

## **MARKETING INTELLIGENCE STRATEGY AND MARKETING PROFITABILITY: AN EMPIRICAL INVESTIGATION OF TOURISM BUSINESSES IN THAILAND**

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### **Abstract**

Marketing intelligence strategy is an ability of the firm to apply information and data to distribute a better market understanding and implementation. It has been established as source of competitive advantage because it reflects ability in customer responding and decision making in any situations. Then, this paper aims to examine the association of marketing intelligence strategy and marketing profitability. The data is collected by questionnaire mailing survey of the 274 tourism businesses in Thailand. The OLS regression analyses are utilized to examine and prove all hypotheses. The finding shows that marketing intelligence strategy plays an important role on marketing profitability.

## Introduction

The age of data and information are beginning. Information is such a valuable assets of the firm (Bosch, 2016). The firm with effective marketing information created a business success (Theodosiou & Katsilkea, 2014). Likewise, the speedy changes of business environment and information requirement is growing, resulting the managers need to grasp correct data at the right time (Öztürk, 2012). Marketing intelligence is the strategy that deals with data and information. Besides, marketing intelligence strategy focused on the implementation of information such clients, market, competitors and contribute marketing decision maker to improve marketing activities, planning, employment and control (Albescu & Pugna, 2014). Additionally, the rise of computer technology and the online world have effected smaller organizations more easily accessible to information. The firm required effective methods for searching, storage, applying and implementation activities related to information in order to determine the customer needs and fulfill (Fleisher, 2007). The increasingly competitive environment, provider requires an effective marketing intelligence strategy.

The global population ages and wandering convert to an economy and more rapid than before as well as global economy will continue rely on tourism (Tsotsou & Ratten, 2010). The enlarged highlight on sustainability and standard of living decisions will also seriously influence to tourism business. Beside, Office of the National Economic and Social Development Board of Thailand presented 2016 annual report as of

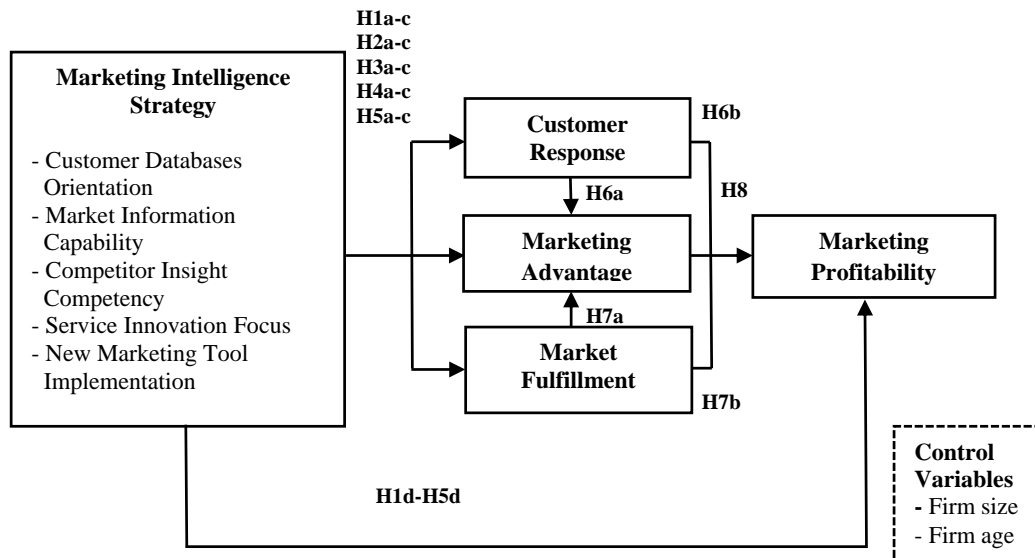
March, 1th 2017, tourism and service industry had a revenue that represented 14% of GDP. Furthermore, it is an important sector that contributes to employment and returns that contribute to the country's economic and social development. Essentially, the service business mainly delivers intangible value to meet their customers need that required all intelligence capabilities (Wöber, 2003). The nature of the tourism industry is a highly dependent on the environment and any change of circumstance affect the service performance (Kothari, Xiang, & Fesenmaier, 2008). In addition, tourist behavior changes because of their easier access to the travel data and information. Moreover, the tourism industry requires intelligence to be adaptability, because it is faced the change of natural disasters, political change, tourist behavior, and the slowdown of the world economy (Tsotsou & Ratten, 2010; Öztürk, 2012). Resultantly, tourism business is a type of firms operational that rely on marketing information. As a result, tourism businesses need to know more about markets and learn to take advantage on the abundance of information available. The key research question of this research is how marketing intelligence strategy has an influence on marketing profitability. This research is aimed to investigate for the empirical evidence on the association between marketing intelligence strategy and marketing profitability of tourism businesses in Thailand.

