

Case Report

A study on effect of market orientation and Michael Porter's Five Competitive Forces on performance of Bahman Group

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ABSTRACT

Concept of competitive advantage has a direct linkage with the considered values of the customer, such that the more the supplied values of an organization approach to the considered values of the customer in a comparative range, it can say that the organization outperforms the competitors in one or several competitive criteria. The present research is an applied survey which examines effect of market orientation and Michael Porter's Five Competitive Forces on performance of Bahman Group. The present research is an applied survey in which the questionnaire was used as the data collection instrument. In this research, the indices were detected after studying the books and articles and interviewing with the experts. The research hypotheses were designed based on these criteria. Ultimately, all the hypotheses were confirmed using statistical techniques. After inferential analysis of data which includes significant study on the items of the questionnaire regarding the factors, the study on the relationship between latent and patent variables was considered. The research hypotheses and the modeling for the relationship between dependent and independent variables were confirmed using structural equation method and ultimately all the proposed hypotheses were confirmed.

Key words- market orientation, Michael Porter, Competitiveness, performance, Bahman Group

INTRODUCTION

Rapid changes in technology, increased risks of globalization and the privatization expectations have been regarded as the environmental characteristics faced by the current trade associations. With regard to the developments in the business world and organizations' need to meet customers' needs in unpredictable conditions at market, time as a strategic weapon has found a value like money, productivity, quality and event creativity. These factors have led to the creation of various theories and approaches in the concepts and sectors of business including market orientation that each of these approaches are originated of thinking and considered as a basis for development of new concepts at the areas of customer orientation, competitiveness and better performance than competitors [1]. Market

orientation refers to one of the approaches taken into consideration as an effective and efficient method to achieve competitive advantage in modern organizations. With regard to the studies conducted to date, most of organizations have known market orientation as the only success related factor to meet various and unpredictable needs of customers. Yet, the studies on the market orientation in recent decades have reached to positive outcomes, so that the researchers have believed that market orientation plays a major role in performance of organizations. Despite lack of service organizations and companies' attention to customers, competitors and market orientation, this has reduced the competitive advantage and low performance of organizations. How an enterprise can increase its competitive ability

refers to an issue which will be examined in the present research. A variety of factors might affect improvement in competitive ability of a business such as National and international macro environment factors (economic, social, cultural, political, technological factors), micro-environmental factors or elements of industry, competition within the industry, new competitors, alternative products, sales agents and customers, tangible and intangible assets. Among all of these factors, the market orientation has been considered as the effective factor in competitive ability of Bahman Group which its relationship with business performance has been examined. Since the studies on market orientation directly or indirectly associate to the business performance, both relationships will be examined in the present research. In this regards, the research research examines effect of market orientation and Michael Porter's Five Competitive Forces on performance of Bahman Group, introduces various dimensions of Michael Porter's Five Competitive Forces model and proposes how the organizations can achieve improvement in superior performance and create competitive advantage and positive relationships between the variables of this model which transform to the improvement in prediction of the future business conditions and market needs, resulting in creation of further competitive advantage for the organization and increase of customers' satisfaction and expansion of market share. Lack of modern marketing systems at the directory of Bahman Group has raised numerous problems at this area, which this group has failed to compete with its competitors at various areas and has lost numerous markets. The present research examines whether market orientation and competitiveness have affected performance of Bahman Group or not and which component has the utmost effect on performance?

Research hypotheses

Major hypothesis:

Market orientation and Michael Porter's Five Competitive Forces affect performance of Bahman Group.

The secondary hypotheses

The component "Cross-sectoral coordination" affects performance of Bahman Group.

The component "competition orientation" affects performance of Bahman Group.

The component "customer orientation" affects performance of Bahman Group.

The component "Newcomers" affects performance of Bahman Group.

The component "existing competitors" affects performance of Bahman Group.

The component "suppliers" affects performance of Bahman Group.

The component "purchasers" affects performance of Bahman Group.

The component "alternative goods" affects performance of Bahman Group.

Theoretical background and literature review

Market orientation

According to Narver & Slater (1990), Market orientation is beating heart of management and the modern marketing strategy, businesses that increase its market orientation, improving its marketing performance, can be successful. In the meantime, service organizations such as banks, should pay more attention to this issue. Cultural market orientation refers to an organization which provides necessary behaviors to create better value for the customers and better constant performance for business with utmost efficiency and effectiveness.

Narver & Slater (1990) knew the market orientation included of components such as inter-task coordination, competitiveness and customer orientation and the criteria such as decision, profitability and long-term concentration. Lafferty et al in a study have discussed on market orientation as a cultural and managerial phenomenon to achieve competitive advantage.

They have introduced four universally agreed upon areas in the approaches under study as follow: emphasis on customer, significance of shared knowledge, inter-task coordination of the activities and marketing communications, response to the market activities through making suitable action.

However the combined approach enjoys further dimensions and components than previous approaches, yet it has not the essential integrity [6].

Factors affecting market orientation

Despite marketing which has been influenced by cultural issues and introduced with numerous definitions, we fail to see a wide range of definitions for market orientation which is less likely influenced by cultural issues. The early efforts by the scholars including Felten & Mac-kitric (1957) & Kotler(1994) have had numerous effect on expansion of market orientation. Accordingly, to date four major definitions have been proposed for market orientation:

1-market orientation implies creation of information from the market in the entire organization about the current and future needs of customers, development and transfer of such information and talent in the entire organization and response to it in all the levels of organization [7]. 2-market orientation has developed from three behavioral components such as customer orientation, competitiveness and exchange of information between sectors together with decision making and profitability [5]. 3- market orientation includes a series of beliefs focused on the customers at the center so as to provide long-term profitability in the company. Yet, this does not imply inattention to other beneficiaries such as owners, managers and staffs [11].

