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## RECOGNIZE THE KEY FACTORS OF BRAND INNOVATION IN MARKET PERFORMANCE IN KNOWLEDGE BASE COMPANIES (CASE STUDY: OF PARK CAMPUS)

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**Resumen:** Hoy en día, la mayoría de las organizaciones consideran la innovación como una ventaja competitiva y saben que esta gestión es de gran importancia. Incluso los teóricos creen que la innovación es la clave para la supervivencia de la organización y su internacionalización. Teniendo como base en el desarrollo del concepto de características y sabiendo que la percepción del consumidor se ve afectada por la estrategia de marketing combinado, la innovación de marca se utiliza como la tendencia de una marca de interacción para apoyar las nuevas ideas, novedad, prueba y procesos creativos. Basado en la importancia del tema, el presente estudio tiene como objetivo analizar el método de participación de marca en innovación con el desarrollo de una fuerte identidad de marca y nuevos métodos de conexión con los mercados cambiantes y necesidades emergentes de clientes e índices funcionales que conducen a la maximización del valor agregado para la innovación. La población de estudio son todos los mejores expertos y los gerentes de empresas basadas en el conocimiento, de los cuales 250 personas del sector de la salud son seleccionadas al azar. Los datos requeridos se recogieron a través de 151 cuestionarios que se diligenciaron completamente. El cuestionario aplicado es estándar y está diseñado con base en la escala de Likert. Para evaluar su validez, además de utilizar la validez del contenido a través de los expertos, se aplicó el análisis factorial confirmatorio y se calculó su fiabilidad a través del alfa de Cronbach. La metodología de estudio se aplica en términos de propósito y es descriptiva en términos de método. Para analizar los datos, se utilizó el método de ecuaciones estructurales. Los resultados del estudio mostraron que la relación entre el aprendizaje organizacional y la internacionalización para el rendimiento del mercado se equilibró con la innovación de la marca y mostró que las complejas relaciones de equilibrio bajo condiciones de innovación de la marca eran más fuertes y el efecto del aprendizaje organizativo sobre la marca condujo a la innovación de la ésta. La tendencia del mercado no fue eficaz en la innovación de la marca y su papel en el desempeño del mercado no fue apoyado.

**Palabras clave:** Innovación, Marca, Equidad de marca, Desempeño de mercado, Aprendizaje de organización, Internacionalización, Tendencia de mercado.

**Abstract:** Today, most organizations consider innovation as competitive advantage and know that its management is of great importance. Even the theorists believe that innovation is the key for the survival of organization and it's internationalization. Based on the development of the concept of features and knowing that the perception of the consumer is affected by marketing combined strategy, the brand innovativeness is used as the tendency of a brand for interaction to support the new ideas, novelty, test and creative processes.

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Based on the significance of the subject, the present study is aimed to analyze the participation method of brand in innovation with the development of a strong brand identity and new methods of connection with the changing which 250 people are selected randomly from the health sector. The study population of the paper is all experts, top experts and managers of knowledge-based companies, of the required data were collected via a markets and emerging needs of customer and functional indices leading to the maximization of its value-added for innovation. questionnaire and finally, 151 questionnaires were completed completely. The applied questionnaire is standard and is designed based on Likert scale. To evaluate its validity, besides using content validity via the experts, the confirmatory factor analysis was applied and its reliability was calculated via Cronbach's alpha. The study methodology is applied in terms of purpose and is descriptive in terms of method. To analyze the data, structural equations method was used. The results of study showed that the relationship between organizational learning and Internationalization for market performance was balanced with brand innovation and it showed the complex balancing relations under brand innovation conditions were stronger and the effect of organizational learning on brand equity led into the innovation of brand but market tendency was not effective on brand innovation and its role in the market performance was not supported.

**Keywords:** Innovation, Brand, Brand equity, Market performance, Organization learning, Internationalization, Market tendency

