Explanation of the "Strategic Marketing Management" Model and verification of its impacts on "Increasing the Organizational Profitability" (Case Study: Iranian Textile Industry)

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Abstract

With the advent of strategic management, the macro levels of many economic and industrial sectors, as well as the micro level of many business units, are affected by this modern science. Strategic management is essential in the textile industry as much more than any other industries. Today, the use of the strategic management is more necessary than an advantage in the textile industry.The productive sectors should supply their products accurately to survive, to reduce costs and to increase revenues. On the other hand, the Iranian textiles should have been welcomed by the public, therefore the present study with a practical purpose was conducted to explain the conceptual model of strategic marketing management and to verify its impacts on increasing the organizational profitability. The study was explained by using a multivariate decision-making method (MADM)consist of GAHP and ELECTRE along with collecting the experts' opinions from three full-time faculty members in the Iranian universities who are the specialists dominating the strategic and business managements. To verify the explained model, all the hypotheses were investigated by using a survey on a sample comprising 384 subjects for man unlimited statistical population including managers and employees of the companies. The Confirmatory Factor Analysis (CFA) and the Structural Equations Modeling (SEM) were applied in the Iranian Textile Industry as the case study by LISREL software. The findings showed that the growth and productivity strategies positively affect marketing management. Furthermore, the balanced synergy between "the growth, the productivity strategies and the marketing management" (Strategic Marketing Management) positively impacts on the organizational profitability, especially in the Iranian Textile Industry. With regard to this point and by studying the practical factors on marketing management as a variable which strategically impacts on profitability, especially in the textile industry, the growth and productivity strategies could have the significant impacts on the strategic marketing management and consequently the synergized impact on increasing the organizational profitability. In fact, the synergy between these two strategic factors and marketing management creates the strategic marketing management in which "marketing management" is an intervening variable that plays a vital role in increasing the profitability of the textile industry.

Keywords: Growth, Productivity, Marketing Management, Strategic Marketing Management, Profitability

Introduction

With a development in the strategic management and turning the managers into this phenomenon to meet the needs of the organization, this opportunity arose for the companies to attract more customers through strategic management. On the other hand, the intense competition among domestic and foreign corporations forced them to work out more willingly to maintain their current customers rather than to attract new ones. Moreover, support of clients in critical conditions is the most important thing for the organizations instead of acquiring new customers in which the supply and the creation of new values are vital in maintaining customers (Ali'ahmadi et al., 2008).

That is why the concepts such as financial issues have come into the focus and accordingly the "growth & productivity" strategies are proposed. In today's highly competitive world, the profitability is no longer quickly achievable and the organizational profitability depends on growth and productivity, which have a decisive impact on the decisions to purchase and to use the products. Therefore, most of the industries in crisis should have used strategic arms to improve marketing management and to increase their profitability, not only for keeping their customers but also for attracting the potential customers (Kaplan & Norton, 2008).

Strategic management is obtained by synergizing financial perspectives such as productivity and growth and non-financial perspective, such as marketing management to perform the missions and to make possible the vision achievement (Aker, 2014).

It is worth to mention that this great science can be used to offer a variety of products in which the strategic supply of these products will bring many advantages for the companies and their customers (Seyyed'javadin and Esfidani, 2014).

The present study seeks to address how and why growth and productivity strategies are efficient in increasing the organizational profitabilityincrease by intervening the marketing management.

Theoretical foundations and research background

In the last two decades, the new approach was proposed in the field of management and business policies in which the relatively old term of strategic planning was replaced by the strategic management in the academic subjects. This method was used in all active units in relatively large organizations. However, there is no agreement on the theory and application of strategy and strategic management in the administration of manufacturing and service organizations. Pundits presented these ideas as well as their applications differently based on their research and experience with large business groups. According to Whittington (1999), thirty-seven books were published on strategic management up to 1993 in which most of them have similar contents, but no standard frameworks have been issued in this regard yet (Ferench & Bell, 2014).

It argued that despite hundreds of books on strategic management, this difference in attitude is still impressive (Daft, 1999, Walton, 2005, Mirsepasi, 2014).

Many strategic plans of the organization don't direct towards the organizational profitability. All these plans which are used to improve the functioning of the organization are converted to "strategic management" in synergy with each other (Kaplan & Norton, 2008).

According to Schendel & Hofer, the process of strategic management comprised of several primary functions that one of them is setting the strategies which are mostly derived from the main strategies such as growth, productivity, and development. According to summer, the strategic management activities are based on four questions, the most important of them is what strategies are current and what approach should be adopted to optimize them. Thomas Rogers answers these questions by this suggestion that the policies are not independent, and they are in an interactive equilibrium mode with different factors that both affect and are affected. Four essential domains that impose demands on the organizations include suppliers, customers, competitors, and regulations. Each of these domains may face a strategy such as growth, productivity, and development and therefore they are recommended to be used interactively (Ferench & Bell, 2014).

Dr. Eliyahu M. Goldratt (2006) in the book titled "Critical Chain" summarized the optimizations of work plan in two early stages as follows. The first stage is an allocation of strategies such as growth, productivity, and the second stage is to push the activities toward forward by using intervening variables such as marketing management (Goldratt, 2015).

In a story format, the management is taught in another book titled "Goal" by the same author. This book assigns the potential into the weakest point in a chain of variables, i.e. the bottleneck; five stages are described to evaluate the bottlenecks, including the most crucial stage of identification, utilization, and improvement of these bottlenecks by using the intervening variables (Goldratt, 2014).

The open systems management like as marketing management is a technique which is invented by Krone & Jayaram et al., to evaluate industries and organizations in a systematic way. Thus, the excellent management team develops some scenarios, including a description of industrial and organizational expectations and demands such as how to increase profitability along with a description

of the initial answers of the organization to these needs to use business strategies such as growth and productivity. Then these measures analyze the relevant feasibility, revenues, and costs. Therefore, the open systems management helps decision maker's through a review of synergy's outcome between business strategies such as growth and productivity and the other open systems management such as marketing management. These issues highlight the need for adaptability and organizational changes, which lead to the planning and implementing the practical measures for "growth and productivity" (Ferench & Bell, 2014).

Whittington (1993) introduces four general approaches for the management of organizations. The approaches that tend to increase organizational profitability as expected are classic [rational] and gradual [natural] which change the plans. The typical strategy is philosophically explained and considered a pre-fabricated logical process. An assumption behind this method is the possibility of dominating inside and outside of organizational environment, and the decisions which were made through this process are successful in the long-term. Furthermore, according to the gradual change strategy, as a complement to the classic strategy, those organizations which seek for maximizing the profit, survive and the others are doomed to decline. This approach is based on the assumption that the environment cannot be dominated and the efforts should be made to match the strategy to the environment. Many experts believe that the productivity approach is classic and rational in type, while the growth strategy is gradual and natural change model. Therefore, strategists can choose the appropriate doctrine or a combination of them according to the conditions and contingencies. The contingency based on models often emphasizes the proper selection of a single strategy in line with environmental conditions or simultaneous use of them. Culture is also highlighted as a major decision factor (Mirsepasi, 2014).

Beckhard & Harris proposed a multi-staged strategic management process for the organization with significant development. They assume that organizations are open systems as they use "marketing management" and the primary mission of the organization can be determined in line with "increasing the profitability". In this way, the next 3-4 annual demands such as "financial perspective" are predicted and determined; and the "gaps and discrepancies" which need modification as well as the desirable situation such as "excellent organizational profitability" are proposed as a reality. Furthermore, the necessary measures are "added together" to realize the desirable condition; and specific rules are determined and taken to ensure the realization of the desirable situation. These measures may include "growth and productivity" strategies. In this regard, the feasibility studies as well as intentional and unintentional consequences of "reduced cost and increased revenue" are investigated. According to Beckhard & Harris, executive directors, and top managers in organizations (who work in this process as a systematic way) improve the likelihood of realizing the desirable situation (Ferench & Bell, 2014).