4- market orientation includes superior and salient skills in understanding and meeting customers' needs[4].

In all the definitions above, the points below can be witnessed:

- a-all the definitions have focused on customer as the central core.
- b- all the definitions have focused on the out of borders of organizations.
- c-all the definitions have focused on response to the customer in a direct and implicit way, i.e. just attention to customers is not sufficient, but it must create value for them.
- d-all the researchers believe that market orientation includes emphasis on something beyond the customers. Narver & Slater (1990) have clearly focused on competitors in addition to customer. Day has put emphasis on competitors. Kohli and Jaworski (1990) have put emphasis on the factors which develop customers' needs and expectations such as technology, rules and so

forth. Further, however Rohit Deshpande, John U. Farley, & Frederick E. Webster have given priority to the customers, they have also put attention other beneficiaries.

Competitiveness

At two recent decades, we have witnessed two intellectual schools at the area of competitiveness: technology-based approaches and competence-based approaches. Information technology causes improvement in efficiency and creates strategic advantage. With regard to the competence-based approach, the companies have detected and controlled their unique skills and competencies through internal and external stabilization and consolidation. In other words, technology is the basis for competitiveness based on the technology-based approach, yet learning organization is the basis for competence in which an emphasis is put on the strengths for survival through modeling, forecasting and responding to the changes [10]. Another group of researchers have put emphasis on the relationship between competitiveness and organizational performance. Scott (1989) has defined competitiveness as the ability to increase revenues with the speed equal to the competitors and create necessary capitals to face them in future. Pace and Stephan (1996) have defined competitiveness as follow in a more comprehensive definition: Competitiveness implies the organization's ability for survival in business, protection from organization's capitals, acquisition of capitals and so forth. The existing definitions have looked into Competitiveness as a static concept and have less likely paid attention to the sustainability. Figure below represents a framework which can be used to complete the existing definitions and development of a new definition for competitiveness [5].

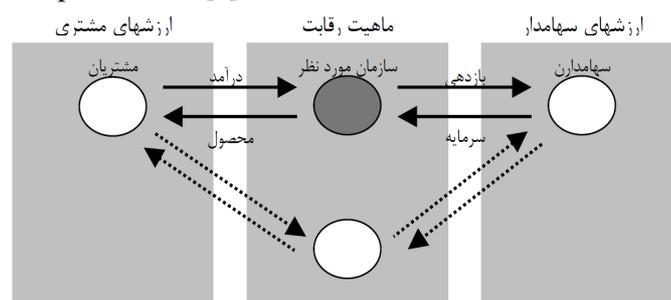


Figure 1. Definition for competitiveness [5]

Competitiveness is a relative issue rather than an absolute issue. Competitiveness has depended on the customers' and shareholders' values, the financial power which determines the ability for action and reaction at competitive environment, and individuals' potential in bringing about strategic changes. There will be a sustainable competitiveness when a suitable balance exists between the mentioned factors. An organization is competitive to the customers, if it enables to provide a value better than the competitors' value [5]. Numerous studies on competitiveness have been conducted by different researchers with different outlooks. In this section, the most important theories in this context during 1990-2004 are summarized. Competitiveness of a company associates to the performance of the companies.

To achieve the competitive position in the developing markets, the manufacturing companies must enable to adapt with change. Implicitly, this change will be followed by the processes such as formation of existing job methods, market orientation, customer orientation, improvement of productivity and organization competitiveness [8]. Competitiveness is linked to the knowledge management and innovation. The resources of organization are divided into two groups: physical resources including money, equipment, materials and time facilities and conceptual resources including data, information and knowledge.

With regard to the modern approaches, knowledge management accounts for a key factor in performance of organization. The organizations should pursue a knowledge which enables them to create value. Indeed, innovation and competitiveness account for a function of knowledge management. However it seems that any activity in creation of value for an organization through productivity, agility, reputation and innovation causes an increase in competitiveness, yet the detected activities are not the only determinants which result in competitiveness.

Yet, there are other forces which affect how to fulfill activities of knowledge management within organization which include: impacts of resources and environment impacts [9].

Michael Porter's Five Competitive Forces

In figure below, it can observe five factors required in analysis of industry.

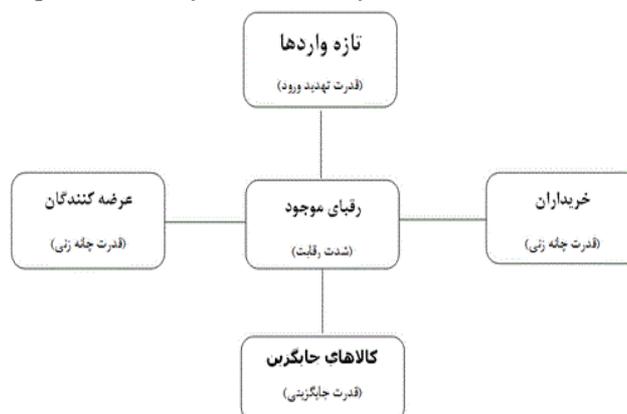


Figure 2. Michael Porter's Five Competitive Forces
The influence of these five forces on each other specifies the nature or competition in the industry.

