



Impacts of Marketing Mix on Organization Trustworthiness: A Case of Indian Small and Middle Enterprise Companies

Neeraj Bali^{1*}

¹ Department of Management, Wollega University, ETHIOPIA.

*Corresponding Author (Tel: +91-9910819607, Email: neeraj291219@gmail.com).

Paper ID: 13A7D

Volume 13 Issue 7

Received 09 February 2022

Received in revised form 14 May 2022

Accepted 21 May 2022

Available online 25 May 2022

Keywords:

Marketing strategy;

Organization

trustworthiness;

Marketing in India;

Python 3 Analysis; India

SME.

Abstract

The study focuses on the effect of the marketing mix (product, price, place, and promotion) on the organization's trustworthiness of Indian small and middle-sized companies. The explanatory design was used to complete the research and find the conclusions. The study was able to analyze the degree of impact of independent variables on the dependent variable. Company trustworthiness is a dependent variable in this study which is an asset to any organization to stand out amongst the competition to get a competitive advantage. Price was one of the most prominent factors which had an impact on an organization's trustworthiness. The second most important independent variable which has an impact on the dependent variable was the 'Product'

Disciplinary: Management.

©2022 INT TRANS J ENG MANAG SCI TECH.

Cite This Article:

Bali, N. (2022). Impacts of Marketing Mix on Organization Trustworthiness: A Case of Indian Small and Middle Enterprise Companies. *International Transaction Journal of Engineering, Management, & Applied Sciences & Technologies*, 13(7), 13A7D, 1-7. <http://TUENGR.COM/V13/13A7D.pdf> DOI: 10.14456/ITJEMAST.2022.130

1 Introduction

1.1 Information

The objective of the study is to find the degree of impact of the marketing mix on developing an organization's reputation or trustworthiness.

1.1.1 Product Strategy

Product strategy is very critical as it deals with the fulfillment of the needs of the customer. If the need of the customer is understood and the product mix helps to satisfy the customer then it

may contribute to the organization's trustworthiness.

1.1.2 Price Strategy

Price is the only element that gives revenue to the organization and the rest of all marketing mix are expenses. If the price is appropriate and fair as per the customer then will it contribute to the trustworthiness of the organization.

1.1.3 Promotion Strategy

Advertising, Personal selling, Public relations, and sales promotion are important for developing the brand image of the organization but how effective they need to be analyzed.

1.1.4 Place Strategy

Like any other marketing mix, the Place or availability of products to the customers is an important element in developing trust. How much the place plays a role in developing the trust needs to be analyzed.

1.1.5 Company Trustworthiness

Company trustworthiness is an intangible asset like goodwill and is nowadays used as a differentiator in this competitive world.

Company Trustworthiness is having a few components like - the quality of products or services; innovativeness; quality of management; long-term investment value; financial soundness; ability to attract, develop and keep talented people; responsibilities to the people, and wise use of corporate resources.

2 Literature Review

Mokrova et al. (2020) said that despite the lack of a common understanding of the term Reputation/Trustworthiness, both in regulatory and scientific sources, the relationship between the business value and its reputation is a statement that does not require proof. Hence, the close attention that a business pays to any additional resources, including business reputation, which has the potential to increase its value, is especially relevant in the context of the protracted macroeconomic crisis. Business reputation value management and, therefore, cost management of the whole business should be based on a deep understanding of the nature of this asset, its characteristics, components, methods of determining the business reputation value, and its formation and management tools, which are uncovered in the present work. Research is not focusing on the linkage of marketing strategy with trustworthiness but the focus of the study is on the linkage of business values and reputation.

Zelenka (2007) focused on the choice of marketing tools, marketing mix, and marketing communication. The marketing strategy stipulates the marketing objectives/activities of the company's overall strategy. As each organization is to a large extent unique to its mission, vision,

and goals, and in addition, it operates under very specific socio-economic conditions, it should have its marketing strategy. This implies that there are innumerable marketing strategies that should be appropriately modified based on marketing research and analysis (Foret, 2008). Radek et al. (2021) give the importance of marketing research in deciding on marketing strategy but do not link marketing strategy to trustworthiness.

Dawar (2013) established and nurturing linkages in the marketplace creates stickiness—that is, customers' (or complementors') unwillingness or inability to switch to a competitor when it offers equivalent or better value. Millions or billions of individual choices to remain loyal to a brand or a company add up to a real competitive advantage. The study talks about the loyalty of customers which is important for retaining a customer base of an organization but is not analyze how trustworthiness can be developed for an organization.

