

Effects of Marketing Assets and Capabilities on Performance: An Empirical Investigation of Banks Operating in Jordan

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ABSTRACT

This study aimed to investigate the relationship between marketing assets and capabilities and performance in banks operating in Jordan. Further, the study aimed at examining the moderation effects of some variables on this relationship as well as examining the effect of top management support and commitment on building marketing assets and capabilities. A model was developed and hypotheses were stated to achieve the research objectives. Data were collected from banks' marketing and branch managers operating in Jordan by using a self-administered questionnaire which was developed for the purpose of this research. Multiple regression analysis findings indicate that marketing assets and capabilities have positively affected banks' performance that was measured based on financial and customer measures. Simple regression analysis findings indicate that top management support and commitment have positively affected building marketing assets and capabilities overtime. The strongest effect of marketing assets and capabilities is on banks' profitability, total revenues and customer satisfaction, respectively. The findings of ANOVA analysis indicate that bank marketing experience and managers' background moderate the relationship between marketing assets and capabilities and banks' performance indicators. It is concluded that marketing assets and capabilities have a strategic role to play on banks' ability to achieve long-term objectives and enjoy competitive advantages. Finally, research conclusions, contribution and limitation and future research directions are outlined.

KEYWORDS: Marketing Assets, Marketing Capabilities, Bank Performance, Moderating, Resource-Based Theory, Jordan.

1. INTRODUCTION

Modern organisations are seeking to improve performance and achieve a competitive advantage in the marketplace which is characterised by fierce competition and changing customer needs and wants continuously. Creating superior customer value is a major theme for successful organisations (Day, 1994; Hooley et al., 1999). Successful organisations are characterised by a set of cultural values and beliefs that put the customer needs

and wants at the heart of their operations (Kohli and Jaworski, 1990; Deshpande et al., 1993). There has been much debate among marketing scholars and practitioners to answer a main question in the field of marketing strategy which is related to why some organisations are more profitable than others, regardless of whether the average profitability of the industry is high or low. The answer is that the organisations that achieve superior performance possess something unique and hard to imitate that allows them to outperform their rivals. These are called unique skills and resources (assets) that are a very important source of competitive advantage (Barney, 1991; Bharadwaj et al., 1993; Fahy, 1993). The origin of

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superior skills and assets has come from the resource based theory view of an organisation that has emerged from strategic management literatures. The resource based theory view has made an important contribution to the explanation of performance differences among organisations (Hooley et al., 1999). The organisational skills, assets, capabilities and resources, which all must be rare and hard to imitate among rivals, is the heart of resource based theory view for performance explanation. Marketing assets and capabilities have attracted much attention as a potential explanation of marketing effects on performance and a route to sustainable competitive advantage (Day and Wensley, 1988; Barney, 1991; Day, 1994; Hooley et al., 1999; Vorhies and Morgan, 2005). The current research seeks to extend our understanding to the marketing assets and capabilities, within the context of resources based theory view, through examining their relationship with performance in banks operating in Jordan. This paper starts with stating the research problem, importance and setting objectives. Most relevant literature review is addressed and a research model is built and hypotheses are generated to be empirically tested. The next step is the description of research methodology, analysis and findings as well as discussion, conclusions, contribution and future research are also provided.

2. THE RESEARCH PROBLEM AND IMPORTANCE

The major problem of this research is investigating the relationship between marketing assets and capabilities and performance in banks operating in Jordan. The rationale for the research problem is explained in the following:

- Examining the literature of marketing assets and capabilities indicates that there are theoretical gaps that need to be addressed in future research endeavours. This is supported by Day (1994); De Chernatony and McDonald (1998); Vorhies et al. (1999); Hooley et al. (1999); Fahy et al. (2000); Vorhies and Morgan (2005) who argue that research

is needed to examine the relationship between marketing assets and capabilities and performance in several service industries. This research seeks to fulfil these gaps and contribute to marketing assets and capability literatures.

- There is dearth in academic research and empirical studies in Jordan that investigate the relationship between marketing assets and capabilities and performance especially in the banking sector.
- The banking sector is one of the strategic sectors in the Jordanian economy that is service oriented (Central Bank of Jordan, 2004). The severe competition that has been dominating the Jordanian market since 1990s has forced banks in Jordan to compete through providing superior banking services. In addition, a recent shift has happened in the structure of the banking industry in Jordan when three strong Arab banks have entered into the Jordanian market. This will lead to increase the degree of competition among banks in Jordan and increase the strategic importance of marketing assets and capabilities as an essential source of improving banks' performance and achieve a competitive advantage.
- There are other factors that make this research problem worthy to be investigated. These factors are the continuous change in the needs and wants of today's customers, the large number of banks operating in Jordan, and globalization. These new trends have made marketing assets and capabilities a very fruitful area of research in the banking sector in Jordan.

Based on the above discussion, the research problem elements (questions) are:

1. Are there any relationships between marketing assets and capabilities and banks' performance measured by financial and customer measures?
2. What are the most important marketing assets and capabilities that affect banks' performance measured by financial and customer measures?
3. Is there any relationship between top management support and commitment and building marketing assets and capabilities?
4. Do organisational characteristics moderate the

relationship between marketing assets and capabilities and financial and customer performance measures?

Research Hypotheses

Based on the discussion of the research problem, marketing assets and capabilities and performance literature, the research hypotheses are:

Major Hypothesis One:

H1: There is a relationship between marketing assets and capabilities and banks' financial performance. The sub-hypotheses are:

H1a: There is a relationship between marketing assets and capabilities and total deposits.

H1b: There is a relationship between marketing assets and capabilities and return on equity.

H1c: There is a relationship between marketing assets and capabilities and profitability.

H1d: There is a relationship between marketing assets and capabilities and total revenues.

Major Hypothesis Two:

H2: There is a relationship between marketing assets and capabilities and banks' customer performance. The sub-hypotheses are:

H2a: There is a relationship between marketing assets and capabilities and customer satisfaction.

H2b: There is a relationship between marketing assets and capabilities and customer loyalty.

Major Hypothesis Three:

H3: There is a relationship between top management support and commitment and building inside-out marketing capabilities.

Major Hypothesis Four:

H4: There is a relationship between top management support and commitment and building outside-in marketing capabilities.

Major Hypothesis Five:

H5: There is a relationship between top management support and commitment and building marketing assets.

Major Hypothesis Six:

H6: The relationship between marketing assets and capabilities and banks' individual financial performance

measures is moderated by organisational characteristics, namely; (a) bank's marketing experience, (b) bank's managers' academic background.

Major Hypothesis Seven:

H7: The relationship between marketing assets and capabilities and banks' individual customer performance measures is moderated by organisational characteristics, namely; (a) bank's marketing experience, (b) bank's managers' academic background.

3. RESEARCH OBJECTIVES

The objectives of the research are:

1. To examine the relationship between marketing assets and capabilities and banks' performance measured by financial and customer measures.
2. To reveal the most influential marketing assets and capabilities on banks' performance measured by financial and customer measures.
3. To examine the relationship between top management support and commitment and building marketing assets and capabilities in banks' operating in Jordan.
4. To examine if the relationship between marketing assets and capabilities and banks' performance is moderated by organisational (banks') characteristics.