## 1. INTRODUCTION

The studies have shown that most of marketing managers know the marketing concepts well but their problem in the goods marketing is the lack of perception of brand as the intangible asset of company. In the present era of knowledge-based economy, the value creation activities of the organization are not only their intangible assets but also the organization capability to use intangible assets is the main power of their value creation. One of the most important intangible assets of company is its brand consisting of the name and trade mark of products and the trade mark of the company (Bandarian, 2009). In marketing, brand is the starting point of the distinction between the goods and services presented and the competing products in the market leading to the organization success (Leo et al ., 2002). A good brand has the consumer rating and it means that the customers show loyalty to the brands. Most customers require these brands even when other alternative goods are presented with low price in the market. The companies with brands have good consumer rating and are insured against the policies of competitors (Kotler, 2014). In the competitive environment, the organizations are encountered with different issues such as rapid and unpredicted environmental changes and the change of the taste of customers and requiring high quality products by them and this obliges the organizations to choose only one of two choices. The first choice is being doomed to defeat and give up in the fierce competitive environment and the second is performing fundamental changes to be survived in the competitive environment (Zarei abdi, 2005). By entering the new millennium and based on the rapid changes in technology industry in the world, competitiveness of an organization depends upon

its ability to develop and produce new and innovative products and services (Khodad Hosseini, 2006). The marketing researchers have shown that innovation leads to the profitability of companies by some methods (Kindström, D., Kowalkowski, C., & Sandberg, 2013) and innovation services to adapt with the needs of customers increase the attraction of the propositions of the company (Von Hippel, E., Susumu, O., & Jong., 2011). This innovation process leads to the potential of collaboration and creating long-term relationship with customers and finally competitive advantage is created (Gronross and Vima, 2013). Despite the useful results, innovation has receive less attention in branding papers (Melewa T.C. & Nguyen, 2015) and a few studies have consider branding with innovation in a framework of society (Go and Okas, 2013). While innovations transfer the existing markets and improve the financial growth, they are important elements to search sustainable competitive advantage by the company (Zhou K.Z., YIm, C.K. & Tse, D.K, 2005). To resolve the problem, we consider the evaluation of the mutual processes guarantying the important activities of brand innovation and organizational elements including organizational learning and market response features including Internationalization and both views are effective on innovation activities and are necessary to improve the market performance. Innovation is defined as a concept or new product based on a new idea or special research or it is defined as the Internationalization of innovation as a process in which an idea or invention is used inside a product or service in order that people pay to buy it (Roger, 2003). The term "innovation" has different meanings based on the context in which it is used. In branding, this term means finding better and new methods to supply all the things of great importance in the

customer experience. Innovation is not only introduction of a new product but also it is occurred in a process of market approach. In brand, innovation is expressed as the progress in brand leading to the fundamental changes for the existing activities and markets. Today, the brands can lead to the creation of new ideas about the products and services of company. Having strong and consistent brands is useful in the success of research and development (R&D) activities. Now, innovation is considered as the key success factor in business and the successful motto of the current managers is “innovation or collapse” and the most important point in brand innovation is that the soul of entrepreneur is innovation and creativity (Pakdel et al., 2011).

The main source of innovation is based on the better performance of companies (Gupta S., Melewa, T.C. & Bourlakis, 2010). There is still no agreement whether such knowledge and innovation are created based on the market demand or organizational elements affecting the company tendency for innovation or not (Salva and Liokas, 2003). The present study focuses on the innovation created from some sources and this innovation creates a model of branding and innovation. The present study attempts to respond the main question of study: "How can we achieve the company growth by the evaluation of the key factors of innovation in brand?"

## 2. THEORETICAL BASICS

In the dynamic environment to which the companies are encountered, innovation is not a choice, it is a necessity to outperform the competitors and survive in the competition. Innovation leads to success in the market if the company can connect new ideas to the changing markets and emerging needs of the customer. Commercial brand increases the potential of companies and leads to the high diversity and easy selection of the customer. Innovativeness helps the organization to challenge with the external intensive environment coping up with the complexity and the rapidly increasing change (Jimenez & Valle, 2011). Halt (1998) applied the term innovation in an extensive concept as a process to use relevant knowledge or information to create or introduce new and useful items. Later, he explains that innovation is anything revised that is designed or actualized and it stabilizes the organization situation against the competitors and it enables a long-term competitive advantage. By their measurements in creating motivation in the employees leading to their abilities, the organizations can affect their behavior and have high value in creation and development of

innovation (Bromand and Ranjbari, 2009). Various dimensions have been mentioned for innovation by different theorists and researchers as:

Daft (1994) proposes a dual-core model for innovation: These two cores include:

Technological innovation  
Administrative innovation

John refers to three types of innovation:

- 1- Production innovation
- 2- Process innovation
- 3- Market innovation

### 2.1. Marketing view to innovation

Innovation as the last resort in the current business world helps the companies to reduce the costs, improve the performance and present new services to the market. Achieving competitive advantage via innovation is a very complex process.

