



## BUILDING THE BLUE OCEAN STRATEGY THROUGH THE TECHNIQUES OF MARKETING INTELLIGENCE/ AN EXPLORATORY STUDY IN IRAQI PRIVATE BANKS

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<p><b>Received:</b> 4<sup>th</sup> January 2023 <b>Accepted:</b> 4<sup>th</sup> February 2023 <b>Published:</b> 8<sup>th</sup> March 2023</p>	<p>Current trends in business management emphasize the increasing importance of information to support the various activities of business organizations in general and service in particular, especially as these organizations operate in an environment of turmoil and rapid change as well as fierce competition, which has made these organizations adopt a new strategy capable of innovating A new value that enables them to achieve excellence, in the banking industry and away from competitors, the current research focused on how to strengthen the strategy of the Blue Ocean in the banking industry by adopting the technology of marketing intelligence, The problem of research is to determine the extent to which banking organizations understand the importance of marketing intelligence in enhancing its blue strategy through the creation of new value, whether in current markets or new markets. The hypotheses were analyzed by analyzing the questionnaire distributed to 60 employees of the Middle East Bank for Investment, Finance and Golf Commercial Bank, Through SPSS, 22, the research reached a number of conclusions, the most important of which is that the techniques of marketing intelligence have a significant impact in enhancing the strategy of the Blue Ocean to create a new value to achieve excellence in the banking industry. The study concluded with a number of recommendations, the most important of which is the need to increase attention to the techniques of marketing intelligence without discrimination to promote innovative banking activities.</p>

**Keywords:** Marketing Intelligence, Blue Ocean Strategy

### 1: INTRODUCTION

The business world today is very competitive and its decision-maker has to change its strategy to achieve sustainability in a knowledge-based economy. Organizations have to think of ways away from competition and exploit growth and profitability opportunities. In the past 25 years, strategic thinking has been based on competitive strategies Competition has been the focus of the development of strategic patterns, and researchers have become increasingly interested in the techniques of marketing intelligence as the most appropriate tool to provide organizations with strategic information on developments and changes in the contemporary business environment, representing These opportunities information leading to those owned by others and invested, as the survival and success in such environments has become so

accessible to organizations that can overcome competition rules and discover new alternatives are creating new initiatives that qualify them for the value sought refuge work in existing markets or new. Blue Ocean Strategy is the ideal strategy for banking institutions with superior capabilities and capabilities to adopt the techniques of marketing intelligence to deal with such competitive environments where the only profit is the new value. In this sense, the idea of research aimed at answering the main question: "Is there an effect of the techniques of marketing intelligence in enhancing the strategy of the blue ocean in the banks of the research sample?"



## **2 THEORETICAL BACKGROUNDS**

### **2-1: Marketing intelligence**

#### **2-1-1: Marketing intelligence Concept**

The concept of marketing intelligence: The approach to the concept of intelligence began by psychologists who indicated that intelligence is the ability individuals have to solve their emergent problems (Legg, 2008). The first beginnings of the application of this concept and its transformation from theoretical framing to concrete scientific application in the field of artificial intelligence (Cornel et al., 2013). The first argument for this concept was Kelley (1961), which referred to the concept of marketing intelligence (Kelley, 1965). It is defined as an ongoing process of processing information about different market variables and forming a vision about those marketable variables that can lead the organization to understand the market with all its variables to make distinctive decisions to exploit opportunities and create distinct value for them (Hedin et al., 2011). Kotler (2014) is a way to collect information from all levels on the nature of the market and internal variables and to assess environmental changes that may affect the size and nature of the market in the future (Abu Rahma, 2015). Therefore, marketing intelligence requires gathering information about the overall marketing management procedures, especially gathering important information related to customers, markets, products, and competitors to support and promote marketing plans and programs designed to create new markets and reduce the time required to design such programs (Student, 2013). This information is relevant to the markets of the organization, collected and analyzed to determine market opportunity or measure market developments or market penetration strategy (Cornel et al., 2013). "Marketing intelligence is a technology that enables the organization to understand most of the environmental changes and developments associated with the organization's activities to discover new markets and deliver innovative products capable of achieving superior value."