4. LITERATURE REVIEW

Marketing Assets and Capabilities

An organisation's marketing assets and capabilities have been described as a major determinant of business performance and are a potential source of achieving a competitive advantage. Marketing assets can be human assets i.e. marketing personnel; market assets i.e. the position of an organisation in its market, and organisational assets i.e. superior technology (Barney, 1991; Fahy, 1993). Literature on marketing assets indicates that the ability of the organisation to produce offerings that meet real needs will generally be limited to very specific areas. There has been much evidence to suggest that some of the valuable marketing assets that an organisation can have are its brand name and reputation in the marketplace. In other words, it

is the reputation of an organisation in the customers' minds that can be created through providing superior service quality, customer service or the physiological benefits that a brand gives (Day, 1994; De Chernatony and McDonald, 1998). Marketing assets are not those in the balance sheet of the business-financial assets, but assets mean here non-financial assets which are concerned with marketing assets that contribute to performance.

The development and protection of an organisation's marketing assets, brands, is in a sense what marketing is all about. Further, financial service organisations should recognise that brands are seen even more important for services than for goods since customers have no tangible attributes to assess the brand. An effective route to convey the values of a service brand is through 'the way the company does things' therefore the company's culture acts as a key communicator of values (De Chernatony and McDonald, 1998). This argument has received much empirical support from several studies of marketing assets and capabilities. Marketing assets, an organisation's name and reputation, are highly intangible assets and are difficult for competitors to copy or imitate (Hooley et al., 1999; Olavarietta and Friedmann, 1999; Fahy et al., 2000). Recently, Doyle (2001) argues that building and having distinguished brands and reputation in the marketplace is one of the important intangible assets that can have a crucial impact on the financial performance (e.g., increasing ROI) of an organisation as well as improving customer satisfaction and loyalty.

Earlier, Day and Wensley (1988) have viewed that superior skills and resources represent the ability of a business to do more or better (or both) than its competitors. Barney (1991) focuses on marketing assets and capabilities from the resource-based view approach as a source of competitive advantage. This theory examines the link between an organisation's internal characteristics and performance. Barney argues that in order to have this advantage, an organisation's capabilities and resources must have four attributes, namely; (a) they must be valuable; (b) they must be rare; (c) they must be imperfectly imitable; and (d) they must not have substitutes.

One of the significant contributions to the literature of

marketing capabilities is the seminal work of Day (1994) on the marketing capabilities of market-driven organisations. Day argues that organisations that are better equipped to respond to their market requirements and anticipate changing conditions are expected to enjoy long-run competitive advantage and superior profitability. Capabilities are complex because they are deeply embedded within the fabric of the organisation, which creates great difficulties for management to identify these capabilities. Another area of difficulty and complexity in the identification of the organisation capability is that capabilities are intangible and tacit e.g., people's skills and tacit knowledge, technical systems, values, norms...etc. An important point here is that a few capabilities must be superior if the business is to outperform the competition.

Day (1994) classifies capabilities into three categories, namely; first, inside-out capabilities. They are activated by key market requirements, competitive challenges, and external opportunities. Second, outside-in capabilities. The purpose of these capabilities is to connect the process that defines the other organisational capabilities to the external environment, and enable the business to compete by anticipating market requirements ahead of competitors and by creating durable relationships with customers, channels, members and suppliers (customer linking capabilities and market linking capabilities). Third, spanning capabilities. These capabilities are needed to integrate the inside-out and outside-in capabilities (Day, 1994).

Doyle (1995) found that one of the main capabilities that an organisation can have is "making relationships" which is related to creating relationships with customers which support future profits and growth. An organisation's marketing capabilities are developed when its marketing employees repeatedly apply their knowledge and skills, intangible resources, to solving the organisations' marketing problems. Vorhies et al. (1999) found that organisations, which were described as market-driven, had higher levels of marketing capabilities than those that were described as less market-driven firms. The most important marketing capabilities are market research capabilities and marketing management/planning capabilities, which are crucial to the success of market-driven businesses.

Olavarrieta and Friedmann (1999) argue that the resource-based theory emphasises an organisation's specific-resources as key drivers of success. These resources are a market-oriented organisational culture, knowledge-related resources (market sensing capability, imitation capability and organisational innovativeness), and reputational assets (it is the reputational knowledge that is created and lies in the minds of customers). Hooley et al. (1999) developed a hierarchical model of marketing capabilities that categorises them into three main categories, specifically; marketing culture capabilities; strategic marketing capabilities; and operational marketing capabilities. They found that marketing capabilities were important in contributing to the explanation of superior competitive performance. Marketing capabilities at the level of culture and strategy are particularly useful in explaining performance. Furthermore, the outside-in and spanning marketing capabilities (located at the operational level) appeared more significant contributors to performance than inside-out capabilities (Hooley et al., 1999). In the same context, Fahy et al. (2000) found that marketing capabilities affected organisations' performance and ensure their future prosperity. Marketing capabilities are characterised by high level of tacticness and complexity. Galbreath (2002) argued that building quality relationship assets is essential for market value creation and better performance levels. Gilmour (2003) emphasized on the significance of marketing and communicates skills in the financial service organizations. Clulow et al. (2003) found that high performing financial firms developed, deployed and protected their key intangible marketing assets and capabilities in achieving and sustaining competitive advantage.

More recently, Spanos and Prastacos (2004) concluded that organisational assets and capabilities are a critical part of an organisation's knowledge and the human assets are fundamental. O'Regan and Ghobadian (2004) found that organisational capabilities (including marketing capabilities) have a positive impact on strategy development and on the achievement of overall performance. Money and Gardiner (2005) found that an

organization's reputation is one of the valuable assets that is built overtime and affects customer satisfaction and financial performance. Schoemaker and Jonker (2005) argue that managing intangible assets i.e. human resources, competencies and organizational identity is an essential element for the success of modern organizations. Menguc and Barker (2005) found that one of the key marketing assets and capabilities that affect business performance which is collaborative selling skills and knowledge that should be possessed by salespeople. Vorhies and Morgan (2005) found that, in the context of benchmarking theory, marketing capabilities are related to superior business performance. The effect of marketing capabilities tends to be greater on businesses' performance if organisations recognise the strategic significance of interdependence among marketing capabilities and resources on performance. Smith (2006) argues that customers' relationship management and customer service are strategic assets in today's organizations. His argument is that building customer relationships is vital for serving customers which becomes one of the key assets in today's organizations that may affect performance.

Top Management Support and Commitment

Marketing assets and capabilities literatures indicate that top management support and commitment have a fundamental and strategic role to play on building them as a route of achieving competitive advantage. This is necessary to create and accumulate marketing assets and capabilities that should be able to improve performance (Day and Wensley, 1988; Day, 1994). Doyle (1995) has placed important emphasis on the role of top management for building and having core capabilities, which provide a vital source of competitive advantage. This can be achieved by affording, allocating and supporting all the necessary financial and non-financial resources which enable an organization to build marketing assets and capabilities. Another important area is the top management commitment and keeping its promises to provide necessary resources overtime. These arguments have received a strong support from several marketing

authors (Bonoma and Crittenden, 1988; Morgan and Piercy, 1991; Cespedes and Piercy, 1996; Menon et al., 1999). This body of literature has advocated that there is little empirical research effort devoted to examine the effect of top management support and commitment on marketing assets and capabilities.

