

The Effects of Market Strategy Quality on Firm Performance: A Case Study of Logistics Industry in Underdeveloped Country

Saif-Ur-Rehman*, Nora Barson

School of Management, Canadian University Dubai, City Walk Mall,

Dubai - United Arab Emirates 117781

saif.urrehman@tud.ac.ae

Abstract. This study investigates the effects of internal and external factors on marketing strategy quality and firm performance in the logistics industry in Pakistan. A survey of 122 operations managers of logistics firms reveals that organizational capabilities, business network, IT capability, financial strengths, and logistics infrastructure positively influence marketing strategy quality, whereas economic and legal environment negatively affect it. Moreover, the indirect path analysis, the study found that marketing strategy quality strengthens the relationship between four internal factors (organization capabilities, business network, IT capability, financial strengths) and one external factor (logistics infrastructure) with firm performance. The results provide important theoretical and practical implications on how logistics firms can improve marketing strategy effectiveness given the internal capabilities and external environment. This research contributes by examining marketing strategy issues in the understudied context of Pakistani logistics firms. Further work is needed to enrich understanding of this important but under-researched industry.

Keywords: Marketing Strategy Quality, Logistics Firms, Firm Performance, Economic Environment, Legal Environment.

1. Introduction

Developing a successful marketing plan is vital to growing a successful company. Many studies have been conducted on marketing strategy of logistics firms, and they have all made unique theoretical and practical contributions (Kayapınar and Lorcu, 2020; Kalubanga and Namagembe, 2022). The significance of the logistics sector was underscored by the need to explore theoretical and empirical studies of logistics strategy, as discussed by Kalubanga and Namagembe (2022). Few studies have come up with the same answers to the question, "What are the most important factors for a company to consider when developing a marketing strategy for a given industry?" However, using Pakistan as a case study, this research answers this question for logistics businesses in developing nations.

Kalubanga and Namagembe (2022) explored new territory when they empirically examined logistics firms' strategy quality in relation to performance in manufacturing companies in a developing country. The study highlights that to enhance and improve logistics performance, a company must promote the synergy between multiple suppliers and customers, while aligning outsourcing strategies. Furthermore, prior research offers new evidence of the moderation effect of strategy quality on how relationships influence logistics performance. The study suggests a critical strategy to enhancing a firm's logistics performance in a developing country is further scholarly discussions on logistics outsourcing. Because of an insufficient logistics infrastructure and limited technological advancements, logistics in developing nations persists in relying on traditional materials handling, packaging, inventory, and transportation operations. Therefore, this study examines the marketing literature that has come before it to better inform the marketing research being conducted today. This literature includes the likes of Deepen et al., (2008), Chen et al., (2010), Goldsby et al., (2019), Joto and Odock, (2019), Kayapınar and Lorcu, (2020) and Kalubanga and Namagembe, (2022). This is because of its positive contribution to operational efficiency (Gammelgaard, 2019; Joto and Odock, 2019).

Based on this research, firms operating in B2B markets must cultivate suitable marketing resources. In line with resource-based theory (RBV), a company can leverage its resources to efficiently create a market offering with value for specific market segment(s) (Hunt, 2000). A competitive advantage can be achieved by using resources that hold a high potential for development of competencies (Jüttner & Wehrli, 1994). Four such resources: Market Orientation, Market Strategy, ICT Marketing Support, and Service Quality, are identified in this study.

The need for a logistics strategy runs parallel with the pressure to increase profits and improve business competitiveness. (Baier et al., 2008). A company must ensure efficiency and effectiveness in logistics activities to increase profitability and competitiveness (Deepen, 2007, Gunasekaran et al., 2017). Moreover, firms must focus on internal and external core logistics operations to achieve efficiency and effectiveness (Tayles and Crury, 2001).

Many companies strategically outsource non-core logistics operations to concentrate on activities that provide a competitive edge. (Gattorna, 2016). In highly developed countries, such as America where 3PL providers are better established, logistics strategy is more widely used (Barthelemy, 2003), whereas in developing nations, the acceleration of this practice is attributed to intensified competition and the growing complexity of various aspect of business logistics operations (Joto and Odock, 2019).

Logistics generates value in terms of place, time, quantity and space value, crucial elements for ensuring customer satisfaction (Sheen and Tai, 2006). Enhanced consumer satisfaction and better customer value is created when a strong logistics operations strategy that includes inventory storage and handling, transportation, packaging, forwarding and freight is in place. (Subramanian et al., 2014; Wang et al., 2019). Logistics strategy is a recently emerging practice in underdeveloped countries (Bagenda, 2012; Muhindo et al., 2014). Pakistan's 3PL and logistics industry is still very young, as in most developing economies (Bagenda, 2012); however, it is steadily growing in membership. The number of licensed clearing and forwarding firms has grown to around 360 in 2023. Just as Pakistan's 3PL increases, so does the number of firms in other developing countries. Most of these firms are in the

textile, chemicals and fertilizers, steel, construction, chemicals and paints, and food and non-alcoholic beverages sectors due to their demanding logistic operations (Bagenda, 2012, Muhindo et al, 2014).

Following this, the study seeks to determine what criteria are most influential in a positive context of logistics enterprise performance and how these criteria affect the quality of marketing strategies in the logistics industry. These components are broken down into two primary classes: internal and external. Their value is determined by how much of an effect they will have on the logistics firm's promotional efforts.

2. Literature Review

The study's theoretical framework utilizes insights from internal and external factors in strategy formulation, incorporating commitment and trust theory (Morgan and Hunt, 1994), along with literature on strategic alignment. Morgan and Hunt (1994) commitment-trust theory say that the two fundamental factors of commitment and trust must be present to achieve a successful long-term relationship. The resource-based view theory (RBV) serves as the supporting framework for the concepts in our study and the conceptual model outlined in the following section. Using the RBV theory, entities secure and sustain competitive advantages by cultivating valuable resources and capabilities, the supply of which is inelastic (Barney, 1991; Wernerfelt, 1984). Marketing researchers have employed the RBV theory as a foundation for crafting marketing strategy quality. An organization establishes and sustains a competitive advantage by optimizing the use of its heterogeneous resources (Hunt & in Morgan, 1995). This diversity of resources could be as any tangible or intangible, physical or human, intellectual or associative characteristics which the organization can develop to create a competitive advantage. Several studies have recognized market orientation, marketing strategy, and ICT marketing support as valuable marketing resources because they facilitate the creation of competitive advantages and improve company performance. (e.g., Cavusgil & Zou, 1994; Homburg & Wielgos, 2022; Kirca et al, 2005).

Marketing Strategy of Logistics Firms

Initially, the word "marketing strategy" (MS) was defined in various ways that reflected the work of various writers. Borden, Frame, Gordon, and Smith (1954) and Borden (1986) are among the groundbreaking researchers who devised the catchphrase "marketing mix" to describe the set of actions a company implements to promote its products in the market. Companies' marketing activities begin with strategic planning (Nobre & Silva, 2014). Formulating strategies often involves diverse analyses, integrating information from various sources, and fostering collaboration among company employees and partners (Homburg et al., 2015). To achieve a long-term competitive and comparative advantage, a company must develop a marketing strategy that includes new product development, differentiation, new market expansion, image enhancement, and achievement of targeted earnings. The primary objective of market strategies is to fulfil the needs and interests of the target customers. Achieving a B2B marketing strategy in logistics firms involves a combination of external and internal factors, including responding to customer's needs (Theodosiou & Leonidou, 2023), improving company management, enhancing managerial flexibility in adapting internal processes (Change et., 2003), ensuring quality assurance, and actively involving stakeholders (Lagat & Frankwick, 2017). The number of target customers can be significantly increased with the help of various marketing strategies and channels, thus improving the company's performance and competitive position (Sharma et al., 2010).

The 2C model (company-customers) and the 3C model (company-customers-competitors) were replaced by this six-factor model. Product, promotion, channel structure, price, concentration of marketing activities, coordination of marketing activities, global market participation, and integration of competitive moves are all examples of areas where a later study by Shaoming Zou and Cavusgil (2002) found significant uniformity. The Business Dictionary describes MS as an all-encompassing strategy including all marketing aims. In contrast, Corey (2003) characterizes market strategy as a

distinct and valued perspective, incorporating several activities. The connection between marketing strategy and firm performance is another hot topic of study. Craven, Piercy, and Prentice (2000) found that a company's marketing strategy may provide an edge in the marketplace by making its products or services more appealing to consumers. Özsoy and Prussia (2000) similarly established a positive relationship between the MS and business performance by using a marketing strategy based on three dimensions: target market similarity, standardized marketing strategy, and centralized market structure. The long-term business plan and objectives also boost the MS's worth.

