*Full Length Research Paper*

# Contemporary marketing practice in large manufacturing firms in Iran

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The 21st century is bringing dramatic changes in the marketing environment that is leading to a rethinking of the marketing discipline. For example, as markets are becoming mature and customers become scarce resources, the notion of relationship marketing (RM) has increasingly become important (Day, 2000; Dwyer; Gummesson, 1999; Gronroos, 1991; Morgan and Hunt 1994; Webster, 1992).  But Conditions in developing economies are qualitatively unlike those found in mature markets. This paper is cross paradigm paper: it is trying to combines the two separate broad based perspectives on paradigms into comprehensive model. In fact we did try to test the different type of marketing practices effect on performance of large manufacturing firms in Iran. The findings of the research show that we are not able to firmly state that both marketing practice based on relational approach and RM for large firms of Iran enjoys higher validity.  Although interaction marketing (IM) is the dominant form of practice, the results confirm that the marketing outcomes of the firms in clusters with only relational approach are lower than those of the pluralistic clusters. Therefore, since relational marketing practice is the dominant form in the pluralistic clusters, it can be claimed that large manufacturing firms, which coexist in both paradigms, have better condition with more practice toward relationship. As a result, successful firms apply transactional techniques and tools. Therefore they can take advantages of relational factors at the same time.

Key words: Paradigm, marketing practice, transaction marketing, database marketing, interaction marketing, network marketing, cluster analysis, pluralistic approach.

## INTRODUCTION

Marketing is generally considered to be fundamental to the development and performance of firms (Narver and Slater, 1990; Day, 1992; Jaworski and Kohli, 1993). But marketing has changed significantly since it first emerged as a distinct business and management phenomenon between the First and Second World Wars. Traditionally, the American Marketing Association (AMA) seems to have been authorized to define what marketing is. Focuses of definitions of AMA are shown in Table 1.

Marketing researchers argued the four Ps of the marketing mix became an indisputable paradigm in academic research, the validity of which was taken for granted (Grönroos, 1994). The 21st century, however, is bringing dramatic changes in the marketing environment,

leading to a rethinking of the marketing discipline. It is argued that as we enter the new millennium, the marketing context is changing dramatically with regard to physical distance, time, markets and competition (Sheth and Sisodia, 1999). For example, as markets are becoming mature and customers are turning into scarce resources, the notion of relationship marketing (RM) has increasingly become important (Day, 2000; Dwyer et al., 1994; Gummesson, 1999; Grönroos, 1991; Morgan and Hunt, 1994; Webster, 1992).

Some of the most important changes described by Brodie (2000) are as follows:

1. The increasing emphasis on services and service aspects of products
2. The focus on financial accountability, loyalty, and value management
3. The transformation of organizations

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**Table 1.** AMA definitions of marketing.

| Definitions of marketing |
| --- |
| Marketing is the performance of business activities that direct the flow of goods and services from producers to consumers (1935). |
| Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives (1985). |
| Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders (2004). |

Darroach, Cardin and Cooke, (2004).

4. The shifts in power and control within marketing systems; and
5. The increased role of information technology-based interactivity.

It is claimed that in today's societies, the traditional methods of marketing are not as effective as they used to be (Rapp and Collins, 1990). Researchers from the Industrial Marketing and Purchasing (IMP) group and the service school of marketing initially launched the present debate on whether the traditional "marketing mix" model, that is the transaction exchange paradigm, is out of date, incomplete, insufficient and/or limited. It is suggested that an interaction or relationship paradigm provides a better description of ongoing exchanges (Gummesson, 2004). It is also stated the problems associated with the marketing mix management paradigm are not the number or conceptualization of the decision variables, the Ps; rather, the problem is of a theoretical nature. They believe the four Ps and the whole marketing mix management paradigm are, theoretically, based on a loose foundation (Grönroos, 1994).

Brodie et al. (1997) found out that managers have been placing a greater emphasis on managing their marketing relationships. As a result, a number of authors have suggested that relationship-based strategies will provide the basis of future competitive advantage (Webster, 2000). However, to date there have been few empirical investigations into what constitutes relationship marketing and how relationship marketing strategies may be implemented in a practical setting.