### 2.2. Innovativeness

Besides innovation, innovativeness refers to the criterion of invention of a modeled innovation as the continuity degree in marketing or technical factor. Two views (micro and macro) have been shown to evaluate innovation issues:

From the macro view, innovativeness refers to “the capability of an innovation to create a model change in science and technology or market structure in an industry”. On the other hand, from micro level, innovativeness refers to “the capacity of a new innovation to affect the existing marketing resources of company, technology resources, skill, knowledge, abilities or strategy”. Innovativeness of product is not equal to the innovativeness of company. The innovativeness of company is defined as the tendency of company for innovation or the development of new product. On the other hand, innovativeness product is the criterion of potential separation of a product (process or service) in production of marketing process or technology.

Three major movements of innovation researchers are considered generally, there are three major movements in academic marketing studies to use the influence-use domain: Innovativeness of company, innovativeness of consumer and innovativeness of product. These three movements are defined as follows:

### 2.3. Innovativeness of company

The innovativeness of company refers to the tendency to cover acquisition, dissemination and use of new knowledge and changes and implementation of creative ideas, concepts or

objects in an organization in innovation process. In addition, innovativeness of company indicates the corporate entrepreneurship including the active risk. This causes that the companies achieve the potential of production and achieve competitive advantage in the dynamic markets.

#### **2.4. Customer innovativeness**

This refers to the tendency of people for voluntarily change, testing new items and purchasing new products faster than other people. The previous researches have focused on some features including innovation, use, the effect of social networks and innovation features in innovation acceptance (Rogers, 2003).

#### **2.5. The management of the brand meaning**

In brand meaning management, much attention is given to the extensive perception of the brand meaning in communities and the relationship of brand and strategies of companies in many studies. The perception of the ecology of brand is considering not only the behavioral, affective and attitude aspects of brand consumption but also it is the evaluation of brand use in a wide community and cultural experiences of active consumer and the relevant consumption models of its environment are important.

Normally, brands show complex signs indicating information in different levels of meaning. Brands are intangible assets of companies and are considered as key success factors of product. Olet (2006) developed an innovative measuring scale of brand as divided into two dimensions (1) The perceived difference refers to the brand marketing combination (product, pricing, distribution, advertising, etc.) as different from other brands (four items) and (2) perceived frequency of the introduction of new elements in brand marketing combination (3 items). By the development of the concept of features and knowing that the consumer perception is affected by combined strategy of marketing, brand innovativeness is considered as the tendency of a brand for interaction to support new ideas, invention, test and creative processes.

#### **2.6. The role of brands in memory**

Generally, brand is defined as node storing information and is associated with other nodes of concept in the consumer memory: The brand relationship states, "other information nodes associated to the brand node are in the memory and include the brand meaning for the customers".

Brand: It is a name, term or trade mark or a combination of all these items with the aim of

identification or distinction of the goods and services of a seller or a group of sellers and this distinguishes the goods and services presented by the competitors.

Brand equity: It is the value-added increasing the product value. A set of assets and debts of brand to increase or decrease the value of product or services for the company or customers (Aaker, 1991). Brand equity is turned into an important issue in the world of commerce and some suitable measures introduced for it can consider some of the concerns of brand management and marketing of organizations. The concept of brand equity has received much attention due to the increasing growth of brand recognition as a valuable asset for organizations from academic and industrial aspects. Market performance: Market performance means the ability of company to satisfy and retain the customers via presenting the high quality products and services.

Market orientation: Creating awareness about market to predict the current and future needs of customers with the aim of dissemination of this attitude in all organizational units and extensive response to it. This concept focuses on acquiring information, its dissemination and application and its relationship with the effective service providing about the needs of consumers.

Organizational learning: The tendency to learning refers to the process of development of new science and attitudes of common experiences of people with organization and the effect of potential behaviors.