The Moderating Variables

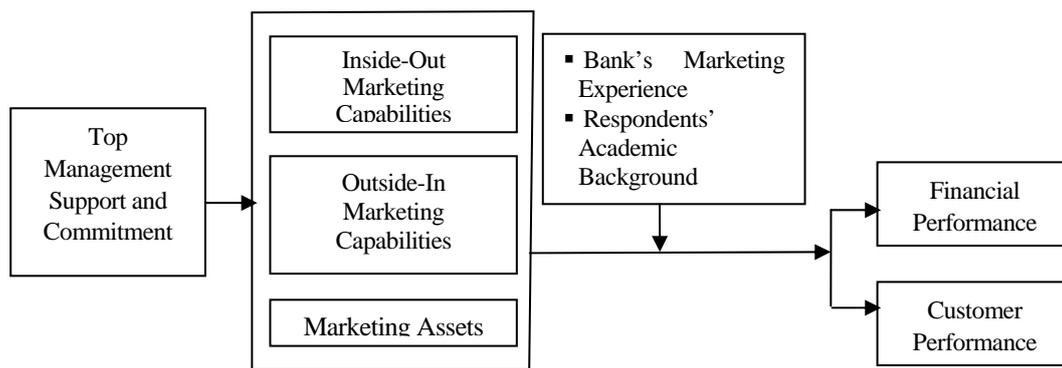
The discussed literature of marketing assets and capabilities revealed that they affect business performance measured by financial and non-financial measures. However, an important stream of research advocates that the proposed relationship between marketing assets and capabilities and performance may be moderated by other variables. In other words, there may be other variables that affect this relationship and indeed affect performance. Bonoma (1984) and Greenley and Oktengil (1996), separately, argue that an organisation’s marketing experience may have an important role to play on performance and can enhance its market position. Gilmore and Carson (1996) argue that people’s expertise and qualifications may affect marketing capabilities and indeed performance. Piercy (1999) and Schoemaker and Jonker (2005) separately, advocated the vital role of management experience in functional areas on its performance and achieved a better position in the marketplace.

Performance Measurement

There has been much debate in the marketing strategy literature concerning performance measurement. Although

there have been several frameworks presented for performance measurement, marketing strategy researchers have not agreed on a specific scheme of performance measurement yet. Meanwhile, there has been much agreement that absolute financial measures such as ROI and profit levels as measures of performance are inadequate to capture the effect of marketing assets and capabilities (Varadarajan and Jayachandran, 1999; Menon et al., 1999; Vorhies et al., 1999). This literature advocates that performance measurement should go beyond the traditional financial measures to include non-financial measures such as customer satisfaction and loyalty to capture the comprehensiveness of marketing assets and capabilities on performance. Organisational performance is defined as a multidimensional construct including financial and customer related measures (Kaplan and Norton, 1992; Doyle, 1995; Vorhies and Morgan, 2005). The financial measures are vital to reveal the ability of an organization’s ability to utilise its resources effectively and efficiently to achieve predetermined objectives. The customer measures indicate the effectiveness of the organization in delivering value to its customers. For this research, performance was measured using financial and customer measures. The financial measures are total deposits, return on equity, profitability and total revenues. The customer measures are customer satisfaction and loyalty (Day and Wensley, 1988; Kaplan and Norton, 1992; Hooley et al., 1999). Based on the discussion of marketing assets and capabilities and performance literature, a research model is diagrammed, shown in figure 1, to be empirically tested.

Figure 1: The Research Model.



5. RESEARCH METHODOLOGY

The Research Population and Sample

The research population is defined as all the banks that are operating in the Jordanian market and are registered at the Association of Banks in Jordan. There are 24 banks operating in Jordan. The banks that were eligible and agreed to be part of the study were 16 banks. Eight banks were not included in the study for some reasons. There are three new banks that just entered to the Jordanian market were excluded from the research because they could not assess their marketing capabilities and no performance data were available. Other two banks do banking for businesses and did not have more than one branch for each. The last three banks did not agree to be part of the study because of restructuring and merging reasons, as they told the researcher when they were approached. The sample to this research was specified as all the marketing managers at banks' headquarters and branch managers working for those banks. The banks branch managers who took part of the research are located in four areas; Greater Amman, Zarqa, Irbid, and AL-Balqa. The rationale for choosing these four areas is that they represent 84.2% of all branches in the Jordanian market; there are 444 branches from which 374 branches are located in these four areas (the Association of Banks in Jordan). The rationale for choosing these managers are that they have the necessary knowledge to provide answers and in the best position to complete the questionnaires. Further, using multiple respondents, knowledgeable members of the top management and branches would reduce bias of individual respondents (Slater and Narver, 1994; Noble and Mokwa, 1999).

Data Collection Methods

The data were collected using both secondary and primary data collection methods. It was decided to use a self-completion questionnaire as the main primary data collection method. The questionnaire used in the research survey was highly structured where most of its questions were fixed-response alternative questions that required the respondents to select from responses which are located by

using five point Likert scales (Churchill, 2001; Aaker et al., 2001). The type of research is a cross-sectional survey in which the collection of information from the respondents (managers) was carried out only once (Oppenheim, 1992; Churchill, 2001).

Operationalising the Research Variables

Scales used to measure the research constructs were drawn from the available literature and are outlined below. The research items were measured on 5-point Likert-type scales ranging from 5 (very important) to 1 (very unimportant). The marketing assets and capabilities literature has provided a very rich and concrete empirical and conceptual material from which the operational definitions for the research variables were generated.

Inside-Out Marketing Capabilities

This variable is defined as the extent to which an organisation has built inside-out marketing capabilities that are activated by market requirements, competitive challenges, and external business opportunities (Day and Wensley, 1988; Day, 1994; Hooley et al., 1999). Five items were used to measure this construct.

Outside-In Marketing Capabilities

This variable is defined as the extent to which an organisation has built outside-in marketing capabilities which are concerned with the processes that define the other organisational capabilities to the external business environment and enable the business to compete by anticipating market requirements ahead of competitors and creating durable relationship with customers and channel members (Day, 1994: 41). This definition has been extensively used in previous research (Menon et al., 1999; Vorhies et al., 1999; Hooley et al., 1999). Five items were used to measure this construct.

Marketing Assets

This variable is defined as the extent which an organisation has built and accumulated reputational knowledge in the minds of customers in the marketplace in which it operates. Reputational knowledge means

having a distinctive reputation in providing distinctive service quality and customer service (Bharadwaj et al., 1993; Olavarrieta and Friedmann, 1999). Three items were used to measure this construct.

Top Management Support and Commitment

The variable is defined as the extent to which an organization's top management has commitment and support to provide all the necessary financial and non-financial resources to build and accumulate marketing assets and capabilities overtime (Bonoma and Crittenden, 1988; Cespedes and Piercy, 1996; Menon et al., 1999). Three items were used to measure this construct.

Organisational Characteristics -The Moderating Variables

This construct is defined as the extent to which an organisation has marketing experience as well as managers' academic background (e.g., Bharadwaj et al., 1993). They were measured using a dichotomous scale. Bank marketing experience was measured by asking the managers about the importance of bank marketing experience in resources' allocation and practising marketing as a business philosophy. One item was used to measure this construct, and managers were asked about their academic background. Most managers held a business background and qualification.

