SUNTEXT REVIEWS

SunText Review of Economics & Business
ISSN: 2766-4775

Open Access
Research Article
Volume 1:3

The Impact of Marketing Intelligence on the Market Share of the Jordanian Commercial Banks

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Received date: 24 November 2020; **Accepted date:** 02 December 2020; **Published date:** 08 December 2020

Citation: Ismaeel B, Alzubi MM (2020). The Impact of Marketing Intelligence on the Market Share of the Jordanian Commercial Banks. SunText Rev Econ Bus 1(3): 116.

DOI: https://doi.org/10.51737/2766-4775.2020.016

Abstract

The aim of this study is to explore the effect of marketing intelligence on market share through exploring competitive insight, market insight, and positioning, on the overall market share. The population of the study consisted of commercial banks in Jordan totaling 13 banks. The researchers distributed 130 questionnaires; 95 questionnaires were retrieved with a percentage of 73%. The study concluded the following findings: There is a strong positive effect between competitive insight and served market share, and a moderate positive effect between competitive insight and overall market share. There was no positive effect between relative market share and competitive insight. There is a moderate positive effect between marketing intelligence and overall market share. Moreover, in a weak degree between marketing intelligence and served market share; as well as there was no positive effect between relative market share and marketing intelligence. There was a moderate positive effect between market insight and overall market share. There was no positive effect between served market share and relative market share. There was a moderate positive effect between positioning and the overall market share and in a weak degree with served market share. There was no positive effect with relative market share. Based on the findings of the study the researcher presented several recommendations.

Keywords: Marketing intelligence; Market share; Jordan; Commercial banks

Introduction

The success of the marketing process depends to a large extent on the marketing information systems and the success of each component of these systems. In addition, marketing management needs marketing information systems to be able to identify and measure marketing opportunities, analyse and forecast demand, and analyse market sectors. Moreover, to understand what is happening inside and outside the organization, the organization needs effective marketing information systems that aim through these systems to monitor its marketing environment directly, as the micro-environment includes everyone who could influence the organization's ability to produce and sell, including suppliers, marketing intermediaries, customers, and competitors. Also, macro-environment includes the vast array of forces, demographic, economic, sociocultural, natural, technological, and political and legal, each affect sales and profits. Nowadays, it has become necessary to adapt a marketing intelligence system that commercial organizations depend on, especially commercial banks, considering the intense competition and increasing developments in the business environment. To predict the market share, marketing information systems carry out many marketing activities such as sales planning, planning for the development of services and products, and planning for promotional campaigns, as sales planning is the basis for preparing pricing strategies, advertising, and promotion, and in the pre-evaluation of sales personnel and is the first step in the profit planning cycle. In addition, the process of analysing possible opportunities for introducing new services and products, studying the obstacles and basic characteristics of them, and determining the potential for success of their marketing, is based on the use of components of marketing information systems, which analyse the reports available about the consumer in light of information about sales, services and products provided in the past, and information about the size and composition of the current market against which the desired characteristics of the new good or service can be indicated. Many organizations achieved double profits because of benefiting from the information of their Marketing Intelligence department. For example, service organizations and what they can achieve from competitive advantages as a result of studying their performance compared to the performance of competitors. What happens in telecommunications organizations and banks is that some employees of the Marketing Intelligence Department are assigned to carry out real transactions as customers with competing organizations to study the performance of competitors.

Problem Statement

The special circumstances that have occurred in the Middle East and that have made Jordan a fertile and safe investment environment to increase competition between commercial companies in general, and banks. Therefore, the basic question that this research attempts to answer is how can banks deal with this challenging and competitive environment?

Thus, the main interest in this research is to determine the extent of the effect of marketing intelligence on the market share under the scenario of massive amounts of information, promotional offers, and high-quality services, which raises a further question: How can such banks retain their customers in light of such strong competition?

Therefore, through this study, the researcher intends to discover the philosophy of application by Jordanian banks in determining their market priorities and determining the wants and needs of the customers when developing marketing plans. Aside from the study being an important and useful addition to scientific knowledge, the results will remove ambiguity in the entire commercial sector. This topic is quite broad, but the researcher was able to confine the study to a narrower scope by studying the effect of marketing intelligence on the market share. For conducting this study, the researcher constructed a model composed of the following variables: Served market share, relative market share, and overall market share. Each variable also includes dimensions identified from the previous literature. Their interactions are measured through field analysis and descriptive analysis using a questionnaire as the research instrument. From this work, the researcher expects to discover the effect of this system and the strength of the resulting relationship between customers and marketing intelligence.

