

**Digital Technology and Marketing Management Capability:  
Achieving Growth in SMEs**

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### **Abstract**

**Purpose** – The intentions of this study is to evaluate the constructs relationships in order to gain more insight and definitive clarification of the factors related to company's growth in UK. Based on resource-advantage theory, this research addresses *“to what extent does digital technology influence marketing capability which loads to company's growth?”*

**Design/methodology/approach** – The data was gathered through 21 in-depth interviews with managers from different multinational organizations and 6 focus groups with employees and new empirical insights are offered.

**Findings** – The study identifies the two key components of digital technology (information quality and service convenience). In addition, the relationships between digital technology, tangible/intangible assets, and marketing capabilities perform significant role of facilitator between company's growths.

**Research limitations/implications** – The focus on UK SMEs limits the generalisability of the results. Further study should be collected in other sector and country settings in order to examine the associations recognized in the current study.

**Originality/value** – This study illustrates the main impacts of digital technology on intellectual/physical assets that while managers and employees have specified that marketing capability is significant for organizations, there are a few other areas of concern with regard to consequences related to company's growth, competence, and core competence, particularly in a SMEs settings.

**Keywords** – Digital Technology, Information Quality, Service Convenience, Design Innovation, Marketing Capabilities, Growth, Competencies, SMEs

## **Digital Technology and Marketing Management Capability: Achieving Growth in SMEs**

Understanding the factors of superior firm's performance is a theme of consistent discussion and of significant interest to both researchers and practitioners (Fahy et al., 2000). The view of core competence was presented by Andrews (1971) as "what the company can do particularly well" (p. 46). However, an earlier paper by Ansoff (1965) who portrays core competence in a rich argument of its meaning which known as 'common thread' (p.105). Ansoff (1965) signifies the business competencies as "a relationship between present and future product markets which would enable outsiders to perceive where the firm is heading, and the inside management to give it guidance" (p.105). Previous findings presented by Andrews (1971) accomplished significant study of core competence carried out by Prahalad and Hamel (1990). Prahalad and Hamel (1990) illustrated core competence as the core system that "provides nourishment, sustenance, and stability" (p.82). The experiential study of marketing capabilities is also underlined being given increased attention in the academic literature (Blesa and Ripolles, 2008; Ribeiro et al., 2009; Tsai and Shih, 2004; Vorhies and Morgan, 2005; Weerawardena, 2003). Marketing capabilities employ a substantial and optimistic result on customers' satisfaction, which eventually indicate to superior organizational performance in terms of sales, profit and competence (Santos-Vijande et al., 2012).

What distinguishes this paper is greater understanding of digital technology and its influence on design innovations management capability which leads to company's growth. Moreover, this study highlights how information quality and its antecedents (information's of integrated promotion, product pricing and transactions) in corporation with service convenience and its antecedents (integrated information's access, order fulfilment, customer service) provide greater understanding of digital technology which influence design and innovation management capability. Resource-advantage theory will be adopted to examine the relationship between information quality, service convenience, digital technology, tangible/intangible assets, marketing capability, and core competencies. This research will evaluate the constructs relationships in order to gain more insight and definitive clarification

of the factors related to core competence.

This article contributes to the growing research on digital technology and devices which provide entree to innovative information. As claimed by Dewett (2003) technologies deliver workers straight entree to original information by permitting them to link up with acquaintance repositories and with information experts. Digital technology contributes to innovation, management capability which leads to the growth of the SMEs. The literature in view of technology adoption delivers an understanding of how informed government policies could help small medium enterprises to reach both growth and innovation (Blackburn et al., 2008). The SME's ability to learn and acquire knowledge will prepare them for advance steps of growth, which ultimately determines whether the SME is able to progress to the next stage of development (Blackburn et al., 2008). In particular, this links to knowledge of management capabilities and technology. According to Fruhling and Siau (2007) the human capital accessible within the organization is likely to be a fundamental factor in effective innovation.

The firm's capability to learn and acquire knowledge will prepare them for advance steps of competence, which ultimately determines whether the firm is able to progress to the next stage of development (Blackburn et al., 2008). In particular, this links to knowledge of management capabilities and technology. According to Fruhling and Siau (2007) the human capital accessible within the organization is likely to be a fundamental factor in core competence. Consequently, management strengths should be focused toward nurturing and exploiting these strategic resources (Wernerfelt, 1984).

This paper is structured as follows. The current study outlines the theoretical background of information quality, service convenience, digital technology, tangible/ intangible assets, marketing capability and core competence and its relationship between the dynamics. Afterwards, the author clarifies research methods. Next, the method is outlined and the results from our analysis are presented. Finally, the research contributions and limitations are summarized along with suggestions for future research.

## **Literature review**

### *Digital technology*

Digital technology is progressively implementing by the firms in order to respond positively to customer needs and at the same time improve customer-side operations (Walsh 2007).