UoP (2020) talks about marketing objectives that a firm may have different marketing objectives such as maximization of profit, maximization of sales, bigger market share, survival in the market, and so on. The prices have to be determined accordingly. For example, if the objective is to maximize sales or have a bigger market share, a low price will be fixed. Recently one brand of washing powder slashed its prices to half, to grab a bigger share of the market. The study comes near to the topic of survival in the market and trustworthiness is a tool of survival in this competitive world but the study fails to highlight the key element of trustworthiness and the ways to achieve it.

Baig et al. (2020) examine the impact of Marketing Mix and Customer Value on Customer Loyalty. Using the S-O-R (stimulus-organism-response) as a baseline theory, the data has been collected from social online buyers in Pakistan involving only one city i.e. Karachi by using a self-administered questionnaire. Structural Equation Modeling (SEM) analyses show that there is a positive and significant relationship between marketing mix and customer loyalty and between customer value and customer loyalty. The findings suggest that to attain customers' loyalty, sellers should offer those products or services which they believe are truly needed by customers. The study is focusing on Pakistan customers and Indian customers are not considered.

Negligible research is conducted in the exact area of this study in India so there is a need to do more study in the area of this research paper.

We can say that marketing as a tool for developing the reputation of the organization is an idea that can be analyzed further and this impact of marketing on reputation can also be used for differentiation from the competition.

3 Method

3.1.1 The Study Model

A model consists of two types of variables, the independent variable (Marketing Strategy) and the dependent variable (Company Trustworthiness) as shown in Figure I.

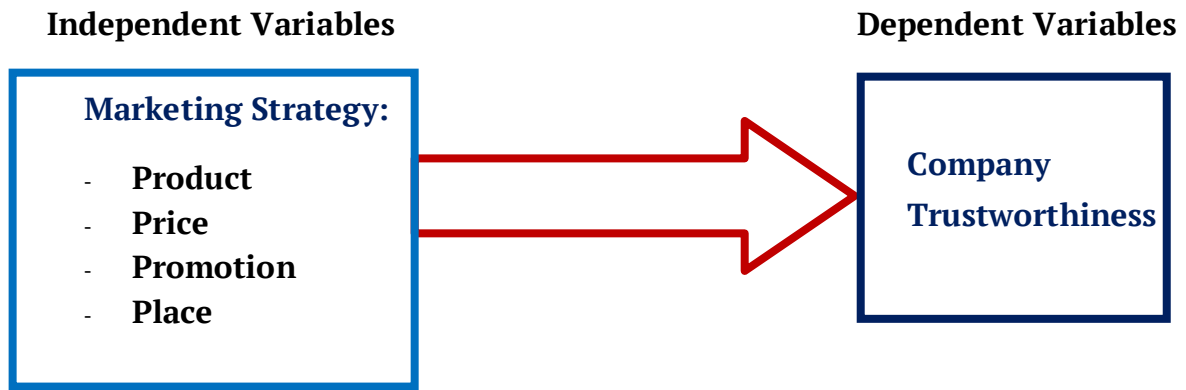


Figure 1: Research Model.

The hypotheses of the study were built depending on the problem of the study and its various components to achieve the objective of the study. In this study, the research-hypotheses are

- H1: There is a statistically significant impact of the Product on the organization's trustworthiness.
- H2: There is a statistically significant impact of the Price on organization trustworthiness.
- H3: There is a statistically significant impact of the Promotion on organization trustworthiness.
- H4: There is a statistically significant impact of the Place on an organization's trustworthiness.

3.2 Methodology

3.1.2 Population and Data Collection

Our required sample size will be around 383 for your population with a 5% margin of error and a 95% confidence level. (Z-score is 1.96 for a 95% confidence level)

Basing on the formula $SS = (Z\text{-score})^2 * p*(1-p) / (\text{margin of error})^2 = (1.96)^2 * 0.5*(1-0.5) / (0.05)^2 = 384.16$. Thus, the valid questionnaire for analysis were (384) questionnaire. Thus, if the population is unknown, a minimum of 384 responses are sufficient.

3.1.3 Validity and Reliability

From Table1 we can conclude that .909 Cronbach alpha Reliability Statistics confirms that our model is reliable.

Table 1: Reliability Statistics.

Cronbach's Alpha	No of Items
.909	5

For the validity test, the questionnaires were given to a few respondents and compared with expected results from the known facts. The response was as per expectation.