Objectives of the Study

The objectives of the current study are as follows:

- To determine the impact of marketing intelligence on the market share in Jordanian commercial banks.
- To determine the reality of marketing intelligence in Jordanian commercial banks.
- To determine whether demographic variables (age, gender, qualifications, experience, and career level) play a role in the effect of marketing intelligence on market share; and
- To come up with a set of recommendations based on the results of the study that could help decision-makers in the banks under study to excel through optimum utilization of marketing intelligence.

Research Questions

The current study seeks to answer the following research questions:

- What is the effect of marketing intelligence on market share?
- Are there any significant statistical differences due to the effect of demographic variables (gender, age, educational level, experience, and career level) on market share?

Methodology

To answer the above research questions and fulfil the goals that have been set, the researcher formulated some hypotheses and then performed some analyses to verify these hypotheses in order to elucidate the present situation regarding the marketing intelligence in commercial banks in Jordan. The researchers used analytical and descriptive methods to try to describe and assess the reality of the effect of marketing intelligence on market share. In addition, the researcher used a descriptive-analytical approach in order to try to compare, interpret, and evaluate the results in the hope of reaching meaningful generalizations about the topic under the study. This research used both primary and secondary research methods to collate data. The secondary data has been obtained via a review of previous studies related to the subject of interest. The primary data was collected via a questionnaire distributed to marketing managers, sales and information systems managers and sales coordinators. In order to gather data to answer the questions of the research, the developed questionnaire consisted of three parts. The first part was designed to collect demographic data, specifically gender, qualifications, overall experience, age group, job title, years of experience and management level. The second part covered the independent variable and included indicators that measure marketing intelligence, which were adopted [1,2]. The third part of the questionnaire covered the dependent variable and included indicators that were used to measure the market share and drew on the work [3-7].

Study Population and Sample

The population of this study is all commercial banks totalling (13) banks. The researcher selected all the banks through a comprehensive survey. The researcher administrated the questionnaire on the marketing staff in all those banks (n=130) and retrieved (95) valid questionnaires with a rate of (73%). Table (1) presents the distribution of the sample according to the study variables (Table 1).

Table 1: *The distribution of the sample according to the study variables.*

Variable	Category	Frequency	Rate
Gender	**Male**	38	40.0
	Female	57	60.0
Age	**20 to 30-yrs**	53	55.8
	30yrs to 40-yrs	27	28.4
	40 yrs to 50-yrs	15	15.8
Educational level	**Diploma**	21	22.1
	Undergraduate	59	62.1
	Graduate	15	15.8
Total Experience	**1 to 5-yrs**	33	34.7
	5yrs to 10- yrs	32	33.7
	10 yrs to 15-yrs	9	9.5
	15yrs to 20- yrs	15	15.8
	20yrs +	6	6.3
Post	**Sales manger**	20	21.1
	Marketing manager	25	26.3
	Quality manager	14	14.7
	other	36	37.9
Experience in recent job	**Less than 5yrs**	47	49.5
	5yrs to 10- yrs	27	28.4
	10 yrs to 15- yrs	9	9.5
	15 yrs +	12	12.6
Level	**Top management**	8	8.4
	Middle management	72	75.8
	Low management	15	15.8
Total		95	100.0

Table 2: *Means and standard deviations for the role of study domains and its effect on the market share.*

Rank	Domain	M	SD	Degree
1	Competitive insight	4.36	0.49	High
3	Market insight	4.10	0.36	High
3	Positioning	3.96	0.51	High

Instrument validity

Validity was established through content and face validity, and the instrument was standardized on the response of an experts group of in Jordanian universities. The ratters cancelled items and modified other items. The researcher modified the tool as mentioned by the ratters [8-13].

Instrument reliability

Reliability of the instrument was determined through a pilot study; sample of 20 respondents from of the study population. The reliability coefficient was (0.84) for marketing information systems and (0.85) for the tool as a whole, and it seemed to be reliable for use a Jordanian population [14,15].

Statistical measures

Data was processed through SPSS software by coding the variables in a clear way as well as recording each variable and its symbol as in the list. Then data were processed in the computer according to certain measures such as reliability measures, simple regression, F-test, correlation coefficient, ANOVA and multiple regressions. Then data were processed in the computer according to the following method: 1-2.49 presenting weak positive degree, 2.5 – 3.49 average positive degree and 3.5-5.00 high positive degrees.

Study Findings

The first question: What is the effect of marketing intelligence on the market share of Jordanian commercial banks?