## Literature review

## Marketing intelligence strategy

The marketing intelligence is being studied in view of the information system to support marketing decisions making.

Additionally, in strategic perspective of marketing intelligence is an ability of organization. Marketing intelligence is an intangible ability that can be provided competitive advantage and firm performance.



**Figure 1** Conceptual model of marketing intelligence strategy and its consequences

Venter and Van Rensburg (2014) were indicated the components of marketing intelligence that were information about customers, competitors, suppliers, other market information and marketing tools adaptation. Besides, Dalkir (2011) mentioned as based on knowledge management theory, that innovation brought out the skills and learning from the information generated throughout the creation of innovation process as knowledge. Besides, Schoenherr and Swink (2015) also mentioned about organizations that have the skills to

innovate and develop new products/service to enhance better customer response. The typical perspective of marketing intelligence dimension regards information of customer, market, and competitors. Further, consideration service innovation is also as a dimension of marketing intelligence.

### Customer database orientation

Customer databases orientation is the concentration of the firm on exploring, keeping track, and customer's

information correcting as well as feedback to provide the better customer response and prevent customer from switching to other companies (Kelly & Erickson, 2004; Narver & Slater, 1990). Aforementioned, knowledge is rising from data analyzing and information linkage (Dalkir, 2011). Correspondingly, Bhat and Darzi (2016) clarified customer knowledge which had a positive influential effect on customer loyalty and competitive advantage. Customer information exposed customers favor and dislikes, allowing better product innovation and offering product to meet customer needs, integration of customer information consistently has the impact on firm performance (Carbonell et al., 2009). Moreover, Jayachandran et al., (2004) presented the customer knowledge process which had a positive impact on customer response capability and firm performance. An understanding of customer desires required a strongly knowledge generating to explain the main characteristic of customers interactions. Likewise, an integrated customer database of organization that rises the greater understandings of hidden and expressive customer needs enhance marketing opportunities and benefits to provider in expressing faster responses to the market (Schoenherr & Swink, 2015). Hence, the hypotheses are proposed as follows:

*Hypothesis 1: Customer databases orientation will have a positive influence on (a) customer response, (b) market fulfilment, (c) marketing advantage, and (d) marketing profitability.*

### **Market information capability**

An evaluating potential customer is consisted of data, information, knowledge, and ability to gather and

analyze. The data and information are the fundamental of knowledge. Likewise, Kandemir (2005) defined market knowledge as organized and structured information about the market related to customers, competition, marketing channel partners, and market trends and events. The market knowledge competence arises from collecting market information, sharing it among organizational members. In this research, market information capability is defined as the ability to explore, accumulate, analyze, exploit data of potentials customer and overall market for effective marketing plan to expand and accommodate new customers in a timely manner (Theodosiou & Katsikea, 2013; Moorman, 1995). Besides, Kandemir (2005) found that the market information was contributed to firm's market knowledge competence, and it had a positive impact on customer performance. Likewise, Meunier-FitzHugh and Piercy (2006) also suggested organization benefited from effective processing systems and feedback information enhance marketing competitive. Aforementioned, quality of market (potential customers) information might critical impact on marketing advantage and performance. Hence, the hypotheses are proposed as follows:

*Hypothesis 2: Market information capability will have a positive influence on (a) customer response, (b) market fulfilment, (c) marketing advantage, and (d) marketing profitability.*

### **Competitor insight competency**

Competitor insight competency is defined as the ability of firm to track, analyze, predict competitor's information and create networks to exchange competitor's information