There have been many theoretical and empirical studies on marketing strategy, as was indicated in the introduction, but very few on marketing in the logistics business. It has been hypothesized that these elements always have some bearing on the logistics sector. Some of the first writers to demonstrate that a well-organized strategy leads to achieving a company's goals and improved economic performance were Buzzell and Gale (1987) and Rumelt (1974). The information included in this statement is identical to that found in the findings of Özsoy and Prussia (2000). The marketing capabilities, as presented by Cacciolatti and Lee (2016) and Zailani et al. (2017), were shown to have a robust relationship to performance and to generate organizational power. Below are some preliminary theories about the size of a logistics firm, as described by the company's structure and goals:

H1. The marketing strategy quality interactivity results in a favourable firm performance in the logistics industry.

H2. The organization capabilities interactivity results in favourable firm's marketing strategy quality in the logistics industry.

The effect of rivals on the success of a marketing plan is another hot issue. Dess and Davis (1984) and Slater and Narver (1994) conducted empirical studies to evaluate this connection by examining the effects of various competing tactics on corporate performance. Jaworski and Kohli (1996) and Narver and Slater (1990) discussed the importance of competitors in connection to competitive intelligence in marketing strategy. In transportation and logistics, the connection between competitive strategy, marketing, and performance has also been acknowledged; consequently, Stock, Gries, and Kasarda (1998) proposed a framework for empirical cases to test the validity of this hypothesis. Brewer and Hensher (2001), Kharabsheh, Jarrar, and Simeonova (2014), Sahi, Gupta, and Lonial (2016), Zailani et al. (2017) and Hong and Nguyen (2020) have all noted how competitors affect the success of marketing strategies. Thus, the following conjecture is advanced:

H3. The competition in the logistics market interactivity results in favourable firm's marketing strategy quality in the logistics industry.

It has long been recognized that consumer and technology skills play complementary roles in the success of a marketing campaign. As time goes on, businesses can have a more productive dialogue with their clientele due to technological advancements (Gronroos, 1996; Varki and Rust, 1998). Additionally, Gifford and Stalbrink (2002) demonstrated that the customer-oriented approach, when concentrating on outcomes and performance, is the central problem for transportation firms. According to Chapman, Soonsay, and Kandampully (2003), there are three primary areas where businesses can prioritize logistics innovations, including technology. Similarly, Lin (2006, 2008) demonstrated that LSPs may improve their marketing and business strategy development efficiency by using their IT capacity. This IT capability comprises all logistical software, EDI, e-platforms, etc., utilized for information sharing. IT capability was cited by Bidgoli (2010) as one of the most crucial enterprise assets to Microsoft's (MS) success. Rust, Zeithaml, and Lemon (2000) writing about the importance of customers in MS, confirmed that the goal of market strategy is to strengthen customer relations across all sectors of the economy, while Peterson and Crittenden (2020) argued that customer focus is intrinsic to the marketing strategies of Mexican-American businesses. Hong and Nguyen (2020) and Brewer and Hensher (2001) found that satisfied consumers and an effective information system improved logistical efficiency. We may draw the following conclusions by considering factories, shipping businesses, and

warehouses as logistics firms' end users.

H4. The IT capability of a firm interactivity results in favourable firm's marketing strategy quality in logistics industry.

H5. The market demand interactivity results in favourable firm's marketing strategy quality in logistics industry.

Another related research direction emphasizes the critical role of resource capabilities in logistics strategy, known as the resource-based view. Lynch, Keller, and Ozment (2000), Panayides (2004), Nath, Nachiappan, and Ramanathan (2010), and Kozlenkova, Samaha, and Palmatier (2014) all mentioned the relationship between resource-product-market strategies to be associated with improved performance. The work of Nath, Nachiappan, and Ramanathan (2010) examined this theory further. According to Brewer and Hensher (2001) described strategic capacity as steady resources and capabilities, which may be more sustainable than those depending only on product and market positioning. Additionally, according to Bidgoli (2010), the financial potential of a market strategy is a corporate resource. These results set up the following hypothesis that the "financial and facility potentials" comprise equity, lending rates, financial resources, and facilities that are readily accessible.

H6. The financial strengths of a firm interactivity results in favourable firm's marketing strategy quality in the logistics industry.

H7. The existing marketing strategies interactivity results in favourable firm's marketing strategy quality in the logistics industry.

Various authors have explored the business network as yet an additional factor that influences the effectiveness of a marketing plan. According to Morgan and Hunt (1999), relational resource is made up of the network between the "organization and its various external partners". Additionally, organizations should consider equity as one of the three variables when allocating their capital, as shown by Rust, Zeithaml, and Lemon (2004). According to Miller, Terry, and Weber (2010), Shen, Chiou, Hsiao, Wang, and Li (2016), networking is a practical marketing communication approach that improves marketing performance. The hypothesis is based on the findings of Brewer and Hensher (2001) and Chapman et al. (2003) that a network of work interactions may improve the performance of logistics organizations; hence, the study hypothesis is as follows:

H8. The business network interactivity results in favourable firm's marketing strategy quality in the logistics industry.

Day (1994) and Atuahen-Gima (2005) showed that capability development built a stable basis for market positioning of a business following the strategy direction when they examined the relationship between the human resource capacity and the success of the marketing strategy (Murray, Gao, & Kotabe, 2011). Brewer and Hensher (2001) showed that human resources and performance were positively correlated in logistics organizations. Bidgoli (2010) assumed that human resources might help MS. Additionally, the power-sharing (Jurkus, Park, & Woodeard, 2011) and performance (Buyl, Boone, Hendriks, & Matthyssens, 2011) are increased by the top management's relationships with outside parties. These results supported certain findings from other research and added hypothesis by combining human capacity building, HR development, and management power under the phrase "Human resource". This leads to the following hypothesis:

H9. The human resources capabilities interactivity results in favourable firm's marketing strategy quality in the logistics industry.

Several studies have been published that discuss the relationship between the business environment and the organization's success. Brewer and Hensher (2001) established a link between the legal environment and the firm's strategy and performance. Lin (2016) proved that the government's supportive legislative environment favours IS infrastructure and, as a result, corporate performance.

Furthermore, it is thought that a high growth rate and low inflation rate economy creates more opportunities for enterprises to succeed. (Dinh & Nguyen, 2011).

H10. The economic environment of a country interactivity results in favourable firm's marketing strategy quality in the logistics industry.

H11. The legal environment of a country interactivity results in favourable firm's marketing strategy quality in the logistics industry.

Pakistan's economy is one of South Asia's fastest growing. With nearly 220 million inhabitants, it ranks as the world's sixth most populous nation. Pakistan, with nearly 340,000 square miles, is the 33rd largest nation in the world. The Arabian Sea and the Gulf of Oman provide the nation with coastline. Pakistan is a major logistical centre thanks to its two major seaports, Karachi and Gwadar, which are linked to all cities and two countries: China and Afghanistan. The World Bank's logistics studies reveal that Pakistan and other Asian countries have difficulties due to their severely undeveloped logistics and supply chains, IT infrastructure, and their fragmented logistics services provided to consumers at high rates. Despite this sector's potential and important role regarding trading activities in the Asian and Gulf regions, Pakistan's logistics industry is small in comparison to its other sectors. Although there are over 5000 enterprises throughout the country, only 357 of them are in the logistics field. Despite China and Afghanistan's enormous potential for Pakistan's logistics business, the sector is still in its infancy, with few large domestic logistics enterprises, high logistics costs, and inadequate logistical infrastructure.

Next, we postulate that enterprises' ability to enable a network of warehouses and distribution centres (logistics infrastructure) positively correlates with the MSQ. In 2016, Nguyen analyzed the logistics infrastructure and how it affects logistics firms' efficiency. The impact of ownership on logistics company performance was studied by Baofeng et al. (2021) who found that different dimensions of supply chain green strategy contribute to the firms' operational performance. Duy (2007) researched APL Logistics' plans. Son (2010) analysed the promotional tactics used by shoe stores in Hai Phong. This research provides the final hypothesis:

H12. The logistics infrastructure interactivity results in favourable firm's marketing strategy quality in the logistics industry.