While the pervasive forces for change such as information technology, globalization, new competition, and more demanding customers are common to most economies, there are specific conditions unique to transition economies. Accordingly, from historical point of view, relationships and connections have always played greater societal roles in Developing Countries, but from academic point of view, validity of the relationship marketing paradigm for transition economies is questionable (Batra, 1999). Therefore, to fill this research gap, a framework needs to be proposed that can be applied to any settings in developed or DCs.

Based on the last report of the Heritage Organization of Iran (2007), Iran's economy is not free in many ways. Business, trade, investment and financial freedoms, property rights, and freedom from corruption are all weak. Business licensing and closing are regulated strictly by an intrusive and highly inefficient bureaucracy. High tariff rates and non-tariff barriers impede trade and foreign investment a like (www.heritage.org). According to the 2007 assessment, Iran's economy is 43.1% free, which makes it the world's 150th freest economy. Its overall score is 0.2% lower than last year (2006). Iran is ranked 16th out of 17 countries in the Middle East/North Africa region, and its overall score is extremely low—almost one-third below the regional average (www.heritage.org).

The main objective of this research is:

1. To verify the validity of the relationship marketing paradigm to large manufacturing firms in Iran. In an effort to verify this paradigm validity, two sub-objectives are formulated:
2. To explore the specifics of contemporary marketing practice within large manufacturing firms of Iran and to provide a comparison of relative importance of transactional and relational marketing.
3. To derive implications for the design and implementation of marketing strategies in large manufacturing firms of Iran.

**Research questions**

A fundamental research question is to investigate:

1. Whether relationship marketing practice (RMP) is valid for contemporary condition of large manufacturing firms of Iran?
In an effort to this verification, two more research questions are formulated as follows:
2. Do large manufacturing firms of Iran have greater emphasis on RMP than on TMP (transactional marketing practice)?
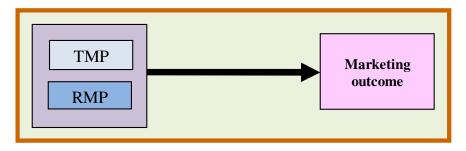3. Do large manufacturing firms of Iran involved in RMP have a higher level of marketing outcomes than firms

**Figure 1.** Research framework.

**Table 2.** Measurement and scaling constructs.

| Construct | Indicator | Measurement | Source |
|---|---|---|---|
| TMP / RMP | Exchange dimensions<br>Managerial dimensions | Five-point scale<br>Five-point scale | Coviello et al. (2001) |
| Marketing outcome | Sales growth,<br>Customer retention<br>Market share | Five-point scale<br>Five-point scale<br>Five-point scale | Pels and Brodie (2003);<br>Palmer and Pels (2003) |

involved in TMP?

A schematic diagram of the conceptual framework of this research is shown in Figure 1. It is important to note that this research dose not seek proof of causality between these variables, but seek to generate insight and understanding.

In light of the literature review and the proposed linkage between variables in the conceptual framework, the propositions are as follows:

1. Large manufacturing firms of Iran have a greater emphasis on RMP than on TMP.
2. Large manufacturing firms of Iran involved in RMP have higher levels of marketing outcomes than firms involved in TMP.

Mail interviews were selected among the available alternatives but, most of questionnaires were delivered by the research assistants to the respondents. The measurement and scaling of each construct included in the questionnaire is illustrated in Table 2.

**Marketing practice**

In the present study, the Contemporary Marketing Practices (CMP) framework has been employed because of its concern with the validation, enforcement and habitual use of routines by which the organization relates to its direct and indirect clients (Coviello et al., 1997). Data

obtained from CMO (chief marketing officer) of large goods manufacturing firms using a standardized questionnaire from the "Contemporary Marketing Practices" (CMP) Project. Summary of some selected study of CMP are given in Table 3.

**Marketing outcome**

Fitzgerald and Moon (1996) postulated that performance is a multidimensional construct, the measurement of which varies, depends on a variety of factors that comprise it. Palmer and Ples (2003) argued that "we therefore introduced the marketing outcomes construct in order to have a more directly related marketing practice with results". They further suggested that "a more sophisticated level of marketing practice will deliver higher levels of marketing outcome, but this would not be necessarily reflected in corporate performance due to the influence of the many other variables". In fact, the researchers believe obtaining objective data from documentary sources such as trade and other publications was not a viable alternative to carry out such research in Iran because of their accuracy. Caruana et al. (1998) noted that obtaining data from documentary sources is often incomplete and is always a minimum of 12 months old. Thus, this study considered subjective data in measuring marketing outcome rather than objective data.