Variables /result of investigated goal	Study title	Researcher name	Year
Responsive and acting marketing has a direct effect on improvement of creativity performance of product.	An investigation of the effect of responsive marketing and acting marketing on the innovation of dairy industries of Pegah and Pakban.	Sadeghi	2010
Innovation index indicates that there is a significant difference between two views of company. This difference is based on the perception of difference.	The position of the brand of Pegah company from the view of customers and experts of company.	Jafarnejad	2009
They showed that organizational learning and innovation had direct impact on financial performance of the companies.	The effects of strategic contracts on the relationship between organizational learning, innovation and financial performance of company.	Hajipour and Kord	2011
The effect of brand value on performance has significant relationship.	A survey of the relationship between brand equity dimensions and the performance of banks in the country regarding the sale of electronic cards.	Ali Mohanmadi	2007
To create economic prosperity, we should invest on the improvement of components of national system of innovation and their link.	Evaluation of requirements for economic prosperity based on the national system of innovation in Iran.	Ghahreman Abdoli	2007
Structural validity of two scales of creativity and barriers of creativity to achieve more views about the stimulating and inhibiting factors of creativity	A survey of the effective factors on creativity and organizational innovation in Egypt commercial organizations.	Mostafa	2005
Of the existing organizational factors, organizational climate and work resources had significant difference with creativity and innovation in organization.	The investigation of the relationship between organizational factors and creativity and innovation	Rasulzade	2009
The investigation of the effective six factors on organizational innovation including technology power, competence, focus on customer requirements, market orientation, learning and innovation.	Design and explain the effective factors of organizational innovation of Iran transfer group	Nasirivahed	2009
Linear and non-linear views of innovation of , linear view is mostly in research and development.	Investigation of innovation evaluation systems and present a framework to evaluate innovation in Iran.	Tabatabayian and Pakzad	2005
Market orientation has a positive and significant impact on subjective and objective performance and total performance.	The effect of market orientation on the performance of Iranian companies by considering the environmental moderating role.	Soltan Mohammadi	2008
The investigation of the organization structure and organizational culture is necessary to achieve innovation.	Major change in innovation of process of manufacturing of US unions	Kanter	2007
High value of innovation has emphasized on progress development .	Innovation in the organizations with complex system	Senkarsil and Elizabeth Mcmillan	2008
The performance of organizations has high effect on achieving brand equity for the organization brand.	Evaluation of the effective factors on brand equity of bank services.	Norzehita Abdolaziz	2010
Organizational learning has a positive and significant effect on the innovation performance of organization.	The effects of organizational learning on the innovative performance in large industries.	Yuyuvan et al.	2010
Organizational learning has a positive impact on innovation.	Present a model to evaluate the effect of organizational learning capabilities on innovation	Davarzan et al.	2010
It caused a positive relationship between organizational learning and innovation.	The capabilities of organizational learning and organizational innovation: the mediating role of knowledge	Chang et al.,	2010
Significant relationship between innovation and human capital	Finding effective factors on production and economic growth	Tortrosteron	2000

### 3. REVIEW OF LITERATURE

Sheikhian and Doustian (2014) performed a study “The impact of market orientation, organizational innovation and competition power on financial performance and the market performance of banks in the branches of Lorestan banks” by survey-descriptive method showed that market orientation, organizational innovation and competition power of

main elements an determinants of financial performance and market performance were in banking sector. Based on the results of study, we can say market has four dimensions in the banking sector of the country: Orientation to customers, orientation

to competitors, orientation to the duty coordination and orientation to the behavior and these dimensions had a positive and significant impact on financial performance and market performance of the banks. Jarrar& Smith (2014) performed a study “Innovation in entrepreneurial organizations: a platform for contemporary management change and a value creator” in Australian manufacturing companies by descriptive-survey method. Findings results suggested that innovation mediated the relationships between entrepreneurial strategy and each of participative budgeting, the balanced score card, total quality management and organizational performance.

### 4. STUDY HYPOTHESES

Main hypothesis: Brand innovation has a positive and significant relationship with market performance.

Sub-hypotheses of study are as follows:

Market orientation variable has a positive and significant relationship with brand innovation. Internationalization variable has a positive and significant relationship with brand innovation. Organizational learning variable has a positive and significant relationship with brand innovation. Brand equity variable has a positive and significant relationship with brand innovation. Organizational learning variable has a positive and significant relationship with brand equity. Internationalization variable has a positive and significant effect on market performance. Organizational learning variable has a positive and significant effect on market performance.

### 5. METHODOLOGY OF STUDY

The present study is applied in terms of purpose and descriptive-analytic and survey design. For data analysis, the common statistical methods are applied. To describe the data, the mean, standard deviation and frequency are applied. To analyze the degree of the relationship between the conceptual variables, mutual correlation coefficient (Pearson correlation coefficient) is used. To standardize the questionnaires, their validity and reliability are tested using statistical methods including Cronbach’s alpha (to determine reliability) and

survey of experts (to determine validity). For data analysis of the data of study, suitable statistical methods and confirmatory factor analysis, SPSS, PLS software is used.