To emphasize the contrasts between this study and earlier research studies, previously significant studies examined the effects of internal and external marketing strategy components on the performance of logistics firms. Many publications have documented the context of marketing strategy in logistics firms, but others have related themes. This implies that the list of hypotheses in this study must be based on other industries' research findings, with the premise that these findings are also applicable to the logistics business. Assuming that high-quality logistics methods would favour corporate performance, this research produces both internal and external components, but with hypotheses presented based on earlier studies on logistics and other sectors in the literature review. The external factors are divided into four categories: logistics infrastructure, market demand, market competition, and environment (both economic and legal environment), while the internal factors are divided into six categories: existing marketing strategies, human resources, IT capability, financial and facility potentials, organizational scale, and business network. Table 1 shows that each category has a range of elements.

Table 1. Factors Analysed in Each Group in the Study

	Factors	Studied dimensions
INTERNAL FACTORS	Organization capabilities	Companies' organization, goals, and vision
	Business network	Local governments, business partners, and consumers
	IT capability	e-platforms, EDI, and logistics software
	Existing marketing strategies	Current industry standards for marketing strategies
	Human resource capabilities	Human capital development, upper management, and HR policies
	Financial strengths	Equity, loan rate, financial resource, and facilities available

EXTERNAL FACTORS	Logistics infrastructure	Transport systems, warehouse systems and connections
	Market demand	Manufacturers, shippers, customers, and receivers
	Market competition	Number of market competitors
	Economic environment	Economic growth rate, FDI, inflation, and exchange rate
	Legal environment	Logistics services policies and regulations
MEDIATING FACTOR	Firm's marketing strategy quality	Product, price, promotion, place, people, specializations, differentiation, segmentation, and concentration
OUTCOME	Firm performance	Profitability and market share increase

Mediating Role of Marketing Strategy Quality of Logistics Enterprises

Past and even most recent studies provided strong evidence that organization capabilities (Brewer and Hensher, 2001; Kharabsheh, Jarrar, and Simeonova, 2014; Sahi, Gupta, and Lonial, 2016; Hong and Nguyen, 2020), business network (Miller, Terry, and Weber, 2010; Shen, Chiou, Hsiao, Wang, and Li, 2016; Hong and Nguyen, 2020), IT capability (Lin, 2006, 2008; Peterson and Crittenden, 2020; Hong and Nguyen, 2020), existing marketing strategies (Özsomer and Prussia, 2000; Hong and Nguyen, 2020), human resource capabilities (Bidgoli, 2010; Jurkus, Park, & Woodeard, 2011; Hong and Nguyen, 2020), financial strengths (Nath, Nachiappan and Ramanathan, 2010; Kozlenkova, Samaha, and Palmatier, 2014; Hong and Nguyen, 2020), logistics infrastructure (Nguyen, Janduth, and Trinh, 2017), market demand (Peterson and Crittenden, 2020; Hong and Nguyen, 2020), market competition (Brewer and Hensher, 2001; Kharabsheh, Jarrar, and Simeonova, 2014; Sahi, Gupta, and Lonial, 2016), economic environment (Lin, 2016; Hong and Nguyen, 2020) and legal environment (Dinh and Nguyen, 2011; Hong and Nguyen, 2020) affect the marketing strategy quality of logistics firms working in Pakistan. Similarly, marketing strategy quality (Özsomer and Prussia, 2000; Cacciolatti and Lee, 2016; Hong and Nguyen, 2020; Baofeng et al., 2021) support the firms' performance in logistics industry. These studies suggest that marketing strategy quality can be considered as a mediator between the internal/external factors and firm performance relationships. Therefore, the study hypothesized the following hypotheses:

H13. Marketing strategy quality of logistics firm mediates the relationship between organization capabilities and the firms' performance such as those with high quality marketing strategy strengthen this association.

H14. Marketing strategy quality of logistics firm mediates the relationship between business network and the firms' performance such that those with high quality marketing strategy strengthen this association.

H15. Marketing strategy quality of logistics firm mediates the relationship between IT capability and the firms' performance such that those with high quality marketing strategy strengthen this association.

H16. Marketing strategy quality of logistics firm mediates the relationship between existing marketing strategies and the firm's performance such that those with high quality marketing strategy strengthen this association.

H17. Marketing strategy quality of logistics firm mediates the relationship between human resource capabilities and the firms' performance such that those with high quality marketing strategy strengthen this association.

H18. Marketing strategy quality of logistics firm mediates the relationship between financial strengths and the firms' performance such that those with high quality marketing strategy strengthen this association.

H19. Marketing strategy quality of logistics firm mediates the relationship between logistics

infrastructure and the firms' performance such that those with high quality marketing strategy strengthen this association.

H20. Marketing strategy quality of logistics firm mediates the relationship between market demand and the firms' performance such that those with high quality marketing strategy strengthen this association.

H21. Marketing strategy quality of logistics firm mediates the relationship between Market competition and the firms' performance such that those with high quality marketing strategy strengthen this association.

H22. Marketing strategy quality of logistics firm mediates the relationship between economic environment and the firms' performance such that those firms with high quality marketing strategy strengthen this association.

H23. Marketing strategy quality of logistics firm mediates the relationship between legal environment and the firms' performance such that firms with high quality marketing strategy strengthen this association.

The following research model is based on a comprehensive literature review:

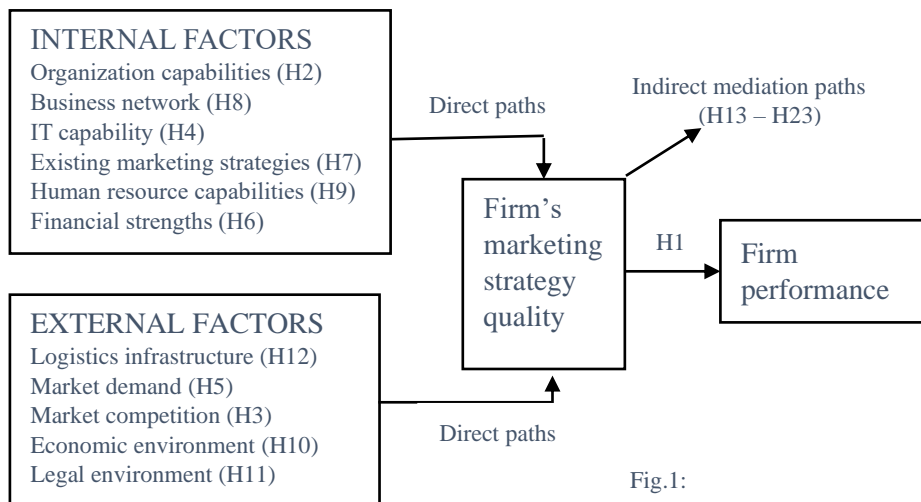


Fig.1:

3. Research Methodology

Fig 1 represents the research model, showing how external and internal factors affect the MSQ and subsequently impact the logistics firm's performance. All data for the case study were collected in Pakistan, using the adopted scale of Hong and Nguyen (2020). The logistics enterprises selected for data collection were 2PLs, 3PLs, and 4PLs companies. Both surveys by questionnaires and in-depth interviews of managing directors were used to collect the data. The interviews were conducted by face-to-face meetings or phone calls. Interviews were conducted with logistics firms' senior operations managers or managing directors, as well as representatives of Logistics Association of Karachi. Questionnaires were filled face-to-face for operations managers of logistics firms during the interviews.

There are about 360 logistics enterprises in Pakistan in 2023 (<https://www.businessbook.pk/category/logistics-4100>); A total of 106 of these firms, registered in Karachi, Lahore, Peshawar, and Islamabad, were selected for this study. These are the largest cities in Pakistan and have a 70% share in the GDP. The in-depth interview participants at logistic firms in these cities consisted of 65 senior operations managers in 56 companies, 30 managing directors in 24 companies, and 35 senior managers in 26 companies. The sample collected was from 130 respondents (65 + 30 + 35), and after clustering analysis and CFA analysis a totaling 122 questionnaires used in the study, which allows for proper analysis.

4. Results

Preliminary Analysis

First, data were analysed to check for missing values, outliers, collinearity, and normality to check their suitability for hypothesis testing (Islam et al., 2022). The data were collected using personal surveys and interviews enabling mandatory responses; therefore, no missing values were found. The study noted 17 outliers applying the Mahalanobis Distance Test and they were deleted; accordingly, 122 responses were used in further tests. The study assessed the values of skewness (within ± 1) and kurtosis (within ± 3), and data were found to be normally distributed (Islam et al., 2022). Finally, the issue of common method variance was assessed through Harman’s Single factor test (i.e., 32.51%) which was less than the criteria of 50% (Podsakoff et al., 2003). Thus, the data were ready for further analysis.