Digital technology highlight the roles of consumers and businesses at the same time helps drive sales, increase efficiencies by reducing costs. Information quality can be transferred through digital technology (Watson et al. 2006). Organizations are strongly focused on the use of digital technology to enhance improvement in the quality of information provided to their customers (Foroudi et al., 2016). In general, technological innovation can be understood as employment of a product with enhanced performance appearances such as to distribute objectively new or developed services to the customer (Bin and Teo, 2010; Gorla et al., 2010). The quality of information reflects customer perception of the quality of the results. Information quality transmitted in an appropriate way has a huge impact on customer behavior and marketing (Bin and Teo, 2010). Information quality consists of integrated promotion information which contains stability in branding to support customers; integrated product and pricing information can be reached by guaranteeing reliability in product images and prices through retail channels; integrated information transaction is the collection of customer's on-line transaction held by retailers in order to provide personalized information and services (Bin and Teo, 2010).

Service convenience refers to consumers' interest in conserving time and effort. Highlight customer perceptions of the services provided by the organization and its benefits. Bin and Teo (2010) stated that "processes of integrated information access, integrated order fulfilment, and integrated customer service" (p.42) are essential part to achieve service convenience. Integrated information access in on line stores allows the customer to obtain information related to seek product, its availability and locations (Ray et al., 2005; Tallon, 2010). Integrated order fulfillment supply allows seamless order fulfilment to the customers, by providing the availability of purchased product, easy and quick purchase, and ready for collection (Porter, 1980). Integrated customer service provides excellent customer service and support and products purchased online can be exchanged or returned to the stores (Banker et al., 2006).

Digital technologies play a significant part in every organization (Setia et al., 2013) and has underlined concoctions among firms, information systems and customer service performance (Ray et al. 2005). It develops enormous impacts on customer service performance (Ray et al., 2005) and enhances the ability to accomplish service convenience (Eisenhardt and Martin, 2000; Pavlou and El Sawy, 2006; Teece et al., 1997).

### **Tangible/Intangible Assets and marketing capability**

Marketing capability requires pursuit and examination throughout technologies and markets (Teece, 2007), as it exposes the organizational capability to determine about customers, competitors, and the broader market environment (Day, 1994). Marketing capability can be implemented by utilising a variety of processes, including sustaining relationships with customers, suppliers as well as participating in professional associations and perceiving best practices. These processes require greater use of tangible/intangible assets of a firm. Assets of a firm itself are outlined with a wide variety of meanings. Grant's portrayal that "assets are inputs into the production process-they are the basic unit of analysis", where a capability is identified as "the capacity for a team of resources to perform some task or activity" (Hafeez, et al., 2006, p.3594). Capabilities upshot commencing an intricate pattern of actions and a positive synergy between numerous assets. Particularly, marketing capability processes generate inputs for the requirements of reconfigured operational capabilities (Eisenhardt and Martin, 2000).

### **Method and analysis**

This paper employs multi-disciplinary primary qualitative data collection to uncover patterns, themes, and categories in order to make judgments about "what is really significant and meaningful in the data" (Patton, 2001, p.406). This study conducted 21 in-depth interviews with top managers in UK from different multinational organizations and 6 focus groups with total of 35 people (21 male and 14 female) with employees (see Table) and new empirical insights are offered, which helped the author to generate a deeper understanding about the research (Palmer and Gallagher, 2007; Yin, 1984), uncover new clues, open up new dimensions of a problem and to secure vivid, accurate inclusive accounts that are based on personal experience (Foroudi et al., 2016). A conducive comfortable environment was provided (Malhotra and Birks, 2000). The average interview lasted one hour and half and all the interviews were recorded by two recorders and transcribed verbatim with highlighted trustworthiness of information to evaluate the research question to ensure reliability (Andriopoulos and Lewis, 2009).

The research aim was to understand to what extent does digital technology influence marketing capability which loads to core competence and company's growth? This study followed Foroudi et al.'s (2014, 2016) recommendation to conduct in-depth interview

technique as semi-structured by developing qualitative protocol and design direct questions to discover essential motivation, belief, attitude and feelings about the topic. The interviews were collected face-to-face between October 2015 to September 2016.

<<<Table 1 Here>>>

To assess the qualitative results and improve the validity and reliability of the study, triangulation was used in two stages based on Creswell and Miller's (2000) suggestions. We developed codes by addressing the problem areas, research questions, and/or key constructs (Palmer and Gallagher, 2007). Then, we used QSR NVivo software for data administration, data storage, and retrieval. NVivo is beneficial software for to assist us for interpretation the entire text and inter-relationships of codes. In addition, the data was examined concerning the content of exacting nodes, which could affect the inter-relationships of the thematic ideas, reviewing the nodes (themes) for consistency, and proceeding through the qualitative data analysis. .

