0.57, human resource 0.55,

and in the end product with 0.36 have priority of effect on sell rate in Irankhodro special cooperative company has reported.

Research conclusion

According to the statistical results obtained from the research and the tests related to the meaningfulness of effective variables in service marketing mix research was conducted by structural equations model (SME) Model and results show the most efficient on sell rate ranking. Therefore, it can conclude that factors of service marketing mix components such as price, physical factors, advertisement, Human Resource, efficiency, and place and product effect on increasing the sales of Iran Khodro Special cooperative company and there is a positive and significant relationship and the results of priority has showed the most effectiveness rate located on sales rate. Priorities of marketing mixed factors components respectively include: efficiency factors, place, advertisement, process, price, physical factors, Human Resource, and finally the most effective is on the sale rate in Iran Khodro special cooperative company.

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