Confirmatory Factor Analysis (CFA)

The study examined validation and unidimensionality through CFA. The measurement model was evaluated through the values of “normed chi-square ($\chi^2/df \leq 3$), goodness of fit index (GFI ≥ 0.90), adjusted goodness of fit index (AGFI ≥ 0.90), comparative fit index (CFI ≥ 0.90), root mean residual (RMR ≤ 0.08), and root mean square error of approximation (RMSEA ≤ 0.08),” with factor loading values of more than 0.50 (Hair et al., 2019). Based on these criteria, the study found seven (M1, M2, M3, M6, M7, M10, and M11) of the total of eleven models meet the fit standards. All factors’ loadings of seven models ranges between 0.70 – 0.89 and the four-factor measurement model had a good fit: i.e., $\chi^2/df [1201.22/447] = 2.686$, GFI = 0.94, AGFI = 0.91, CFI = 0.98, RMR = 0.04 and RMSEA = 0.06. The study assessed the values of composite reliability of seven models (CR ≥ 0.60) for internal consistency; average variance extracted (AVE ≥ 0.50) for convergent validity (see Appendix- 1, 2 and 3). Finally, the square roots of AVE were noted greater than the values of correlation (see Table 2) that ensured discriminant validity (Hair et al., 2019).

Descriptive and Correlation Analysis

Table 2 shows the descriptive statistics and correlation among variables. The mean values represent that human resource capabilities, market demand, market competition, marketing strategy quality and firm performance have experienced moderate presence ($M \leq 3.08$) in the Pakistan market, and other factors mean values are between 3.35 to 4.05 with the Likert scale of 1 to 5. The results further show that all factors are interactivity positively correlated with marketing strategy quality and firm performance except two factors, economic environment, and the legal environment, which are negatively and significantly correlated with marketing strategy quality. This reveals that the logistics firms’ market in Pakistan is not favourable, and these unfavourable conditions adversely affect the marketing strategy quality and performance of logistics firms.

Table 2. Descriptive Statistics and Correlation Analysis

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	Mean	SD
1. OC	.86 _a													3.45	0.85
2. BN	.12**	.88 _a												3.85	0.83
3. IC	.24*	.230*	.74 _a											4.05	0.89
4. EMS	.074*	.310**	.24**	.68 _a										3.34	0.94
5. HRC	.062*	.110*	.011**	.015*	.60 _a									3.00	0.68
6. FS	.11**	.280**	.170**	.114*	.044	.80 _a								3.06	0.95
7. LI	.18*	.045*	.067*	.153*	.087*	.077*	.78 _a							3.35	0.87
8. MD	.086*	.120*	.172*	-.210**	.032*	.075	.11**	.71 _a						3.02	0.82
9. MC	.012*	.110*	.116*	-.142**	.102*	.024*	.067*	.126*	.62 _a					3.01	0.88
10. EEC	.088*	.012	.007	.181**	.110*	.025*	.088*	.109*	.044	.83 _a				3.60	0.96
11. LEC	.097*	.033*	.055	.065	.113*	.130*	.089*	.077	.043*	.211**	.77 _a			3.55	0.98
12. MSQ	.384**	.413**	.232**	.152**	.012	.111**	.118**	.076	.085	-.212**	-.115**	.84 _a		3.08	0.82

13. FP	.172**	.210*	.123**	.102**	.026	.087*	.088*	.004	.002	-.138**	-.101**	.182**	.67 _a	3.04	0.97
--------	--------	-------	--------	--------	------	-------	-------	------	------	---------	---------	--------	------------------	------	------

Note: ^aSquare root of average variance extracted, OC=Organization capabilities, BN=Business network, IC=IT capability, EMS=Existing marketing strategies, HRC=Human resource capabilities, FS=Financial strengths, LI=Logistics infrastructure, MD=Market demand, MC=Market competition, EEC=Economic environment of country, LEC=Legal environment of country, MSQ=Marketing strategy quality, FP=Firm performance.

*Correlation at significant level of 5%.

**Correlation at significant level of 1%.

The study examined structural model with 5000 bootstraps at 95% confidence level (see Table 3) using AMOS. The results indicate that organization capabilities (H2) ($\beta = 0.128, p < 0.02, CR = 4.15, SE = 0.023$), business network (H8) ($\beta = 0.205, p < 0.00, CR = 6.21, SE = 0.065$), IT capability (H4) ($\beta = 0.103, p < 0.01, CR = 3.33, SE = 0.022$), financial strengths (H6) ($\beta = 0.163, p < 0.00, CR = 3.27, SE = 0.031$) and logistics infrastructure (H12) ($\beta = 0.104, p < 0.03, CR = 2.860, SE = 0.022$) positively and significantly affect the marketing strategy quality of logistics firms. Ozili (2022) suggested that in case of significant associations, R-square value of 0.10 and above is acceptable, and thus, this study show R² value of 0.742 which is above acceptable level. Thus, these results support H2, H8, H4, H6 and H12 of the study. Similarly, existing marketing strategies (H7) ($\beta = 0.062, p < 0.011, CR = 1.64, SE = 0.011$) moderately influence the marketing strategy quality of logistics firms.

Contrary to these, economic environment of country (H10) ($\beta = -0.349, p < 0.01, CR = 4.58, SE = 0.039$) and legal environment of country (H11) ($\beta = -0.215, p < 0.01, CR = 3.89, SE = 0.023$) negatively and significantly affect the marketing strategy quality of logistics firms which ultimately reduce the firm performance. These results do not support the H10 and H11 of the study (see Table 3).

Table 3. Direct Paths Analysis on Marketing Strategy Quality

Factors	beta	CR	SE	p	Bootstraps @ 95%		Results
					LLCI	LLCI	
Organization capabilities	0.128	4.15	0.023	0.02	0.044	0.540	Supported
Business network	0.205	6.21	0.065	0.00	0.137	0.462	Supported
IT capability	0.103	3.33	0.022	0.01	0.118	0.530	Supported
Existing marketing strategies	0.062	1.64	0.011	0.045	0.114	0.216	Supported
Human resource capabilities	0.003	.077	0.161	0.18	0.000	0.203	Not supported
Financial strengths	0.163	3.27	0.031	0.00	0.081	0.537	Supported
Logistics infrastructure	0.104	2.86	0.022	0.03	0.112	0.516	Supported
Market demand	0.010	0.88	0.063	0.32	0.000	0.432	Not supported
Market competition	0.048	0.48	0.120	0.12	0.000	0.536	Not supported
Economic environment of country	-0.349	4.58	0.039	0.01	0.110	0.487	Supported
Legal environment of country	-0.215	3.89	0.023	0.01	0.012	0.528	Supported
Adjusted R ²	0.742						
F-value	274.36						
p-value	0.001						

Note: OC=Organization capabilities, BN=Business network, IC=IT capability, EMS=Existing marketing strategies, HRC=Human resource capabilities, FS=Financial strengths, LI=Logistics infrastructure, MD=Market demand, MC=Market competition, EEC=Economic environment of country, LEC=Legal environment of country, MSQ=Marketing strategy quality, FP=Firm performance.

*Correlation at significant level of 5%.

**Correlation at significant level of 1%.

Moreover, human resource capabilities (H9) ($\beta = 0.003, p < 0.18, CR = 0.077, SE = 0.161$), market demand (H5) ($\beta = 0.010, p < 0.32, CR = 0.88, SE = 0.063$), market competition (H3) ($\beta = 0.048, p < 0.12, CR = 0.48, SE = 0.12$) do not significantly affect the marketing strategy quality of logistics firms. Therefore, these results do not support the H9, H5 and H3 of the study (see Table 3).

The study examined the mediating role of marketing strategy quality of logistics firms between

internal- external factors interactivity and firm performance by evaluating direct and indirect paths. The direct path between internal/external factors interactivity and marketing strategy quality of logistics firms and the study found seven (M1, M2, M3, M6, M7, M10, and M11) of the eleven models were significant at the p value of less than 0.05. In addition, study also found four of the eleven models were non-significant at the p value greater than 0.05 (see Table 4).