#### **2-1-2: Importance of marketing intelligence**

The importance of marketing intelligence is highlighted in the difficulty of enhancing the organization's marketing capabilities and achieving its competitive advantage and the success of its marketing plans. Information generated by the marketing intelligence can identify the societal values and customs of the consumer and formulate and implement the appropriate marketing strategy accordingly (Ozturk et al., 2012). Today, marketing intelligence plays a very important role, because the general economic environment that governs the nature of the organizations' work in the market is what encourages the organizations to such a concept, which is

counterproductive to the organization because it conveys the image in the external environment (Market share, level of customer satisfaction or the movements of its competitors) to the Organization, in order to carry out the required adjustments in its activities to keep pace with market survival and progress and success, then the marketing intelligence is a condition imposed on organizations, their importance in the framework of organizations and their impact on the future performance of the Organization, To be used in the preparation of strategies and marketing plans and decision-making (Kader, 2017). It is worth mentioning that the benefits that the organization can derive from the adoption of marketing intelligence are: (Itegaekemen, 2014), providing the organization with the information it needs quickly and at the lowest cost, supporting the decisions of marketing managers, helping to monitor the suitability of products to the needs of market members, Market segmentation and the discovery of new markets.

#### **2-1-3: Marketing intelligence techniques**

Crowley (2004) identified four basic techniques of marketing intelligence in obtaining information, which is one of the most agreed views by researchers, if defined as knowledge of all sectors and market variables. For the purpose of understanding marketing intelligence, a pyramid consisting of three faces one of the three facets of information, communications, individuals / operations, is a source of access to marketing intelligence. The techniques of marketing intelligence lie within the face of information in the pyramid set by Crowley and are divided into four basic techniques (customer information, market information, Competitor information). The following are the techniques of marketing intelligence, which are an important source to provide the organization with the required information, as follows: (Crowley, 2004).

- **Customer Information:** Customer is the focus of the organization's direction and attention. Customer information is very important to the organization as the customer is the primary objective of the organization. The customer is an important source of information that reaches the marketing intelligence system. Or by monitoring it from the organization and reading its expectations or obtaining it from other bodies, such as information organizations or any other party outside the organization (Kader, 2017). Therefore, the customer is the most important external environmental factor in the development of market trends and the organization must develop a customer focus strategy (Tajeddini, 2009). Because managers' access to strategic information about the potential needs of the customer makes



his or her moves to market more successful (Elena, 2016).

- **Market information:** Market information is one of the basic pillars of marketing intelligence, which is responsible for providing market information and its impact on marketing strategy. In order for the organization to perform what is required of it regularly and appropriately within the surrounding environment, its need for market information is clearly Capable of making appropriate decisions and comparing their current performance with what is planned in the future, correcting and correcting errors to improve their performance in providing the best products to their customers (Al-Azzawi, 2012). Market information is all information about the environment in which the organization operates, as well as information of customers and competitors that are directly related to the activities of the organization on the one hand, and marketing activity on the other. This information is one of the inputs of the marketing intelligence system. The market makes the organization's decisions more legal and ethical towards all parties involved in the organization's activity (Mohammad and others, 2017).
- **Product Information:** The product information helps the organization to continuously update and develop the products of the organization to keep pace with market fluctuations and changes in the tastes of customers, and the organization to support the products continuously and keep them as long as possible in the maturity stage of the product life cycle, Its products are acceptable to customers (Mohammad and others, 2017). The product is the main link between the customer relationships with the organization. To maintain this relationship and benefit the two parties, the organization must strengthen and strengthen its ties with its customers. In order for the marketing intelligence to be the level that opens the future horizons to the organization, it should be accurate in providing information, especially those that help generate new ideas that lead to the creation of a new demand for innovative products. It also influences the stimulation of entrepreneurial characteristics in the marketing activities of business organizations. Improve its position and market share (Abu Rahma, 2015).
- **Competitors' information:** In the global market, competition is strong among organizations, and information should be used proactively and increasingly to reduce some of the profit margins, so that the organization remains competitive (Guarda et al., 2012). The process of formulating a marketing strategy requires

gathering data and information on current and past competitors' activities and analyzing their behavior. This means predicting their future behavior and creating a vision of their strategies for current and potential production (Qashi and Khalafawi, 2012). The study of the behavior and procedures of competitors is necessary, and the organization cannot expect any movement of its competitors without observing their behavior, and should know the positions of competitors and how they think and what their options, and may need time to collect information, especially that it may come from several sources, Are collected and processed to provide the leadership with the ability to develop an appropriate strategy to create new products before competitors to meet future market needs (Adom et al., 2016).