This collective power of forces specifies the ultimate profitability of a trade. Porter believes that all the companies seek the profit and a factor which determines extent of profit is nothing just the competition severity, so that if the competition severity is specified, the profitability will be specified. In this regards, the strategists are responsible for searching a position in the industry in which the companies enable to defend from themselves against these forces and/or affect them in their favor.

Literature review

Ali Kazemi & Ali Sanayei (2011) conducted a research entitled “detection of competitive advantages in tourism industry to attract foreign tourists in Isfahan”. There is a huge gap between existing status in acquisition of foreign tourists in Isfahan compared to what must exist as the favorable status; a variety of factors contribute in making this gap. In the present research, the existing barriers to acquisition of tourists at three environments (inside, close and far) in tourism industry have been examined so as to detect and consider the competitive advantages by detecting and resolving the barriers. The statistical population consists of the managers at tourism sector of cultural heritage organization in Isfahan together with the managers in tourism service departments which the data collection

was made among 39 samples using the research-made questionnaire. Michael Porter's Five Competitive Forces, value chain and PEST models have been used to make the questionnaire, considering the fact that 120 questions have been considered in the questionnaire. To analyze research data, descriptive statistics (frequency distribution tables, descriptive criteria, diagrams, mean and standard deviation) and inferential statistics (one-sample t-test and bivariate t-test) have been used via software SPSS. The obtained information confirm the research hypotheses. Seid Reza Fahim Nejad(2012) conducted a research entitled “economic enterprises and economic advantage”. The research has been conducted in the stages below. The economic enterprise at various areas can have competitive advantage. They can use more advanced technology to produce product, through which they reduce the costs and supply their product to the market with lower price or more facilities. They might employ more efficient manpower than the competitors so as to improve quality of their products, using special implications. An enterprise can have competitive advantage at the area of management than the competitors and detect the weaknesses at market by better decisions. Marketing refers to another area through which the enterprises make attempt to have more share of market than their competitors. Another enterprise might be repudiated with after sale services and attract more customers. Another article entitled “how to

acquire competitive advantage with optimal management of physical assets” was conducted by Dr Mashayekhi and his colleague in 2013.

Research method

The present research is an applied study in sake of aim, examined the effect of marketing and competitiveness on performance of Bahman group. With regard to the data collection method, the present research is a survey because the survey intends to convert data from qualitative level to quantitative level using the questionnaires which are the data collection instruments. In survey, the figures confirm the qualitative variable to quantitative variable, seeking to discover the relationship between variables. To examine dimensions of research in sake of research method and aims, the present research is an applied research, because the results from this research are used to resolve a special problem. In this research, the variables relating to the research are detected, the questionnaire is used to collect data and the statistical techniques are used to analyze data. Cronbach's alpha test is used to calculate the reliability of these questionnaires.

How to formulate the model

After collecting data in the context of detection of market orientation and Michael Porter's Five Competitive Forces affecting performance, these factors are divided into two groups including general and secondary indices and the considered model is formulated as follow: To collect data and test the research hypotheses, the conceptual model below has been designed:

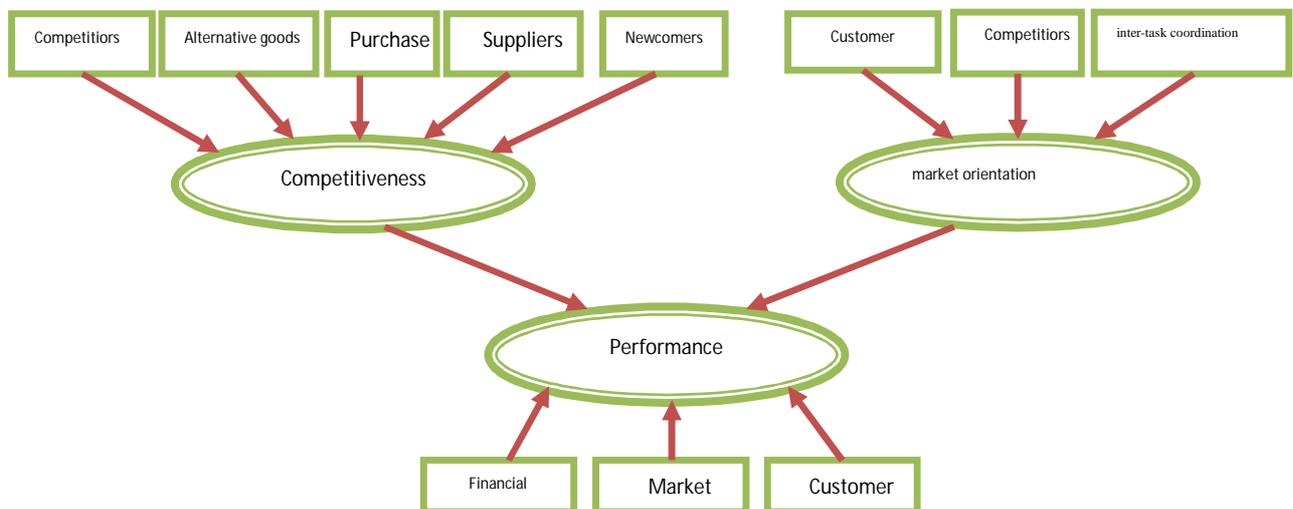


Figure 3. Conceptual model of research

The statistical population

In the present research, the statistical population consists of all the *Managers of Automotive and Parts Industry*. Among 245 distributed questionnaires, 185 persons gave response to the questionnaires. With regard to Morgan table, the sample size must equal to 145 persons.