Finally, to measure marketing outcomes, each respondent was asked to evaluate his firm's outcomes in the three following aspects: (1) current marketing outcomes

**Table 3.** Summary of some selected study of CMP.

| Author(s) | Subject research method | Variables studied | Analytical tool(s) |
|---|---|---|---|
| Covelio Brodi Munro (2000) | 302 firms reflecting two similar sub-samples of managers attending part-time executive programs in New Zealand (n 5 192), and Canada (n 5 110). | Firm size. The firm's approach to market planning, The types of marketing practiced by each firm  The market Performance | Regression analysis  ANOVA Content-analyzed |
| Lindgreen, Brodie and Brookes (2000) | Nine case studies that were theoretically sampled. Each case was embedded, and the unit of analysis was the marketing programmers. | A study on contemporary Marketing practices that New Zealand wineries are employing in the British. | Within-case analysis |
| Pels Brodie Johnston (2004) | The New Zealand sample of 122 business-to business firms was collected in 1997 and 1998, the USA sample of 79 business-to-business firms was collected in 2001 and the Argentine sample of 83 firms was collected in between 1999 and 2001. A convenience sample of mid-career manager enrolled in a part-time MBA. | Collect data about the various aspects marketing practice, demographics and other characteristics of the firms. | Cluster analysis |
| Covelio Brodie and Wesley Johnston (2002) | 308 firms in United State, Canada ,Finland, Sweden and New Zealand A convenience sample of mid-career managers enrolled in a part-time MBA | Marketing practice | Factor analysis Cluster analysis Regression analysis ANOVA |
| Brady Palmer (2004) | This study involved convenience samples of managers who were provided with a self-administered Structured questionnaire. | Marketing activities Marketing Resource allocation Marketing performance | Cluster analysis |
| Wagner (2004) | A sample of 19 respondents (sample 1) was obtained from the postgraduate MBA program in Moscow. A second sample of 40 companies was created in cooperation with the European Bank.   A third sample was obtained analogously to sample 1 from the following course offered by the Wolfgang-Schuler-Institute for International Management Studies. | Marketing practice | Cluster analysis |

in the local market, (2) marketing outcomes relative to its major competitors, and (3) marketing outcomes relative to the managers' expectations with
respect to the three following items: (1) sales growth, (2) customer retention, and (3) market share. Responses were then measured on a five-point scale (1 = much worse than" and 5 = "much better than").It is noteworthy that the questionnaire was assessed by 5 managers across different industry sectors (Table 4). In the end, no significant problems were exposed concerning the

relevance of the variables under investigation and the items that were employed to measure them.

**Sampling the target population of the survey**

The population of this research comprised the large manufacturing firms in Iran. The primary and secondary objectives of the selected manufacturing firms were to serve the local market and to export their products

**Table 4.** Selection of firms to pretest the questionnaire.

| Firm | Manager's level of education | Job title | Number of employees | Firm's field of activity |
|------|------------------------------|-----------|---------------------|--------------------------|
| 1 | Bachelor | Sales Manager | 2200 | Manufacturing non-metallic mineral products |
| 2 | Master | Marketing Manager | 900 | Manufacturing rubber and plastic products |
| 3 | Diploma | Sales Manager | 300 | Manufacturing home equipment |
| 4 | Master | Marketing Manager | 205 | Manufacturing electrical equipment |
| 5 | Master | Marketing Manager | 270 | Manufacturing office and computing machinery |

Nevertheless, based on their opinions some minor changes were made.

**Table 5.** Statistical tests used.

| Research question | Variable | Statistical test used |
|-------------------|----------|------------------------|
| Do large manufacturing firms of Iran have greater emphasis on RMP than on TMP? | Marketing practice | At first, Cluster analysis With Ward Method was used for Clustering Chi-square test for frequency equality |
| Do large manufacturing firms of Iran involved in RMP have a higher level of marketing outcomes than firms involved in TMP | Marketing outcome Cluster Number | At First, Cluster analysis With Ward Method was used for Clustering One-Way ANOVA and Post Hoc Tests |