To answer this question means and standard deviations were calculated for al domains as follows:

Means and standard deviations for the role of study domains and its effect on the market share were calculated as shown (Table 2).

Table 2 shows that the means of study domains ranged between (4.36-3.96) showing high positive effect on market share. Competitive insight came in the first rank with a mean of (4.36) while positioning came in the last rank but in a high positive degree. For the relationship between marketing intelligence and market share the researcher used the simple regression to calculate this relationship as shown in the following tables (Table 3-6).

Table 3: *Simple regression analysis for the effect of competitive insight on the market share of Jordanian commercial banks.*

Sig.	F	Beta	R^2	R	
.000	13.904	.371	.138	.371	**Total market share**
.000	41.862	.570	.325	.570	**Share of served market**
.714	.135	-.039	.002	.039	**Relative market share**

Table 4: *Simple regression analysis for the effect of market insight on the market share of Jordanian commercial banks.*

Sig.	F	Beta	R^2	R	
.003	9.167	.309	.095	.309	**Total market share**
.008	7.288	.278	.077	.278	**Share of served market**
.840	.041	.022	.000	.022	**Relative market share**

Table 5: *Simple regression analysis for the effect of positioning on the market share of Jordanian commercial banks.*

Sig.	F	Beta	R^2	R	
.000	26.655	.484	.235	.484	**Total market share**
.452	.572	-.081	.007	.081	**Share of served market**
.306	1.058	.110	.012	.110	**Relative market share**

Table 6: *Pearson coefficient of the relationship between marketing intelligence and the market share.*

Relative market share	**Share of served market**	**Total market share**		
-.039	.570**	.371**	R	Competitive insight
.714	.000	.000	Sig	
95	95	95	No	
.022	.278**	.309**	R	Market Insight
.840	.008	.003	Sig	
95	95	95	No	
.110	-.081	.484**	R	Positioning
.306	.452	.000	Sig	
95	95	95	No	

The second question: Are there any significant statistical differences between the market share and demographic variables (gender, age, educational level, experience and post)?

To answer this question means, standard deviation and (t) test were used for the relationship between gender, age, experience, and post and market share (Table 7-12).

Table (12) shows that there were significant statistical difference at the level of ($\alpha < 0.05$) attributed to years of experience between 1 to less than 5 years in favor of the first and 5 to less than 10 years in favour of 1 to less than 5 years. Moreover, there were differences between 5 to less than 10 years and 15 to less than 20 years in favour of the latter. There were differences between 15 to less than 20 years and more than 20 years in favour of the latter, and for 20 years and more in the total market share. There were significant statistical difference at the level of (α < 0.05) between 1 to less than five years and 15 to less than 20 years in favor of the first and between 5 to less than 10 years and 15 to less than 20 years in favour of the first and the differences were in favor of 5 to less than 10 years in the favour of the server market share. With regard to the relative market share the differences were too low and insignificant (Table 13).

Table 7: *Means, standard deviation and (t) test were used for the relationship between gender and market share.*

	gender	M	SD	T	F	Sig
Total market share	**male**	3.90	.638	-2.156	87	.034
	Female	4.13	.344			
Share of served market	**male**	4.15	.496	.234	87	.816
	Female	4.13	.458			
Relative market share	**male**	4.30	.265	1.351	87	.180
	Female	4.19	.419			

Table 8: *Means, standard deviation were used for the relationship between age and market share.*

	Age	M	SD
Total market share	20 to 30-yrs	4.03	.556
	30yrs to 40-yrs	4.30	.240
	40 yrs to 50-yrs	4.04	.491
Share of served market	20 to 30-yrs	4.19	.469
	30yrs to 40-yrs	4.16	.513
	40 yrs to 50-yrs	3.91	.357
Relative market share	20 to 30-yrs	4.19	.370
	30yrs to 40-yrs	4.18	.398
	40 yrs to 50-yrs	4.46	.217

Table 9: *ANOVA analysis for the effect of age in market share.*

Sig	F	M	T	Cq	Source	
.061	2.890	.667	2	1.335	between groups	**Total market share**
		.231	86	19.859	In groups	
			88	21.194	total	
.129	2.094	.453	2	.906	between groups	**Share of served market**
		.216	86	18.601	In groups	
			88	19.507	total	
.033	3.554	.456	2	.911	between groups	**Relative market share**
		.128	86	11.023	In groups	
			88	11.934	total	

Table 10: *Means, standard deviation were used for the relationship between gender and market share.*