Data analysis

In this research, firstly the recognition for the respondents' demographic characteristics and

Table 1. Frequency distribution of the respondents based on gender

Gender	Frequency	%
Male	168	%91
Female	17	%9
Sum	185	%100

status is acquired and in following the casual relationship between variables in the conceptual model of research is examined. The data are analyzed via software SPSS19 and LISREL 8.8. Descriptive research

In this section, the respondents' status including gender, marital status, age, education and work experience have been summarized (table 1-5).

Table 2. Frequency distribution of the respondents based on marital status

تاهل	Frequency	%
Married	151	%82
Single	34	%18
Sum	185	%100

Table 3. Frequency distribution of the respondents based on age

Age	Frequency	%
20-30 years old	51	%28
31-40 years old	72	%39
Above 40 years old	62	%33
Sum	185	%100

Table 4. Frequency distribution of the respondents based on education

education	Frequency	%
Diploma and associate degree	57	%31
Bachelor degree	86	%47
Master degree and above	42	%22
Sum	185	%100

Table 5. Frequency distribution of the respondents based on work experience

Work experience	No	%
Under 5 years	25	%14
5-10 years	42	%23
10-15 years	49	%27
15-20 years	37	%20
Above 20 years	32	%16
Sum	185	%100

Inferential statistics

Confirmatory factor analysis

Table 6 indicates KMO criterion for sampling adequacy and Bartlett's *test* of sphericity for the appropriateness of correlation between observations to use factor analysis. With regard to high value of KMO index and significance of Bartlett's test of sphericity, the sample size for factor analysis is adequate and the correlation between observations is suitable.

Table 6. Bartlett's test of sphericity and KMO index

Bartlett's test of sphericity and KMO index	
	Value
KMO	0/787
Bartlett's test of sphericity	4192.60
Freedom degree	820
Sig	0/000

Source: findings from research

The measurement model for competitiveness

Figure 4 represents the second-order confirmatory factor analysis for the indices of the questionnaire in the standard estimation state.

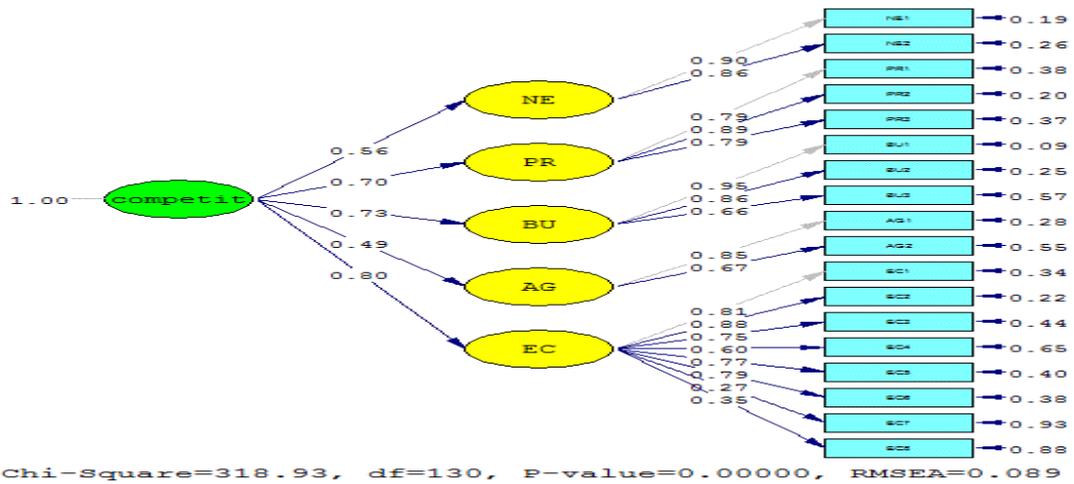


Figure 4-the second-order confirmatory factor analysis in the standard estimation state

Figure 5 indicates the significance of the coefficients and parameters in the measurement model consists of the research variables. At standard error level(5%), values of significance test greater than 1.96 and under -1.96 indicate significance of the relationships between indices and latent variables.

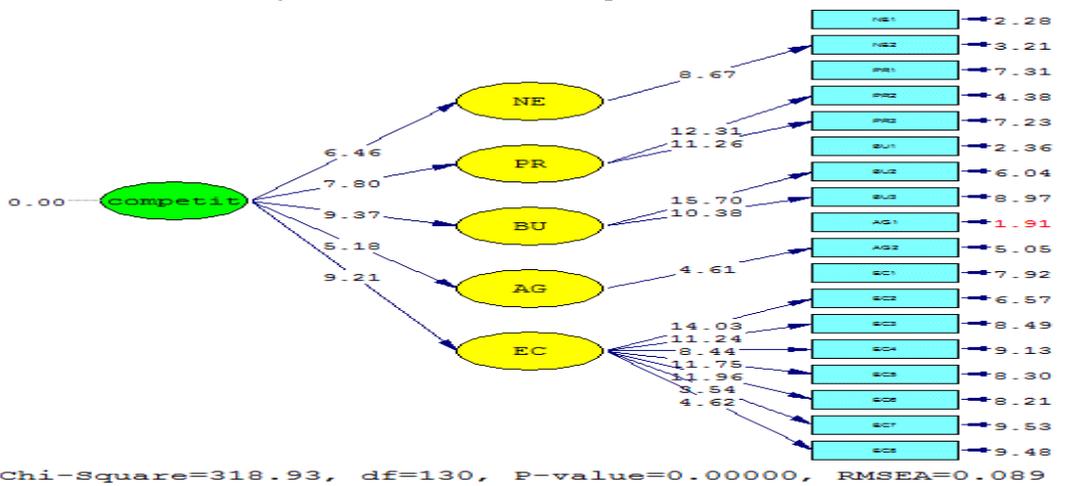


Figure 5-the second-order confirmatory factor analysis in the standard state of coefficients