Business Performance Measurement

This variable is defined based on financial and customer performance measures. Four financial measures were used that are total deposits, return on equity, profitability and total revenues. An objective assessment for these financial measures was employed using hard data that were obtained from the published financial statements of banks that were included in the research. The average growth for each financial performance measure was calculated for the last three years as a dependent variable (e.g., Venkatraman and Ramanujam, 1986; Tarawneh, 2001). Two customer measures used to measure customer performance that are customer satisfaction and loyalty. The managers were

asked to provide their assessment for their customer satisfaction and loyalty relative to close competitors in the past three years on a five-point Likert scale. This has been supported by an extensive amount of previous empirical research (e.g., Kaplan and Norton, 1992; Varadarajan and Jayachandran, 1999; Vorhies et al., 1999; Fahy et al., 2000).

Developing, Designing and Administering the Questionnaire

The process of the developing and designing of the questionnaire was carried out according to guidelines provided by well-known authors of marketing research and based on previous empirical research (e.g., Menon et al., 1999; Hooley et al., 1999; Malhotra, 2004). The design of the questionnaire was pre-tested and redesigned in an iterative process to achieve the most suitable design. Personal interviews with key figures in the banking industry were employed for pre-testing of the questionnaire design and correcting problems. After examining the relevant marketing assets and capabilities literature review, consulting academics and managers, the pilot study work was undertaken for pre-testing the design of the questionnaire (Aaker et al., 2001; Chisnall, 2001). In this pilot study, refinements were carried out on the questionnaire, which led to some changes in its design, format, layout and wording. Key contacts were established with each bank headquarter and permission was given to administer the questionnaire to each bank marketing manager and branch managers in the four areas in Jordan. In addition, a letter was obtained from the Association of Banks in Jordan encouraging the banks' managements to cooperate with the researcher and answering the questionnaires. These procedures were highly recommended by some researchers (e.g., Churchill, 2001; Malhotra, 2004). A prenotification phone call was made with each manager to arrange a meeting with him at a certain time. Most of the questionnaires were hand delivered at banks' headquarters to gain support and encourage the branch managers to cooperate with the researcher. Using telephone calls, the respondents were

reminded twice; the first time three weeks after delivering the questionnaires; the second time after six weeks from starting the survey in order to ask the respondents' co-operation in returning the remaining questionnaires. A summary of the research findings was offered as an incentive to respondents. The primary data collection process lasted around four months, from February 2005 to June 2005 which included establishing contacts with the banks. The administered questionnaires to banks' headquarters (marketing managers) and branches were 360 questionnaires. From the administered questionnaires, 252 questionnaires were returned from which 223 questionnaires were useable for conducting the data analysis. The response rate was 70%, which was high for data analysis.

Data Analysis

The unit of analysis in the research was "the manager" who was the marketing or branch manager in the banks that participated in the research survey. The suitable data analysis was carried out after a number of preparation procedures and data cleaning processes were undertaken

which were recommended by well known researchers (Hair et al., 1998; Malhotra, 2004). These processes led to discard 29 questionnaires from the analysis because they were incomplete and were unanswered properly.

Validity and Reliability

Consistent with previous research, it is necessary to establish the validity and reliability for the research constructs and then conducting data analysis.

Assessing Reliability

The reliability of the research constructs were assessed by examining the Cronbach's Alpha Coefficient. The values of Cronbach's alpha values range from zero to one. The criterion that is used in the research to examine the reliability of each variable is that if the variable reliability is less than 0.60, it is considered to be of poor reliability. If the variable reliability is over 0.70, it is considered as a sound and reliable measure (Nunnally, 1978; Sekaran, 2003). Cronbach's alpha was calculated for all the variables that are included in the research model.

Table (1): Reliability Coefficients for all the Research Variables.

The Research Variables	Number of items	Reliability Coefficients
Top Management Support and Commitment	3	0.8093
Inside-out Marketing Capabilities	5	0.8583
Outside-in Marketing Capabilities	5	0.7850
Marketing Assets	3	0.6639
Overall Marketing Assets and Capabilities	13	0.9023
Financial Performance Measures	4	0.8691
Customer Performance Measures	2	0.8341
Overall Performance Measurement Criteria	6	0.8685

Table (1) shows the reliability coefficients for the research constructs. It shows that the reliability coefficients of all the research variables were above the cut off point, 0.70, of alpha used in this research. However, the alpha coefficient for the marketing assets

variable is 0.6639, which is still acceptable for the purpose of the analysis. The reliability coefficients for all the variables ranged from 0.6639 to 0.9023. Consequently, the measuring instrument and the constructs are of sound and good reliability and have

considerable internal consistency reliability. The reliability values indicate that the components of each construct or variable are all related to the overall construct of the variable and can be relied upon to conduct the data analysis.

Assessing Validity. One of the first insights to be established for the validity of the research instrument is that the alpha coefficient values were all high and reliable and their items were highly correlated. This strongly suggests that the items and variables are all related to the underlying constructs. Other evidence was that the questionnaire was piloted on leading banks in Jordan. Furthermore, the validity of the research instrument was assessed through two types that are content validity and construct validity.

Content Validity. Content validity is the

appropriateness of the research measures used to capture the full range of attributes of a specific construct or variable (Chisnall, 2001). The fundamental issue in content validity lies in the procedures that are used to develop the research instrument (Churchill, 2001). These procedures are: first, conducting a thorough examination on the previous empirical and theoretical work of marketing assets and capabilities and performance based upon which the operational definition for each variable was conducted using multiple items to capture all its attributes; second, conducting the pilot study before starting the fieldwork; third, at the beginning of each section in the research instrument, complete instructions were provided to the respondents on how to complete the questionnaire.

Table (2): Reliability Analysis: Corrected Item-Total Correlation.

The Variables and Items	Corrected Item-Total Correlation
Top Management Support and Commitment	Alpha = 0.8093
The top management provides necessary financial and non-financial resources	0.6347
The top management is committed to provide the necessary resources	0.6867
The top management motivates managers and employees continuously	0.6538
Inside-Out Marketing Capabilities	Alpha = 0.8583
Distinctive technological abilities such as computerising banking processes	0.7422
Distinctive processes for effective banking services delivery	0.6840
Having capabilities to develop and manage marketing activities better than close competitors	0.7227
Having superior marketing abilities and skills	0.6584
Having financial and human resources capabilities	0.5793
Outside-In Marketing Capabilities	Alpha = 0.7850
Ability of creating, sustaining and enhancing relationships with the bank's customers	0.5979
Capabilities of superior understating of customer needs and wants better than close competitors	0.6123
Having pricing capabilities better than close competitors	0.4567
Having capabilities of developing and implementing marketing strategies better than competitors	0.6549
Having integrated marketing communications capabilities better than close competitors	0.5278

Marketing Assets	Alpha = 0.6639
Having distinguished reputation in the marketplace	0.4364
Providing superior customer service to our customers	0.4775
Providing superior service quality of banking services	0.5291
Financial Performance Measures	Alpha = 0.8691
Total Deposits	0.7230
Return on Equity	0.7618
Profitability	0.7707
Total Revenues	0.6394
Customer Performance Measures	Alpha = 0.8341
Customer Satisfaction	0.7155
Customer Loyalty	0.7155

Construct Validity. Convergent validity was used to examine the construct validity of the research measures. If there were strong correlations among corrected item-total correlations, then they are converging on a common construct, thereby providing evidence of establishing convergent validity (Moser and Kalton, 1971; Churchill, 2001). The alpha coefficients reflect the degree of cohesiveness among the scale items that provide an indirect indicator of convergent validity (Parasuraman et al., 1991). Examining table (2) reveals that the corrected item to total correlations are fairly high and the items on each variable converge on each other providing evidence of convergent validity. Based upon the evidence provided by examining both content validity and convergent validity, it can be claimed that the research instrument is valid and can be relied upon to conduct the research data analysis.