Table 4. Results of Structural Models

Model	Hypotheses	beta	CR	SE	p	Bootstraps @ 95%	
						LLCI	ULCI
1	Organization capabilities → Firm performance	0.230	4.232	0.021	0.01	0.018	0.553
	Organization capabilities → Marketing strategy quality	0.481	7.331	0.011	0.02	0.116	0.548
	Marketing strategy quality → Firm performance	0.542	8.444	0.120	0.03	0.107	0.463
2	Business network → Firm performance	0.305	4.552	0.056	0.01	0.110	0.511
	Business network → Marketing strategy quality	0.951	12.063	0.022	0.00	0.083	0.409
	Marketing strategy quality → Firm performance	0.936	12.033	0.031	0.00	0.114	0.582
3	IT capability → Firm performance	0.182	3.001	0.054	0.02	0.163	0.588
	IT capability → Marketing strategy quality	0.341	5.055	0.011	0.00	0.181	0.574
	Marketing strategy quality → Firm performance	0.662	8.296	0.121	0.02	0.115	0.445
4	Existing marketing strategies → Firm performance	0.043	1.332	0.022	0.045	0.000	0.344
	Existing marketing strategies → Marketing strategy quality	0.110	2.056	0.118	0.050	0.000	0.572
	Marketing strategy quality → Firm performance	0.081	1.114	0.164	0.232	0.000	0.000
5	Human resource capabilities → Firm performance	0.066	1.332	0.432	0.142	0.000	0.569
	Human resource capabilities → Marketing strategy quality	0.087	1.221	0.166	0.048	0.011	0.536
	Marketing strategy quality → Firm performance	0.033	1.122	0.022	0.182	0.000	0.000
6	Financial strengths → Firm performance	0.116	2.111	0.023	0.03	0.112	0.430
	Financial strengths → Marketing strategy quality	0.391	4.833	0.131	0.00	0.108	0.522
	Marketing strategy quality → Firm performance	0.661	7.430	0.020	0.04	0.163	0.593
7	Logistics infrastructure → Firm performance	0.216	4.062	0.066	0.02	0.153	0.225
	Logistics infrastructure → Marketing strategy quality	0.507	9.005	0.066	0.02	0.018	0.331
	Marketing strategy quality → Firm performance	0.410	5.390	0.027	0.05	0.122	0.650
8	Market demand → Firm performance	0.042	1.087	0.011	0.101	0.000	0.432
	Market demand → Marketing strategy quality	0.011	0.319	0.029	0.091	0.000	0.111
	Marketing strategy quality → Firm performance	0.073	0.073	0.028	0.110	0.000	0.772
9	Market competition → Firm performance	0.118	2.653	0.029	0.090	0.000	0.429
	Market competition → Marketing strategy quality	0.097	1.220	0.045	0.130	0.000	0.538
	Marketing strategy quality → Firm performance	0.109	1.669	0.228	0.106	0.000	0.629
10	Economic environment → Firm performance	-0.218	5.328	0.077	0.02	0.125	0.854
	Economic environment → Marketing strategy quality	-0.391	6.099	0.043	0.01	0.132	0.599
	Marketing strategy quality → Firm performance	0.069	2.430	0.034	0.05	0.100	0.471
11	Legal environment → Firm performance	-0.186	3.009	0.026	0.00	0.104	0.538
	Legal environment → Marketing strategy quality	-0.172	3.111	0.068	0.02	0.115	0.498
	Marketing strategy quality → Firm performance	0.077	1.881	0.011	0.04	0.133	0.544

*Correlation at significant level of 5%.

**Correlation at significant level of 1%.

On the other hand, the indirect paths were examined by multiplying beta coefficient value of two paths -between independent variable with mediating variable and mediating variable with dependent variable - of the study interactivity (see Table 5). The findings of study support the H1, H2, H3, H6, H7, H10 and H11(see Table 5). Moreover, the study also found four (H4, H5, H8 and H9) of the eleven hypotheses were non-significant – which do not support the hypotheses of this study. Interestingly, the

study also found H10 economic environment of country and H11 legal environment of country significant but negatively affecting the marketing strategy quality of logistics firms. The indirect paths were also significant with non-zero values between upper and lower boundaries, which supports H1, H2, H3, H6, H7, H10 and H11 of the study (see Table 5).

Table 5. Results of Mediation Model (Significant Models)

Model	Hypotheses	beta	CR	SE	p	Bootstraps @ 95%	
						LLCI	ULCI
1	Direct path	0.230	4.232	0.021	0.01	0.018	0.553
	OC → FP						
	Indirect path	0.261	5.227	0.032	0.03	0.133	0.331
	OC → MSQ → FP						
2	Direct path	0.305	4.552	0.056	0.01	0.110	0.511
	BN → FP						
	Indirect path	0.890	11.242	0.054	0.02	0.013	0.537
	BN → MSQ → FP						
3	Direct path	0.182	3.001	0.054	0.02	0.163	0.588
	ITC → FP						
	Indirect path	0.226	4.982	0.042	0.01	0.124	0.577
	ITC → MSQ → FP						
6	Direct path	0.116	2.111	0.023	0.03	0.112	0.430
	FS → FP						
	Indirect path	0.258	4.840	0.043	0.00	0.111	0.496
	FS → MSQ → FP						
7	Direct path	0.216	4.062	0.066	0.02	0.153	0.225
	LI → FP						
	Indirect path	0.508	9.005	0.066	0.02	0.018	0.331
	LI → MSQ → FP						
10	Direct path	-0.218	5.328	0.077	0.02	0.125	0.854
	EEC → FP						
	Indirect path	-0.0270	1.682	0.027	0.00	0.043	0.329
	EEC → MSQ → FP						
11	Direct path	-0.186	3.009	0.026	0.00	0.104	0.538
	LEC → FP						
	Indirect path	-0.0132	1.320	0.023	0.01	0.082	0.314
	LEC → MSQ → FP						

*Correlation at significant level of 5%.

**Correlation at significant level of 1%.

5. Discussion

This study moves the existing analysis forward on internal and external factors interactivity by examining its effect on firm performance in the logistics industry through marketing strategy quality. First, of note is the significant positive effect of internal factors (organization capabilities, business network, IT capability, existing marketing strategies, financial strengths) interactivity on marketing strategy quality (H1, H8, H4, H7, H6), which is in line with the findings of past studies (Brewer and Hensher, 2001; Kharabsheh, Jarrar, and Simeonova, 2014; Lin, 2006, 2008; Sahi, Gupta, and Lonial, 2016; Peterson and Crittenden, 2020; Hong and Nguyen, 2020; Baofeng et al., 2021), which found that these internal factors offered higher interactivity, and focused attention on MQS leading to improved

firm performance in the logistics industry in Pakistan. These factors also assist the logistics players (Peterson and Crittenden, 2020; Hong and Nguyen, 2020); therefore, when firms repetitively interact with MQS, their synergy of applying MQS in the economic environment is strengthened and the effectiveness of MSQ is enhanced.

Second, this study noted human resource capabilities were unable to explain the effect on MQS interactivity and therefore rejected the H9 of the study. This finding contradicts past studies (Bidgoli, 2010, Jurkus, Park & Woodeard, 2011; Hong and Nguyen 2020; Baofent et al., 2021). This can be explained by the lack of career planning, reward systems, and market uncertainty in Pakistan, which leads to a high turnover in their logistics industry.

Third, the study shows a significant positive effect of external factors (logistics infrastructure) interactivity on marketing strategy quality (H12). This corresponds with the findings of past studies (Nguyen, Janduth, and Trinh, 2017; Hone and Nguyen, 2020) which show that this external factor offers higher interactivity and focuses attention of MQS, leading to improved firm performance in the Pakistani logistics industry."

Fourth, this study found two external factors (economic environment, legal environment) have a negative and significant effect on managers' MSQ and reduce the interaction, which ultimately reduces MSQ effectiveness. These findings reject the H10 and H11, and contradict the past studies (Dinh& Nguyen, 2011; Lin, 2016; Hong and Nguyen, 2020). This contradiction can be explained by the high level of political uncertainty and downfall of the Pakastani economy - growth rate decrease from 6.3% to 0.4% for the last two years (FY 2021-22, FY 2022-23).

Fifth, it is noted that two external factors (market demand, market competition) were found to be non-significant, which reject the hypotheses (H5, H3) of the study.