It can observe that 18 indices of the questionnaire have been summarized in five dimensions of competitiveness including newcomers, suppliers, purchasers, alternative goods and existing competitors.

The measurement equations for competitiveness

Table 7 indicates the indices in the questionnaire based on dimensions of competitiveness and the extent to which the correlation exists between each index and dimension. It can observe that 18 indices of the questionnaire are divided into five dimensions of competitiveness. Since the critical value for each of these items is greater than 1.96 or less than -1.96, the factor loading of that index related to its corresponding dimension is significant. Therefore, all the items of this construct have remained in the

analysis for which there is no reason to remove them. Further, the determination coefficient (R^2) displays a percent of changes in latent variable which are elaborated via patent variable.

Table 7. Standard coefficients, t-value and determination coefficient(R^2)

standard coefficients, t-value and determination coefficient(R^2)				
Dimension	Patent variables	Factor loading (λ)	t-value	R^2
Newcomers	NE1	0.90	-	0.81
	NE2	0.86	**8.67	0.74
Suppliers	PR1	0.79	-	0.62
	PR2	0.89	**12.31	0.80
	PR3	0.79	**11.26	0.63
Purchasers	BU1	0.95	-	0.91
	BU2	0.86	**15.70	0.75
	BU3	0.66	**10.38	0.43
Alternative goods	AG1	0.85	-	0.72
	AG2	0.67	**4.61	0.45
Competitors	EC1	0.81	-	0.66
	EC2	0.88	**14.03	0.78
	EC3	0.75	**11.24	0.56
	EC4	0.60	**8.44	0.35
	EC5	0.77	**11.75	0.60
	EC6	0.79	**11.96	0.62
	EC7	0.27	**3.54	0.072
	EC8	0.35	**4.62	0.12
		*p<0.05 , **p<0.01		

Table 8 represents separation of dimensions of competitiveness and the extent to which correlation exists between dimension and construct. It can observe that five dimensions of the questionnaire are divided into the competitiveness. Since the critical value for each of dimensions of this construct is greater than 1.96 or under -1.96, the factor loading of that dimension associated to its corresponding construct is significant and suitable. Therefore, all the dimensions of this construct have remained at the analysis for which there is no reason to remove them. Further, the determination coefficient (R^2) displays a percent of changes in latent variable which are elaborated via patent variable.

Table 8. Standard coefficients, t-value and determination coefficient (R^2)

standard coefficients, t-value and determination coefficient(R^2)				
Construct	Dimension	Factor loading) λ (t-value	R^2
competitiveness	Newcomers	0.56	**6.46	0.31
	Suppliers	0.70	**7.80	0.48
	Purchasers	0.73	**9.37	0.53
	Alternative goods	0.49	**5.18	0.24
	Existing competitors	0.80	**9.21	0.63
		*p<0.05 , **p<0.01		

The measurement model for performance

Figure 6 displays the second-order confirmatory factor analysis for the indices in the questionnaire at standard estimation state.

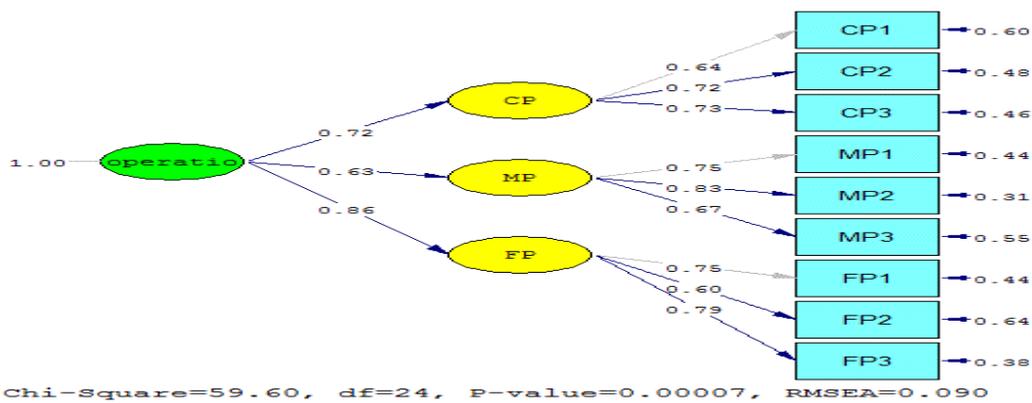


Figure 6- the second-order confirmatory factor analysis at standard estimation state

Figure 7 indicates the significance of the coefficients and parameters in the measurement model consists of the research variables. At standard error level(5%), values of significance test greater than 1.96 and under -1.96 indicate significance of the relationships between indices and latent variables.