(Narver & Slater, 1990; Bierly & Hämmäläinen, 1995). The firms should acquire competitors information and coordinated across departments (Narver & Slater, 1990). The firm focuses on knowing insight competitor will enhance marketing plan and firm performance. Competitive intelligence is a part of marketing intelligence that emphasize on competitors and competitive environment (Valeriu, 2014). Competitor insight deals with the requirement to gain information about competitors. The usage of competitor information includes optimizing prices, expanding product lines to cover unserved market, improve service, and obtain market share. The main goals of the competitors knowledge is acknowledge the early warning and prevention of surprises that can have a major impact on the market share, reputation, turnover, and profitability. Additionally, Hernandez et al., (2015) indicated that the benefit of rivals and business partner as a source of strategic knowledge helped firm generated suitable marketing activities to achieved performance. Hence, the hypotheses are proposed as follows:

*Hypothesis 3: Competitor insight competency will have a positive influence on (a) customer response, (b) market fulfilment, (c) marketing advantage, and (d) marketing profitability.*

### **Service innovation focus**

Innovation can arise when the market requirements a new things, demand-pull, or the ideas of firms (Hjalager, 2010). Besides, incremental innovations are continuous improvements which frequently happen in the service business, whereas radical innovation is a technological revolution happening in intense situations when new services

replaced (Carlisle et. al., 2013). Marketing intelligence related to marketing knowledge, which derived from data and information analyzing process, comparing and linked experiences, and benefits to implementation (Dalkir, 2011). Service innovation focus is refer to the concentration of a firm to acquire and assimilate knowledge, transform it into new, unique abilities and ideas, and produce these ideas by first generating and commercializing new or improved service (Hjalager, 2010; Branzei, & Vertinsky 2006). Innovation in tourism service context is about novelty, in terms of travel destinations service protocol and service processes (Hjalager, 2010). Moreover, Golestan and Mashhadi (2016) suggested innovation service process which regarding knowledge-based activities consist sourcing, receive, sharing and evaluation. Besides, service innovation has positive effect on the firm performance under sufficient existing knowledge (Evanschitzky et. al, 2015). Hence, the hypothesis is proposed as follows:

*Hypothesis 4: Service innovation focus will have a positive influence on (a) customer response, (b) market fulfilment, (c) marketing advantage, and (d) marketing profitability.*

### **New marketing tool implementation**

New marketing tool implementation is defined as an adaptation of the firm to execution of freshness marketing's techniques and instrument with appropriate and efficiency for marketing operations (Sashittal & Jassawalla, 2001). The application of new marketing tools regard to the implementation of

emerging one and adjustments from exiting tool implementation likes the concept of incremental and radical innovation. Besides, Zampetakis et al., (2014) mentioned about marketing program implementation effectiveness depended on the novelty of marketing program and creative climate that organization encouraged employees to design and apply. Marketing tool is technique and material that helps business archive their marketing goals (Thapa & Verma, 2014). Additionally, Huang and Chang (2014) presented that the adaptation technology e-health as a marketing tool would increase customer satisfaction by reducing a waiting time and response their demands as quickly, reducing a service cost and achieving operational goals that enhance firm performance. Moreover, Vavrečka, and Mezulánik (2015) suggested that interacted with tourist through digital communication tool rose service efficiency, it helped to response quickly by comprehensive information and collecting feedback as information for service improvement. As discussed above, the hypothesis is proposed as follows:

*Hypothesis 5: New marketing tool implementation will have a positive influence on (a) customer response, (b) market fulfilment, (c) marketing advantage, and (d) marketing profitability.*

## Customer response

Customer response was associated with the activities to provide added value for customers such as the adaptation of the product or service, solutions for customer problems, and built the relationship with

the customer (Pehrsson, 2011). Additionally, customer response was involved a focus on customers by identify, analyze, and answering their needs (Johnson et al., 2003). Customer response was referred to the strategic action of firms which immediately responded to currently customers' needs by accurately offering products and services value within an appropriate time (Lee & Lin, 2005).