Sixth, it is noted that the mediation role of MSQ favourably enhanced the interactivity between four internal factors (organization capabilities, business network, IT capability, financial strengths) and one external factor (logistics infrastructure) on firm performance relationship. These findings support the past studies (Özsomer and Prussia, 2000; Brewer and Hensher, 2001; Kharabsheh, Jarrar, and Simeonova, 2014; Lin, 2006, 2008; Sahi, Gupta, and Lonial, 2016; Cacciolatti and Lee, 2016; Hong and Nguyen, 2020) and support H13, H14, H15, H16 and H19 of the study.

Seventh, the study found no mediation role of MSQ between two internal factors (existing market strategies, human resource capabilities) and two external factors (market demand, market competition), and the firm performance. These findings are not in aligned with Özsomer and Prussia (2000), Bidgoli (2010), Jurkus, Park, & Woodeard (2011), Hong and Nguyen (2020) and Baofeng et al. (2021). Finally, it is noted that two external factors (economic environment, legal environment) unfavourably affect the effectiveness of MSQ of logistics firms which ultimately leads to lower firm performance in Pakistan.

The paper offers a theoretical contribution to marketing strategy performance in logistics organizations, employing literary insights to deepen this issue in a logistics business setting. The study results are consistent with those in previous studies regarding six of the total eleven factors, emphasizing the importance of several specific factors, or resources, to support the marketing strategy quality from the perspective of Pakistan's local logistics industry. However, three factors (human resource capabilities, market demand, and market competition) were found to have no significant effect. In comparison, two factors (economic and legal environment) opened the door for future researchers to debate the issue of market uncertainty, political disruption, currency depreciation, and high inflation in Pakistan. These six factors (organizational capabilities, existing marketing strategies, business network, IT capability, financial strengths, logistics infrastructure) include both internal and external factors. A strong business network was found to be the most significant internal factor affecting MSQ and thus the performance of logistics enterprises. This outcome supports studies performed by Chapman et al. (2003), Gifford and Stalbrink (2002) and Hong and Nguyen (2020). As to the external elements critical to logistics firms' marketing strategies, the literature reveals conflicting viewpoints. The research takes

a similar approach to Nath, Nachiappan, and Ramanathan (2010) and Brewer and Hensher (2001) in that consumers have a significant role in corporate success. However, Panayides (2004) disagree with this conclusion since the findings of this research support two external elements (economic environment and legal environment). Various studies, including Stock et al. (1998), Lin (2006), Brewer and Hensher (2001), and the finding of this study, have identified the business environment as a significant contributor to company performance

Nonetheless, this research goes on to distinguish and explore two settings, namely "economic environment" and "legal environment," and finds that both affect the efficacy of the MSQ Pakistan logistics business. In this research, market competition and demand do not support the MSQ since Panayides (2004) agrees that the competitor element did not contribute much to the MSQ, hence the firm's success. On the other hand, the research advances the theory by providing further insights into the other critical elements enhancing the quality of marketing strategy in the logistics business in developing nations, using Pakistan as an example. Not unexpectedly, unlike other studies, this study discovered that market uncertainty, legal concerns, and political uncertainty are critical variables in negatively impacting the MSQ of logistics organizations and, as a result, the firm performance. This result contradicts the literature, which suggests that managers use internal and external elements to improve business performance when developing MSQ. Finally, the present insights contribute to the research on MSQ in logistics organizations by providing a conceptual framework for analyzing a list of internal and external elements influencing MS development, harmonizing the many viewpoints in the field.

The research offers various practical implications for MSQ concerns in logistics enterprises in Pakistan, particularly in developing nations. To begin, the research ranks the importance of each internal and external aspect that logistics industry marketing managers should take into account before establishing a marketing plan for their company. However, this advice should always be approached with the knowledge that since no two markets are the same, the most significant elements pushing MSQ growth may differ, albeit they may still be examined using the technique described in the research. Second, in terms of practical ramifications, logistics managers may always assess the attractiveness of different important locations or markets to establish the MSQ for their company. If the logistic firm is conducting business in a new area, the manager's goal should be to expand and incorporate diverse business networks into the company's marketing plan development. They should be aware of the lack of openness in the rising countries' economic, legal, and political environments. In this research, the business network is acknowledged as having a substantial effect on MSQ, implying logistics businesses should build closer relationships with business partners, government, and consumers to improve company performance. Small and medium-sized logistics enterprises may explore collaborating or participating with various organizations to grow their business networks and techniques. According to the findings of this study, Pakistani logistics firms have encountered several issues, including the economic downturn, legal problems, high labour turnover, limited career opportunities, and political uncertainty, which have drawn the attention of experienced international logistics firms and potential investors. This result somewhat reflects the real status of logistics businesses in developing nations and Pakistan, where a solid business network and human resources are regarded as the most important components contributing to MSQ in developed economies.

6. Conclusion, Future Works, and Limitations

This study enhances understanding of how internal capabilities and external environment influence marketing strategy quality and performance of logistics firms in Pakistan. The results demonstrate the significant positive effects of organizational capabilities, business networks, IT capability, financial strengths, and logistics infrastructure. However, economic, and legal factors negatively affect marketing strategy quality. This highlights the challenges posed by Pakistan's business environment. The mediating role of marketing strategy quality between some internal/external factors and firm

performance is also elucidated.

This research makes key theoretical and practical contributions. It presents an initial investigation of marketing strategy issues in the understudied Pakistani logistics context, establishing a base for future studies. The findings provide actionable implications for logistics managers in developing marketing strategies suitable for the local environment. However, the limitations of the cross-sectional survey design need to be addressed in future research. Longitudinal studies across multiple geographies can enrich understanding of marketing strategies for logistics firms. Further examination of the capabilities needed to overcome unfavourable environmental factors is also warranted. Overall, this research highlights the complex interplay of internal and external factors influencing logistics marketing strategy and performance.

The research offers substantial evidence for several elements impacting the creation of marketing strategies in the logistics business. Consistent with earlier research in the literature, the results of this study confirm the basic link between marketing strategy and the performance of logistics enterprises in general, especially in the Pakistan environment. In contrast to the literature, the research revealed that internal variables had a bigger influence than external ones in the MSQ of Pakistan's logistics business. Furthermore, corporate network and financial strength are the most important criteria, whereas logistical infrastructure and IT capability are less important than in previous studies.

The study has several limitations. Because this study focuses on data collected from manufacturing firms in Pakistan, there may be a bias toward the unique cultural and economic conditions of this country. However, this also offers a distinct opportunity to replicate and benchmark future research in other emerging economies. Subsequent empirical studies exploring cultural impacts will offer valuable insights into the key factors influencing the performance of logistics, outsourcing in developing countries.

The second limitation pertains to the study's emphasis on companies in the manufacturing sector. Manufacturing firms may have specific logistics operations that differ from firms in other sectors, such as pharmaceuticals and services.

The third limitation arises from the study's focus on the logistic outsourcing relationships solely from the buyer's perspective, neglecting the viewpoint of the seller/supplier. While our research centers on gathering data from logistic user firms, we acknowledge that this process involves a collaboration among logistics entities, users and service providers. Indeed, users of logistics services may engage with multiple logistic service providers. Taking this perspective into account and incorporating studies such as Wilding and Juriado (2004) and Yuan et al. (2020), we suggest that future research incorporating logistics service providers as participants may enhance our findings.

The fourth limitation involves the use of only one firm as a unit of analysis rather than supply chain and logistics networks. Therefore, the empirical results are revealed only at the firm level. The fifth limitation involves the combination of internal and external components, which may change based on the selection of literature reviewed. This may result in distinct marketing strategy development paths and views for logistics firms. A more longitudinal design should be used in future studies to evaluate a causal order of the components.

As a result, future studies should investigate using a more longitudinal design to evaluate the causal order of the components.