The study population is all experts, top experts and managers of knowledge-based company and based on the survey, they are 250 companies in the technology park. The study sample includes the activity of health and Nano biotechnology companies. In the present study, the random sampling method is used to receive the views. This research is a case study in Pardis technology park of Tehran knowledge-based organization.

## 6. RESULTS OF STUDY

### 6.1. The test of comparison of one-sample mean

One-sample t-test tests whether the mean of society of a population is equal to the assumptive value or not (See Table 1).

Table 1- The test of comparison of one-sample mean for components of study

Variables	t	Degree of freedom	Significance level	Mean difference	Lower limit	Upper limit
Market orientation	22.628	150	0	1.23013	1.1227	1.3376
Internationalization	11.953	150	0	0.63573	0.5307	0.7409
Organizational learning	6.655	150	0	0.42914	0.3017	0.5566
Brand equity	7.898	150	0	0.48609	0.3645	0.6077
Brand innovation	9.21	150	0	0.69404	0.5451	0.8429
Market performance	7.868	150	0	0.48079	0.3601	0.6015

Based on the significance level for all components of this study, it is defined that the mean of population is different from the standard criterion and this test is supported with the confidence interval 99%. The positive value of lower and upper limit of all components shows the high mean of study variables of three criteria for a five-point

Likert scale. Thus, market orientation has the highest difference and organizational learning has the lowest mean difference.

H0: The data are normal (The data are based on the normal population).

H1: The data are not normal (The data are not based on the normal population).

As shown in Table 2, all coefficients of skewness and kurtosis in the items and latent variables are in definite levels. Thus, the normality assumption of data distribution is established. In using smart pls software, the normality condition doesn't exist.

Table 2- The test of normality of observed variables in terms of skewness and kurtosis

Variables	N	Skewness coefficient	Skewness standard error	Kurtosis coefficient	Kurtosis standard error
AQ1	151	0.509-	0.197	0.080-	0.392
AQ2	151	1.073-	0.197	1.6	0.392
AQ3	151	1.701-	0.197	6.623	0.392
AQ4	151	0.625-	0.197	0.374	0.392
BQ1	151	0.669-	0.197	1.026	0.392
BQ2	151	1.138-	0.197	2.057	0.392
BQ3	151	0.736-	0.197	1.258	0.392
CQ1	151	0.675-	0.197	0.524	0.392
CQ2	151	0.741-	0.197	0.278	0.392
CQ3	151	0.794-	0.197	0.512	0.392
CQ4	151	0	0.197	0.61	0.392
CQ5	151	0.292-	0.197	0.465	0.392
DQ1	151	0.892-	0.197	0.984	0.392
DQ2	151	0.679	0.197	0.186	0.392
DQ3	151	0.633-	0.197	0.449	0.392
DQ4	151	0.604-	0.197	0.438	0.392
DQ5	151	0.085	0.197	0.202-	0.392
EQ1	151	1.189-	0.197	0.562	0.392
EQ2	151	0.775-	0.197	0.102-	0.392
EQ3	151	0.293-	0.197	0.595-	0.392
EQ4	151	0.720-	0.197	0.561-	0.392
EQ5	151	0.784-	0.197	0.344-	0.392
FQ1	151	0.850-	0.197	1.167	0.392
FQ2	151	0.703-	0.197	0.786	0.392
FQ3	151	0.421-	0.197	0.049	0.392
FQ4	151	0.187-	0.197	0.341-	0.392
FQ5	151	0.692-	0.197	0.244	0.392

Table 3- The test of normality of latent variables in terms of skewness and kurtosis

Variables	N	Skewness coefficient	Skewness standard error	Kurtosis coefficient	Kurtosis standard error
Market orientation	151	1.297-	0.197	2.786	0.392
Internationalization	151	0.971-	0.197	2.016	0.392
Organizational learning	151	0.872-	0.197	0.715	0.392
Brand equity	151	0.780-	0.197	0.45	0.392
Brand innovation	151	1.310-	0.197	0.634	0.392
Market performance	151	0.943-	0.197	1.427	0.392

### 6.2. The Measure of Sampling Adequacy for the measuring model

The given value is achieved 0.873 by the software and chi-square is 2481.503 and degree of freedom

is 351 as KMO is bigger than 0.6 and the result of Bartlett's Test of Sphericity is significant at the confidence interval 99% and the factor analysis is permitted.