Absolutism is ineffective on policy making, and therefore, the model should be selected based on the conditions and requirements. The mixed model was introduced by Amitai Etzioni in 1967 as a contingency method for decision making and management. This approach was adopted to cope with the deficiencies and limitations of the rational and natural models of policymaking. This model is a mixed method in which the phenomenon and concepts in macro and strategic decisions combined with lower-order incremental decisions. Hence, this method analogized with two types of wide (macro) and narrow (micro) lens. This mixed scanning includes strategies for resource allocation in management decisions. The mixed model is so adaptable, which is mentioned as a method that creates a balanced, realistic condition in the optimal use of rational strategies such as productivity, and natural strategies such as growth (Alvani & Sharifzadeh, 2012, Heady, 2007 and Zahedi, 2014).

David Hanna proposed two strategic management models through the design of high-performance organizational models. He called his second model "outer-inner approach: design of fully open systems". Most of the industries involved in the design of high-performance-strategic management, emphasize on a "combination of strategies", which functions well in most cases. The outer-inner approach begins the explanation process with constant environmental exploration and investigates the simultaneous effects of increased revenues and reduced costs, as the primary organizational objective of profitability, on the demands and expectations of industries and organizations and on the intervening variable as well (Ferench & Bell, 2014).

In spite of the limitations facing managers, the issue of strategic choice which is raised by John Child in early 1970's suggests that they still have the significant freedom of action in adopting strategies. Although restrictions such as environmental factors affect the organizational structure, but they are modified by the adopted policies. On the other hand, the organizations should have an organic structure with regard to the increased revenues [growth] and a mechanical structure in the face of reduced costs [productivity] so that they can work with high efficiency. The companies in which the mixed strategy is their strategic management approach should have a combination of these two structures (Scott, 2008 and Robbins, 2008).

The book "Excellent management strategy" by Tregoe& Zimmerman presents the practical aspects of strategic management based on the synergy between the main business strategies such as growth and productivity. These authors have helped hundreds of management teams by

developing their organizational strategic management (Ferench & Bell, 2014).

Mark Mac Cormack, author of the book "what does not Harvard teach" comments on the importance of satisfactory marketing management and subsequently an in attention which governs when the learning curve declines. Every organization may face such a feeling, but usually, it meets successful managers who constantly need motivation and challenge. One of the main factors contributing to work boredom is uniformity and lack of diversity in the work or product. Diversity should, be defined in one's profession or products and create new challenges. Therefore, the difference may be based on different business strategies such as growth and productivity. When we achieved our primary professional's objective, i.e. profitability, we should change it to a ladder to help us achieve higher goals. In this way, those can advance in their business that advancement is a natural necessity for their companies (Poissant, 2010).

Dale Zand also observed a significant discrepancy and some conflicts among organizational development strategies in the strategic management. Greiner & Shein encouraged corporate event brokers to use different strategies to create a strategic management so that activities such as marketing management improved in the organization, and the team was also improved notably regarding profitability. Paul Buller proposed the domains in which organizational development can improve strategic management as follows: Major activities that create a type of better composition of corporate development in strategic management include the creation of strategic management, choice of appropriate strategies, supply conditions for successful integration and transformational management (Ferench & Bell, 2014).

Synergy can even create balance among conflicting forces. Some experts identified the strategies of growth and productivity as conflicting forces in meaning. Growth is focused on increased revenues while productivity emphasizes the cost reduction, in which it is inspired by the Michel Porter's value chain that the necessity for implementing growth is value creation and multiplied sales, while the requirement for achieving productivity is acquiring the operational and social excellence. Profitability can be attained through drawing a strategic map as perspective architecture of the organization while applying the aspects of learning, improving the internal processes and making the intimacy with customers. However, the organizational engine for achieving the ideal objective of the vision is the missions for making the financial perspective, including the strategies "growth and productivity" which finally lead to the profitability (Kaplan and Norton, 2008, Walker et al. 2004).

The thoughtful analysis from Mariann Jelinek & Joseph Litterer describes the importance of strategies in today's turbulent environment and the marketing management guidance. They emphasize on the application of the strategies' skills in the marketing management process to improve the adjustment and implementation of the strategy "increasing the profitability". Marketing management here is an important aspect of intervention in strategic management. It necessitates a kind of accurate knowledge of how to intervene. If this response is inappropriate, it may be destructive or at least unacceptable for the industry or organization which requires changes (Ferench & Bell, 2014).

To minimize these risks, Harrison proposed that the intervention should be to the extent that provides the sustainable and stable solutions to help to improve the issues. According to Harrison, acting by these criteria should be based on accepting the client system and the culture in which competition is ongoing. In a nutshell, this can be a useful tool for strategic management. The intervention method can be investigated by asking how well does the study variables function? Irrespective of how the concept is proposed, e.g. by intervening variable in marketing management, there is a need to have a full range of conceptual models (Ibid).

According to Peter Drucker, in the countries with high expectations and limited funds and resources; entrepreneurs and marketers should assume responsibility for affairs as they can provide more output from less input, which means the "reduced costs"[or in other words, productivity]. The appellationof the productivity is derived from the beneficial or successful product. However, the so-called publicly accepted "costs reduction" is the term which is used frequently. Moreover, there is no consensus on the functional definition of productivity. According to the Japan Productivity Center, productivity is scientifically defined as maximization in using the human resources, education, etc., along with "production costs reduction" by developing the marketing, increasing the employment opportunities and trying to increase real wages and to improve the life standards which generally benefit workers, managers and customers. Moreover, the European Economic Cooperation Organization defines productivity as a ratio of output volumeon input volume (Ayar'rezaei, 2009, Cuaresma et al., 2014).

Taheri (1999) defined the Productivity as a significant point in the organizational success. The logical relationship between outputs and inputs can guarantee productivity and high profitability. Productivity means the use of corporate resources while minimizing the costs (Forouzandeh D., 2009, Seyyed'javadin, 2014).

The growth stage in the life cycle of green consciousness and purchase includes "promotion of efficiency" through immediate popularity and economic scale. Also, fair prices

and cost reduction are mentioned as productivity in commands 5 and 9 of the third version of marketing (Kotler et al., 2011).

The profit center can be controlled by using two control arms, including growth, which means increased revenues and including productivity which means reduced costs. In this situation, the organizational profitability is derived from two pockets; a pocket through increased revenue and the other through cost reduction. It is worth mentioning that the productivity is a retrospective strategy, while growth is a prospective plan. The synergy between these two seemingly contradictory arms results in the development plan, which means the increased revenues along with the reduced costs so it can be regarded as an appropriate model for the management and strategic control of organizational profit centers (Lorange et al., 2006).

In this respect, the Balanced Score Card (BSC) method was proposed by Robert S. Kaplan and David P. Norton in the early 1990s firstly as a performance evaluation method and then as a tool for implementing the strategy and the system to create strategic management. This method was introduced more than two decades ago while it was presented by these experts in a paper in January 1992. Furthermore, this method firstly used as a tool for the realization of strategies in 1994. Companies willingly used one of the four aspects including learning, process improvement, customer satisfaction, and financial perspective. This method provides a framework for clarification of value creation by the centrality of companies while the synergy is possible through each combination of these four aspects. In the meantime, the financial aspect considered in the present study includes two themes; growth [revenues increase] and productivity [cost reduction]. The strategic management and the map in the BSC method are a general structure for describing the strategy. This plan and the strategic management model obtained by synergizing the intangible assets [growth and productivity]with tangible assets such as organizational business units' administration including marketing management which stipulates the assumptions of the BSC strategy. The hypotheses and relevant underlying approach form some meaningful causal relations through BSC in which the strategic management model is explained (Kaplan & Norton, 2008).

The BSC tends to manage complex organizations strategically by focusing on the organizational strategies and the creation of balance in critical regulatory domains such as financial and non-financial aspects (Alvani, 2009).

Moreover, the synergy between growth and productivity is like as synchronous system which helps the company management be safe against recessions and survive against the intensely competitive international environment. In this reason, the product should be produced with the "highest quality" and "lowest cost" as possible as. Also, the operational time reduction can reduce the production costs and subsequently, it can increase the profit (Takeda, 2010).

Michael Porter (1999), the most famous author and expert in competitive strategies, believes that competitive advantage can be obtained by using the strategy of productivity as cost reduction and growth as differentiation and concentration (Clarke, 2012).

It is important to admit, there are many methods to acquire the advantage of "cost reduction". Successful low-cost companies can use numerous approaches which are discussed as follows:

1- Non-luxury goods or services are a supply which means the elimination of all luxuries and extras from products

2- Product design is a manufacturing design which causes to save the cost.