6. STATISTICAL METHODS

The statistical methods used to analyse the data and to test the stated hypotheses are all parametric tests, namely; reliability and scale correlations, convergent validity, simple and multiple regression analysis and analysis of variance-ANOVA. In order to use the parametric statistical tests e.g., multiple regression there are assumptions that should be met to perform such robust tests (Hair et al., 1998; Churchill, 2001).

The assumptions of using these tests are carefully examined according to statistical methodologies which are recommended by well-known marketing researchers (e.g., Aaker et al., 2001; Churchill, 2001; Hair et al., 2003). Those researchers argue that the analysis of residuals provides the best information about regression model errors which are used to examine the regression analysis assumptions. The assumptions are: first, the normal distribution assumption. The normality assumption was examined by using a statistical test for the standardised residuals to reveal if they are significantly deviated from the normal distribution. The test of Shapiro-Wilk is used to test the normal distribution of standardised residuals. The test results, which are shown at the bottom in the regression analysis tables, indicated that the standardised errors are normally distributed; the P values are all larger than 0.05, which provide evidence that the errors are not significantly deviated from normality. Second, the multicollinearity. This assumption is tested through Variance Inflation Factor (VIF) and tolerance throughout all the regression models in the research. VIF measures how much the variance of the regression coefficients is an independent measure. If the VIF is more than 5 and the tolerance is less than 0.20 in the regression model, this indicates a problem of multicollinearity (Hair et al., 2003). All the VIF and Tolerance in the regression models were calculated and indicated that the multicollinearity is

not of a great concern in this research. This is evidenced when the VIF values are ranged between 1.724 and 2.342 and the tolerance values are ranged between 0.427 and 0.580 (see the multiple regression analysis results in the tables). Third, the independence of errors. This assumption is tested by Durbin-Watson statistic. If the value of the test is ranged between 1 and 3 then the assumption is met. If the value of the test is close to 2, which is the best, this assumption is strongly met. If the value of the test is less than 1 or more than 3 this assumption is not met and the errors are not independent. This test is run in all the regression models in the research that indicated that this assumption is also met. This is evidenced when the values of Durbin-Watson statistic are ranged between 1.514 and 2.051.

Analysis and Findings

To test the research model and hypotheses, several simple and multiple regression analysis models were run to test the effects of independent variables on dependent variables as well as analysis of variance to test the effect of moderating variables.

H1: There is a relationship between marketing assets and capabilities and banks’ financial performance.

The sub-hypotheses are:

H1a: There is a relationship between marketing assets

and capabilities and total deposits.

H1b: There is a relationship between marketing assets and capabilities and return on equity.

H1c: There is a relationship between marketing assets and capabilities and profitability.

H1d: There is a relationship between marketing assets and capabilities and total revenues.

Table (3) exhibits results of multiple regression analysis of the marketing assets and capabilities on total deposits. The overall model, R square is 0.202, is significant at 0.000. The findings indicate that there is a positive and significant relationship between marketing assets and capabilities and total deposits. These findings and results provide support for H1a. Table (3) shows that 20.2 per cent of the variation in total deposits is explained by the marketing assets and capabilities. The findings indicate that marketing assets (beta is 0.253, significant at 0.002) is the strongest predictor of variations in banks’ total deposits. Next, in sequence are inside-out marketing capabilities (beta is 0.157) and outside-in marketing capabilities (beta is 0.103), which both failed to show any significant relationship with total deposits. Despite the non-significant relationships between inside-out and outside-in marketing capabilities and total deposits, the relationships are still positive.

Table (3): Multiple Regression, Dependent Variable is Total Deposits.

Multiple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			F Value	Sig. F		
0.449	0.202	0.191	18.479	0.000	1.514	Supported
Independent Variables in the Multiple Regression Equation						
Independent Variables		Standardized Beta Coefficients	T Value	Sig. T	Collinearity Statistics	
					Tolerance	VIF
Inside-Out Marketing Capabilities		0.157	1.716	0.088	0.436	2.294
Outside-In Marketing Capabilities		0.103	1.115	0.266	0.427	2.342
Marketing Assets		0.253	3.198	0.002	0.580	1.724
Test of Normality by using Shapiro-Wilk Test			Statistics	Sig.	Distribution Results	
			0.990	0.140	Normal	

Table (4) exhibits results of multiple regression analysis of the marketing assets and capabilities on return on equity. The overall model, R square is 0.238, is significant at 0.000. The findings indicate that there is a positive and significant relationship between marketing assets and capabilities and return on equity. These findings and results provide support for H1b. Table (4) shows that 23.8 per cent of the variation in return on

equity is explained by the marketing assets and capabilities. The findings indicate that marketing assets (beta is 0.297, significant at 0.000) and outside-in marketing capabilities (beta is 0.291, significant at 0.001) are the strongest predictors of variations in banks' return on equity. Although inside-out marketing capabilities (beta is 0.056) failed to show any significant relationship with return on equity but the relationship is still positive.

Table (4): Multiple Regression, Dependent Variable is Return on Equity.

Multiple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			F Value	Sig. F		
0.488	0.238	0.228	22.804	0.000	1.815	Supported
Independent Variables in the Multiple Regression Equation						
Independent Variables		Standardized Beta Coefficients	T Value	Sig. T	Collinearity Statistics	
					Tolerance	VIF
Inside-Out Marketing Capabilities		0.056	0.625	0.562	0.436	2.294
Outside-In Marketing Capabilities		0.291	3.226	0.001	0.427	2.342
Marketing Assets		0.297	3.838	0.000	0.580	1.724
Test of Normality by using Shapiro-Wilk Test			Statistics		Distribution Results	
			0.993		Normal	

Table (5) exhibits results of multiple regression analysis of the marketing assets and capabilities on profitability. The overall model, R square is 0.278, is significant at 0.000. The findings indicate that there is a positive and significant relationship between marketing assets and capabilities and profitability. These findings and results provide support for H1c. Table (5) shows that 27.8 per cent of the variation in profitability is explained by the marketing assets and capabilities. The findings indicate that marketing assets (beta is 0.359, significant at 0.000) is the strongest predictor of variations in banks' profitability. Next, in sequence are outside-in marketing capabilities (beta is 0.147) and inside-out marketing capabilities (beta is 0.087), which both failed to show any significant relationship with profitability. Despite the non-significant relationships between inside-out and outside-in marketing capabilities and profitability, the relationships are still positive.

Table (6) exhibits results of multiple regression analysis

of the marketing assets and capabilities on total revenues. The overall model, R square is 0.249, is significant at 0.000. The findings indicate that there is a positive and significant relationship between marketing assets and capabilities and total revenues. These findings and results provide support for H1d. Table (6) shows that 24.9 per cent of the variation in total revenues is explained by the marketing assets and capabilities. The findings indicate that marketing assets (beta is 0.244, significant at 0.002) and outside-in marketing capabilities (beta is 0.238, significant at 0.008) are the strongest predictors of variations in banks' total revenues. Although inside-out marketing capabilities (beta is 0.086) failed to show any significant relationship with total revenues, yet the relationship is still positive. Consequently, the overall findings and results provide support for the main hypothesis H1.