Table 4- The Measure of Sampling Adequacy

KMO and Bartlett's Test		
0.873	Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	
2481.503	Approx. Chi-Square	Bartlett's Test of Sphericity
351	Df	
0	Sig.	

Table 5- Determine the reflective and formative measuring models

Variable	Type of measuring model
Market orientation	Reflective measuring model
Internationalization	Reflective measuring model
Organizational learning	Reflective measuring model
Brand equity	Reflective measuring model
Brand innovation	Reflective measuring model
Market performance	Reflective measuring model

Table 3 show the test of normality of latent variables in terms of skewness and kurtosis, Table 4 The Measure of Sampling Adequacy and Finally, Table 5 determine the reflective and formative measuring models.

### 6.3. The reliability test of measuring model at applied level of software

#### 1-Cronbach's alpha

As shown in Table 6, Cronbach's alpha for all latent variables is above 0.7 and it shows the suitable internal reliability of the indices belonging to each of the variables of study.

Table 6- The Cronbach's alpha coefficients of study variables

Cronbach's alpha coefficients	Variables	Acronym
0.861167	Market orientation	A
0.855433	Internationalization	B
0.865258	Organizational learning	C
0.882737	Brand equity	D
0.839556	Brand innovation	E
0.845078	Market performance	F

### 6.4. The validity test of reflective measuring model

Hair et al., (2006) stated two main conditions to evaluate convergent validity as investigated in this study.

First condition:  $AVE > 0.5$

Second condition:  $CR > AVE$

As shown in Table 7, AVE values are above 0.5 for variables of study and this shows suitable convergence validity of study variables. The second condition of convergent validity showing the bigger value of composite reliability is higher than the average variance extracted (AVE) as supported in this Table.

Table 7- The indices of AVE and composite reliability coefficient

Composite Reliability	AVE	Variables
0.904319	0.759479	Market orientation
0.912489	0.776826	Internationalization
0.903176	0.652273	Organizational learning
0.914388	0.681383	Brand equity
0.886147	0.610051	Brand innovation
0.889981	0.618680	Market performance

### The quality test of measuring model

Table 8- The cross validity of Commuality

CV com	Variables and relevant dimensions
0.468607	Market orientation
0.528567	Internationalization
0.477306	Organizational learning
0.515773	Brand equity
0.411786	Brand innovation
0.418597	Market performance

As shown in Table 8, all the main variables have strong CV com and they are very strong and this

shows high quality of reflective measuring model of the present study.

### 6.5. Structural model test

- 1- The significance test of path coefficients (Table 9)

Table 9- The path coefficients of the relationship of the main variables of study

Path coefficients	Study hypotheses
-0,12267	1- Market orientation variable has a positive and significant relationship with brand innovation.
0,166046	2- Internationalization variable has a positive and significant relationship with brand innovation.
0,389959	3- Organizational learning variable has a positive and significant relationship with brand innovation.
0,389959	4- Brand equity variable has a positive and significant relationship with brand innovation.
0,505866	5- Organizational learning variable has a positive and significant relationship with brand equity.
0,263047	6- Internationalization variable has a positive and significant effect on market performance.
0,250642	7- Organizational learning variable has a positive and significant effect on market performance.
0,368057	8- Market innovation variable has a positive and significant relationship with market performance.

Based on the path coefficients of the structural model in the software, we can not prioritize the effective independent variables on the dependent variable as the model is a complex structural model with different direct and indirect paths.

Table 10- The significance of path coefficients

Main hypothesis of study	T VALUE
1- Market orientation variable has a positive and significant relationship with brand innovation.	1,200816
2- Internationalization variable has a positive and significant relationship with brand innovation.	2,253501
3- Organizational learning variable has a positive and significant relationship with brand innovation.	2,13454
4- Brand equity variable has a positive and significant relationship with brand innovation.	3,064438
5- Organizational learning variable has a positive and significant relationship with brand equity.	7,335099
6- Internationalization variable has a positive and significant effect on market performance.	3,547593
7- Organizational learning variable has a positive and significant effect on market performance.	3,477926
8- Market innovation variable has a positive and significant relationship with market performance.	5,13176

To evaluate hypotheses see Table 10.