Subsequently, the qualitative outcomes of the interviews were assessed once accomplished the data gathering stage. The significant statements which were directly associated with research question were revised. In order to attain occurrence of responses for theoretical satisfaction the interviews were transcribed. By identifying a significant word, the upshots obtained through the open questions were scanned and linked straightforwardly to the research question in order to deliver a final theory.

### **Results and discussion**

A literature review advocates that concepts of core competence and its dynamics are not clearly defined. In order to direct the above gaps, Fig. 1 presents a portrayal of the conceptual framework that recognizes the key research constructs. A research model was designed based on literature and qualitative study. Generating an employee's-level conceptual framework established on resource advantage theory demonstrates: (1) the relationships between information quality, service convenience, digital technology, tangible/ intangible assets, marketing capability, company's growth; and (2) the connections among other theoretically acknowledged variables. One research question is addressed "to what extent do digital technology influence marketing capability which loads to company's growth?".

Specified the guiding description of the research questions, the findings, established upon qualitative study suggest that tangible/intangible assets and digital technology influenced marketing capabilities, and that marketing capabilities influenced company's growth and core competence through SMEs. Every entrepreneur had a unique perception of SME but majority of them claimed that SME was an increasingly important phenomenon. Innovations and knowledge may lead to utilisation of new or improved product or processes. Owners of the above SMEs have discussed, to be successful in meeting adversity one should possess a great knowledge of all the business functions. The manager who masters these elements can be successful in future development.

This paper evaluates the constructs relationships in order to gain more insight and definitive clarification of the factors related to core competence in UK. Nevertheless, this study is one of the first to practically authorize the supposition delivered by researcher (Mahoney and Pandian, 1992) that deliver greater understanding of digital technology, tangible/intangible assets and its influence on marketing capability which leads to core competence. This would upshot in understandings that might make a substantial input to the present knowledge and support to corroborate and enhance the sequels in the literature in this field (Hafeez et al., 2016). To recognize core competences of a firm, it is essential to examine the features of its components (Dierickx and Cool, 1989).

Moreover, this paper highlights how information quality and its antecedents (information's of integrated promotion and product pricing and transactions) in corporation with service convenience and its antecedents (integrated information's access, order fulfilment, customer service) provide greater understanding of digital technology which influence tangible/intangible assets, marketing capability and competence. Employing data from interviews of UK firms, this paper attempts to scrutinise the relationship between information quality, service convenience, tangible/intangible assets, digital technology, marketing capability, competence and core competencies.

Business concept was defined by interviewees as a perception of how to manage and carry out an economic activity; it involves preconceived ideas and behavioural rules. A business concept innovation reconceives or breaks with widely accepted ideas and behaviors about how a business should be, changing the perception of how to run the business. To answer the



question 'how did you action your business concept into reality?', The following comments illustrate managers' assessment of this source of finding:

*"...there it was 'the wonky teapot on gum tree. I made some notes at home about what I will be discussing and then I straight away talk to owner of business, and I manage to complete deal but the business concept did not finish there" (Interviewee6)*

*"...I was working in catering industry for 10 years. After gaining so much experience and being passionate about the food and customer service I have decide to open my own business. I put all my heart in to it and always give 100%. My customers are my guests and I treat everyone as a special" (Interviewee2)*

Innovation is a new or significantly improved mental model relating to a business, which leads to substantial modifications in firm' methods and general knowledge. This, in turn, makes it possible for catering companies develop their own innovations where knowledge and technologies are applied in a new direction. Moreover, business concept helps SMEs to achieve competitiveness. Likewise, service and product characteristics will differ among firms with different business concepts. The owners should try to come up with a new business concept witch will help them figure out ways to grow their company.

**Competitive advantage** - is fulfilling an unmet consumer need in a market segment (Hinterhuber, 2013). Burns (2011) believes that innovation and opportunity are key to gaining competitive advantage. A business needs to innovate its products and services in order to gain competitive advantage in the market. This can maintain and improve competitive advantage and also extend the businesses life. What is it that you do that has competitive advantage over other similar restaurants close by yours? Moreover, managers stated that *"... quality good food"...* and *"... high quality food and the best customer service"*. If restaurants and cafés in catering industry do not generally develop new technologies or new scientific knowledge, then where are their innovations coming from? The answer to this question requires recognising the existence of non-technological knowledge. This type of knowledge is specific to small SMEs. In other words, it is knowledge accumulated from the learning process of each common activity in a catering. Every firm, in every industry, has specific knowledge from its economic activity (Aldebert et al., 2011), which comes from firm's market, organization, and production and delivery process, etc. Such innovation changes dramatically as business and products are conceived,

creating a pattern about how and what knowledge or other firm resources must be used in the firm (Gupta et al., 2016). Catering SMEs introduce a side line of delivery options for local businesses and organizations. Moreover, Catering SMEs would benefit from such services. Furthermore, these SMEs could host a small event in the restaurants such as art days or cultural music nights. Bring more culture into their business - could be great way to attract new customers. SMEs face a big challenge how to attract and retain customers due to the small marketing budgets.

