The Strategic Alliance of Marketing Competitor and Its Impact on Customer Satisfaction

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ARTICLE INFO

ABSTRACT

The purpose of this research paper is to find out the relationship between the Competitors, their strategic Alliance and its effect on the customer satisfaction. The sample data were collected from about one hundred and fifty people working in the Electronic Marketing of local and foreign companies in Pakistan. Questionnaires consisting of standardized scales using 5.0 likert scales were self-administered. The result revealed that the Strategic Alliance between two competitors and their mutual coordination have a very pertinent and significant impact on the customer satisfaction. The strategic Alliance of Competitors is a vital solution for the Electronic Marketing companies in the developing countries like Pakistan, Malaysia, India, Iran etc. The result also revealed that the Strategic Alliance of Marketing have more Positive Effect on the customer satisfaction than the self-arranged marketing by them. Similarly the Impact of Strategic Alliance Marketing on Future Growth in respect of customer satisfaction is very excellent. Implications for the Marketing Manager and Competitors have been discussed along with limitations of the studies and direction for future research.

Keywords: Competitors, strategic, Alliance, Electronic, Turnover, Coordination.

1. Introduction

Marketing itself is very complicated and intellectual field which incorporates only those who know it and care it. Its understanding does not transfer from one another. Marketing teach you marketing when you do marketing .Every one claims for great success. They openly announce themselves as the leader of market in order to increase their sale and income. But it is not so. It will happen when satisfied the customer but the customer can be more satisfied by making alliance for the customer satisfaction instead of trying to satisfy the customer independently. In other words, customer becomes satisfied when he gets the product which fulfils his needs and wishes in terms of qualities and quantities. Similarly we can enhance the satisfaction of customer by utilizing the talent of Human Resource of the Host Company and the design skill of competitor before launching the product to the customer.

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Human Resource is the building blocks of any organization while the skill i.e. designing is contributing a lot to the satisfaction of Customer in respect of the product external shape. Strategic Alliance has multiple benefits in making network of relationships inside the country and outside of the country. This research paper has two parts. In the first part we try to know the impact of Human Resource of A Host Company and the Impact of Designing of Competitor on the Strategic Alliance. In the second part we try to see the relationship of Strategic Alliance and Customer satisfaction.

2. Literature Review

Strategic Alliance can play the role of catalyst. We knew about the grand Strategic Alliance formation between the biggest competitors very rapidly because of the economic, technological and global pressures. (Doz and Hamel, 1998). It enhances the efficiency of firms and companies for achieving competitiveness (Ireland et al, 2002). In Strategic Alliance the firms contribute and share their prominent core competencies in order to provide co-developed goods and services to satisfy their targeted customers (Kal et al, 2000). Through Strategic Alliance the joined partners easily get the required capabilities (Kuratko et al, 2001). Through Strategic Alliance inter-organizational conflicts resolved as in the Strategic Alliance among General Motor and Honda through internal combustion energies and with Toyota through Advance technology (Dallas Morning News, 2000). Rational Advantages are easily achieved (Das and Teng, 2001). Strategic Alliance are called by multiple names i.e. Joint Venture, Equity Base Strategic Alliance and Non-Equity base Strategic Alliance.

Many electronic equipments are produced in the country but at large number are imported from abroad. The imported electronic instruments have some competition with the local products due to many reasons causes i.e. in price, endurability, long term guarantee etc.

In 1952, TIP (Telephone Industries of Pakistan) was established in Hazara District with 35000 work force. It was the Strategic Alliance of A.G Siemens and the Govt of Pakistan. TIP Alliance utilized the opportunities of monopoly fully and satisfied the customer in long run with the equipment due to the Strategic Alliance in Telecom Industries. Later Germany Assisting Factory joined the Alliance and Contributed in the form of Digital Switch Equipment in 1989. The two strategic partners framed a second Strategic Alliance called CTI (Carrier Telephone Industries) in 1969. The Strategic Alliance progress led them to the second strategic Alliance.