## 7. CONCLUSION

The results of study show a significant relationship between organizational learning, internationalization and brand equity on brand innovation and significance of the organizational learning on brand equity and a significant relationship between brand innovation and market performance. However, in the study, there is no significant relationship between market orientation on brand innovation. The result of Chang et al., (2010) in a study “Capabilities of organizational learning and organizational innovation: mediating role of knowledge” investigated and analyzed the



relationship between organizational learning and innovation. The results of the positive relationship between two variables were supported. The result of Geshnis (2006) examined 157 small manufacturing companies in Turkey and indicated a positive relationship between innovation, market orientation and performance of these companies and it is not consistent with the present study (Table 11).

Table 11. Study and results of hypothesis

	<b>Study hypothesis</b>	<b>Result of hypothesis</b>
1	Market orientation variable has a positive and significant relationship with brand innovation.	<b>Rejected</b>
2	Internationalization variable has a positive and significant relationship with brand innovation.	<b>Supported</b>
3	Organizational learning variable has a positive and significant relationship with brand innovation.	<b>Supported</b>
4	Brand equity variable has a positive and significant relationship with brand innovation.	<b>Supported</b>
5	Organizational learning variable has a positive and significant relationship with brand equity.	<b>Supported</b>
6	Internationalization variable has a positive and significant effect on market performance.	<b>Supported</b>
7	Organizational learning variable has a positive and significant effect on market performance.	<b>Supported</b>
8	Market innovation variable has a positive and significant relationship with market performance.	<b>Supported</b>

The study of Rahi et al., (2010) examined the South Korean companies and supported a direct association between innovation and business performance and it is consistent with the present study. Li tesi (2005) studied the performance of service companies of Taiwan and found that the market-orientation strategy learning orientation had a direct relationship with business performance. The study of Rahi et al., (2010) examined the South Korean companies and supported the direct relationship between innovation and business performance. Organizational learning is an

important factor of brand innovation success and helps that the company uses the knowledge of customer better to increase innovation production and lead to the better performance of market. Market orientation improves the technological capability of development of new products and technologies and the income increase of the company. The learning-based strategic behavior brings the market knowledge into the organization, affects the brand innovation and market performance. For brands focusing on organizational learning, there is an opportunity to determine the observed and hidden needs of the market. A part of learning process includes the follow up of customer-oriented projects and achieving the business goals. These goals are achieved by the implementation of the strong orientation of market with the responsive channel in the organization. The organizational learning and internationalization lead to the increase of market performance for brand innovation. If innovation needs strong technological capabilities and high investment, the survival and development in the competitive markets are affected and the brand innovation needs high market orientation and internationalization. Thus, the increased internalization carries a degree of inadequacy relevant to the focus on unfamiliar information and knowledge (Lou, Zho, Brotno and Lee, 2010). With the increase of developed learning and market orientation, inadequacy can be reduced and the relationship between organizational learning and internationalization for market performance is balanced with brand innovation and it indicates complex balancing relationship being strong under brand innovation conditions. Based on the results of learning tendency on brand innovation as significant and effective, it is recommended to establish educational courses for employees to increase organizational learning. Also, by organizational learning methods and using market intelligence, dissemination and management of information to companies, we can help for systematic access to customer information, dissemination and its use.

## 8. RECOMMENDATIONS

The results showed that the market orientation was not effective on brand innovation and based on the rejection of this hypothesis, we can say to improve innovation, we cannot consider market orientation as an effective factor; thus it is proposed that for effectiveness instead of dedicating time and cost to knowledge and market orientation, we emphasize on other effective factors. Also, it is proposed that the companies focus on the customer preferences to detect, perceive and provide the customer needs in

the existing market structure. Based on the results, internationalization was effective on brand innovation. Based on the support of this hypothesis, it is stated that by creating the infrastructures and increase of export and creating collaboration, commercialization is provided. Based on the results showing that learning tendency is effective and significant on brand innovation, it is recommended to establish educational courses for employees to increase organizational learning. Also, by organizational learning methods and using market intelligence, dissemination and management of information, we can help the companies to have systematic access to the customer information, its dissemination and application. Based on the results showing the significant relationship between brand equity and brand innovation, it is proposed to:

Develop advertising channels to improve the position and value of brand in the company.

Periodical assessment of evaluation of attitude of customers to the company brand and performing attitude improvement solutions.

Based on the results of the positive effect of organizational learning on brand equity, it is proposed to:

Increase team learning, discussion skills and collective thinking

Increase shared vision of brand association

Increase of mental models for brand association forming the brand identity.

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