Digital marketing leveraging on social media channels allows the SMEs to provide a new innovative way to interact with customers, providing an alternative, cost effective, and attractive proposition.

**The current demand and the competitive environment** -The competitive environment reflects business competes and functions within an environment, in a place where there is demand for a particular product; it is likely to find more seller with similar products. Interviewer asked ‘do you think your products are competitive taking the current demand into consideration?’ The following quotes reflect the answers,

*“...Maybe some people will be attracted. But if it's different, and you don't want that sort of customer really, in general, who get attracted with the price. That is foolish doing that anyway for...”*

*“...My customers are mainly local people. They love my food and the atmosphere in the restaurant. Also we adapt our menu to customer's needs ... allergies, special products intolerance and level of spices. In my culture we tend to eat very spice, but of course not everyone can take it the same level ...so we have to take this also into our considerations .....”*

SMEs have direct and indirect competitors. They are surrendered by many competitors who sell similar product at lower prices. In a turn, they offer different kind of benefits to their customers. For example, a company in food and beverage offers great discounts to students while another does not charge cork charge so his customers can bring their own alcohol without extra charge. Indirect competitors like local supermarkets do not make the SMEs life easier by selling ready meals. However, products are the best quality - not only tasty but also healthy. Their products are unique. In order to gain new customers and keep existing customers happy, one of the shop offer online take-out ordering through their websites. Because of the great locations the demand for their product is always very high. The owners

should concentrate on an individual product to ensure they are being best all the time and improve the growth.

**Growth and development** - can be summarised as business owner(s) wanting to increase their market share by expanding the business. This can be in forms of increasing floor space, marketing initiatives, and employing further employees developing on current successes and exploiting opportunities. To understand the entrepreneurs' growth and development to date, interviewees stated as,

*“... I invested fifteen thousand pounds into my business...I break even at the end of my 6 months...I very happy”*

*“... I have opened my restaurant 24 years ago ...due to my hard work and my passion my business is making more money every year ...”*

Currently one of the business owner is a clear example of an entrepreneur bringing his idea forward and implementing it resulting in employment opportunities for local residents. Although the business has been running for only 6-8 months it is estimated to be worth four times more than its purchase. Taking into consideration such a short period of time and current value of the business we can assume that the value of this business by the end of its financial year will increase, even they face so many challenges for managing the business.

**Challenges of managing and running the business** can be defined as dispute, questioning of something or difficult or a demanding task for someone. According to Daft and Marcic (2004) challenge management reflects difficulties and problems managers and owners can face in running and managing their business on daily basis. SME owners face many challenges in the worldwide oriented markets of today's world. However the most problematic is how to effectively manage all encompassing functions of a business without causing conflicts within these functions. What do you consider to be the most challenging aspect about being a manager in business today?

*“... If I mean, if I lost interest, I believe that would be challenge losing my interest. So, I have to keep working very hard and then doing lots of money and success. So that might keep me focused. If I lost money, you've got to focus If you did not, you lost interest. You just think you are just wasting your time or just. That's dangerous. Otherwise,*

*forced, and then, I don't believe they can take you down. Because I know..."*

*"...hmm...without assumption it is staff...I have to keep control on them at all the times, They are very important part of my business but I have to ensure that they work as hard as I do ... so finding the right people it is very difficult ..."*

Owners of small businesses confront many challenges in managing their business. These involve understanding financial responsibilities, creating products which suits customers, recruiting employees of appropriate skill set, and keeping on the top regulations. The biggest challenge that they faced is business regulations and taxes. Majority needs to make intelligent decisions. Therefore, they need to understand the content of regulation in the industry, its interface for their business. They need to develop the skills necessary to deal with it. Although, two companies found difficulty to find appropriate staff who understand and support his business objective. To small business, its personalities and skill which matters. The owners of SMEs to be successful in meeting adversity should possess a conceptual knowledge of all business functions by designing strategies for future growth and development.