References

Anderson, J. C., & Gerbing, D. W. (1988). Structural equation modelling in practice: A review and recommended two-step approach. *Psychological Bulletin*, 103(3)

- Atuahen-Gima, K. (2005). Resolving the capability—rigidity paradox in new product innovation. *Journal of Marketing*, 69(4), 61–83.
- Baofeng, H., Kedi, W., & Zhang, Y. (2021). The impact of leadership on supply chain green strategy alignment and operational performance. *Operations Management Research*, 14(1-2), 152-165.
- Bidgoli, H. (2010). *The handbook of technology management. Marketing and Advertising and Global Management*, ISBN 9780470249505.
- Borden, N. H., Frame, S., Gordon, W. C., & Smith, C. W. (1954, April). An appraisal of census programs for marketing uses. *Journal of Marketing*, 18(4), 331–360.
- Borden, N. H. (1986). *Marketing management: Analysis, planning and control* (second edition). *Journal of Marketing* (pre-1986), Jan 1973, 37(000001), 110.
- Brewer, A. M., & Hensher, D. A. (2001). Identifying the overreaching logistics strategy of business processes: An exploratory analysis. *International Journal of Logistics: Research and Applications*, 4(1), 1–41.
- Buzzell, R. D., & Gale, B. T. (1987). *The PIMS principles: Linking strategy to performance*. New York: The Free Press.
- Buyl, T., Boone, C., Hendriks, W., & Matthyssens, P. (2011). Top management team functional diversity and firm performance: The moderating role of CEO characteristics. *Journal of Management Studies*, 48(1), 151–177.
- Cacciolatti, L., & Lee, S. H. (2016). Revisiting the relationship between marketing capabilities and firm performance: The moderating role of market orientation, marketing strategy and organisational power. *Journal of Business Research*, 69(12), 5597–5610.
- Chapman, R., Soonsay, C., & Kandampully, J. (2003). Innovation in logistics services and the new business model: A conceptual framework. *International Journal of Physical Distribution & Logistics Management*, 33(7), 630–650.
- Cho, H. S., Lee, J. S., & Moon, H. C. (2018). Maritime risk in seaport operation: A cross-country empirical analysis with theoretical foundations. *Asian Journal of Shipping and Logistics*, 34(3), 240–248.
- Cho, H. S., & Yang, K. W. (2011). Antecedents and consequences of oversea buyer attentiveness to B2B e-marketplace. *Korea Business Education Review*, 26(1), 27–46.
- Corey, R. (2003). Marketing strategy – An overview. pp. 9500–9505. *Harvard Business Review*.
- Craven, D., Piercy, N., & Prentice, A. (2000). Developing market-driven product strategies. *Journal of Product & Brand Management*, 9(6), 369–388.
- Day, G. S. (1994). The capabilities of market-driven organizations. *Journal of Marketing*, 58(4), 37–52.
- Dean, J. (1951). Cyclical policy on the advertising appropriation. *Journal of Marketing*, 15(3), 265–273.
- Dess, G. G., & Davis, P. S. (1984). Porter's (1980) generic strategies as determinants of strategic group membership and performance. *Academy of Management Journal*, 26, 467–488.
- Dinh, L. H. H., & Nguyen, X. Q. (2011). Discussing the approach perspectives on researching and applying logistics in current economy and business. *Journal of Economics and Development*, (171) (in Vietnamese).

Duy, N. H. (2007). Building development strategy of APL Logistics Vietnam in the 2007–2011 period. APL Logistics Research.

Garver, M. S., & Mentzer, J. T. (1999). Logistics research methods: Employing structural equation modeling to test for construct validity. *Journal of Business Logistics*, 20, 33–57.

Gifford, J. L., & Stalbrink, O. J. (2002). Remaking transportation organisations for the 21st century: Consortia and the value of organisational learning. *Transportation Research A*, 36, 645–657.

Gronroos, C. (1996). Relationship marketing: The strategy continuum. *Journal of the Academy of Marketing Science*, 23(4), 252–254.

Hair, J.F., Babin, B.J., Anderson, R.E. and Black, W.C. (2019), *Multivariate Data Analysis*, Eighth Edition, Annabel Ainscow, 8th ed., Cengage, Boston.

Ha, Y. S., & Cho, H. S. (2009). Analysis of investment promotion in container port hinterland: A case of Pohang-Youngil Port. *The Journal of Shipping and Logistics*, 25(1), 123–143 (in Korean).

Islam, T. and Hussain, M. (2022), “How consumer uncertainty intervene country of origin image and consumer purchase intention? The moderating role of brand image”, *International Journal of Emerging Markets*, <https://doi.org/10.1108/ijoem-08-2021-1194>.

Jaworski, B. J., & Kohli, A. K. (1996). Market orientation: Review, refinement, and roadmap. *Journal of Market Focused Management*, 1, 119–135.

Jagodič, G., & Milfelner, B. (2022) The role of B2B marketing strategy, ICT B2B marketing support, and service quality in market orientation – Performance relationship: evidence from three European countries, *Cogent Business & Management*, 9:1, DOI: 10.1080/23311975.2022.2128252

Jurkus, A. F., Park, J. C., & Woodeard, L. S. (2011). Women in top management and agency costs. *Journal of Business Research*, 64(2), 180–186.

Kalubanga, M. and Namagembe, S. (2022), "Trust, commitment, logistics outsourcing relationship quality, relationship satisfaction, strategy alignment and logistics performance – a case of selected manufacturing firms in Uganda", *The International Journal of Logistics Management*, Vol. 33 No. 1, pp. 102-140. <https://doi.org/10.1108/IJLM-05-2020-0215>

Kayapınar, O. and Lorcu, F. (2020), “The role of technology level and logistics performance on the relationship between logistics service quality and firm performance”, in *Handbook of Research on Sustainable Supply Chain Management for the Global Economy*, pp. 107-135, doi: 10.4018/978-1-7998-4601-7.ch006.

Kharabsheh, R. A., Jarrar, K., & Simeonova, B. (2014). The impact of competitive strategies on responsive market orientation, proactive market orientation, learning orientation and organizational performance. *Journal of Strategic Marketing*, 23(5), 423–435.

Kozlenkova, I. V., Samaha, S., & Palmatier, R. (2014). Resource-based theory in marketing. *Journal of the Academy of Marketing Science*, 42, 1–21.

- Lin, C.-Y. (2006). Factors affecting the innovation in logistics information systems for logistics service providers in Taiwan. *Journal of Information and Optimization Sciences*, 27(3), 629–648.
- Lin, C.-Y.(2008). Determinants of the adoption of technological innovations by logistics service providers in China. *International Journal of Technology Management & Sustainable Development*, 7(1), 19.
- Lynch, D. F., Keller, S. B., & Ozment, J. (2000). The effects of logistics capabilities and strategy on firm performance. *Journal of Business Logistics*, 21(2), 47–68.
- Magala, M. (2004). Opportunity capture and growth strategies for regional ports: A modelling approach. Melbourne: Victoria University. Doctoral Dissertation.
- Mentzer, J. T., & Kahn, K. B. (1995). A framework for logistics research. *Journal of Business Logistics*, 16(1), 231–251.
- Miller, N., Terry, B., & Weber, S. S. (2010). Networking as marketing strategy: A case study of small community businesses. *Qualitative Market Research, Bradford*, 13(3), 253–270.
- Morgan, R., & Hunt, S. (1999). Relationship-Based Competitive Advantage: The Role of Relationship Marketing in Marketing Strategy. *Journal of Business Research*, 46(3), 281–290.
- Murray, J. Y., Gao, G. Y., & Kotabe, M. (2011). Market orientation and performance of export ventures: The process through marketing capabilities and competitive advantages. *Journal of the Academy of Marketing Science*, 39(2), 252–269
- Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing*, 54(4), 20–35.
- Nath, P., Nachiappan, S., & Ramanathan, R. (2010). The impact of marketing capability, operations capability and diversification strategy on performance: A resource-based view. *Industrial Marketing Management*, 39(2), 317–329.
- Nguyen, T. T. (2016). An investigation of the Vietnamese shipping industry and policy recommendations for profound participation into ASEAN integration. *Asian Journal of Shipping and Logistics*, 32(2), 81–88.
- Nguyen, T. T., Janduth, L., & Trinh, T. T. H. (2017). Performance of logistics services providers in Vietnam: An exploratory study. In *Proceedings of Vietnam business & economics research conference 2017*, ISBN 978-604-966-338-3 (pp. 13–32).
- Nunnally, J. C. (1978). *Psychometric theory* (2nd ed.). New York: McGraw-Hill.
- Özsomer,A., & Prussia, G. E.(2000). Competing perspectives in international marketing strategy: Contingency and process models. *Journal of International Marketing*, 8(1), 27–50.
- Panayides, P. M. (2004). Logistics service providers: An empirical study of marketing strategies and company performance. *International Journal of Logistics: Research and Applications*, 7(1), 1–15.
- Peterson, R. A., & Crittenden, V. L. (2020). Exploring customer orientation as a marketing strategy of Mexican-American entrepreneurs. *Journal of Business Management*, 113, 139–148.
- Peterson, R. A., Gerald, A., & Richard, F. B. (1984). A meta-analysis of effect sizes in consumer behavior experiments. *Journal of Consumer Research*, 12(6), 97–103.
- Pham, H., Nguyen, T. T., Mcdonald, S., & Tran Kieu, N. Q. (2019). Information sharing in logistics firms: An exploratory study of the Vietnamese logistics sector. *Asian Journal of Shipping and Logistics*, 35(2), 87–95.