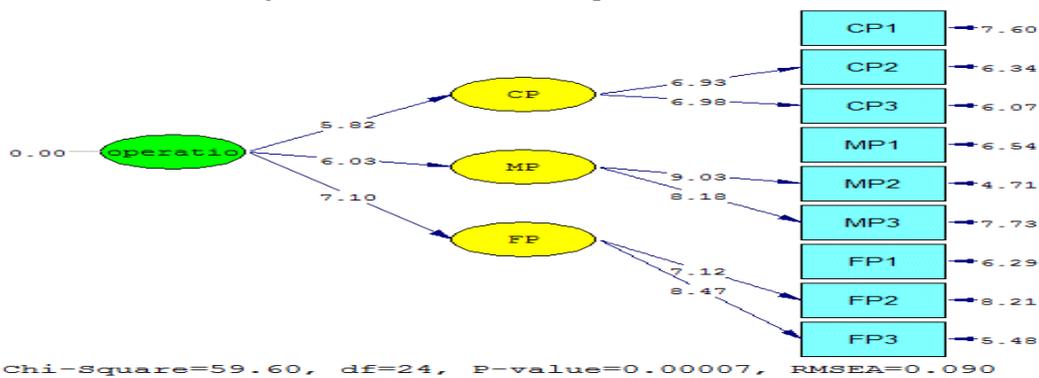


Figure 7. The second-order confirmatory factor analysis at significance of coefficients

It can observe that 9 indices of the questionnaire have been summarized in three dimensions of performance construct (customer's performance, market's performance and financial performance).

The measurement equations for performance

Table 9 indicates the indices in the questionnaire based on dimensions of performance and the extent to which the correlation exists between each index and dimension. It can observe that 9 indices of the questionnaire are divided into three dimensions of performance. Since the critical value for each of these items is greater than 1.96 or less than -1.96, the factor loading of that index related to its corresponding dimension is significant. Therefore, all the items of this construct have remained in the analysis for which there is no reason to remove them. Further, the determination coefficient (R^2) displays a percent of changes in latent variable which are elaborated via patent variable.

Table 9. Standard coefficients, t-value and determination coefficient (R^2)

Standard coefficients, t-value and determination coefficient(R^2)				
dimension	Patent variables	Factor loading λ	t-value	R^2
customer's performance	CP1	0.64	-	0.40
	CP2	0.72	**6.93	0.52
	CP3	0.73	**6.98	0.54
market's performance	MP1	0.75	-	0.56
	MP2	0.83	**9.03	0.69
	MP3	0.67	**8.18	0.45
financial performance	FP1	0.75	-	0.56
	FP2	0.60	**7.12	0.36
	FP3	0.79	**8.47	0.62
			*p<0.05 , **p<0.01	

Table 10 represents separation of dimensions of performance and the extent to which correlation exists between dimension and construct. It can observe that three dimensions of the questionnaire are divided into the performance. Since the critical value for each of dimensions of this construct is greater than 1.96 or under -1.96, the factor loading of that dimension associated to its corresponding construct is significant and suitable. Therefore, all the dimensions of this construct have remained at the analysis for which there is no reason to remove them. Further, the determination coefficient (R^2) displays a percent of changes in latent variable which are elaborated via patent variable.

Table 10. Standard coefficients, t-value and determination coefficient (R^2)

Construct	Dimension	Factor loading) λ (t-value	R^2
performance	customer's performance	0.72	**5.82	0.51
	market's performance	0.63	**6.03	0.40
	financial performance	0.86	**7.10	0.74
		*p<0.05 , **p<0.01		

The measurement model for market orientation

Figure 8 represents the second-order confirmatory factor analysis for the indices of the questionnaire in the standard estimation state.

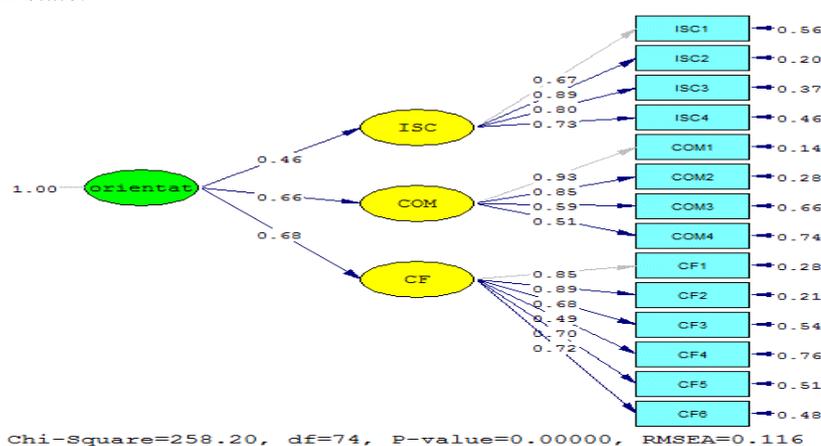


Figure 8-the second-order confirmatory factor analysis in the standard estimation state

Figure 9 indicates the significance of the coefficients and parameters in the measurement model consists of the research variables. At standard error level(5%), values of significance test greater than 1.96 and under -1.96 indicate significance of the relationships between indices and latent variables.