**Strategies for future growth and development** - is a structural model, which contains all the required tools. This model is all about preparing a business to grow and develop, strategy contains characteristics such as product, timing, methods, economic and business case and differentiation. Strategic planning is the process of guidance for development. Strategy must be consistent, measurable and flexible. Strategic objectives are the key for future growth and development for SME's. However in order to achieve success the owners must be committed to the business, value employees, promote the business, have plans to expand and to be skilled in all the aspects of the organization. This study was concerns about what are the business owner does which will make a difference to his future growth and development? This can be explained by the comment of managers,

*"... Lisa is my employee. But I consider she is my colleague. And you should be forgetting whose boss. We must concentrate there, and as long as the business is getting bigger and bigger. She needs to be into it and then, looking forward to do it for a long time. If she just stood there, I say, no, she's wasting her time. You know, she's getting some profit. But whenever she's ready, we can open another coffee shop for her. For example, we moving across the road which is three times*

*bigger when this is settled down. Yeah, after Christmas, we will just operate it from there”.*

*“...It is nothing more than hard work... you have to stay focus and be passionate about what you do ...otherwise you will not be able to survive ... I am very happy with my current size of the business and I am not planning to expand it ...but I have only one wish ... I would like to keep this in my family and I am hoping that my daughter will be able to take over the business..”.*

There are different strategies which can lead to the growth and development of a business. The owners have strategies to expand the business and reassure long term success. They understand and value their employees, as they believe they are key for the future growth and development. After all, they possess great understanding of all business functions but they are not keen on expanding their business. Majority of interviewees satisfied with the current size of the business. Their strategy was based on hard work in order to keep his customers happy so they will come back to their business again. They focus on their products and services to provide the highest standard at all times. Majority have great experience in their industry which helps them to build great strategy development. Three owners are planning to move their business nearby to a place which is three times bigger than the present place.

### **Antecedents of digital technology**

This study supports that information quality and service conveniences are encouragingly linked to digital technology. In relation to information quality, they observe that information quality including integrated promotion information, integrated product and pricing information and integrated information transaction are encouragingly linked to digital technology which supports by interviewees. In addition, the upshot suggests that service convenience including integrated information access, integrated order fulfillment, and integrated customer service are encouragingly linked to digital technology. A director of one of the SMEs accountancy firm explained that:

*“digital technology is a key enabler in the way our firm interacts with clients and provides with competitive advantage. Technology aspects have been embedded in the work environment in order to enhance the internal quality and methodology. For example, the firm uses an integrated global ERP system to manage and support a paperless working environment, with analytical capability which provides visualization of big data, using the volume of financial information gathered during projects. All this integrates seamlessly, to enhance the overall quality of service provided to our clients”.*

Small and medium-sized enterprises (SMEs) in the UK, can be define in terms of employment, asset value and sales (Rostamkalaei and Freel, 2016). However, Jasra et al.'s (2011) definition of SMEs is further more specific by determining what they represent, numbers of employees, and their capability of meeting settled conditions.

### **Digital technology and marketing capability**

In relation to digital technology, they discovered solid support the request engagement of digital technology encouragingly linked to tangible/intangible assets. Besides, as predictable result shows that the frequent engagement of tangible/intangible assets is encouragingly linked to customer-relationship capabilities. Furthermore, relationship between tangible/intangible assets and corporate brand identity capabilities the author acknowledged that frequent engagement of tangible/intangible assets encouragingly linked to corporate brand identity capabilities which delivered a solid support for hypotheses. In addition, frequent engagement of tangible/intangible assets encouragingly linked to customer-relationship capabilities as well as to social media/communication capabilities. The outcomes indicate a strong relationship amongst the marketing capabilities and competence from employees' outlook toward an organization's core competence. The data demonstrated the employee's outlook regarding the information quality, service convenience, digital technology and tangible/ intangible assets and marketing capabilities facilitating between competence and organizational core competence. Accordingly, the relationship among the employee's outlook toward the information quality and digital technology; service convenience and digital technology; digital technology and tangible/intangible assets; tangible/intangible assets and marketing capabilities were expressively related.

The outcomes suggest that all dynamics including information quality, service convenience, digital technology, tangible/intangible assets, marketing capabilities perform significant role of facilitator between the competence and core competence. This expose presents the concept of employees-based core competence, defined as as organizational routines manifested in business activities and processes that bring assets together and enable them to be deployed advantageously (Hamel and Parahalad, 1990; Drejer, 2000).

Irrespective of the nature of the business they are in, or the competition they face, management should consistently observer the efficiency and appropriateness of the

competence in respect of the organizational core competence. Across the global firms' core competence was conceptualized as consisting of both internal and competitive dimensions. The competences perceived by the employees are encouragingly linked to organizational core competences.

Constructed upon the examination gap acknowledged by academics and practitioners (Hafeez et al., 2002) this study has commenced a systematic investigation on the factors which influence organizational core competence. The outcomes clarify that core competence in relation to the research model comprises of six factors, information quality, service convenience, digital technology, tangible/intangible assets, marketing capabilities and competence. Information quality is abstracted in relations of its dynamics involving integrated promotion information, integrated product and pricing information and integrated information transaction which deliver stability in branding to support customers and distinguish the firm from its competitors (Bin and Teo, 2010). Service convenience including its components “processes of integrated information access, integrated order fulfilment, and integrated customer service” (Bin and Teo, 2010 p. 42) states consumer perceptions of the services offered by the organization and its benefits. Digital technology adapted by the organization enhances the ability to respond positively to customer needs and at the same time improve customer-side operations (Walsh 2007). Digital technology focusses on the consumers and businesses at the same time helps drive sales, increase efficiencies by reducing costs. Assets are resource endowments that a firm has accrued over time, and that can be deployed for forming a competitive advantage (Amit and Schoemaker, 1993; Day, 1994; Fahy and Smithee, 1999; Grant, 1991). Marketing capabilities successfully deployed build greater customer value and enhance the ability to deliver a competitive advantage is formed (Fahy and Smithee, 1999; Kay, 1993; Williams, 1992).