3- Production is an operation which reduces costs during use of raw materials, distribution, (competition) workforce, location, (automation) manufacturing process, equipment and overhead.

4- Economy is a scale which saves and reduces the costs in an optimal range.

5- Experience is a curve, which cuts costs through skills (Aaker, 2014).

"Increasing the revenue" to grow and revive organizations, especially for those industries which are on the wane, includes the following items:

1- New Markets: Moving along the market sectors with growth potential which has been ignored or has not been welcomed.

2- New products: Phasing out the existing products by introducing new products.

3- New applications: Stimulating the growth in an industry or organization by adding new requests for products.

4- Reviving marketing (products): A new marketing method which causes to grow an industry or organization.

5- Government-oriented growth: Governmental incentive which causes to change such as tax incentives.

6- Taking advantage of growing secondary markets: An ignored secondary market, which has some capabilities similar to the other markets (Ibid).

According to Rumelt et al. (1994), the leading strategy of companies comprises three general directions which are known as primary strategies:

- "Growth" strategies that enhance the activities.

- Stabilization strategies that do not change the activities

- "Productivity" strategies that reduce the activities (Ali'ahmadi et al., 2008).

A company can grow internally by developing its operation at the local or global scale or externally through integrations, acquisition, and strategic coalitions. There are two fundamental strategies relating to "growth" including focus and diversification (Rasouli and Salehi, 2014):

1- The focus strategy: The organization can remain along with the current product, industry or market by using this approach. These two primary focus strategies are vertical and horizontal growth strategies:

1-1- Vertical growth strategy: Engaging in duties or activities that were used to be done by a supplier or distributor. Vertical growth, which leads to vertical integration, is a measure of receiving raw materials to production and retail. Vertical integration comprises more specifically "progressive or downward vertical integration" to control the organizational distribution channels and "backward or upward vertical integration" to manage the raw materials suppliers of the organization.

1-2- Horizontal growth strategy: Expanding the company's geographical range of products or increasing the number of goods or services.

2- Diversification strategy: The Company is recommended to diversify their investments to control the situation to cope with increasing competition and the high risk. The purpose of diversity is to supply products in several different areas instead of focusing on an individual or a single product. These strategies include relevant or homogeneous diversification, irrelevant or heterogeneous diversification and horizontal diversification:

2-1- Homogenous diversification introduces new products which are associated with one's products.

2-2- Heterogeneous diversification adds new products which are disassociated with one's products.

2-3- Horizontal diversification launches new products which are disassociated with some one's products but needed for the customers (Ibid).

According to Finclastin (1996), other growth strategies are as follows:

3- Market development strategy supplies current products in new markets.

4- Market penetration strategy is to enhance marketing activities to increase the share of current products in current markets.

5- Product development strategy is to grow the sale and share in current markets by improving or modifying the dimensions of current products and supplying new types of goods.

6- Innovative strategy provides new products in new markets.

7- Joint venture plan is the cooperation of two or more organizations in all or parts of their activities.

Three general competitive strategies, including focus, cost management and differentiation are proposed to overcome competitors in the industry (Ali'ahmadi et al., 2008).

Another classification is as follows:

- Growth strategy, including focus [which mentioned before].
- Productivity strategy including the following strategies:
- Cost management strategy which defined as costs reduction.
- Differentiation strategy which differentiates the products from the competitors'.
- Cost oriented strategy which involves costs reduction for a group of target markets.
- Differentiation oriented strategy which involves differentiating products for a group of target markets (Rasouli and Salehi, 2014).

Marketing management is one of the primary roles of the different value creation functions in achieving excellent performance. Marketing strategies involve pricing, sale, product distribution, pressure or promotion and elasticity or propaganda (Khodadad'hosseini and Azizi, 2006).

Moreover, Solomon (2013) believes that brand, price, and product constitute some of the common beliefs in markets that play a vital role in customers' behavior (Salar, 2014).

Marketing management includes pricing and distribution of ideas, goods, and services to do transactions that lead to individual and organizational targets (Kotler, 2009).

Given the general resources required, marketing management is a combination of controllable marketing components such as price, product, and sale promotion as well as distribution channels for investment in the predicted demand area. These manageable components can be adapted to the long-term and short-term in response to market conditions, consumers' tastes and organizational objectives (Cateora & Graham, 2014).

Marketing management seeks for maximizing the organizational profit through coordination of the market demand when the product is required and the requested

product features. In addition to the committed planning, organizing, guidance as well as the control of the workforce and resources; the marketing management is also responsible for the tasks as follows (Rezaeian, 2008):

1- Targeting and determining the marketing strategies such as sales targets and market development strategies.

2- Planning the product type, pricing method, distribution channels, development strategy, etc.

3- Studying and identifying the new fields in the market.

4- Creating the demand for the organizational products and services (Ibid).

But what is profit? Profit is the difference between total revenues and total costs of an organization. The importance of profit in organizations can be described as follows. Permanent balance in the markets is based on the frictional theory of profit. Competition in all markets builds on the monopoly theory of benefits. Innovation in industries and organizations relies on the change theory of profit; and risk-taking is based on the compensatory theory of profit (Hashemi and Rouzbahan, 2008).

In his series of workshops, Dr. Pat states that in the optimal conditions, a mere 20% of marketing components lead to the optimal synergistic balance. More interesting and informative is that the small proportion is responsible for stimulating more than 80% of success and advancements of companies and people in their working life. Therefore, many things are worth being sacrificed to achieve the balance as the synergized balance creates and reinforces the stable and constructive relationship and provides the brilliant achievements of the industries and organizations (Hutson & Lucas, 2014).

Some of the domestic and foreign studies with the variables associated with the present study are as follows:

Aarstad et al. (2016) conducted a multi-level analysis of the data obtained from Norwegian industries in a study titled "Related and unrelated changes in organizational innovation and productivity" which found a positive relationship between innovation and the performance of the company, though negative associations were also found rarely between productivity factors and organizational performance. It means industrial and specialized areas contribute to the performance of companies with high level of related types and low levels of unrelated types. These researchers argue in the functional structure of the area consisting a reversible two-dimensional structure associated with related and unrelated types. Therefore, the specialized areas are the guidance variables in the productivity of companies. Moreover, they recommended the population density to be used as another direction variable contributing to the performance of businesses.

Coughlan et al. (2016) proposed the network marketing organization in a study titled "Network Marketing Organization: service compensation, retail network growth, and profitability" and introduced retail sales channels that are not only used by independent retailers, but also employs new distributors in a growing network over the course of time. Payment of commissions in proportion to the volume of sales was a service compensation method for motivating sellers. The decision-making model of sales growth was also developed by using this network. The descriptive and prescriptive analysis showed how service compensation and other types affect the parameters such as profitability of distribution motivation, sales network, growth, and profitability.

Decker et al. (2016) who conducted a study titled "The Decline in High-Growth (Young) Firms in the US" believed those transformational companies that played a vital role in the growth of the organization by introducing major innovations were declining. This study focuses on the US using micro data to identify the behavior of high-growth young firms over the period 1980-2010, suggesting reduced activity of young companies during 1980 to 1990 based on a field survey in the retail sector. Similarly, the post-2000 period exhibits a major decline both in the high-growth of growing firms in the key innovation of the high-tech industries and transformational entrepreneurs.

Driffield et al. (2016) investigated "the divergent effects of institutional reforms on firm's productivity and profits." The consequences of various components of institutional reforms on the performance of individual businesses investigated in Central and Eastern European countries from 1998 to 2006 to empirically assess this issue. Changes were found to affect profitability differently from productivity by suggesting profitability as an ambiguous measure of performance. However, higher impact on the state-owned firms compared to the domestic and foreign companies.

The study conducted by Filipe et al. (2016) titled "Absorptive capacity and business model innovation as rapid development strategies for regional growth" investigated innovation and responsibility for managing change as a complex phenomenon at the fundamental level of organizations. They used artificial neural networks modeling to study the structure which used to identify the hidden mediating variables that may influence the growth.

The study conducted by Hanssens et al. (2016) titled "Regulations, profitability, and risk-adjusted returns of European insurers: An empirical investigation" showed that marketing managers are under pressure to grow their products regarding revenue and profitability. Therefore, alert marketing managers take advantage of different opportunities to create low-cost, sustainable growth and obtain original cost concepts to set a marketing budget. This study showed positive effects of growth on increasing the

profitability and revenue in the organizations.