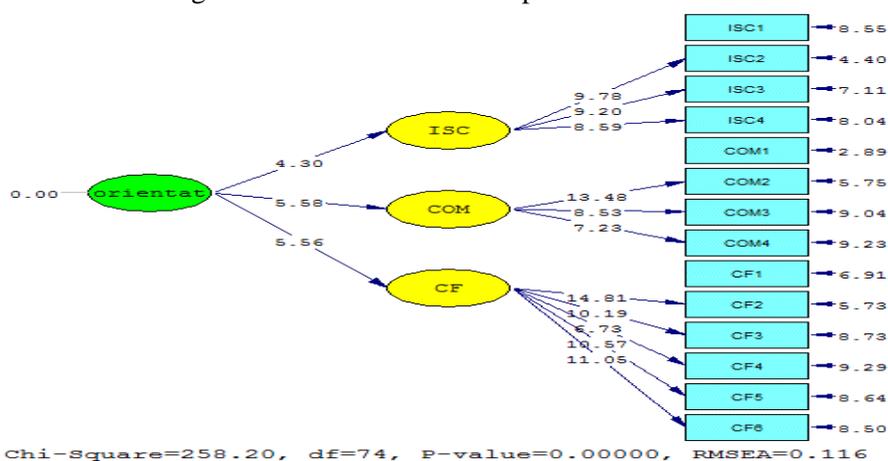


Figure 9-the second-order confirmatory factor analysis in the standard state of coefficients

It can observe that 14 indices of the questionnaire have been summarized in three dimensions of market orientation including customer orientation, competitor orientation and inter-task coordination.

The measurement equations for market orientation

Table 11 indicates the indices in the questionnaire based on dimensions of market orientation and the extent to which the correlation exists between each index and dimension. It can observe that 14 indices of the questionnaire are divided into three dimensions of market orientation. Since the critical value for each of these items is greater than 1.96 or less than -1.96, the factor loading of that index related to its corresponding dimension is significant. Therefore, all the items of this construct have remained in the analysis for which there is no reason to remove them. Further, the determination coefficient (R^2) displays a percent of changes in latent variable which are elaborated via patent variable.

Table 11. Standard coefficients, t-value and determination coefficient (R^2)

Standard coefficients, t-value and determination coefficient(R^2)				
Dimension	Patent variables	Factor loading) λ (t-value	R^2
inter-task coordination	ISC1	0.67	-	0.44
	ISC2	0.89	**9.78	0.80
	ISC3	0.80	**9.20	0.63
	ISC4	0.73	**8.59	0.54
competitor orientation	COM1	0.93	-	0.86
	COM2	0.85	**13.48	0.72
	COM3	0.59	**8.53	0.34
	COM4	0.51	**7.23	0.26
Customer orientation	CF1	0.85	-	0.72
	CF2	0.89	**14.81	0.79
	CF3	0.68	**10.19	0.46
	CF4	0.49	**6.73	0.24
	CF5	0.70	**10.57	0.49
	CF6	0.72	**11.05	0.52
			* $p < 0.05$, ** $p < 0.01$	

Table 12 represents separation of dimensions of market orientation and the extent to which correlation exists between dimension and construct. It can observe that three dimensions of the questionnaire are divided into the market orientation. Since the critical value for each of dimensions of this construct is greater than 1.96 or under -1.96, the factor loading of that dimension associated to its corresponding construct is significant and suitable. Therefore, all the dimensions of this construct have remained at the analysis for which there is no reason to remove them. Further, the determination coefficient (R^2) displays a percent of changes in latent variable which are elaborated via patent variable.

Table 12. Standard coefficients, t-value and determination coefficient (R^2)

Standard coefficients, t-value and determination coefficient(R^2)				
Construct	Dimension	Factor loading λ	t-value	R^2
Market orientation	inter-task coordination	0.46	**4.30	0.21
	competitor orientation	0.66	**5.58	0.43
	Customer orientation	0.68	**5.56	0.46
			* $p < 0.05$, ** $p < 0.01$	

Conclusion from the measurement model

With regard to the existing tables, all 41 items of the questionnaire have a significant effect on the factors which have developed the research variables. Thus, all the items are contributed in making the factors to examine the proposed hypotheses.

The structural equation model of research

After determining the measurement models to evaluate the conceptual model of research and ensure whether a causal relationship exists between research variables or not and examine the proportion of the data with the conceptual model of research, the research variables were tested using the structural equation modeling. The results from hypotheses testing have been displayed in figures below. To test hypothesis, the relationship between variables is examined provided that it is ensured of influence of items on the factors, whereby the hypotheses are tested under path analysis. The results from the

relationship between independent and dependent variables for the first hypothesis of research have been shown in following. Figure 10 indicates the structural equation model of the research variables at standard estimation state.

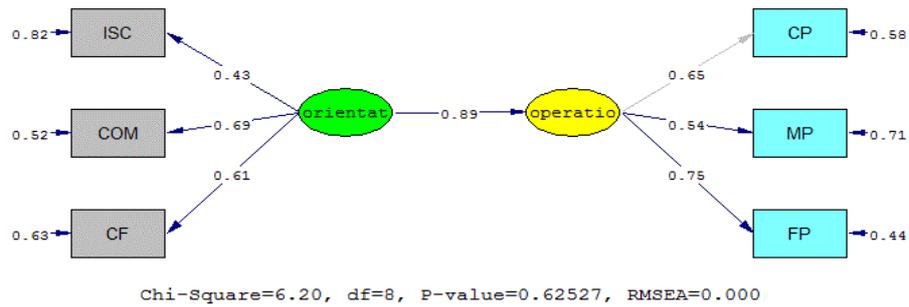


Figure 10- structural equation model at standard estimation state

Figure 11 indicates the structural equation model of the research variables at significance state of the coefficients.