	Age	M	SD
Total market share	Diploma	4.13	.306
	undergraduate	3.98	.554
	graduate	4.19	.326
Total		4.04	.491
Share of served market	Diploma	4.14	.679
	undergraduate	4.10	.372
	graduate	4.29	.548
Total		4.14	.471
Relative market share	Diploma	4.14	.350
	undergraduate	4.22	.386

	graduate	4.43	.236
Total		4.23	.368

Table 11: *ANOVA analysis for the effect of educational level in market share.*

Sig	F	M	T	Cq	Source	
.284	1.276	.305	2	.611	between groups	**Total market share**
		.239	86	20.583	In groups	
			88	21.194	total	
.480	.739	.165	2	.330	between groups	**Share of served market**
		.223	86	19.177	In groups	
			88	19.507	total	
.103	2.335	.307	2	.615	between groups	**Relative market share**
		.132	86	11.319	In groups	
					total	

Table 12: *Means, standard deviation were used for the relationship between experience and market share.*

	Age	**M**	**SD**
Total market share	1 to 5-yrs	4.18	.249
	5yrs to 10- yrs	3.76	.671
	10 yrs to 15-yrs	3.79	.348
	15yrs to 20- yrs	4.25	.200
	20yrs +	4.50	.000
Total		4.04	.491
Share of served market	1 to 5-yrs	4.30	.452
	5yrs to 10- yrs	4.20	.468
	10 yrs to 15-yrs	3.95	.635
	15yrs to 20- yrs	3.80	.304
	20yrs +	4.14	.000
Total		4.14	.471
Relative market share	1 to 5-yrs	4.23	.374
	5yrs to 10- yrs	4.14	.401
	10 yrs to 15-yrs	4.43	.247
	15yrs to 20- yrs	4.17	.329
	20yrs +	4.57	.000
Total		4.23	.368

Table 13: *Means, standard deviation were used for the relationship between post and market share.*

	Age	**M**	**SD**
Total market share	Sales manger	3.88	.402
	Marketing manager	4.00	.469
	Quality manager	3.62	.739
	other	4.28	.214
Total		4.04	.491
Share of served market	Sales manger	4.14	.422
	Marketing manager	4.11	.544
	Quality manager	3.92	.717

	other	4.24	.246
Total		4.14	.471
Relative market share	Sales manger	4.21	.441
	Marketing manager	4.25	.405
	Quality manager	4.07	.175
	other	4.29	.365
Total		4.23	.368

Table (13) shows that there were significant statistical difference at the level of ($\alpha < 0.05$) attributed to post between sales manager and other category in favor of sales manager, and between marketing manager and quality manager in favor of marketing manager as well as quality manager and other category in favour of other category [16-19].

Discussion

Based on the findings it was evident that there is a positive effect ranged from weak to strong between marketing intelligence system and the share of the server market. The researcher found that the commercial banks use marketing intelligence system in a high degree through using the policy of market insight and competitive strategies to set their marketing plans as well as determining threats and strength points through information analysis. Additionally, the role of market intelligence in analysing the internal and external marketing information to know the needs of customers or the market. Moreover, the efficiency of supporting systems to enhance marketing decisions. Also, there were no significant statistical differences between marketing intelligence systems and relative market share. This can be attributed to the actions of the banks that refuse any non-profitable customers in the local market and directing its efforts for the business market or external only. This result is consistent with the study which concluded that there are no marketing plans in Jordan and Italy as the internet is more efficient to improve marketing performance in both countries. The findings showed that there is an average positive effect between marketing intelligence systems and the total market share which is attributed to the strong relationship between both variables. Furthermore, the role of effective marketing efforts carried out by some banks in findings new marketing directions in order to win more customers and improve the services through marketing studies and surveys to investigate their opinions and attitudes. The findings showed different correlation degrees ranged between strong and weak for the effect of using marketing intelligence as an independent variable and market share as a dependent variable. Those differences can be attributed to the variance in the roles of marketing information systems in affecting the market share and its effective roles in planning, analysis and linking between marketing operations to affect the market positively.

Recommendations

Based on the findings of this study the researcher recommends the following:

- There is a need to follow up changes in the marketing environment during the targeted marketing process in order to ensure that they increase or at least maintain their market share. To this end, the banks could adopt Porter strategies.
- Calling on the banks of this study to analyse the stored information in their databases to determine threats and strength points to make fruitful plans and initiate positive relationships with different markets.
- Calling on the banks of this study to make plans to link threats and opportunities in the marketing systems with environment survey to develop marketing opportunities.
- Continuous promotion on both individual and business levels and offering competitive prices and services.
- Conducting more studies regarding marketing intelligence systems with other marketing variables.

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