The study conducted by Hernández et al. (2016) titled "Effects of internal and external links on the firm growth" showed that companies could achieve the growth strategy by adopting two types of international operations, including internal process related to the global supply and external operation related to the providing service or sale in foreign markets. Moreover, the companies using both of these transactions showed to become more successful. This study supports the hypothesis as the relationship between the inside and outside of the operation. Based on a small and medium sample of different European sectors and by achieving empirical findings, it is also suggested that simultaneous hidden and overt action enhances the favorable effect on the turnover growth in comparison with performing only a single type of international service.

The study conducted by Barahoei and Yousefi (2014) titled "Effects of strategic management on entrepreneurship and its role in national development" explores the strategic management factors affecting entrepreneurship. In addition to describing different theories in this study, it explains the factors that influence the acceptance of strategic management in the theoretical model which is analyzed based on entrepreneurial behavior and concluded that behavioral factors in organizational entrepreneurs play a fundamental role in recognition of strategic management by potential customers.

The study conducted by Rostampour (2009) titled "Marketing strategic planning" investigates the obstacles to implementing the strategic planning in Iran Khodro Company. After explaining the factors affecting strategic planning, marketing strategies were examined in this study and concluded that the behavioral factors in organizational marketers play a fundamental role in planning by managers.

The study conducted by Seyyed'javadin and Yazdani (2002) titled "Factors which influence the customers who use bank services: Case Study: Bank Saman" uses a Davis strategic management model of IT to explore a sample comprising 120 customers of Bank Saman. They investigate the factors affecting the decision made by customers of Bank Saman whether they use the internet bank services or not. This study investigated the impacts of an intervening variable on the ease of use and usefulness of the services. The findings show that the accepted model of IT strategic management is appropriate for describing the behavior of using the online banking services. Moreover, it is found that the customers' perception in the case of the easy use and usefulness of the services is positively related to the self-effectiveness of the client by using a computer to utilize the services.

Section 1: Explanation of hypotheses and model of the study

What is regarded in this part of the research is a multivariate decision called Multiple Criteria Decision Making (MCDM) which is also highly regarded by researchers in the complex decision in recent decades. In this type of decision making, several models are considered; including two categories consist of Multiple Objective Decision Making (MODM) and Multiple Attribute Decision Making (MADM) (Azar & Rajabzadeh, 2008). Initially, the Grouped AHP model and then, MADM including ELECTRE and Shannon Entropy techniques were used in the study to explain the hypotheses along with the possibility of providing the research model with many advantages in comparison to other methods.

For example, in Group decision making based on MADM, there is no need to gather the members of the experts at the meeting to make a decision and to discuss about the problem structure, while in Delphi method, the members of the Experts were asked through questionnaire and or individual interviews so that the final decision is dependent on the formation of the group meetings. On the other hand, when the opportunity of a debate between members of the Expert Group to achieve consensus is not provided; use of the Analytical Hierarchy Process (AHP) and ELECTRE method as a model of the multivariate decision through the MADM show the background and necessity of declaring comments even more specialized; so that the MADM even allows the experts to reconsider the categorical structure and to review the existing issue through analyzing the different levels; while in Experts' Delphi method, the researcher sets up the problem as this itself can manipulate and even cause an error in declaring the opinions of the experts. Though in some cases, the response of the Experts' Delphi method to the paired comparisons may be non-linear as the psychology shows the reaction of some entities relating to a stimulus, may be more consistent with a non-linear function; but in this study, it was tried to fit the state of opinions as a linear form to simplify and to understand the issue better (Asgharpour, 2015).

In the technique of Delphi, it is principally tried to use the statistical distribution within relevant median to hit off the experts' opinions artificially; in the other word, it may occur a futile consensus because of unfolding the comments under pressure to achieve confirmation. Also, Delphi technique has striven for achieving a consensus and this consensus is not essentially the most accurate comment and collective judgment. Therefore, such a collective experience may cause to suggest some general terms, instead of offering any particular model. On the other hand, in the Delphi technique, it is assumed on the equality of experts regarding knowledge and experience, but in practice, this assumption may be not correct. Specifically, on special topics, distribution of the experts is unequal, so that some of the specialists have a full knowledge of the subject, while the others may have a less knowledge about the topic of the investigation. Characteristic of restatement and replication in Delphi

technique also causes to manipulate the experts' replies or comments. The other limitations are the lack of dedication and commitment and also rushed responses. In addition to all of these, fatigue and loss of experts are the other limitations of this technique (inspired by Shi, Yong et al., 2009).

Therefore, in the present research, Delphi method of experts is not noticed by the authors; and due to this reason, decision-making criteria such as the variables in this study were used in planning nine questions by using the method of MADM to receive the Experts' opinions, including three full-time faculty members of universities and higher educational institutions of the country in the specialized fields of strategic and business managements. So that to discover the relationships and the effects between research variables, explicitly, the study variables, including growth, productivity, marketing management and increasing the profitability along with specific questions, such as "whether variable V directly has the most accurate and positive impact on variable V´?" were sent to the experts. After receiving the responses in the spectrum 0 and 1 (0 means the absence of a direct and specific impact and one means there is a direct and specific impact), the formation of the three decision-matrices separately for each of the experts was carried out which are in the following:

V1 = Variable "growth"

V2 = Variable "productivity."

V3 = Variable "marketing management"

V4 = Variable "increasing the profitability."

Table-1: First expert decision matrix

Expert No.1 (D1)	V1	V2	V3	V4
Variable 1 (V1)	1	0	1	1
Variable 2 (V2)	0	1	1	0
Variable 3 (V3)	0	0	1	1
Variable 4 (V4)	1	0	0	1

Source: *arranged by authors*

Table-2: Second expert decision matrix

Expert No.2 (D2)	V1	V2	V3	V4
Variable 1 (V1)	1	0	1	0
Variable 2 (V2)	0	1	1	1
Variable 3 (V3)	0	0	1	1
Variable 4 (V4)	0	0	1	1

Source: *arranged by authors*

Table-3: Third expert decision matrix

Expert No. 3 (D3)	V1	V2	V3	V4
Variable 1 (V1)	1	0	1	1
Variable 2 (V2)	0	1	1	1
Variable 3 (V3)	0	0	1	1
Variable 4 (V4)	0	1	0	1

Source: arranged by authors

To make the components as no-scale parameters which resulted by collecting the received comments; each of the decision matrices was normalized by using the Euclidean Norm as follows:

Table-4: First expert normalized decision matrix

Expert No.1 (ND1)	V1	V2	V3	V4
Variable 1 (V1)	0.5	0	0.33	0.33
Variable 2 (V2)	0	1	0.33	0
Variable 3 (V3)	0	0	0.33	0.33
Variable 4 (V4)	0.5	0	0	0.33

Source: *arranged by authors*

Table-5: Second expert normalized decision matrix

Expert No.2 (ND2)	V1	V2	V3	V4
Variable 1 (V1)	1	0	0.25	0
Variable 2 (V2)	0	1	0.25	0.33
Variable 3 (V3)	0	0	0.25	0.33
Variable 4 (V4)	0	0	0.25	0.33

Source: *arranged by authors*

Table-6: Third expert normalized decision matrix

Expert No.3 (ND3)	V1	V2	V3	V4
Variable 1 (V1)	1	0	0.33	0.25
Variable 2 (V2)	0	0.5	0.33	0.25
Variable 3 (V3)	0	0	0.33	0.25
Variable 4 (V4)	0	0.5	0	0.25

Source: arranged by authors

In order to avoid manipulating the responses which arrived from the experts and the possibility to enjoy the pristine views and to avoid the errors which occur in assessment while responding, it was trying to synthesize the comments of these specialists in a grouped decision-making matrix by a math method in which this combination can be called as a type of "quantitative consensus". In order to avoid interference of researchers in setting and regulating the structure of the research issue, the Delphi method was not used. A critical element in the group decision making is the importance terms of each member of the experts (inspired by Azar and Rajabzadeh, 2008).