Digital technology enhances learning and it is one of the most critical elements of design innovation. Innovation design focus on developing new products and market segments, it plays an important role in marketing department where constant interaction and exchange of information with customers are fed back to the design department. In product design department management capability strongly focus on developing new product and market segments, by monitoring market trends and seeking market opportunities (Foroudi et al., 2016).

According to scholars (Gupta and Wilemon, 1990; Foroudi et al., 2016), the effective relationships amongst design activities and marketing can generate product innovation. In addition, innovation is of crucial importance for fast growing SMEs (Coad and Rao, 2008). SMEs that carry out product innovations will achieve greater growth rates than those that do not (Gupta et al., 2016). Firms with better internal management capability will be able to innovate, relative to firms with lesser internal capability.

### **Marketing capability, company's growth, and competencies**

This study also discovers certain characteristics of the core competence by reflecting how the organizational core competence is developed, measured and managed. Strategies to construct organizational core competence are reviewed in relations of both company tangible/intangible assets and marketing capabilities. The view of organizational core competence of employee's-based outlooks is reviewed by deliberating the effects of a digital technology on marketing capabilities and tangible/intangible assets towards organizational core competence.

The outcomes disclose mediation and direct effect between the firm' tangible/ intangible assets and the marketing capabilities. An optimistic approach toward market-sensing, corporate brand identity, customer relationship and social media/ communication capabilities are significances of earlier proficiencies and besides notes from accountancy firm about organizational core competence facilitate between tangible/ intangible assets and marketing capabilities. The findings indicate that the four dynamics (market-sensing, corporate brand identity, customer relationship and social media / communication capabilities) can be driven by the tangible/ intangible assets. One consultancy- accountancy based firm underscores the significance of marketing capabilities adapted by tangible/ intangible assets in developing the competence which leads to core competence stated that:

*“with the rapid advancement in technology, the firm's focus on promoting its services has significantly changed. In addition, to using the tradition marketing methods such as personal brochures, articles, we now use a variety of online methods to promote thought leadership, new innovative ideas and concepts. For example, the social media in the form of tweets, blogging is used frequently to promote the recent trends in the market. The firm is using apps to target specific customers, engaging and collating valuable information, which provides valuable information in developing our future marketing capabilities”*



In addition, an participants added,

*“The of customer relationship management (“CRM) technology helps us gather and share all data relating to customer services, product, offerings and pricing. The global database is accessed by all professionals across the network firm, this provides detailed analysis and information on customer behaviors, key relationships and sale management process”.*

The above quote demonstrates the outcome on employees' outlooks regarding core competence and its dynamics marketing capabilities and company tangible/intangible assets which mark enormous impact on organizational core competence. Furthermore, Hunt and Morgan (1995) emphasized “a comparative advantage in assets can transform into a competitive advantage in the marketplace and superior financial performance...” (p.7). These appointments indicate that throughout the development and leveraging of firm assets the firm determines a set of capabilities including marketing capabilities that allow the organization to accomplish greater level of firm performance. An effective marketing capability optimistically influences firm performance consistently across institutional environments (Hunt and Morgan, 1995). It is generally accepted that firms utilise their marketing capabilities throughout their assets as a vital component to communicate on behalf of the firm and boots firm’s performance and competence.

Design innovation can be defined as an implementation of new idea or behaviour within an organization (Helfat et al., 2007). Design innovation in association with management capabilities enable SMEs to grow. Management capabilities highlight the importance of learning process that are essentials part of innovation (Pittaway and Rose, 2006). Specific managerial activities or skills optimize the design process. Growth of SMEs has attracted notable attention from organizations and entrepreneurships research. This attention is essential in entrepreneurship studies as well as managers and policy makers. Growth is vital to small and medium-sized enterprises (SMEs). When deciding their growth strategy, SMEs face big decision on how to expand and improve their product markets through innovation.

Interviewees identified corporate brand identity as ‘the set of meanings by which a company allows itself to be known and through which it allows people to describe, remember and relate to it’ which is consistent with the views by previous studies (Topalian, 1984; Olins, 1989; Markwick and Fill, 1997). Corporate Brand Identity encompasses several qualities of a

company such as business strategy, corporate culture, behavior and corporate design, all of which cooperate with each other and outcome in differentiating one firm from another. Corporate Brand Identity consents the assets to be more equitably valued and increases the company's entry to capital markets (Beatty and Ritter, 1986).