4 Result and Discussion

4.1 Regression Analysis

Table 2 shows regression analysis which helps us to conclude that –all of the independent variables are at a significant level and the MLR model helps to predict the dependent variable. One unit change in Price leads to 0.3216 changes in Trustworthiness, keeping all other Explanatory variables constant, which is the maximum positive impact among all Independent variables.

Table 2: OLS Regression Results.

Dep. Variable:	Trustworthiness					
R-squared:	0.676					
Model:	OLS					
Adj. R-squared:	0.673					
Method:	Least Squares					
F-statistic:	197.2					
Prob (F-statistic):	3.96E-91					
Log-Likelihood:	-310.01					
No. Observations:	383					
AIC:	630					
Df Residuals:	378					
BIC:	649.8					
Df Model:	4					
Covariance Type:	non-robust					
Item	coef	std err	t	P> t	[0.025	0.975]
Intercept	0.082	0.028	2.908	0.004	0.027	0.138
Product	0.141	0.04	3.556	0	0.063	0.219
Price	0.322	0.045	7.127	0	0.233	0.41
Place	0.103	0.04	2.556	0.011	0.024	0.182
Promotion	0.291	0.047	6.238	0	0.199	0.383
Omnibus:	4.998		Durbin-Watson:		2.329	
Prob(Omnibus):	0.082		Jarque-Bera (JB):		6.724	
Skew:	0		Prob(JB):		0.0347	
Kurtosis:	3.649		Cond. No.		3.64	

Table 2 also shows the confidence interval at 95%, which has no zero values, which again confirms that there is a 95% chance that the coefficients of Independent variables lie within the interval and have an impact on the dependent variable. All P Values are < Alpha (.05) so we accept/claim all the research hypotheses, that all Independent variables are having a significant impact on the dependent variable Trustworthiness.