## **2-2: Blue Ocean Strategy**

### **2-2-1: Blue Ocean Strategy Concept**

Blue Ocean Strategy is a concept that helps organizations think and create creativity in their business to help the organization achieve sustainable profit. This strategy sets a framework for creating a competitive market and changing the focus from the current competitor to creating innovation in value and demand in contrast to the competitive strategy of the Red Sea. (Randall 2015) stated that Blue Ocean Strategy is the first approach to capture the right customer proposition through its relationship to value creation and that the strategies under this strategy re-create market boundaries by exploring them to customers other than current customers (Alam & Tariqul, 2017). The blue ocean strategy is a consistent pattern of strategic thinking that sets the organization's lines to create new space in a market where there is no competition. It is a world made up of two separate spaces: the red ocean space and the blue ocean where the first represents all the industries that exist today, The Blue Ocean, on the contrary, is an unexploited market, demand-driven, and an opportunity for growth and high profitability (Nyambane, 2012). The Blue Ocean is a description of all the industries that do not exist today (not yet present) into the market that is considered anonymous (Geoffrey, 2012). The blue ocean strategy is a new and innovative philosophy based on a peaceful environment far from bloody competition, challenging many market assumptions and opening up new horizons for leaders, managers and strategists in organizations (ESKandaia et al., 2015).

### **2-2-2: The importance of applying the blue ocean strategy**

The phenomenon of globalization, the rapid development of production techniques and the increasing trend of entry into international markets



have led to a further complication of the situation. The elimination of temporal and spatial considerations among the countries of the world. In addition, information about products and their prices has become available to all at any time (Kim, 2005) The reason for this is that the current technological stages have led to shrinkage in the market and the supply has overcome the demand because of globalization and rapid change in technology and customer demand and the entry of new players to the market makes it difficult for organizations to maintain the competitive advantage of a long period of time When a technological transformation breaks down competition and opens new doors to enter competitors in the market of those who rely on these technologies and that means that competitors to quickly build new features and to judge the features of the competitor, a number of researchers pointed out that the Blue Ocean strategy more Effectiveness when markets are saturated or in a downturn as organizations should target new client groups to increase their customer base (ALAM & Tariqu, 2007). The blue ocean strategy is made into an unrivaled market, making the concept of competition insignificant. It creates and acquires a new demand and breaks the principle of barter between cost and value. It seeks differentiation and low cost at the same time (ESKandaria, et. al., 2015) the goal of the Blue Ocean strategy is to make business in areas that previously did not require extensive surveillance to detect them.

### **2-2-3: The creation of value as the cornerstone of the strategy of the Blue Ocean**

Blue Ocean makers did not use competition as a basis for their work, but instead followed a different strategic logic called value creation, the cornerstone of the blue ocean strategy. The principle of value creation is equally valid for value and for finding it. The value without the ability to make it tends to focus To find the value gradually increasing which is something that improves the value but is not enough to make organizations distinguished in the market, and innovation without value is driven by technology and market leadership (Jalab and Abadi, 2012). Rauf noted that the Blue Ocean strategy focuses on the same strategic movement as the true source of innovation and excellence under the blue ocean strategy. The concept of value creation focuses equally on both creativity and value as well as on a specific sector. Organizations that seek to create a blue environment can simultaneously follow strategies of cost reduction and differentiation (Eskandaria, 2015).

## **3: METHODOLOGY**

### **3-1: Research problem**

Today there is a large arsenal of tools and analytical tools such as the competitive model developed by the porter, which puts competition at the heart of the strategy and therefore an important question arises that, according to the current competitive environment and the existence of competitors capable of what the competitor must prepare to succeed in existence? Blue Ocean strategy may be the right answer to this question. This is an important strategic strategy. It is an introduction to strategic thinking with innovation. Strategic thinking in the Blue Ocean concept is to make competition meaningless by creating new space for business (Eskandari et al., 2015). However, this strategy requires organizations that wish to stay at the very least from adopting modern and innovative techniques and methodologies in the outlook of the environment in which these organizations operate and with all the information they are associated with in order to contribute to the success of appropriate marketing strategies that are capable of adapting to such complex and ambiguous environments. . There is a broad agreement in the administrative literature emphasizes the need to activate the techniques of marketing intelligence to collect information on the environment and investment as an urgent need for the success of the Blue Ocean strategy in those banks, which he pointed out (Crowley, 2004).

Thus, the research problem is reflected in the following main question:

(Are banks aware of the impact of marketing intelligence techniques in promoting the Blue Ocean strategy?)

### **3-2:The hypothesis of research**

In line with the objectives of the research and test scheme, the researcher relied on the premise of the President, which is a temporary answer to the question presented and expressed the problem of research(The effects of combined marketing intelligence techniques in enhancing the strategy of the blue ocean in the banks of the research sample).