Before 1970, the Govt of Pakistan did not grant any license to a foreign company for importing their electronic products. After 1985, the Govt liberalized the importing electronic products in the five years plan. Still the electronic industries were not flourished. Even in the stock exchange there was not listed a single Electronic Company. The reason was that no company can does progress. Many competitors launched their electronic products later. They were Margalla Electronic, Solid State system, Hybrid Technologies etc. These competitors tried most but TIP was their Market tip in market competition as we know that two and two make four.

Another strategic partnership is called Paktel of Mr Farooq Hassan (a businessman) and C&W of Uk. This Strategic Alliance achieved the major cities accesses. They led to the global strategy of alliance. Similarly the strategic alliance of Pakcom of MIC (Million International Holdings, Luxembourg) and Arfeen International (a local firm). They have also led the market because of their Strategic Alliance. Strategic Alliance is being incorporated in multiple companies especially in Electronic Company. There are many reasons of it. It can be on the basis of to reduce cost of Production, to launch new products with full confidence, to avoid competition in the market etc. Here in this paper it is managed on the basis of customer satisfaction. It can brings intensity in the sale of electronic products because
of the satisfaction of customer. The dependent variable Strategic Alliance Marketing depends on the Independent Variables Host Company and Competitor as these Independent Variables have their own dimension i.e. Human Resource of Host Company and Designing of The Competitor which empowers these Independent variables separately.

All the above Strategic Alliances established for getting competitive advantages but the Strategic Alliance in this research paper is established for the sake of customer satisfaction not for any other competitive advantages.

**HYPOTHESIS:**
H1. Host Company and Competitor will effect strategic Alliance positively at maximum level.
H2. Strategic Alliance will excel Customer satisfaction positively and strongly.

**3.0 Methodology**
Our objective is to find out whether Strategic Alliance of Marketing will enhance Customer Satisfaction of the Host Company and its Competitor. For that We have Studied the structured past data and planning of multiple companies i.e. TIP, Paktel, Pakcom of MIC. Surveyed through E-mail and Questionnaires in order to collect the data correctly for the absolute conclusion. These efforts personally administered and analyzed with the help of my colleagues.

**3.0 Results**

**3.1 Correlation Analysis**

According to the results of correlation analysis it became clear that there is no any significant relation exist between competitors and host company ($r= -.022, p= .786$). There is a positive and significant relationship exist between strategic alliance and host company ($r= .978, p= .000$). The correlation between strategic alliance and competitors is found negative ($r= -.169, p= .038$). Similarly the correlation between customer satisfaction and Strategic Alliance is positive ($r= .901, p=.000$)

<table>
<thead>
<tr>
<th>Table 1: Correlation Analysis</th>
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<td>Host Company</td>
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<td>Competitor</td>
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<td>Strategic Alliance</td>
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<td>Customer Satisfaction</td>
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3.2 Regression Analysis
H1: The host company and its competitor will effect that dependent variable Strategic Alliance positive at maximum level which proved hundred percent correct and precise because we can see the result from the table below.
H2: According to the second Hypothesis that Strategic Alliance will excel the customer satisfaction positively which found correct and precise.

<table>
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<tr>
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<th>Model I Strategic Alliance</th>
<th>Model II Customer Satisfaction</th>
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<tbody>
<tr>
<td>Host Company</td>
<td>.974</td>
<td>Beta</td>
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<tr>
<td>Competitors</td>
<td>-.147</td>
<td>Sig.</td>
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<tr>
<td>Strategic Alliance</td>
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<td>Beta</td>
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<td>R2</td>
<td>.977</td>
<td>Sig.</td>
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<td>3.18</td>
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<td>Sig.</td>
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4.0 Conclusion
On the basis of the result we can say that strategic Alliance of the Host Company and Its competitor is should be established in order to get benefits from each other efficiencies and Capabilities in the electronic industries for the long term and short term in spite of struggling individually and costing much on the advertising separately. Both will be in Win-Win position.

References


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