(where possible), respectively. Multinational companies have been excluded from this research, as the purpose of this research is examination the local large manufacturing firms. Iranian information center of industries and mine (www.miw.go.ir, www.sta.mim.gov.ir) list of active large manufacturing firms (1387) was used to construct a sampling framework. Thus, in order to qualify for participation in this research, firms had to have 100 or more employees based on the definition of the Central Bank of Iran for large firms. Equation 1 suggested by Krejcie and Morgan (1970) was used to calculate the sample size:

$$n = X^2 NP (1-P) \div [d^2 (N-1) + X^2 P (1-P)]$$
$$n = 3.841 \times 2404 \times 0.5 (1-0.5) \div [0.07 (2404 -1) + 3.841 \times 0.5 (1-0.5)]$$
$$n = 181 \qquad (1)$$

However, since the sampling fraction (n/N = 328/2404 = 0.07) is greater than 5% (rule of thumb), the correction Equation 2 adopted from Monette et al. (1990, p.149) was applied in order to get an actual/required sample size:

$$n' = n \div [1+ (n \div N)]$$
$$n' = 181 \div [1+ (181 \div 2404)] = 169 \qquad (2)$$

**METHODOLOGY**

Statistical tests used in this research are presented in Table 5. Using simple random sampling, with the help of a computer package, 1000 firms were randomly selected from the database. According to the telephone contact, a number of firms had to be deleted because of three reasons: (1) the firm refused to participate in the research (632 firms); (2) the firm was in process of liquidation or other problems (51 firms), and (3) the firm focused on export (3 firms). Thus, upon completion of the phone calls, the firms were reduced to 314. Most of the questionnaires (183) were delivered to the firms by the research team members. Out of the rest 131 managers, 52 stated their preference of receiving the questionnaire by fax. So the questionnaires along with the cover letters were faxed to them. The rest of the questionnaires, the cover letters, and pre-paid envelopes were mailed to the persons in charge of marketing and/or sale in each of the remaining 79 firms.

A total of 234 questionnaires were returned, of which 171 were complete and usable resulting in a net response rate of 17.1%. Because the marketing outcomes were measured on the subjective method, it was advised to recheck the entire questionnaires with the official documents (like financial reports) of the large manufacturing firms, and if any significant deviations were observed, the questionnaire would be omitted from the process. Consequently, 49 questionnaires were removed. The total result was clearly above 169 questionnaires.

All in all, the current study involved 171 Iranian large firms that had more than 100 employees. The firms were operating in manufacturing industries. The total sample firms of this research only concentrated in the domestic markets. As mentioned, the respondents of this research were the marketing managers and/or the persons in charge of marketing and/or sale.

**Instrument reliability and coefficient alpha**

Since both the adapted and the newly developed scale items were used for the first time in Iran, the cut off value accepted was .60 alpha coefficients. Assessment of the reliability using Cronbach alpha indicates that the value of alpha in this research ranges from 0.60.7 to 0.82.4. The reliability of the scale items using Cronbach coefficient alpha is shown in Table 6.

**Table 6.** Coefficient alpha.

| Scale item | Number of item | Alpha |
|---|---|---|
| Marketing practice | | |
| TM | 9 | 60.7 |
| DM | 9 | 76 |
| EM | 9 | 81.1 |
| IM | 9 | 81.5 |
| NM | 9 | 81.2 |
| | | |
| Marketing outcome | | |
| Real outcome | 3 | 66.9 |
| Relative to competitors | 3 | 81.2 |
| Relative to expectation | 3 | 82.4 |

All the scales in this research produced acceptable coefficient alpha values and thus, the data collected in this research was reliable.

**Cluster analysis based on marketing practice**

In this step, we applied cluster analysis on firms by using TMP; RMP calculated scores and clustered the firms. Through using Discriminant analysis, we would become sure about the applied classification correctness. This issue confirms explorative function of cluster analysis.

In this research, hieratical exploration method, Ward method and Dendrogram were used for clustering. It would be better to use hieratical method when a researcher is not informed about the number of clusters. The applied procedure was stepwise. In the first step, using Ward method and Dendrogram diagram, the approximate number of clusters was indicated. Then with the same Ward method, the firms were clustered and the number of firms in each cluster was indicated. Finally, using stepwise analysis, confirmed the clustering done by the researchers. Based on Dendrogram diagram, among 171 firms in this research, conducted by Ward-method analysis, three clusters were proved from point 10 out of 25 points. The first cluster has 67 firms; the second cluster has 40 firms and the third cluster contains 64 firms. The accuracy of this clustering has been computed as 94.7.