In this regard, the comments of each member may have a special significance. This feature considered in accordance with the academic rank of the members as the significance for the first person with the academic rank of Full Professor was considered, 3; for the second person with the academic rank of Associate Professor was considered, 2; and for the third person with the academic rank of Assistant Professor was considered, 1. Finally, to combine/synthesize the comments (quantitative consensus), the expert's decision-making group matrix calculated as follows by using the geometric mean and the GAHP method (inspired by Azar and Rajabzadeh, 2008):

Table-7: Experts decision making combined group matrix (Synthesizing the comments)

Synthetic	V1	V2	V3	V4
Variable 1 (V1)	0.707	0	0.315	0
Variable 2 (V2)	0	0.794	0.315	0
Variable 3 (V3)	0	0	0.315	0.301
Variable 4 (V4)	0	0	0	0.301

Source: arranged by authors

In this step, the model of ELECTRE used as one of the MADM methods to discover the relationships between the variables influencing the path on each other based on a combination of the experts' comments. The application of this approach builds on the concept of the explanation of the relationships and the effects ranking p → q between the study variables (inspired by Shi, Yong et al., 2009).

At first, the formation of the concordance matrix requires assessing the variables' weights. In this reason by using the table-7, the Shannon Entropy method was applied to calculate the weights which are on the table-8; and then the formation of the concordance matrix is possible as shown in Table-10 through the weights of the variables:

Table-8: Calculating weights of research variables by the Shannon Entropy method

Synthetic	V1	V2	V3	V4
V1	0.707 / -0.347	0 / --	0.315 / -1.155	0 / --
V2	0 / --	0.794 / -0.231	0.315 / -1.155	0 / --
V3	0 / --	0 / --	0.315 / -1.155	0.301 / -1.2
V4	0 / --	0 / --	0 / --	0.301 / -1.2
-K	-0.721	-0.721	-0.721	-0.721
E_j	0.178	0.132	0.787	0.260
$d_j = 1 - E_j$	0.822	0.868	0.213	0.740
$W_j = d_j / \sum d_j$	0.31	0.33	0.08	0.28

Source: arranged by authors

Table-9: Specify the collections Concordance and Discordance

Concordance Collection		Discordance Collection	
S_{kl}	j	D_{kl}	j
S_{12}	1,3,4	D_{12}	2
S_{13}	1,2,3	D_{13}	4
S_{14}	1,2,3	D_{14}	4
S_{21}	2,3,4	D_{21}	1
S_{23}	1,2,3	D_{23}	4
S_{24}	1,2,3	D_{24}	4
S_{31}	2,3,4	D_{31}	1
S_{32}	1,3,4	D_{32}	2
S_{34}	1,2,3,4	D_{34}	-
S_{41}	2,4	D_{41}	1,3
S_{42}	1,4	D_{42}	2,3
S_{43}	1,2,4	D_{43}	3

Source: arranged by authors

Table-10: Formation of Concordance matrix

Concordance Matrix (I)	V1	V2	V3	V4
V1	-	0.67	0.72	0.72
V2	0.69	—	0.72	0.72
V3	0.69	0.67	—	1
V4	0.41	0.59	0.92	—

Source: arranged by authors

To determine the Effective Concordance matrix, threshold $\bar{I}$ through the following formula is calculated: $\bar{I}$ = IKL/m(m-1) = 0.71(If any member of concordance matrix, is greater than or equal to the threshold, relating component in the matrix G is 1 and otherwise is zero).

Table-11: Formation of Effective Concordance matrix

Effective Concordance (G)	V1	V2	V3	V4
V1	—	0	1	1
V2	0	—	1	1
V3	0	0	—	1
V4	0	0	1	—

Source: arranged by authors

Also by using the group decision-making matrix of experts in Table 9, concordance matrix was formed as table-12:

Table-12: Formation of Discordance matrix

Discordance Matrix (NI)	V1	V2	V3	V4
V1	—	1.00	0.42	0.42
V2	0.89	—	0.38	0.38
V3	1.00	1.00	—	0
V4	1.00	1.00	1.00	—

Source: arranged by authors

To determine the Effective Discordance matrix, threshold $N\bar{I}$ through the following formula is calculated $N\bar{I}$ = NIKL/m(m-1) = 0.71(If any member of discordance matrix, is smaller than the threshold, relating component in the matrix H is 1 and otherwise is zero).

Table-13: Formation of Effective Discordance matrix

Effective Discordance (H)	V1	V2	V3	V4
V1		0	1	1
V2	0	—	1	1
V3	0	0	—	1
V4	0	0	0	—

Source: arranged by authors

The matrixes G and H have been combined with each other and given the overall efficient and comprehensive model that specified in table-14:

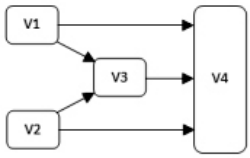
Table-14: Formation of the Overall Effective matrix

Total Effective Matrix (F)	V1	V2	V3	V4
V1	—	0	1	1
V2	0	—	1	1
V3	0	0	—	1
V4	0	0	0	—

Source: arranged by authors

The matrix table-14 shows the ranking as below which means the "Explanation" of hypotheses and model of the study:

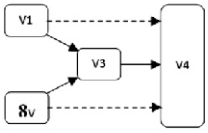
Figure-1: The effective relationship between the research variables Through a combination of experts' opinions



Source: *resulted by table-14*

The hypotheses and the pattern of the study are developable are as follows by discovering the working relationships between the study variables through consensus of experts' opinions and by using the ELECTRE method as a model of applied decision-making in MADM. The relationship which is shown as dotted suggested for the future study:

Figure-2: Explanation of the model of the study Based on the combination of experts' opinions



Source: *resulted by table-14*

Concepts and definitions:

Studying the factors associated with strategic synergy, found the concepts such as strategic management and marketing management, which are useful on the organizational profitability, so that, they can be linked to the increase in profitability which was the subject of synergy between the strategies "growth and productivity" with "marketing management" (Ohmae, 1992 and David, 2000).

The present study, so, studied the impacts of growth and productivity on increasing the profitability-based marketing management as the mediating variable in the textile industry. In this section, the concepts and definitions associated with the study variables were explained.

The development process of an effective strategy has three steps as follows (Ali'ahmadi et al. 2014):

The first step: Identifying and analyzing the opportunities: Observing the objective or subjective stimulus and identifying opportunities by careful people (the need of textile buyers to be aware of fabrics prices).

The second step: Identifying and analyzing the bottlenecks: Identifying key success factors (KSF) and fundamental bottlenecks in using the opportunities such as customer communication channels and the collecting system of the latest information on textiles price.

The third step: Proposing the strategy: Selecting the most appropriate hypothesis using the key capabilities in bottlenecks like an introduction in the telephone, internet, and website to the clients and acquiring the information required for a payment (Ibid).

Growth strategy:

The growth strategy is to increase revenues by achieving intangible organization resources which improve the firm's profitability. Kaplan and Norton (2008) suggested the growth strategy, including the concepts such as the creation of the advantages and values which are expected by customers and affected by good or bad activities of the company.

The present study divided the growth strategy into four sections (inspired by Rasouli and Salehi, 2014) including:

1- Heterogeneous diversification strategy involving the new product introduction, but unrelated to rivals' products.

2- Homogenous diversification strategy involving the new additional product and related to rivals' products.

3- Horizontal growth strategy involving the geographical development of the company's products and increasing the number of goods and services.

4- Vertical growth strategy involving the tasks or activities which were used to be done by a supplier or distributor. Vertical growth leads to the vertical integration (Ibid).

Given these explanations, the hypotheses are presented in this section as follows:

Main Hypothesis 1: "Growth strategy" impacts on marketing management.

Sub-hypothesis 1: Heterogeneous diversification strategy impacts on marketing management.

Sub-hypothesis 2: Homogenous diversification strategy impacts on marketing management.

Sub-hypothesis 3: Horizontal growth strategy impacts on marketing management.

Sub-hypothesis 4: Vertical growth strategy impacts on marketing management.

Productivity strategy:

Productivity described as costs reduction by achieving intangible organizational resources based on business units' administration and by actual transactions to provide high-quality goods and services, appropriate responding to comments and suggestions, perfect behavior and deliberately ignoring short-term benefits to achieve long-term advantages. Productivity strategy is to create, maintain, and reinforce organizational resources (Kaplan & Norton, 2008) and is divided into the three dimensions (Aaker, 2014) as follows:

1- Product design strategy which is developing and manufacturing the products which save costs.