Table (5): Multiple Regression, Dependent Variable is Profitability.

Multiple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			F Value	Sig. F		
0.527	0.278	0.268	28.110	0.000	1.841	Supported
Independent Variables in the Multiple Regression Equation						
Independent Variables		Standardized Beta Coefficients	T Value	Sig. T	Collinearity Statistics	
					Tolerance	VIF
Inside-Out Marketing Capabilities		0.087	1.004	0.317	0.436	2.294
Outside-In Marketing Capabilities		0.147	1.673	0.096	0.427	2.342
Marketing Assets		0.359	4.761	0.000	0.580	1.724
Test of Normality by using Shapiro-Wilk Test			Statistics		Sig.	
			0.994		0.507	

Table (6): Multiple Regression, Dependent Variable is Total Revenues.

Multiple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			F Value	Sig. F		
0.499	0.249	0.239	24.200	0.000	1.909	Supported
Independent Variables in the Multiple Regression Equation						
Independent Variables		Standardized Beta Coefficients	T Value	Sig. T	Collinearity Statistics	
					Tolerance	VIF
Inside-Out Marketing Capabilities		0.086	0.968	0.334	0.436	2.294
Outside-In Marketing Capabilities		0.238	2.659	0.008	0.427	2.342
Marketing Assets		0.244	3.174	0.002	0.580	1.724
Test of Normality by using Shapiro Wilk Test			Statistics		Sig.	
			0.993		0.329	

H2: There is a relationship between marketing assets and capabilities and banks' customer performance.

The sub-hypotheses are:

H2a: There is a relationship between marketing assets and capabilities and customer satisfaction.

H2b: There is a relationship between marketing assets and capabilities and customer loyalty.

Table (7) exhibits results of multiple regression analysis of the marketing assets and capabilities on customer satisfaction. The overall model, R square is 0.219, is significant at 0.000. The findings indicate that there is a positive and significant relationship between marketing assets and capabilities and customer

satisfaction. These findings and results provide support for H2a. Table (7) shows that 21.9 per cent of the variation in customer satisfaction is explained by the marketing assets and capabilities. The findings indicate that inside-out marketing capabilities (beta is 0.309, significant at 0.001) and outside-in marketing capabilities (beta is 0.205, significant at 0.026) are the strongest predictors of variations in banks' customer satisfaction. Although marketing assets (beta is 0.017) failed to show any significant relationship with customer satisfaction, yet the relationship is still positive.

Table (7): Multiple Regression, Dependent Variable is Customer Satisfaction.

Multiple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			F Value	Sig. F		
0.468	0.219	0.208	20.461	0.000	1.864	Supported
Independent Variables in the Multiple Regression Equation						
Independent Variables		Standardized Beta Coefficients	T Value	Sig. T	Collinearity Statistics	
					Tolerance	VIF
Inside-Out Marketing Capabilities		0.309	3.420	0.001	0.436	2.294
Outside-In Marketing Capabilities		0.205	2.239	0.026	0.427	2.342
Marketing Assets		0.017	0.221	0.325	0.580	1.724
Test of Normality by using Shapiro-Wilk Test			Statistics		Sig.	Distribution Results
			0.988		0.065	Normal

Table (8) exhibits results of multiple regression analysis of the marketing assets and capabilities on customer loyalty. The overall model, R square is 0.131, is significant at 0.000. The findings indicate that there is a positive and significant relationship between marketing assets and capabilities and customer loyalty. These findings and results provide support for H2b. Table (8) shows that 13.1 per cent of the variation in customer loyalty is explained by the marketing assets and capabilities. The findings indicate that outside-in

marketing capabilities (beta is 0.238, significant at 0.014) is the strongest predictor of variations in banks' customer loyalty. Next, in sequence are inside-out marketing capabilities (beta is 0.115) and marketing assets (beta is 0.045), which both failed to show any significant relationship with customer loyalty. Despite the non-significant relationships between inside-out and marketing and customer loyalty, the relationships are still positive. Consequently, the overall findings and results provide support for the main hypothesis H2.

Table (8): Multiple Regression, Dependent Variable is Customer Loyalty.

Multiple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			F Value	Sig. F		
0.362	0.131	0.119	11.003	0.000	1.704	Supported
Independent Variables in the Multiple Regression Equation						
Independent Variables		Standardized Beta Coefficients	T Value	Sig. T	Collinearity Statistics	
					Tolerance	VIF
Inside-Out Marketing Capabilities		0.115	1.210	0.227	0.436	2.294
Outside-In Marketing Capabilities		0.238	2.467	0.014	0.427	2.342
Marketing Assets		0.045	0.545	0.586	0.580	1.724
Test of Normality by using Shapiro-Wilk Test			Statistics		Sig.	Distribution Results
			0.980		0.054	Normal

H3: There is a relationship between top management support and commitment and building inside-out

marketing capabilities.

H4: There is a relationship between top management support and commitment and building outside-in marketing capabilities.

H5: There is a relationship between top management support and commitment and building marketing assets.

Tables (9, 10 and 11) exhibit results of three simple regression analysis models that examine the relationships between top management support and commitment, as an independent variable, and inside-out

marketing capabilities, outside-in marketing capabilities and marketing assets, as dependent variables. The simple regression analysis shows that there is a positive and significant relationship between top management support and commitment and inside-out marketing capabilities (R Square is 0.548, significant at 0.000), outside-in marketing capabilities (R Square is 0.320, significant at 0.000) and marketing assets (R Square is 0.228, significant at 0.000), respectively. These findings and results support hypotheses H3, H4 and H5.

Table (9): Simple Regression, Dependent Variable is Inside-Out Marketing Capabilities.

Simple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			T Value	Sig.		
0.740	0.548	0.546	16.376	0.000	1.781	Supported
Independent Variable in the Simple Regression Equation						
Independent Variable		Standardized Beta Coefficients	T Value	Sig.	Collinearity Statistics	
Top Management Support and Commitment		0.740	16.376	0.000	1.000	1.000
Test of Normality by using Shapiro-Wilk Test			Statistics		Sig.	Distribution Results
			0.988		0.056	Normal

Table (10): Simple Regression, Dependent Variable is Outside-In Marketing Capabilities.

Simple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			T Value	Sig.		
0.566	0.320	0.317	10.197	0.000	2.051	Supported
Independent Variable in the Simple Regression Equation						
Independent Variable		Standardized Beta Coefficients	T Value	Sig. T	Collinearity Statistics	
Top Management Support and Commitment		0.566	10.197	0.000	1.000	1.000
Test of Normality by using Shapiro-Wilk Test			Statistics		Sig.	Distribution Results
			0.988		0.066	Normal

Table (11): Simple Regression, Dependent Variable is Marketing Assets.

Simple R	R Square	Adjusted R Square	Analysis of Variance		Durbin-Watson	Hypotheses Testing Results
			T Value	Sig.		
0.478	0.228	0.225	8.081	0.000	1.841	Supported
Independent Variable in the Simple Regression Equation						
Independent Variable			Standardized Beta Coefficients	T Value	Sig. T	Collinearity Statistics
Top Management Support and Commitment			0.478	8.081	0.000	Tolerance VIF 1.000 1.000
Test of Normality by using Shapiro-Wilk Test				Statistics		Distribution Results
				0.985		0.126 Normal

Testing Major Hypotheses Six and Seven

Tables (12 and 13) exhibit results of analysis of variance that examine if the relationships between marketing assets and capabilities and performance are moderated by organisational (banks) characteristics, namely; bank marketing experience and managers' academic background.