### **3-3: The Research Community**

To test the hypotheses of research and answer the research questions raised, the research community was chosen by the leaders of the General Administration of the Middle East Investment Bank and Gulf Bank as the leading private banks in the banking industry in Iraq (78), The research sample reached (60) individuals, and the questionnaire was adopted as a main tool in data collection.





**4: RESULTS**

The results of the analysis showed that the calculated value of (F) was 21.8 at a significant level (0.05). This indicates that the independent variable increase in one unit leads to the change of the dependent variable

(0.83). The explanatory power of the parameter (R2) is 0.78. This means that the independent variable interprets (78%) of the variation Occurs in the dependent variable, and these results confirm acceptance of the main hypothesis of the research.

Table (1): The results of regression analysis of combined intelligence techniques in Blue Ocean strategy

Blue Ocean Strategy				Dependent dimension
Sig.	F	R2	B	Independent dimension
0.039	21.8	0.78	0.44	Marketing intelligence
0.000			0.83	

To test the sub-hypotheses about the impact of each technique of marketing intelligence in the Blue Ocean strategy, the results showed the following:

- There is a significant impact on customer information in enhancing the blue ocean strategy in the sample banks. The value of (T) calculated (9.2), at a significant level (0.00), and the explanatory power (R2) (0.55). This means that (55%) of the change in the strategy of the Blue Ocean back to the information technology customers, and based on the above results accept the first sub-hypothesis.
- There was a significant effect of market information in enhancing the strategy of the blue ocean in the banks of the research sample. The calculated value of (T) was 9.8 at a significant level of 0.00 and the explanatory force R2 was 0.591. ) Of the change in the dependent variable is due to market information technology, and based on the above results accept the second sub-hypothesis.

- There was a significant effect of the product information in enhancing the strategy of the blue ocean in the banks of the research sample. The calculated value of (T) was 9.1 at a significant level of 0.001 and the explanatory power of R2 was 0.55. This means that 60% the change in the dependent variable is due to the information technology of the product, and based on the above results, the third sub-hypothesis is accepted.
- There was a significant effect of competitors' information in enhancing the strategy of the blue ocean in the banks of the research sample. The calculated value (T) was 10.1 at a significant level of 0.001 and the explanatory force (R2) was 0.64. of the change that occurs in the dependent variable is due to the information technology of the competitors, and based on the above results accept the fourth sub-hypothesis

Table (2) shows the results of the simple regression analysis of single-marketing intelligence techniques in the Blue Ocean strategy

Blue Ocean Strategy					Dependent dimension
Sig.	F Calculated	R2	B	T Calculated	Independent dimension
0.000	81.2	0.55	1.71	7.1	Customer Information
			0.591	9.2	
0.000	86.9	0.591	1.11	3.67	Market Information
			0.701	9.8	
0.001	79.8	0.55	1.050	3.412	Product Information
			0.671	9.1	
0.000	101.3	0.64	1.340	5.124	Competitors Information
			0.612	10.1	



## **5: CONCLUSIONS AND RECOMMENDATIONS**

### **5-1: Conclusions**

1. Most of the intellectual propositions of researchers emphasize the importance of the outputs of the techniques of marketing intelligence and the provision of important information that contribute to the promotion of the activities of new banks of innovative value that satisfy the customer's desire and meet his expectations in the current markets or entering new markets.

2. The results of the statistical analysis showed a significant effect of the combined marketing intelligence techniques in the Blue Ocean strategy. This indicates the interest of the banks in the research intelligence techniques which contributed greatly to the strategy of the Blue Ocean by introducing innovative and new products to the existing markets or discovering and creating new markets for them. Making it a leader in the banking industry.

3. Marketing intelligence techniques unilaterally enhance the blue ocean strategy, which underlines the importance of each technique and can be considered as one package that contributes to the maximization and success of the blue ocean strategy.

### **5-2: Recommendations**

1. The need to increase attention to the techniques of marketing intelligence and make them part of the culture of the organization, because it enables banks to make them keep abreast with developments and changes that occur in their environment and exploitation.

2. Use the techniques of marketing intelligence intensively to make banks more able to create new products that meet the expectations of future customers, or to create new markets, making them a leader in its business.

3. The need to deal with all the techniques of marketing intelligence without distinguishing from the other and as a single package in the activities of the banking service in order to maximize its impact in achieving the desired goals.

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