The firms that had ability to quickly customer respond and helpfulness services allowed the firm to produce difference service, maintain existing customer loyalty and provided extends service value (Lee & Lin, 2005). Additional, Lu and Yang (2010) suggested that customer response capability of firm could reduce a crucial cost and time. Likewise, Jayachandran, et al., (2004) proposed that customer satisfaction was rising from effective and customer response speed, enhanced organization performance. Additional, timeliness customer response could provide good reputation over competitors and enhance competitive advantage (Lu & Yang, 2010). Thus, hypothesize the relationship as follows:

*Hypothesis 6: Customer response will have a positive influence on (a) marketing advantage, and (b) marketing profitability*

## Market fulfillment

Customer needs response was a worthy ability for the reason that they allowed the firm to monitor and shifting customer requirements encountered and immediately replies to that which delivered value fulfillment

(Waranantakul & Ussahawanitchakit, 2012). Furthermore, Chuwiruch et al., (2015) described about customer needed fulfillment as a capability of the firm to analyzing with properly and immediately, understood, and reacted to customers desire by new products or services proposing that value added in to require customer satisfaction. According to Kohli and Jaworski (1990) mentioned that customer fulfillment could generate greater valuable customer leading to growing of competitive advantage by offering product/service that dissimilarity to meet their unaware demanding. This research is extended to market fulfillment that is defined as the organization offerings and delivers the value of services or products to cover unserved market and hidden desire by fully response the overall market needs, to prevent the new entry and increase the market share. Additional, Dolnicar (2008) also provided the firm should emphasize of market segmentation that can use to strengthen their competitive advantages by analyzing the tourists and divided into a subgroup to helps firm aware tourist needs that not been responded, then selecting suitable tourist group and offering consistent new/distinct service to fulfill their needs. Thus, hypothesize the relationship as follows:

*Hypothesis 7: Market fulfilment will have a positive influence on (a) marketing advantage, and (b) marketing profitability.*

## Marketing advantage

In this research, marketing advantage is defined as the firm's position that gets the trust of customers, accessible and

distinctive image of service offerings with lower cost than competitors' position (Kotler & Keller, 2009). Correspondingly, marketing advantage can be described as new products/service included high quality and reasonable price, outstanding quality including modern innovation, unique, and good reputation over its competitors (Thipsri & Ussahawanitchakit, 2008). Furthermore, Morgan (2012) described a firm positional advantage that can be obtained from comprehensive product/service-based such offer differ value of product/service including pre-after sale, price-based such lower service offering price, such as trusted brand image, quality reputation, and organization image, delivery-based such as product/service availability and accessibility. Moreover, Hendar et al., (2017) mentioned the position of the firm that had seen as the excess over market share or profits in comparison to the competitors that had a positive influence effect on marketing performance. Thus, hypothesize the relationship as follows:

*Hypothesis 8: Marketing advantage will have a positive influence on marketing profitability*

## Marketing profitability

Marketing profitability is defined as the position of the firm related to any operational outcome that shows marketing achievement of the firms including sales growth, market share, and overall profits (Narver & Slater, 1990). The profitability has measurement by allocation of revenues and costs to customer segments or individual customers, such the profitability of those segments and/or individual customers



can be calculated (Van Raaij et al., 2003). Likewise, firm performance that can be measured in two aspects comprehensive of subjective form are non-financial measure such customer satisfaction and loyalty, corporate image, and firm reputation; and the objective form financial measure such sales growth, and market share (Lahiri et. al., 2009). Correspondingly, the marketing profitability measure should capture firm performance at both current and future levels.

## Research methodology

The population consisted of outbound tourism businesses in Thailand with effective license totaling 1,359 firms chosen from website of division of tourism business and guide registration, Tourism Authority of Thailand. The sample size was 289 firms by using formula calculation of Cohen (1988). Moreover, the constructs in the conceptual model were evaluating each of which measures item a five-point Likert scale, ranging from 1 = strongly disagree, to 5 = strongly agree. All constructs were developed for measuring from the definition of each, as well as from previous literature reviews. The questionnaire were checked by two experienced academics before data collection. Moreover, to ensure the construct validity, the size of the factor loading of all variables are ranged from 0.64 – 0.98, which are greater than 0.50 cut-off score and statistically significant (Hair et al., 2010). The Cronbach's alpha coefficient are presented ranged from 0.704 – 0.921 that are greater than 0.70 to confirm the internal consistency of the measures which were used in this

research (Nunnally & Bernstein 1994; Hair et al., 2010). The data collection was around eight weeks. The questionnaires mail were sent to 1,359 marketing executive/marketing manager of outbound tourism firms. A telephone call was used as the follow-up method after two weeks for increasing the response rate. The total returned usable questionnaires after removing incomplete questionnaires were 274 represented response rate 20.16%. The received questionnaires were separated into two equal as first and second groups, and test the difference. The results provide that statistically significant difference not occur between the two groups. Thus, nonresponse bias does not pose a significant problem in this research.