A score is considered to be low if it is below 3 on a five-point Likert scale. If the value exceeds 3.8, it is said to be high. In this research, a score is considered to be low if it is below 2.5 on a five-point Likert scale. If the value exceeds 3.5, it is considered as high. The following sections provide a detailed description of the three types of firms developed by the cluster analyses.

*Cluster 1: Plural*

35% out of 67 firms existing in this cluster are engaged in consumer markets and 40% are active in business markets. 15% of the firms have more than 500 personnel and the remaining firms have 100 to 500 personnel. Fifty percent out of the total number of the firms are run privately and 33% are run non-privately. The rest have not specified their type of ownership. 50% of the firms, say 14 firms, in this cluster have marketing departments and 70% that equals to 47 firms lack such a department. 38 firms (57%) are run based on TMP while 26 firms (36%) are run based on RMP.

In this cluster, the medium score for TMP is 3.63 and for RMP is 3.53. Both TMP and RMP have been applied simultaneously in this cluster. Compared with the other two clusters, this cluster has the greatest number of firms that enjoy marketing departments. The mean marketing outcome for this cluster is 3.37 out of 5. This cluster is called plural since both practices are executed more seriously. Among all marketing practices, IM is executed by 81%.

*Cluster 2: Relational*

40 of 171 firms exist in this cluster and only 10% are engaged in consumer markets. 20% of the firms have more than 500 personnel and the remaining firms have 100 to 500 personnel. 70% out of the total number of the firms are run privately and 17.5% are run non-privately. Only 17.5% of the firms in this cluster have marketing departments and 70% lack such a department. The RMP score in all of these firms is greater than the TMP score. In other words, 100% of the firms are based on RMP. In this cluster, the medium score for RMP is 3.8 and for TMP is 2.92. The mean marketing outcome for this cluster is 3.79 which is the highest score in comparison with the other two clusters. Although no meaningful difference among clusters on account of marketing outcome, this cluster is called Relational because RMP has greater scores. Among all marketing practices, IM is executed by 82%.

*Cluster 3: Transactional*

64 out of 171 firms exist in this cluster, 17% are engaged in consumer markets and 50% are active in business markets. Approximately 17% of the firms have more than 500 personnel and the remaining firms have 100 to 500 personnel. 53% out of the total number of the firms are run privately and 27.5% are run non-privately and the ownership type of the others has not been specified. 11% of the firms in this cluster have marketing departments and 69% lack such a department. 85% of the firms in this cluster act as per TMP and 11% have chosen RMP. The TMP score in this cluster is 3.37 and the RMP score is 2.77. The average marketing outcome has also been computed as 3.25. Although no meaningful difference was obtained among clusters on account of marketing outcome, the lowest marketing outcome belongs to this cluster. Since the cluster frequently acts as per TMP, it is called transactional.

**Cluster analysis based on the marketing outcome**

*Cluster 1: Agnostic*

67 out of 171 firms exist in this cluster. 15% are engaged in consumer markets and 60% are active in business markets. 13% of

the firms have more than 500 personnel and the remaining firms have 100 to 500 personnel. 54% out of the total number of the firms are run privately and 27.5% are run non-privately and the ownership type of the others has not been specified. Only 9% of the firms in this cluster have marketing departments. The average establishment age of the firms in this cluster is 12 years. On account of marketing practice, 59% have chosen TMP while 37% chosen RMP. The score for TMP is 3.21 and for RMP is 3. The average marketing outcome has also been computed as 3.23. Since this cluster has no high scores for marketing practice, it is called agnostic.

### Cluster 2: Relational

Seventeen out of 171 firms exist in this cluster. Only 2 firms are engaged in consumer markets and only 3 firms have more than 500 personnel. The remaining firms have 100 to 500 personnel. 77% out of the total number of the firms are run privately and 17% are run non-privately. Only one company in this cluster has the marketing department and 14 firms lack such a department. Marketing practice speaking, all firms act as per RMP. The RMP score in this cluster is 3.92. 82% of the firms act as per IM in marketing practice and 18% act as per NM. The average establishment age of the firms in this cluster is 13 years. The average marketing outcome has also been computed as 3.56. Since there is a statistically meaningful difference between clusters on account of marketing outcome, this cluster ranks the second considering marketing outcome.