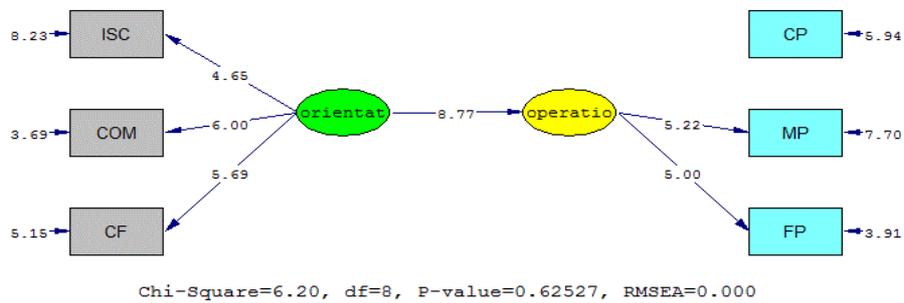


Figure 11. the structural equation model at significance state of coefficients

the results from path coefficients, t-value and research hypotheses			
Predictor variable	Path coefficient)β(-statistics t	Confirm or reject the hypothesis
inter-task coordination	0.43	**4.65	Confirm
competitor orientation	0.69	6.00**	Confirm
Customer orientation	0.61	5.69**	Confirm
Dependent variable: performance of Bahman group		*p<.05 ,**p<.01	
Source: findings of research			

Table 13. the results from path coefficients, t-value and research hypotheses

The values for the model fitting indices indicate that some patterns indicate a suitable status and some indicate that the model does not enjoy a favorable fitting. Since most of the indices show a suitable fitting, it can say that the model enjoys suitable fitting. Summary of results from the path coefficients, t-value and confirming or rejecting the significance of hypotheses has been represented in table 13. With regard to table 13, the first hypothesis under the effect of inter-task coordination on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. The first hypothesis under effect of customer orientation on performance of Bahman group regarding value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99% Therefore, this hypothesis is confirmed. Summary of results from the path coefficients, t-value and confirming or rejecting the significance of hypotheses has been represented in table 14.

results from the path coefficients, t-value and confirming or rejecting the significance of hypotheses			
Predictor variables	Path coefficient β	-statistics t	Confirm or reject the hypothesis
Newcomers	0.71	**7.69	Confirm
Suppliers	0.78	**9.51	Confirm
Purchasers	0.51	**4.79	Confirm

Alternative goods	0.66	**5.43	Confirm
Existing competitors	0.41	**3.80	Confirm
Dependent variable: performance of Bahman group		*p<.05 ,**p<.01	
Source: findings of research			

With regard to table 14, the first secondary hypothesis under effect of the component (newcomers) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. The second secondary hypothesis under effect of the component (suppliers) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. The third secondary hypothesis under effect of the component (purchasers) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. The fourth secondary hypothesis under effect of the component (Alternative goods) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. The fifth secondary hypothesis under effect of the component (Existing competitors) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. Further, with regard to value of path coefficients for each of Michael Porter's Five Competitive Forces, it can prioritize the research variables shown with the results as follows.

Table 15. Prioritization of research variables

prioritization of research variables		
Predictor variables	Path coefficient)β(prioritization of research variables
Newcomers	0.71	2
Suppliers	0.78	1
Purchasers	0.51	4
Alternative goods	0.66	3
Existing competitors	0.41	5

With regard to table 14 and values of path coefficients, the variable of suppliers with path coefficient equal to 0.78 creates the highest effect on the dependent variable of performance of Bahman group. In other words, this variable elaborates more variance and predicts more changes. Further the variables of newcomers and alternative goods have been ranked the second and the third.

CONCLUSION

In this research, firstly the indices were detected and the associated model was designed. The research variables were designed based on these indices and then analyzed, whereby the results below were obtained. The first secondary hypothesis under effect of the component (newcomers) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed.

The second secondary hypothesis under effect of the component (suppliers) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. The third secondary hypothesis under effect of the component (purchasers) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. The fourth secondary hypothesis under effect of the component (Alternative goods) on performance of Bahman group regarding the value of critical coefficient or t-value which is out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed. The fifth secondary hypothesis under effect of the component (Existing competitors) on performance of Bahman group regarding the value of critical coefficient or t-value which is

out of [-1.96, 1.96] is confirmed at 99%. Therefore, this hypothesis is confirmed.

SUGGESTIONS

With regard to the complicated and dynamic economic environment, the company is forced to detect the opportunities and threats to them by examining various dimensions of environment and the industry in which they are working so as to enable to react well against the environmental changes. On the other hand, the organizations know the innovation as a way to increase competitive power and earn more share of market. Further, the changes in science and technology go beyond so far as the knowledge sources of the organizations which are the major agent for the innovations are proposed as the most critical organizational resources; in this regards, the most applicable knowledge is the most important action to create competitive advantage to improve performance. With regard to table 15 represented with competitiveness components based on Michael Porter's Five Competitive Forces, the company can improve its performance with emphasis on the variables which have high priority and increase its competitive ability.

Research limitations

- lack of the same studies at the area of competitiveness at automotive industry
- since this research has been conducted about Bahman group, the results from it cannot be generalized to other companies
- lack of completion of the questionnaire by the staffs that might be due to lack of understanding of its issue

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