- Robinson, R. (2002). Ports as elements in value-driven chain systems: The new paradigm. *Maritime Policy and Management*, 29(3), 241–255.
- Podsakoff, P.M., MacKenzie, S.B., Lee, J.-Y. and Podsakoff, N.P. (2003), “Common method biases in behavioral research: A critical review of the literature and recommended remedies.”, *Journal of Applied Psychology*, Vol. 88 No. 5, pp. 879–903.
- Rumett, R. P. (1974). *Strategy, structure and economic performance*. Harvard University Press: Boston, MA.
- Rust, R. T., Zeithaml, V. A., & Lemon, K. N. (2004). Customer-centered brand management. *Harvard Bus Rev*, 82(9), 110–118.
- Rust, R. T., Zeithaml, V. A., & Lemon, K. N. (2000). *Driving customer equity: How customer lifetime value is reshaping corporate strategy*. New York, NY: The Free Press.
- Sahi, G. K., Gupta, M. C., & Lonial, S. C. (2016). Relating strategic market orientation and market performance: Role of customer value types. *Journal of Strategic Marketing*, 1–21.
- Shaoming Zou, S., & Cavusgil, T.(2002). The GMS:Abroad conceptualization of global marketing strategy and its effect on firm performance. *Journal of Marketing*, 66(4), 44–56.
- Shaw, E. H. (2012). Marketing strategy. *Journal of Historical Research in Marketing; Bingley*, 4(1), 30–55.
- Shen, G., Chiou, J.-S., Hsiao, C.-H., Wang, C.-H., & Li, H.-N. (2016). Effective marketing communication via social networking site: The moderating role of the social tie. *Journal of Business Research*, 69(6), 2265–2270.
- Slater, S. F., & Narver, J. C. (1994). Does competitive environment moderate the market orientation–performance relationship. *Journal of Marketing*, 58, 46–55.
- Smith, W. R. (1956). Product differentiation and market segmentation as alternative marketing strategies. *Journal of Marketing*, 21(1), 3–8.
- Son, P. S.(2010). *Perfecting the export marketing strategy of current Hai Phong footwear companies* PhD dissertation. Vietnam: University of Commerce.
- Stock, G., Gries, N. P., & Kasarda, J. D. (1998). Logistics, strategy and structure: A conceptual framework. *International Journal of Operations & Production Management*, 18(1), 37–52.
- Stock, J. R.(1990). Logistics thought and practice: A perspective. *International Journal of Physical Distribution and Logistics Management*, 20(4), 3–6.
- Subhan, M., & Ghani, A. B. A. (2008). Analysing growth opportunity of port from the resource-based perspective: The case of port of Tanjung Pelepas Malaysia. *GadjahMada International Journal of Business*, 10(3), 353–373.
- Trang, B. T., & Ttie, H. X. (2013). Factors affecting logistics providers’ satisfaction with logistic environment in Ho Chi Minh City. *Journal of Economic Development*, 68–83.
- Wind, Y., & Lilien, G. (1993). *Handbook in operation research and management science*. Elsevier Science Publishers B.V.
- BMIRESEARCH. (2016). Vietnam logistics risk report [online].. Available: <http://store.bmiresearch.com/vietnam-logistics-risk-report.html> [accessed]

Varki, Sajeev, & Rust, Roland. T. (1998). Technology and optimal segment size. *Marketing Letters*, 9(2), 147–167.

VNA. (2017). Vietnam: Logistics firms told to cut costs. *Asia News Monitor*, Mar 29. VOV. (2017). Vietnam: Enhancing the logistics sector's competitiveness. *Asia News Monitor*, Feb 27

Zailani, S., Shaharudin, M. R., Razmi, K., & Iranmanesh, M. (2017). Influential factors and performance of logistics outsourcing practices: An evidence of malaysian companies. *Review of Managerial Science*, 11(1), 53-93. doi:<https://doi.org/10.1007/s11846-015-0180-x>

Appendix 1. Testing Scale with Confirmatory Factor Analysis for Internal Factors

S#	Variable	Loading	α	AVE	CR
OC	Organization capabilities				
OC1	Organizational structure is relatively reasonable in terms of scale	0.78	0.84	0.62	0.81
OC2	Targets and vision are clearly stated in writing	0.77			
OC3	Well managing skills of managers	0.81			
OC4	Clear instructions/guidance for employees	0.74			
OC5	Positive assessment, inspection, and control	0.76			
BN	Business network				
BN1	Good reputation in the business network	0.82	0.92	0.78	0.89
BN2	Wide and positive social relations of leaders	0.89			
BN3	Good business position with potential development	0.84			
BN4	Well-known for loyalty to customers/partners	0.86			
IC	IT capability				
IC1	Effective websites	0.83	0.85	0.64	0.84
IC2	Effective business e-platform	0.81			
IC3	Preferable IT in management	0.72			
IC4	Specialized software for business	0.70			
EMS	Existing marketing strategies				
EMS1	EMS bases on actual business practices	0.51	0.67	0.51	0.69
EMS2	EMS bases are based on experience of individual leaders	0.56			
EMS3	Adequate budget to build EMS	0.76			
EMS4	Sufficient tools to build EMS	0.72			
EMS5	Core values and competitiveness are well managed	0.70			
HRC	Human resource capabilities				
HRC1	Appropriate scale of HR	0.49	0.62	0.51	0.60
HRC2	Appropriate scale of HR practices	0.71			
HRC3	All employees are hard workers	0.65			
HRC4	Employees are trained/retrained regularly	0.50			
HRC5	HR has good working experience	0.71			
FS	Financial strengths				
FS1	Good equity and facilities for business	0.88	0.85	0.66	0.88
FS2	Easily mobilize credit capital and high-tech platform	0.73			
FS3	Loan rate is supportive to full technology-bases launched	0.86			
FS4	Information of financial resource is well-managed	0.80			
FS5	Financial and operational systems are always stable	0.78			

Appendix 2. Testing Scale with Confirmatory Factor Analysis for External Factors

S#	Variable	Loading	α	AVE	CR
LI	Logistics infrastructure				
LI1	Infrastructure is well developed for smooth transports	0.82	0.81	0.65	0.80
LI2	Goods flows are well managed and controlled	0.84			
LI3	Warehouses system provides good storage and safety	0.80			
MD	Market demand				
MD1	Growth market demand at present	0.70	0.60	0.51	0.62

MD2	Increased volume of cargoes throughput	0.62			
MD3	Growth market demand in future	0.50			
MC	Market competition				
MC1	Increased number of logistics businesses	0.50	0.71	0.52	0.68
MC2	Increased competition from foreign enterprises	0.78			
MC3	Foreign enterprises are better in business management	0.70			
MC4	Foreign enterprises have better technology and capacities	0.61			
EFC	Economic environment of country				
EFC1	Low economic growth rate	0.86	0.88	0.75	0.89
EFC2	Less flow of FDI	0.88			
EFC3	High inflation rates	0.72			
EFC4	Economic policies support the MSQ	0.76			
EFC5	Less stable foreign exchange rate	0.83			
EFC6	Market structure/import/export products are mainly diversified and are not developed	0.80			
LEC	Legal environment of country				
LEC1	Legal system is well established	0.81	0.85	0.70	0.86
LEC2	Regulations/policies are strictly complied with current laws	0.83			
LEC3	Int. practices/customs positively impact on MSQ	0.80			
LEC4	Int. commitments/bilateral agreements affect MSQ	0.78			

Appendix 3. Testing Scale with Confirmatory Factor Analysis MSQ and Firm Performance

S#	Variable	Loading	α	AVE	CR
MSQ	Marketing strategy quality				
MSQ1	Compliance with the characteristics of the logistics market	0.85	0.90	0.76	0.91
MSQ2	Well linked among components of mixed marketing	0.81			
MSQ3	Advantages over competitors' marketing strategy	0.82			
MSQ4	Ensures the targets of logistics business	0.87			
FF	Firm performance				
FF1	Firm's market share increases relatively to business's targets	0.80	0.83	0.65	0.84
FF2	Firm's market share increases relatively to logistics industry	0.72			
FF3	Firm's profits increase relatively to businesses targets	0.86			
FF4	Firm's profits increase relatively to profits of logistics industry	0.70			