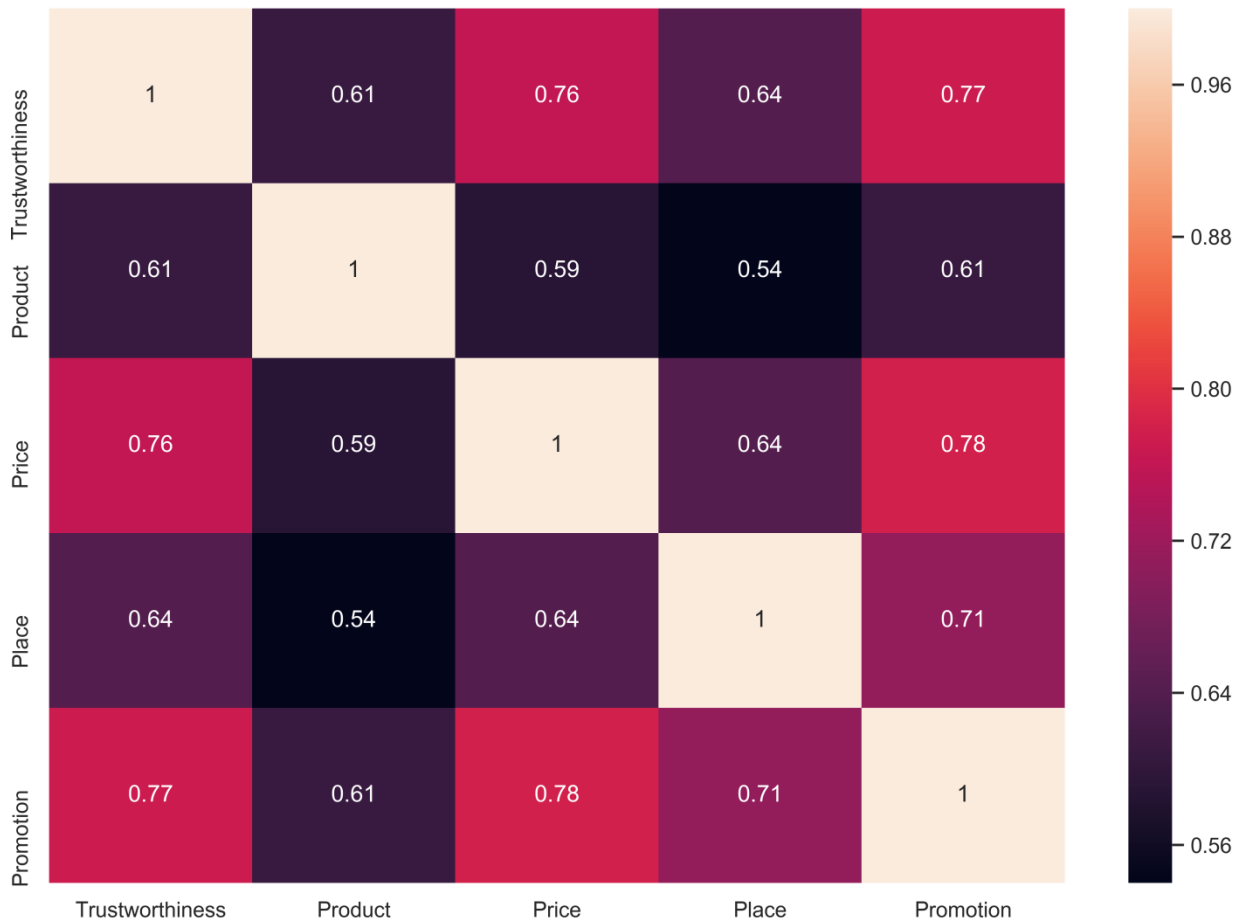
4.2 Correlation Analysis

As it can be seen from Table 3, there is a significant relationship between the dependent variable and all independent variables under study. It can be observed that an Organization's trustworthiness has a maximum correlation with the Promotion and Price of the product or service.

4.3 MLR Assumptions

This study is executed with Assumption of Linearity; Assumption of Equal Variability; Assumption of Homoscedasticity; Assumption of Linearity between Dependent and Independent Variables - met by the Regression Model in this study.

Table 3: Heat Map shows the Correlation between variables



4.1.1 Co linearity Diagnostic Test of Predicted Variable

Table 4 shows Co linearity diagnostic test of the predicted variable: The variance inflation factor (VIF) should be less than or between 3 to 10 for no co-linearity. From table 4 we can say, all Independent Variable’s VIF is less than 3.5, which means that independent variables have negligible co-linearity.

Table 4: Variance Inflation Factor

const	1.023
Product	1.722
Price	2.813
Place	2.131
Promotion	3.332
dtype:	float64

5 Conclusion

Our Model concludes that Price and Promotion are the most critical elements for developing an Organization's trustworthiness. Fair price and fair promotion of products and services are important for developing trust among customers and stakeholders.

For example, if an organization promotes a product on false promises then the customer will feel cheated and will never trust the Brand. Similarly, the organization overpricing the product or

service is directly attacking its trustworthiness in the mind of the customers. Place or distribution has the lowest impact on the trustworthiness as per the regression model, used in the study.

Marketing strategy is critical for the organization to develop Customer Trustworthiness as Product, Price, Place, and Promotion are seen as a part of the organization's reflection by the customers.

6 Availability of Data and Material

Data can be made available by contacting the corresponding author.

7 Acknowledgment

The researcher thanks to the customers of Indian Small And Middle Enterprise Companies who gave their valuable feedback.

8 References

Baig, M. W., Qamar, S., Fatima, T., Khan, A. M., & Ahmed, M. (2020). The Impact of Marketing Mix and Customer Value on Customer Loyalty. Retrieved January 2022, from <https://mpr.ub.uni-muenchen.de/104683/>

Dawar, N. (2013, December). When Marketing Is Strategy. Retrieved from Harvard Business Review *website*: <https://hbr.org/2013/12/when-marketing-is-strategy>

Mokrova, L., Kosorukova, I. V., Ivlieva, N. N., Rodin, A., & Trifonov, I. V. (2020). The business reputation of the organization: Terminology, technology and management. *Journal of Advanced Research*, 12(S3), 144-154.

Radek, R., Hanusova, H., & Lipovska, Z. (2021). The Importance of Marketing Strategy for Creating and Maintaining Goodwill for Construction Companies. *Journal of International Business Research and Marketing*, 6(2), 21–26. DOI: 10.18775/jibrm.1849-8558.2015.62.3004

UoP, C. (2020). *Marketing Mix*. Retrieved from <http://www.uop.edu.pk/ocontents/marketing%20mix.pdf>



Dr. Neeraj Bali is an Assistant Professor in Management Department, Wollega University. He has done his MBA in Marketing with distinction from Sinhgad Institute of Management (Affiliated with Pune University) followed by a Ph.D. in Management from Sainath University recognized by UGC. He has also done a 'Statistics with Python' specialization from the University of Michigan. The Specialization covers three certifications - Understanding and Visualizing Data with Python, Inferential Statistical Analysis with Python, and fitting Statistical Models to Data with Python. Most of his research work is based on management-related topics.