H6: The relationship between marketing assets and capabilities and banks' individual financial performance

measures is moderated by organisational characteristics, namely; (a) bank's marketing experience, (b) bank's managers' academic background.

As can be seen in table (12) the ANOVA results show that bank marketing experience moderates (all F values are significant, P less than 0.05) the relationship between marketing assets and capabilities and financial and customer performance dimensions. These results and findings provide support for H6.

Table (12): ANOVA Results, Moderating Variable is Bank Marketing Experience.

Dependent Variables	F	Sig	Hypotheses Testing Results
Total Deposits	4.661	0.001	Supported
Return on Equity	5.232	0.000	Supported
Profitability	6.969	0.000	Supported
Total Revenues	5.404	0.000	Supported
Customer Satisfaction	8.290	0.000	Supported
Customer Loyalty	6.411	0.000	Supported

H7: The relationship between marketing assets and capabilities and banks' individual customer performance measures is moderated by organisational characteristics, namely; (a) bank's marketing experience, (b) bank's managers' academic background.

As can be seen from table (13), the ANOVA results show that managers' academic background moderates (all F values are significant, P less than 0.05) the relationship between marketing assets and capabilities and financial

performance measures as well as customer satisfaction. Meanwhile, managers' background did not moderate (F value is non-significant, P 0.102) the relationship between marketing assets and capabilities and customer loyalty. These results and findings provide support for hypothesis H7, with exception that the relationship between marketing assets and capabilities and customer loyalty was not moderated by managers' background.

Table (13): ANOVA Results, Moderating Variable is Respondents' Academic Background.

Dependent Variables	F	Sig	Hypotheses Testing Results
Total Deposits	3.626	0.007	Supported
Return on Equity	3.490	0.009	Supported
Profitability	4.012	0.004	Supported
Total Revenues	4.732	0.001	Supported
Customer Satisfaction	3.666	0.007	Supported
Customer Loyalty	1.961	0.102	Not Supported

7. DISCUSSION

Marketing Assets and Capabilities and Financial Performance

The findings of multiple regression analysis indicate that there are positive and significant relationships between marketing assets and capabilities and financial performance indicators, namely; total deposits, return on equity, profitability and total revenues. These findings provide empirical support for main hypothesis H4 and its sub-hypotheses H1a, H1b, H1c and H1d. These findings are supportive to the literature (e.g., Barney, 1991; Bharadwaj et al., 1993; Day, 1994; Hooley et al., 1999; Fahy et al., 2000; Clulow et al., 2003; O'Regan and Ghobadian, 2004; Vorhies and Morgan, 2005; Money and Gardiner, 2005) that asserts the impact of marketing assets and capabilities on financial performance. The findings show that marketing assets (based on R Square and Beta values) have exerted the strongest influence on all financial indicators. This is a very important result that underpins an important argument in both the literatures and this research that marketing assets are invaluable assets which have a positive and significant influence on financial performance. This finding corroborates marketing assets literature discussed in this research (Day and Wensley, 1988; Day, 1994; Fahy, 1991; De Chernatony and McDonald, 1998; Olavarietta and Friedman, 1999; Doyle, 2001; Clulow et al., 2003; Smith, 2006). An important finding is that the strongest influence of marketing assets and capabilities (R Square is 0.278) is

on banks' profitability, although the strongest influence has come from marketing assets (Beta is 0.359, significant at 0.000). This finding reveals the strategic influence of marketing assets and capabilities on profitability, which is an indicator of the ability of a bank to utilize its resources efficiently and effectively better than competitors in the marketplace.

Another important finding is that outside-in marketing capabilities is the second independent variable that affects financial performance (based on Beta values). The findings show that outside-in marketing capabilities affected positively and significantly return on equity (beta is 0.291, significant at 0.001) and total revenues (beta is 0.238, significant at 0.008). These results provide support for the literatures (e.g., Day, 1994; Hooley et al., 1999; Fahy et al., 2000; Galbreath, 2002; Smith, 2006) that advocate that outside-in marketing capabilities exert important influence on financial performance. This finding reveals the strategic importance of capabilities of understating customer needs and wants and enhancing an organization position in the marketplace to achieve satisfactory financial results. Surprisingly, inside-out marketing capabilities did not influence any of the financial performance indicators used in this research, even though they positively influenced performance. This finding did not support the literature that advocates the importance of inside-out marketing capabilities on financial performance. However, this result agrees with Hooley et al.,'s (1999) study who reached to the same finding and result. A possible interpretation is that the

managers seem to have focused on the external marketing capabilities to tackle external environmental forces in the marketplace (e.g., competitive pressures, changing customer needs, and economic conditions) more than internal marketing capabilities.

Marketing Assets and Capabilities and Customer Performance

The findings of multiple regression analysis indicate that there are positive and significant relationships between marketing assets and capabilities and customer performance indicators, namely; customer satisfaction and loyalty. These findings provide empirical support for main hypothesis H2 and its sub-hypotheses H2a and H2b. These findings are consistent with the literature discussed in this research that found that marketing assets and capabilities influenced customer satisfaction and loyalty. The results show that marketing assets and capabilities exert a stronger influence (R Square 0.219, significant at 0.000) on customer satisfaction than their influence on customer loyalty (R Square 0.131, significant at 0.000). This result is reasonable because customer satisfaction precedes customer loyalty. In other words, superior bank marketing capabilities are able to create value for customers that, indeed, leads to enable a bank to achieve customer satisfaction better than competitors. If this happens, then a bank should be able to have loyal customers. Another important result is that inside-out and outside-in marketing capabilities (based on beta values) exert the strongest influence on both customer satisfaction and loyalty. Inside-out marketing capabilities (beta is 0.309, significant at 0.001) and outside-in marketing capabilities (beta is 0.205, significant at 0.026) are the strongest predictors of marketing assets and capabilities on customer satisfaction, respectively. This finding indicates the importance of having marketing skills, abilities and knowledge as well as financial and non-financial resources to create value for customers and satisfy them. However, outside-in marketing capabilities (beta is 0.238, significant at 0.014) is the strongest predictor of marketing assets and capabilities on customer loyalty. This result reveals the fact that banks should have

external marketing capabilities in the marketplace in order to keep customers loyal and protect them from being attracted by competitors. In other words, the managers view outside-in marketing capabilities as an essential variable that contributes to customer loyalty since customer loyalty is declining these days as a result of severe competition among banks and other financial institutions. Consequently, outside-in marketing capabilities would enable a bank to understand what attracts its customers to its rivals.

Top Management Support and Commitment

The findings of simple regression analysis indicate that there is a positive and significant relationship between top management support and commitment and building marketing assets and capabilities. These findings provide empirical support for H3, H4 and H5. The strongest effect of top management support and commitment (R Square is 0.548) is on building inside-out marketing capabilities. This finding is reasonable in banks because they are in a critical need to build and accumulate inside-out marketing capabilities as well as building superior marketing skills and knowledge. These findings are consistent with marketing assets and capabilities literature (e.g., Day, 1994; Doyle, 1995; Cespedes and Piercy, 1996; Menon et al., 1999; Schoemaker and Jonker, 2005) that supports that building marketing assets and capabilities requires strategic support and commitment from top management. This strategic commitment and support requires top management to provide necessary financial and non-financial resources over the years to accumulate and acquire marketing assets and capabilities which would improve performance and become a source of competitive advantage. Consequently, it would be reasonable to argue that top management commitment and support act as key antecedents to build and accumulate marketing assets and capabilities overtime.