2- Production/operation plan which is produced or operated as costs reduction using raw materials, distribution, (competitive) workforce, place, (automatic) production process, equipment and overhead.

3- Experience curve strategy which is a cost reduction using experiences (Ibid).

Therefore, the hypotheses in this section presented as follows:

Main Hypothesis 2: "Productivity strategy" impacts on marketing management.

Sub-hypothesis 5: Product design strategy impacts on marketing management.

Sub-hypothesis 6: Production/operation strategy impacts on marketing management.

Sub-hypothesis 7: Experience curve strategy impacts on marketing management.

Marketing management:

Marketing management plays a key role in many commercial transactions, especially in non-profitable conditions. Profitability transactions include features such as marketing as well as control and operation, which highlight the significant role of strategic marketing management in profitability (Poissant, 2010).

Moreover, according to Solomon (2013), some common beliefs in the markets, which play a key role in customers' behavior include brand, shop, price, advertisement and promotion, product and package (Salar, 2014).

Marketing management defined as the manner of planning and implementation of idea, pricing, promotional advertising and distribution of ideas, goods, and services to conduct transactions to meet individual and organizational needs (Kotler, 2009).

The hypotheses associated with variables of marketing management and organization's profitability now presented as follows:

Main hypothesis 3: Marketing management impacts on increasing profitability.

Strategic marketing management:

The strategic management model, which stipulates the hypotheses of the strategy, is developed by using the synergy between intangible assets (growth and productivity) and tangible assets such as business units' administration in organizations and marketing management. Using the BSC method, the hypotheses as the basis of the strategy is formed which use the causal relationships to clarify the map or the strategic management model (Kaplan & Norton, 2008).

Strategic marketing management describes the degree of synergy between the strategies of growth and productivity with marketing management. The features of marketing strategic management include mental, sensory and objective abilities. An increase in profitability is an outcome of strategic marketing management, which is defined as the synergy of mental capabilities such as "growth", physical capabilities such as "productivity" and sensory capability like "marketing management". In which managers make a profit as a result of strategic purchasing and selling (inspired by Kaplan & Norton, 2008; Kotler, 2014).

Increasing the profitability:

Profitability is a factor that enables organizations and industries to increase their own revenues and reduce the costs by making the relationship between strategic management and marketing management so that organizational profitability is enhanced (inspired by Gaganis et al., 2015).

Behavioral tendency or marketing managers' plan increases the likelihood of profitability. Behavioral intention indicates the degree of the trend in marketing managers to perform the target behavior. Effects of behavioral intention or action show that the managers are willing to be involved in ways with an increase in profitability (inspired by Robbins, 2008).

Based on the results obtained from the background of the present study, the hypotheses developed are as follows:

Main hypotheses:

Main Hypothesis 1: The strategy of growth impacts on marketing management.

Main Hypothesis 2: The strategy of productivity impacts on marketing management.

Main Hypothesis 3: Marketing management effects on increasing the profitability.

Sub-hypotheses:

Sub-hypothesis 1: Heterogeneous diversification strategy impacts on marketing management.

Sub-hypothesis 2: Homogenous diversification strategy impacts on marketing management.

Sub-hypothesis 3: Horizontal growth strategy impacts on marketing management.

Sub-hypothesis 4: Vertical growth strategy impacts on marketing management.

Sub-hypothesis 5: Product design strategy impacts on marketing management.

Sub-hypothesis 6: Production/operation strategy impacts on marketing management.

Sub-hypothesis 7: Experience curve strategy impacts on marketing management.

The conceptual model of the research

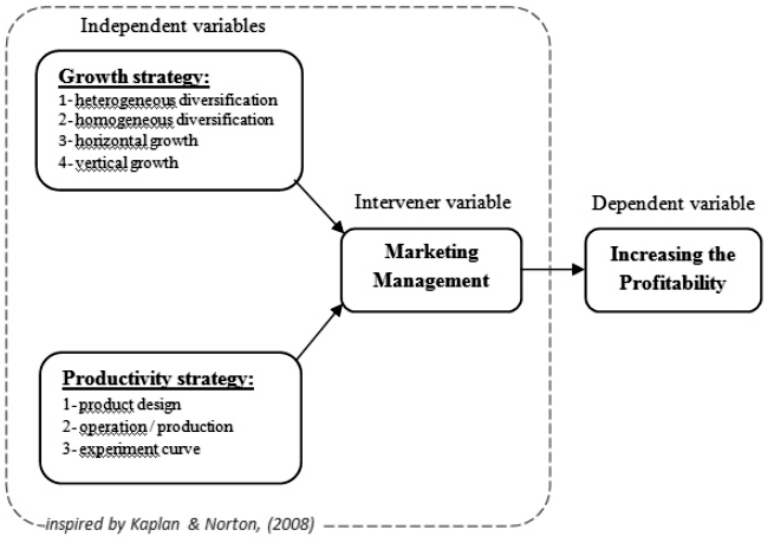


Figure-3: The conceptual model of the research

Section 2: Verification of the hypotheses and the model of the study

The research methodology

It was an applied research regarding objectives and a survey regarding the descriptive method used.

Statistical population

The statistical population of this study includes all organizational managers and employees.

Statistical sample and sampling method

The sample size calculated based on the unlimited population formula owing to lack of access to detailed statistics on organizational managers and employees.

Sample size:

The study sample was obtained using the unlimited population sampling formula as follows (Bowker& Lieberman, 1996):

$$n = \frac{Z_{\frac{\alpha}{2}}^{2} \times \sigma^{2}}{\varepsilon^{2}}$$

n: minimum sample size;

Zα/2: is estimated as 1.96 considering a confidence interval of 95%;

ε: allowable tolerance of error (estimation accuracy) which is considered 0.05;

2: variance of the population;

The sample size estimated 384 based on the unlimited population sample size and determination formula at a confidence interval of 95% and variance of 0.5.

$$n = \frac{(1.96)^{2} \times (0.5)^{2}}{0.05^{2}} \geq 384$$

The method of sampling:

The cluster sampling was used in this study to account for the geographical classification (Azar & Momeni, 2012).

Data collection tools:

Standard questionnaires and the methods presented in the following were used to collect data, (Ahranjani, 2014).

Library studies:

Library studies comprised the investigation of documents to develop the theoretical background, which included the study of specialized books, articles, journals and scientific publications (Quivy, & Campenhoudt, 2006).

Interview with managers and experts:

Determining appropriate components by the social, cultural and business atmosphere and the case study of Iranian Textile Industry.

Using the questionnaire:

The questionnaire of growth strategy was adopted from "Strategy-oriented organization" by Kaplan & Norton (2008) and "Advance strategic management" by Rasouli & Salehi (2014). The questionnaire of productivity strategy was developed based on "Market strategic management" Aaker (2014). The survey of marketing management and

increasing the organizational profitability was also prepared by using three important references, including "Marketing management" and especially "Marketing 3.0: From Products to Customers to the Human Spirit" by Kotler (2011).

Statistical method and data analysis

The present study used descriptive and inferential analyses. The data collected were analyzed in SPSS while confirmatory factor analysis (CFA), regression model as well as path analysis and structural equation modeling was used to analyze the data collected from the standard questionnaire in LISREL.

Validity and reliability of the data collection tool

Content legality and constructs legitimacy used to confirm the questionnaire validity. To develop a model of the study and to measure content validity, experts' opinions were used, and the CFA was used to measure constructs validity.

The reliability of the tool is also confirmed by calculating Cronbach's alpha.

The Kaiser-Mayer-Olkin (KMO) test

The KMO test is used to assess the adequacy of sampling.Table-15shows the results of the KMO test for each of the variables.

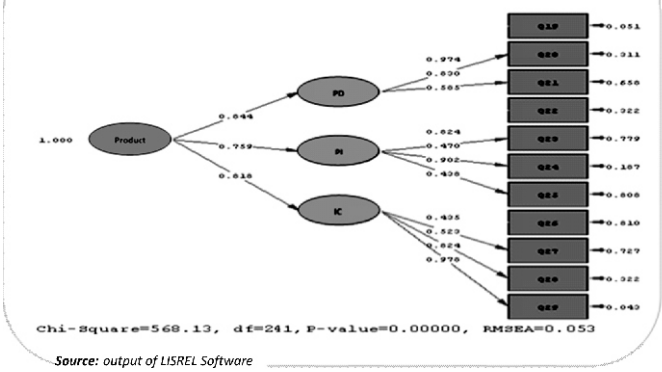
Table-15: Results of the KMO test

Variable	KMO value
Growth strategy	0.814
Productivity strategy	0.780
Marketing strategy	0.758
Increasing the profitability	0.775

Source: arranged by authors

According to table-15, all the KMO coefficients are higher than 0.7 which suggests the adequacy of sampling in the factor analysis. Figures 4-7 illustrate the results of the construct validity of the study questionnaire, obtained using CFA. Table-16 shows the results of Cronbach's alpha and the survey reliability. The Cronbach's alpha received is more than 0.7 which suggests acceptable reliability.