## Results and discussion

The Ordinary Least Squares (OLS) regression was employed in this research to examine the hypothesized relationships. Correspondingly, the regression equation is a linear combination of the independent variables that best explains and predicts the dependent variable. The results of the correlation analysis present that the inter-correlation coefficient is 0.241 - 0.693 which does not exceed 0.80 (Hair et. al., 2010). Moreover, the correlation in Table 8 also shows that the maximum value of VIF is 2.413, which is lower than the cut-off score of 10 (Hair et. al., 2010). Both correlations and VIF ensure the non-existence of multicollinearity problems.

The result of the OLS regression analysis are clarified in Table 2. Firstly, the results presented that customer database orientation (CDO) is significantly and



positively related to marketing profitability (H1d:  $\beta_{26} = 0.289$ ,  $p < 0.01$ ). The customer knowledge process enhances customer response capability which reflects to customer response speed and organization performance (Jayachandran et al., 2004). **Thus, Hypothesis 1d is supported.**

However, customer database orientation has insignificant effect on customer response (H1a:  $\beta_1 = -0.111$ ,  $p > 0.05$ ), market fulfillment (H1b:  $\beta_8 = -0.050$ ,  $p > 0.05$ ) and marketing advantage (H1c:  $\beta_{15} = 0.100$ ,  $p > 0.05$ ). The performance of the service firms depend on ability of human resource and environment

(Geetha et al., 2017). The firm has limited resource and budget that does not have an ability to rise better outcomes. Also, the management of customer database relies on technology and analytical skills to make the data effectively which require both times and budget. The customer portfolio can be seen as the database of the firm; it can rise customer value and also increase serving cost (Thakur & Workman, 2016). The firm has information about customers but lack of analysis skills, and budget may not be effective. **Thus, Hypotheses 1a, 1b, and 1c are not supported.**

**Table 1** Descriptive statistics and correlation matrix of marketing intelligence strategy and all constructs

Variables	CDO	MIC	CIC	SIF	NMTI	CR	MF	MA	MP	FA
<b>CDO</b>	1.000									
<b>MIC</b>	.663**	1.000								
<b>CIC</b>	.578**	.576**	1.000							
<b>SIF</b>	.549**	.576**	.561**	1.000						
<b>NMTI</b>	.467**	.513**	.457**	.686**	1.000					
<b>CR</b>	.241**	.294**	.340**	.421**	.410**	1.000				
<b>MF</b>	.244**	.196**	.463**	.418**	.471**	.572**	1.000			
<b>MA</b>	.318**	.235**	.360**	.418**	.464**	.571**	.687**	1.000		
<b>MP</b>	.475**	.334**	.401**	.511**	.438**	.511**	.584**	.693**	1.000	
<b>FA</b>	-.060	.018	-.010	-.102	-.281**	-.170**	-.089	-.101	-.076	1.000
<b>FS</b>	.090	.015	-.074	.167**	.193**	.114	.035	.147*	.163**	.201**

\*  $p < 0.05$ , \*\*  $p < 0.01$

Secondly, it is found that market information capability (MIC) has significantly and positively related to market fulfillment (H2b:  $\beta_9 = 0.270$ ,  $p < 0.01$ ) and marketing advantage (H2c:

$\beta_{16} = 0.180$ ,  $p < 0.05$ ). This result demonstrated that firms use market information to understand potential customer and provide service to fulfill their needs. Market information is

contributed to firms' knowledge competence and influence on customer performance (Kandemir, 2005). The effective processing systems can benefit the firm by feeding back market information and effect to highly marketing competitive advantage (Meunier-FitzHugh & Piercy, 2006). **Thus, Hypotheses 2b and 2c are supported.**

However, market information capability has no significant effect on customer response (H2a:  $\beta_2 = 0.066$ ,  $p > 0.05$ ), and marketing profitability (H2d:  $\beta_{27} = -0.144$ ,  $p > 0.05$ ). The firms that focus on potential customer and new market may not affect exiting customer response. Also, the firm that has potential of market information and ability to provide a new service to new market that may affect the investment and not generate short-term marketing profitability. The firm which lacks of information technology and human resource analytical skills may not enhance firm performance (Mao et al.,