The Moderation Effects of Organisational Characteristics

The results of ANOVA analysis indicate that bank marketing experience and managers' background

moderate the relationship between the marketing assets and capabilities and individual financial and customer performance indicators. These results provide empirical support for hypotheses H6 and H7. These are important findings that provide empirical support for a stream of research (Bonoma, 1984; Greenley, and Oktemgil, 1996; Gilmore and Carson, 1996; Piercy, 1999; Schoemaker and Jonker, 2005) that indicates that marketing experience and people's qualifications and background have a positive effect on the relationship between marketing assets and capabilities and performance. In other words, banks that have accumulated marketing assets and capabilities would enjoy a better financial and customer performance if equipped with a proper marketing experience and well qualified marketing people. Marketing experience would enable a bank to utilize its marketing assets, knowledge and capabilities better than competitors. This would lead to achieve a better customer satisfaction and loyalty and indeed a stronger financial position. As can be seen from table (14), the managers' background (F value is 1.961, non-significant at 0.102) did not moderate the relationship between marketing assets and capabilities and customer loyalty. A possible interpretation is that customers may leave a bank and become not loyal due to dissatisfaction with non-marketing people who have a different background (e.g., people in the back office) which affect customer interactions.

8. CONCLUSIONS

The resource-based theory view has made a significant contribution to marketing literature as a potential explanation of marketing effects on performance and routes to competitive advantage. Based on solid theoretical and empirical research, this research has developed and empirically tested a model for marketing assets and capabilities and performance in the banks operating in Jordan. A major conclusion to come out of this research is that marketing assets and capabilities have a positive and significant influence on banks' performance measured by financial and customer

measures. The implication is that marketing assets and capabilities are of strategic importance for banks to achieve strategic objectives and increase shareholders' value. In addition, several conclusions have emerged from this research. Top management support and commitment are vital to build and accumulate marketing assets and capabilities overtime. Commitment to provide all necessary resources is of strategic significance to build marketing assets and capabilities that should be an important source of improving performance in the knowledge-based economy. Strong evidence reveals that marketing assets and capabilities are invaluable assets that exist in today's banks which differentiate a bank from another. The strongest influence of marketing assets and capabilities is on banks' profitability, total revenues and customer satisfaction. This conclusion holds very important implications for banks, which reveal the strategic influence of marketing assets and capabilities on banks' long-term performance. Further, marketing experience and availability of well qualified marketing people are important factors that positively affect utilization of marketing assets and capabilities to achieve superior performance outcomes. Experienced banks (organizations) that have a considerable amount of expertise in marketing, know how to employ marketing assets and capabilities to achieve short-term and long-term objectives. Changing customer needs and wants, fierce competition and rapid technological developments force banks to have a solid marketing knowledge to handle such severe pressures.

9. CONTRIBUTION

This research is thought to have contributed to the resource-based theory view in some ways. First, this research has fulfilled gaps that emerged from its literature that are related to the field of marketing assets and capabilities. Second, an important contribution of this research is the generalisability of Day's (1994) framework and others' work (e.g., Hooley et al., 1999; Fahy et al., 2000; Vorhies and Morgan, 2005) in the banking industry in Jordan and this relationship is

moderated by organizational (banks) characteristics. Third, from an academic standpoint, this research is the first empirical study that investigated the relationship between marketing assets and capabilities and banks' performance in Jordan. Fourth, from a methodological standpoint, this research has employed financial and non-financial measures in measuring performance to capture the comprehensiveness of marketing assets and capabilities on performance.

10. LIMITATION AND FUTURE RESEARCH

As with any empirical study, some limitations result from trade-off decisions in research design. First, marketing capabilities were examined by using Day's (1994) framework and marketing assets were examined by using Bharadwaj et al. (1993) and Olavarrieta and Friedmann (1999) frameworks. A recommended area of research is extending measurements and conceptualizations of marketing assets and capabilities to find out if there are other marketing assets and capabilities that may affect performance (Vorhies and

Morgan, 2005). Second, the generalisability of the research findings is limited to the banking industry in Jordan. A fruitful area of research is to conduct research projects and comparative studies with other service industries (e.g., insurance, telecommunications and tourism) in Jordan and other developing and developed countries to examine the generalisability of this research model. Third, the findings revealed that inside-out marketing capabilities did not influence banks' financial performance. Future research can examine why the inside-out marketing capabilities do not influence banks' financial performance. Fourth, top management support and commitment did affect building marketing assets and capabilities at banks. A potential area of research is investigating other variables that may affect building marketing assets and capabilities. Fifth, the research findings indicate that organizational (banks) characteristics moderated the relationship between marketing assets and capabilities and performance. A very fruitful area of research is to examine if this relationship is moderated or mediated by other variables e.g., customer value and market orientation.

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أثر الاصول والقدرات التسويقية على الأداء: دراسة ميدانية على البنوك العاملة في الأردن

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ملخص

ان الهدف الرئيسي من هذه الدراسة هو اختبار العلاقة بين الاصول والقدرات التسويقية والأداء في البنوك العاملة في الأردن. وهناك أهداف اخرى تمثلت في اختبار أثر بعض العوامل المعدلة على هذه العلاقة وأيضاً اختبار أثر دعم والتزام الادارة العليا على بناء الاصول والقدرات التسويقية في المدى البعيد. وتم تطوير نموذج الدراسة وفرضياتها من أجل تحقيق أهدافها. تم تجميع البيانات الأولية من مديري التسويق ومديري الفروع في البنوك العاملة في الأردن عن طريق استبانة صممت خصيصاً لأغراض هذه الدراسة. وتشير نتائج تحليل الانحدار المتعدد الى أن الاصول والقدرات التسويقية أثرت إيجاباً في أداء البنوك الذي تم قياسه بمعايير مالية ومعايير العملاء. ووجدت الدراسة أن دعم والتزام الادارة العليا له أثر إيجابي وقوي في بناء الاصول والقدرات التسويقية على الامد الطويل. وتشير النتائج أيضاً الى أن أقوى تأثير للاصول والقدرات التسويقية كان على ربحية البنوك، واجمالي إيراداتها ورضا عملائها على التوالي. كما تشير نتائج تحليل التباين الأحادي الى أن خبرة البنك التسويقية والخلفية الاكاديمية للمديرين هي عوامل معدلة على العلاقة بين الاصول والقدرات التسويقية وأداء البنوك. ان الاستنتاج الرئيسي للدراسة هو أن الاصول والقدرات التسويقية تلعب دوراً استراتيجياً في قدرة البنوك على تحقيق أهدافها الاستراتيجية طويلة الامد وتحقيق ميزة تنافسية. وأخيراً فقد تم وضع استنتاجات البحث ومساهمته في المعرفة ومحدداته إضافة الى اتجاهات البحث المستقبلية.

الكلمات الدالة: الاصول التسويقية، القدرات التسويقية، الأداء، العوامل المعدلة، نظرية الموارد، الاردن.

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