### Cluster 3: Transactional

This cluster consists of 56 firms. 28% are engaged in consumer markets and 41% are active in business markets. 18% of the firms in this cluster have more than 500 personnel. 52% out of the total number of the firms are run privately and 30% are run non-privately. 14% of the firms in this cluster have marketing departments. Marketing practice speaking, 77% of the firms act as per TMP and 20% behave according to RMP. The RMP score has been computed as 3.2. The average marketing outcome has also been computed as 3.23. Since in practice frequency and score, TMP scores are higher, the cluster is called transactional. 11 firms act as per DM and 8 firms act as per IM.

### Cluster 4: Plural

This cluster has 31 firms, 36% are engaged in consumer markets while 45% are active in business markets. Only 4 firms in this cluster have more than 500 personnel and the rest have personnel ranging from 100 to 500 individuals. 58% out of the total number of the firms are run privately and 26% are run non-privately. Interestingly, 42% of the firms in this cluster have marketing departments while 52% have no marketing departments. 29% of the firms act as per TMP and 64% behave according to RMP. The TMP score has been computed as 3.57 (High) and the RMP score as 3.73 (High). The average marketing outcome has also been computed as 3.64 (High) which is more than all other clusters. The average establishment age of the firms in this cluster is 15 years. Among the RMP dominant firms (20 firms), only 2 firms act as per DM and 18 firms (90%) act as per IM.

## RESULTS

As aforementioned, one of the research hypotheses is as

follows.

## Large manufacturing firms of Iran have a greater emphasis on RMP than on TMP

In order to test this hypothesis, at the first step, we calculated the scores of TMP (DM, EM, IM, and NM) factors for each firm. After comparing calculated DM, EM, IM, and NM scores, we allocated higher score to the RMP score. Then we compared this score with the TMP score. Finally, we applied following issues based on that higher score belongs to which practice. We assigned number 1 when the TMP has the highest score, number 2 when the RMP has the highest score, and number 3 when the two types of practice have equal scores. Table 7 shows assessment of the research hypotheses.

This research has examined the way marketing is being applied in Iran as a developing country. The objective was to provide understanding of the extent to which the transactional and relational marketing concepts are being applied. Consequently, helpful implications have been drawn for the development and implementation of marketing strategies. The research key results can be summarized as follows:

Disconfirmation of the first hypothesis shows lack of confirmation of the assumption that the dominant practice type of the firms in this research is RMP. However, the firms with high scores validate the hypothesis that among 103 firms, those with high scores, RMP is more powerful. In other words, the first hypothesis has been verified in a smaller scale but it cannot firmly be claimed that the dominant practice of the large firms of the research is RMP.

Cluster analysis shows four separate clusters in this part. The first cluster has low scores both on account TMP, RMP as well as the marketing outcome. The second cluster is completely relational, the third cluster is transactional and the fourth cluster has the plural approach. Crosstab comparisons show that the fourth cluster has the highest marketing outcome score (with due regard to the significant difference of the marketing outcome). In spite of the fact that this cluster is RM oriented, since RMP scores are in the highest level, the second hypothesis could not be proved. In other words, the second hypothesis would have been validated if the second cluster had the highest marketing outcome. This shows that the plural cluster, which works both in transactional paradigm and in relational paradigm, performs better than the other clusters.

## Verification of relationship marketing paradigm validity

The findings of the research show that we are not able to firmly state that RM for large manufacturing firms of Iran enjoys higher validity. Although IM is the dominant form

**Table 7.** Assessment of the research hypotheses.

| Hypothesis | Statistical test | α | Sig. | Result |
|---|---|---|---|---|
| Large manufacturing firms of Iran have a greater emphasis on RMP than on TMP. | Chi-square test for Frequency equality | 0.05 | Sig = 0.00 $\chi^2 = 71.61$ | Due to sig <α H$_1$; Accepted but in post hoc; Expected results are not found. |
| Large manufacturing firms of Iran involved in Relational paradigm have higher levels of marketing outcomes than firms involved in Transactional paradigm. | One-way ANOVA and post hoc tests | 0.05 | Sig = 0.001 F = 6.182 | Due to sig <α H$_1$; Accepted but in post hoc; Expected results are not found. |

of practice, the results confirm that the marketing outcomes of the firms in clusters with only RM paradigm are lower than those of the pluralistic clusters. Therefore, since RM is the dominant form in the pluralistic clusters, it can be claimed that large manufacturing firms, which coexist in both paradigms, have better condition with more orientation toward RM. As a result, successful firms apply TM techniques and tools and take advantages of RM factors at the same time. In practice, RM could be decreased to IM because 82% out of the total sample firms of the research apply IM and no firm acts as per EM. It means that DM, EM, and NM are not implemented in large manufacturing firms of Iran.