In addition, customer-relationship capabilities were highlighted by participants as significant element in order to attain superior performance. Bowersox et al. (1999) defined customer-relationship capability as “the competency of building lasting distinctiveness with customers of choice” (p.42) which includes “identifying the long-term requirements, expectations, and preferences of current and/or potential customers and markets, and focusing on creating customer value” (p.31). Four capabilities must occur in order to accomplish customer relationship capabilities; segmental focus, relevancy, responsiveness, and flexibility (Bowersox et al., 1999).

Marketing capabilities should influence competence. Equally, the greater number of respondents in this sample suggested that marketing capabilities deliver enormous effect on a company's competence which leads to organizational core competence. In line with Hunt and Morgan (1995), marketing capabilities are a resultant from the assets a firm possesses and are a dominant driver of firm performance and competence. Consequently, that marketing capabilities assist as a facilitator between tangible/intangible assets and firm performance and that assets will also influence directly firm performance or competence. Therefore, marketing capabilities fully facilitate the impact of assets on firm performance and competence. The entire sample specified that information quality and service convenience influenced digital technology, digital technology is positively linked to tangible/ intangible assets and marketing capabilities in association of firm's assets influenced competence. This arrangement proposes that effectively utilised digital technology influence the marketing capabilities which influence competence. Likewise, digital technology has enormous impact on marketing capabilities which leads to core competence. This assessment is clarified by the following statement from a Director of Consultancy and Accountancy Firm:

*“Every aspect of a marketing campaign within the firm is used to collate valuable information about our customer's issues, challenges etc. These campaign act as useful tools to inform the leadership of the gaps in the core competency within the firm and areas which require more investment. For example, over the last 10 years the firm has*

*significantly invested in developing the cyber capabilities, this is as a direct result of market trends, challenges/issues faced by our clients, the need for which was established through various marketing campaign, research etc.”*

## **Conclusion**

The central role of this research is to direct the gaps in previous studies regarding (1) the relationships between information quality, service convenience, digital technology, tangible/intangible assets, marketing capability, competence and core competences; and (2) the connections among other theoretically acknowledged variables. The findings of this exploration suggest an optimistic reaction to the questions. Fundamental, the outcomes underlined a strong relationship amongst the variables. Succeeding, digital technology performs to have an enormous impact on marketing capabilities which loads to core competences in UK firms. Moreover, it expounds theoretical and managerial suggestions to boost the comprehending and supervision of core competences in UK firms.

The advantages of innovation in terms of growth has recognised for SMEs. Information quality combined with service convenience links to improved performance. Digital technology is great way to transform information in order to innovate. Greater management capabilities and technological developments offer great opportunities to SMEs in order to achieve growth and innovation. That can be delivered through greater resources which helps SMEs to influence more customers (Gupta et al., 2016).

Innovation policies in developed country such as UK promote the adoption of technologies and good practices by small and medium-sized enterprises (SMEs). Although Policy makers should try to increase innovation performance in SMEs by providing relevant trainings, in the use of technology, better access to higher education, which enables entrepreneurs to gain knowledge on design innovation. Such informed policies could lead to growth of SMEs through different action given that these kinds of firms represent a big part of our economy.

Based on the review of the related literature and qualitative analysis, the research framework is presented in Figure 1.

**<<<Figure 1>>>**

## **Research Implications**

The current commentary builds on the growing body of research on the subject of core competence. With deeper engagement in competence observable uniqueness accomplishments, firms exploit digital technology more frequently by utilising company assets and enhance the ability to attain core competence. The author delivers a combined conceptualization that points digital technology and marketing capability at the center of the firm's determinations to generate competence and core competence.

The greatest donation of the present reading is to increase comprehension by investigating employee's valuations of the impact of digital technology and marketing capabilities on firm's competence inside a financial background. Numerous academics indicate that digital technology, tangible/ intangible assets and marketing capabilities are associated with core competence, however have not assessed this correlation. Nevertheless, the present examination offers a corroborated framework which highlights the relationship among the dynamics of a core competence. It strains to discourse the study gaps and answers to earlier demands for examinations from the viewpoint of marketers (Foroudi et al., 2014). The creation of a unique model for core competence is a fundamental provision of the current investigation. The major task is this view is the creation of (mulita-disciplinary) unique comprehensions into interactions, which can be transformed into outcomes with functioning applicability in the study (Palmer and Bejou, 2006). This investigation aims clarify in a more holistic method the relationship among information quality, service convenience, digital technology, tangible/intangible assets, marketing capabilities, competence and core competence in the judgements of employees within the financial background.