Figure-4: Standard estimation model of "productivity strategy"



Source: output of LISREL Software

Figure-5: Standard estimation model of "growth strategy"

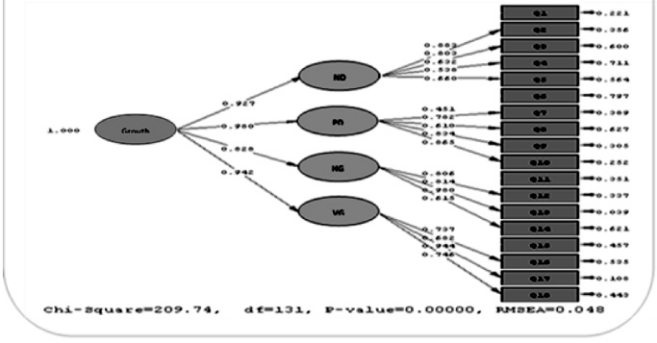
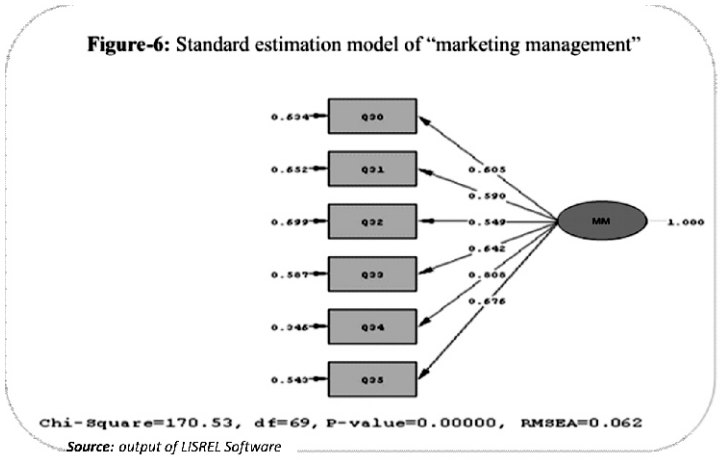
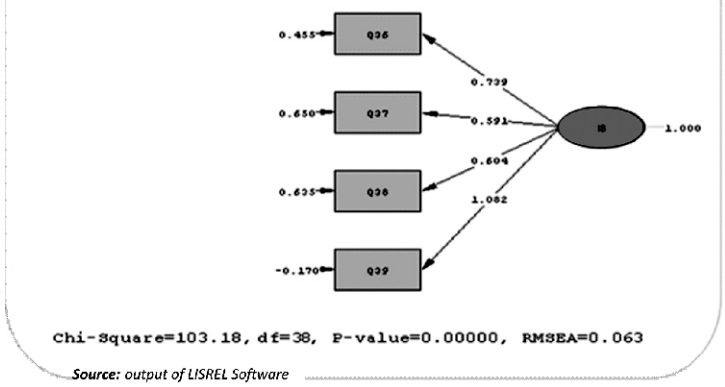


Figure-6: Standard estimation model of "marketing management"



Source: output of LISREL Software

Figure-7: Standard estimation model of "increase in profitability"



Source: output of LISREL Software

Table-16: Reliability of the study constructs

Construct	Cronbach's alpha
Growth strategy	0.958
Heterogeneous diversification	0.885
Homogenous diversification	0.858
Horizontal growth	0.875
Vertical growth	0.888
Productivity strategy	0.916
Product design	0.866
Production/operation	0.804
Experience curve	0.784
Marketing management	0.780
Increasing the profitability	0.791

Source: arranged by authors

Pearson analysis

The potential relationships among the study components should first be identified before investigating the hypotheses and determining the possible effects of components on one another.

Table-17 shows the results of the Pearson test conducted to determine the correlation among the study variables. Moreover, the absence of relationships between the components ceases the investigation of the related hypothesis.

Table-17: Pearson correlation results

Variable	1	2	3	4	5	6	7	8	9	10	11
Heterogeneous diversification	1	-	-	-	-	-	-	-	-		
Homogenous diversification	0.821**	1	-	-	-	-	-	-	-		
Horizontal growth	0.675**	0.710**	1	-	-	-	-	-	-		
Vertical growth	0.774**	0.752**	0.806**	1	-	-	-	-	-		
Growth strategy	0.923**	0.920**	0.849**	0.916**	1	-	-	-	-		
Product design	0.936**	0.783**	.617**	0.710**	0.862**	1	-	-	-		
Production/operation	0.850**	0.685**	0.622**	0.692**	0.799**	0.794**	1	-	-		
Experience curve	0.657**	0.699**	0.702**	0.862**	0.803**	0.586**	0.575**	1	-		
Productivity strategy	0.912**	0.825**	0.749**	0.879**	0.939**	0.880**	0.878**	0.863**	1		
Marketing management	0.590**	0.626**	0.597**	0.697**	0.693**	0.628**	0.498**	0.773**	0.744**	1	
Increase in profitability	0.599**	0.619**	0.711**	0.798**	0.743**	0.629**	0.535**	0.841**	0.788**	0.852**	1
N=384	** P<0.01										

Source: arranged by authors

As seen in table-17, there are relationships among all the study components and the hypotheses can, therefore, be assessed.

Findings

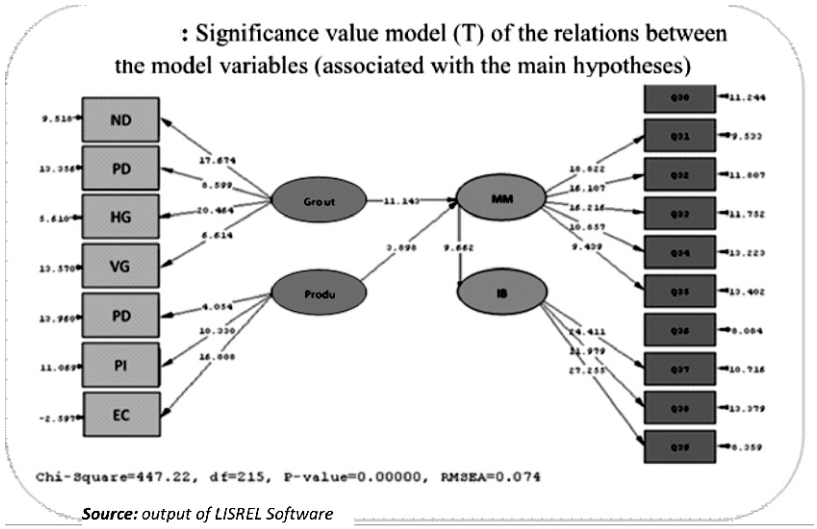
Statistical description and analysis methods, especially path analysis, utilized to analyze the data. The descriptive statistical results obtained are given in table-18.The first step in path analysis is to determine a pre-experimental structural model comprising all the variables. Directions of flow in different paths indicate the relationships between variables. To draw the path diagram, names of variables are first written and arrows are then learned from each variable toward the variables on which we believe it is effective to compare the effects of the model variables.