## MANAGERIAL CONCLUSIONS AND IMPLICATIONS

1. Firstly, it is important for managers to recognize that firms compete with one another using transactional marketing, relational marketing, or the plural approach. This suggests that managers need an appreciation of the potential role of each aspect of marketing. It is important that the corporate culture and reward system are conducive to behavior that facilitates RMP and TMP simultaneously in large manufacturing firms in Iran.
2. The research findings showed in the final clustering, the clusters constructed in the plural format obtained the highest scores in marketing outcomes. So it is believed that the marketing managers of large manufacturing firms should move from the binary thinking to the plural thinking in the orientation selection. Besides, because the premier cluster in the final clustering proved its pluralistic approach in practice, it is suggested the marketing managers of large manufacturing firms employ two alternative paradigms simultaneously.
3. As the results showed, the premier cluster contained the large number of the firms that had marketing depart-ments. So it is believed that the other manufacturing firms should try to launch marketing departments for their firms.
4. Although the second hypothesis of the research was rejected, the findings show that more than 80% of the

manufacturing firms using RM are applying IM in turn. The fast result is that it is possible to reduce RM practice of large manufacturing firms to IM, just because they do not use other types of RM like E-M, DM, and NM in practice. Top management as well as marketing managers should know that the extreme use of IM will lead to the situations in which the whole relationships are embedded to the individual relationship, and this would negatively affect the marketing outcomes of the large manufacturing firms in Iran.
5. The findings also demonstrate that the NM, DM, and EM applications in large manufacturing firms are very limited. It is believed this is a unique opportunity for those innovative marketing managers. By deploying the rarely-used marketing practices, they would be able to lead the markets.
6. Due to the necessity of applying the pluralistic approach practice of marketing in large manufacturing firms, it is suggested marketing managers deploy tools, techniques, and procedures from both TM and RM paradigms. Top managers of large manufacturing firms should hire and retain human resources based on their mental capacities and practical abilities possessed from pluralistic rather than binary thought.
7. Besides, because marketing is a cross functional pro-cess, marketing managers should clarify the meanings, essentials, and implications of the pluralistic approach for other departments i n order  to  facilitate the marketing process throughout the firm.

## LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The limitations concerning the present study are as follows:

1. The conceptual framework of this study was tested by investigating the practice of the Iranian large manu-facturing firms which considered serving the local market as their primary objective. It is worth mentioning that, in the future, it could be interesting to carry out similar

similar researches that include a sample incorporating all sizes of firms (large, medium, and small), and to make a comparison between these three sizes of firms.

2. The main objective of this research was to study the marketing practice of the local large manufacturing firms, and thus international firms were excluded. However, future studies could include multinational firms in order to make comparative analyses between local and multinational firms.

3. In this research, the respondents including marketing managers were the key informants from each firm. These key informants were used because of their specific information about the required data for this research. Future researches in Iran may be carried out using different positions and personnel within the firms together with these key informants.

4. In the present study, subjective or perceived data were used for measuring the marketing outcomes. Although the researchers tried to verify the validity of respondents' answers through using official documents where possible, further studies in Iran could examine marketing outcome based on objective measures.

5. Cross sectional data were used in this research. However, the implementation of time series and testing of the orientation and practice with marketing outcomes in longitudinal manner would provide more insight into probable relationships.

6. In this research, the respondents were asked to focus their answers on activities related to their primary customers while future researches may include a wider range of the firms' customers.

7. There is also a possible location bias as all the firms covered in the study were either in Tehran or in other large cities of Iran. As a result, it is suggested future studies include a larger case study from all over Iran.

8. Finally, although this research showed that the firms emphasized a transactional, relational, or pluralistic approach to practice of marketing, it did not identify why such approaches were considered and implemented. Investigation of such issues could also provide a better understanding of firms' emphasis on different types of marketing paradigm.

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