The core of this research was to provisionally examine progressive in the literature spotting the dynamics and factors related to core competence. The outcomes of this unique study deliver managerial assistances for strategic 'decision-makers' who demand to comprehend the broad connections amongst a core competence and features of its components (i.e., information quality, service convenience, digital technology, tangible/intangible assets, marketing capabilities, competence) from the employee's perspective, and its effect on an organizational competence.

Besides, additional supposition can be delivered since this investigation related to the managers' and 'decision-makers' approaches (Sedera and Gable, 2010). As stated by Candra

(2016) firms command a lifecycle-wide knowledge obtaining strategy. The firm's tangible/intangible assets creativities have naturally sought to increase exploration of digital technology and exploitation of marketing capabilities (Levinthal and March, 1993). The present study establishes an exceptional significance of all the dynamics of competence; each component delivering a distinct and significant contribution to organizational core competence.

Emphasize the perceived solid constructive relationship amongst core competence dynamics and firm's success it is wished, that the outcomes of this research will aid managers practice to successfully and efficiently develop their organizational related competence, thus improving levels of competitive advantage and firm success (Sedera and Gable, 2010).

The outcomes propose that, to attain a competitive advantage, firms must possess a vibrant comprehending of what establishes a core competence, which is persuaded by three central features specifically, digital technology, tangible/intangible assets and marketing capabilities. These empirical upshots acknowledge the relative weighting of the dynamics hypotheses that influence core competence. Consequently, the present study has substantial implications for managers and strategic decision-makers when forming or adjusting core competence.

### **Limitations and future research directions**

The present analysis signifies a introductory incursion into the conception of the core competence, directing its part in competitive advantage and firms success. Nonetheless, these outcomes must be interpreted in some of significant limitations that are applicable for future research associated with method of sampling/analysis, as well as its measurement (Foroudi et al., 2014). The present investigations were undertaken in a particular background and location while in an another nation and dissimilar segment, the outcomes could not be equivalent. Though, the author delivered the examination measurement items on the foundation of qualitative research and earlier readings from dissimilar sceneries, the individual features of core competence might mark to a larger or minor level, certain phases of the investigated hypotheses. Hence, it is suggested that an awaiting investigation is commenced to repeat this investigation in different sectors as to assess the generalizability of the result.

Additional limitation of the present examination fears the number and type of employee's.

Potential, the future wider sectors and employees number, which can effect in the generalization of the managerial viewpoint might enrich the scope of the ability of the examination outcomes (Churchill, 1999). Forthcoming empirical examination must be directed to repeat this investigation with more sectors and larger number of employees. Furthermore, in relation to the exploration strategy, the qualitative investigation was constrained to costumes managers as well as academics. Though, managers' and academic' outlooks are not identical. Managers accentuate visuals whereas academics accentuate words (Walker, 1990).

This research signified a single-sided outlook of the managers and employee. It consumes measured possessed by the verdict of the respondents, who were all employees of the sector concerned. The future investigation of the managerial outlook can enrich the scope of the investigation. As an original investigation in this field, this is the primary try to examine the hypothesis of dynamics of core competence. To enhance the validity of the investigation measurement scales, additional investigation must be commenced.

Summarising, this study examined the relationships between the information quality, service convenience, digital technology, tangible/intangible assets, marketing capabilities, competence and core competence, as observed by employees. Possibly a future analysis might generate dissimilar outcomes from the similar research scales and hypotheses. Though this research engaged mixed methods, a wider investigation could expand our familiarity of the dominion of the core competence.

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**Table 1: In-depth interviews with managers**

<b>Interview date</b>	<b>Interview position</b>	<b>Interview approx. length</b>
12.10.2015	Top Executive	54 min
15.10.2015		38 min
22.01.2016		96 min
30.08.2016		26 min
01.09.2016		64 min
08.08.2016		32 min
15.03.2016		48 min
12.10.2015	Communication and Design Manager	121 min
08.08.2016		54 min
22.08.2016		75 min
15.03.2016	Managing Director	45 min
14.12.2015		35 min
15.10.2015	Design Strategy Manager	75 min
15.10.2015	Marketing Manager	26 min
02.07.2016		47 min
26.05.2016	Risk Assurance Director	55 min
27.05.2016	Senior Business Advisor	40 min
31.05.2016	Senior Manager	30 min
08.08.2016		64 min
22.08.2016		24 min
30.08.2016		65 min
<b>Topics discussed:</b>		
<ul style="list-style-type: none"> <li>–The understanding of core competence</li> <li>– The factors that influence core competence</li> <li>– Their experience of what they understand the tangible/ intangible assets and its influence on core competence</li> <li>– Discussion of digital technology and whether it influences on competence</li> <li>– Discussion of marketing capability and the main perceived impacts on core competence</li> </ul>		

Source: The Researcher

**Figure 1: Framework of digital technology, tangible/intangible assets, marketing capability, and competencies**