Table-18: Descriptive statistics of the study sample

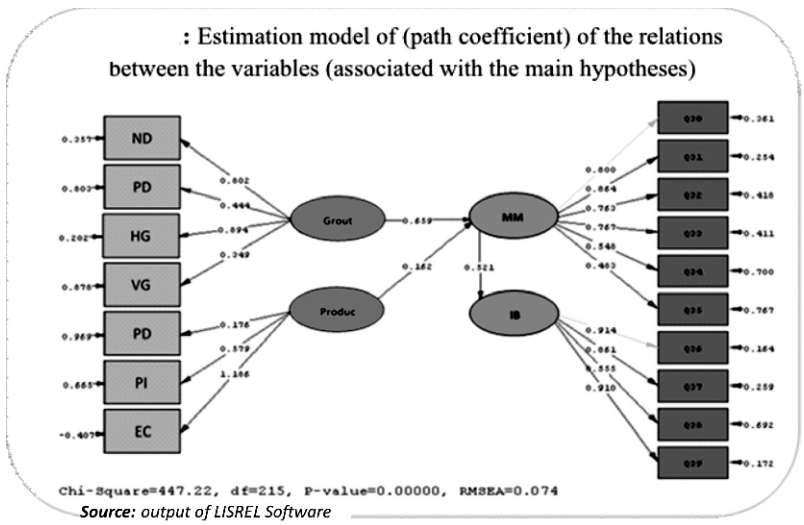
	Description	Frequency	Relative frequency	Cumulative relative frequency
Gender	Male	249	64.8	64.8
	Female	135	35.2	100
Age	Under 20	21	5.5	5.5
	21-30	176	45.8	51.3
	31-40	127	33.1	84.4
	41-50	42	10.9	95.3
	Over 50	18	4.7	100
Level of education	High school diploma	93	24.2	24.2
	Associate degree	60	15.6	39.8
	BS	171	44.5	84.4
	MSc	52	13.5	97.9
	PhD	8	2.1	100
Frequency of monthly marketing	1-5	194	50.5	50.5
	6-10	99	25.8	76.3
	11-15	50	13.0	89.3
	16-20	24	6.3	95.6
	More than 20	17	4.4	100
Work experience	Less than 1 year	119	31.0	31.0
	1-2 years	160	41.7	72.7
	2-3 years	57	14.8	87.5
	3-4 years	30	7.8	95.3
	More than 4 years	18	4.7	100

Source: arranged by authors

All the coefficients and parameters of the model standardized in this output. Figure-8shows the significance of all the coefficients and parameters of the model while Figure-9 illustrates the estimates of the path coefficients between the model test variables (for a factor to be significant, its absolute significant value should be more than 1.96).



Source: *output of LISREL Software*



Source: *output of LISREL Software*

The following table is displayed to represent the relationships and the coefficients of the parameters better.

Table-19: Testing the study hypotheses

Independent variable	Dependent variable	Independent variable dimension	Degree of effect	Significance value	Result (approval or rejection of the sub-hypothesis)	Degree of effect	Significance value	Result (approval or rejection of the main hypothesis)
Growth strategy	Marketing management	Heterogeneous diversification	0.037	0.144	The first sub-hypothesis: Rejected	0.665	11.14	The first main hypothesis: Approved
		Homogenous diversification	0.173	3.64	The second sub-hypothesis: Approved			
		Horizontal growth	0.404	4.76	The third sub-hypothesis: Approved			
		Vertical growth	0.244	3.72	The fourth sub-hypothesis: Approved			
Productivity strategy	Marketing management	Product design	0.249	4.15	The fifth sub-hypothesis: Approved	0.164	3.89	The second main hypothesis: Approved
		Production/operation	0.221	3.56	The sixth sub-hypothesis: Approved			
		Experience curve	0.377	5.06	The seventh sub-hypothesis: Approved			
Strategic marketing management	Increase in profitability	----------			----------	**0.518**	**9.66**	The third main hypothesis: Approved

According to table-19, horizontal growth (score: 0.404), vertical growth (0.244) and homogeneous diversification (0.173) are dimensions of growth strategy with respectively the highest effects on marketing management. Similarly, experience curve (0.377), product design (0.249) and production/operation (0.221) are dimensions of productivity with the respectively the highest effects on marketing management. Furthermore, marketing management or strategic marketing management (0.518) significantly affects increased organizational profitability in the textile industry across the country. Also, growth strategy (0.665) was found to have higher effects on the variable of trust compared to the productivity plan.

Model fitness results

Besides estimating the model coefficients and errors, LISREL provides a series of fitness indicators to help the researcher test the model fitness. Fitness indicators obtained show that the model is in good conditions as the ratio of chi-square to the degree of freedom ($\chi 2$/df) is 2.79 and 2.07. They are less than the allowable limit (3) as was the case for RMSEA with values below the threshold of 0.08 (0.043 and 0.074), suggesting no need for modifications. The P-value is 0.000, which is less than 0.5 while all the significance values associated with the model parameters are higher than 1.96 and therefore significant.

Conclusion

The present study investigated the effects of strategies of growth and productivity on the increase in profitability of organization by emphasizing marketing management as the mediating variable. The primary purpose of this study was to propose criteria to encourage marketing managers to use growth and productivity in different conditions and industries, especially textile industry, by creating competitive advantage. The findings suggest that the strategies of growth and productivity significantly affect the marketing management, which in turn considerably affect an organization increase in profitability in the Iranian textile industry. In fact, growth and productivity affect the organizational increase in profitability through marketing management. Horizontal growth, as a dimension of growth strategy and experience curve, as an aspect of productivity strategy, has the highest effect on marketing management and ultimately affect the organizational increase in profitability in textile industry through the variable of marketing management. Moreover, the growth strategy is more effective than a productivity strategy in marketing management. Although the first sub-hypothesis, indicating the effectiveness of various diversifications in marketing management, was rejected, growth and productivity strategies, in general, have positive effects on marketing management and commercialization management also has a positive effect on the organizational increase in profitability.

Recommendations for future research

The design of the existing study was to identify the role of marketing strategic management in an increase in profitability of the study organization in the Iranian textile industry. Other variables and strategies can be explored in future studies. It is worth mentioning that marketing management as a new study area in strategic management requires extensive research to identify its different dimensions. The effects of the rest of growth and productivity components are therefore recommended to be studied in marketing management and subsequently organizational increase in profitability.

Practical recommendations of the study

Given that marketing management is a key factor in the organizational increase in profitability, marketing managers of organizations are recommended to improve their team profitability by trying to identify, develop and reinforce corporate strategies and enable their components. Managers of teams are supported to create the best conditions for their organization and industry and pave the way for the development of their team by using marketing strategic management and the synergy between financial and non-financial strategies to establish marketing strategic management. Optimization strategies are recommended to be adopted in marketing management to pave the way for growth, productivity and increase in profitability of organizations. Managers could also be integrated into organizational missions and visions by maintaining the synergy between hidden strategies and marketing management to see positive effects of their attempts for excellence. It always emphasized that middle managers choose appropriate behaviors in accordance with competitive strategies while maintaining the operational and social advantage and avoid weakness and fragmentation in the implementation of growth and productivity strategies. It will cause the staff to believe that the atmosphere, governing their organization is strategy-oriented and the team respects their performance. This type of measures creates the spirit of cooperation and results in the positive synergy. Also, a team of experienced, motivated and creative managers are recommended to be formed to exchange ideas on strategies for increasing and reinforcing profitability in working group sessions, appreciate a good job to strengthen and promote them, make constant attempts to establish work business continuity among the staff and involve them in organizational objectives.

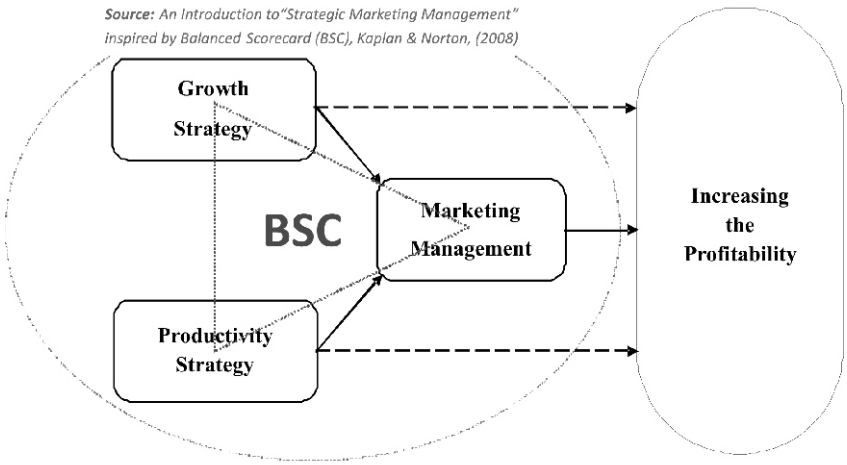


Figure-10: Final Conceptual Model of the Research

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