2016). Thus, **Hypotheses 2a and 2d are not supported.**

Thirdly, the result found that competitor insight competency (CIC) has significant positive related to customer response (H3a:  $\beta_3 = 0.192$ ,  $p < 0.01$ ), market fulfillment (H3b:  $\beta_{10} = 0.402$ ,  $p < 0.01$ ), and marketing advantage (H3c:  $\beta_{17} = 0.194$ ,  $p < 0.01$ ). The competitors' information helped to evaluate the competitors' capabilities and then designed strategies to prevent market and serve customer demand (Valeriu, 2014). The competitor insight related to the data collection and information analysis helped the firm to develop strategy and enhanced competitive advantage (Rittenburg et al., 2007). Moreover, competitor information was caused a new product/service launching success by improving product/service innovation to meet market demand (Schoenherr & Swink, 2015). **Thus, Hypotheses 3a, 3b, and 3c are supported.**

**Table 2** Results of the relationships among marketing intelligence strategy and its consequences

Independent Variables	Dependent Variables					
	CR	MF	MA	MA	MP	MP
CDO (H1a-d)	-.111 (.078)	-.050 (.072)	.100 (.075)		<b>.289**</b> (.072)	
MIC (H2a-d)	.066 (.081)	<b>.270**</b> (.074)	<b>.180*</b> (.078)		-.144 (.074)	
CIC (H3a-d)	<b>.192**</b> (.074)	<b>.402**</b> (.069)	<b>.194**</b> (.072)		.112 (.069)	
SIF (H4a-d)	<b>.212*</b> (.083)	.121 (.077)	.127 (.081)		<b>.277**</b> (.077)	
NMTI (H5a-d)	.138 (.082)	<b>.385**</b> (.076)	<b>.319**</b> (.080)		.115 (.076)	
CR (H6a,b)				<b>.242**</b> (.052)		<b>.120*</b> (.055)
MF (H7a,b)				<b>.540**</b> (.051)		<b>.172**</b> (.061)
MA (H8)						<b>.494**</b> (.062)
FA	<b>-.275*</b> (.121)	.086 (.111)	-.400 (.117)	-.066 (.087)	-.021 (.111)	-.009 (.088)
FS	.212 (.122)	-.061 (.112)	.149 (.119)	.219 (.088)	.165 (.113)	.145 (.090)
Adjusted R <sup>2</sup>	<b>.218</b>	<b>.331</b>	<b>.252</b>	<b>.523</b>	<b>.325</b>	<b>.508</b>
Maximum VIF	<b>2.413</b>	<b>2.413</b>	<b>2.413</b>	<b>1.553</b>	<b>2.413</b>	<b>2.126</b>

\*  $p < 0.05$ , \*\*  $p < 0.01$

However, competitor insight competency has no significant effect on marketing profitability (H3d:  $\beta_{28} = 0.112$ ,  $p > 0.05$ ). Information about the competitor may not affect the profitability of the organization, because tracking the competitors shows that firms are followers. Additionally, Desai (2013) presented the market followers concentrated on a smaller segment of the market may cause the budget then decreased the firm performance. Also,

Geyskens et al., (2002) indicated that leader firms with a few direct channels were expected to achieve greater gains in financial performance than follower with a broader channel. **Thus, Hypothesis 3d is not supported.**

Fourthly, it is found that service innovation focus (SIF) has significant positive related to customer response (H4a:  $\beta_4 = 0.212$ ,  $p < 0.05$ ) and marketing profitability (H4d:  $\beta_{29} = 0.277$ ,  $p < 0.01$ ). Service innovation has a positive impact

on market orientation which emphasis on customers' requirements and response (Alam, 2007). Service innovation effects on the improvement of the firm performance under sufficient existing knowledge (Caminsón & Monfort-Mir, 2012). Likewise, López and Ramos (2015) suggested that service innovation effects flew through three main channels: costs savings, enhanced productivity, and process which increased firm performance. **Thus, Hypotheses 4a and 4d are supported.**

Nevertheless, service innovation focus has no significant effect on market fulfillment (H4b:  $\beta_{11} = 0.121$ ,  $p > 0.05$ ) and marketing advantage (H4c:  $\beta_{18} = 0.127$ ,  $p > 0.05$ ). This result demonstrates that firms are used to focus on service innovation may rise the cost which has decreased impact to competitive advantage. The customer is an important part of building service innovation by service co-creation and information source (Evans, 2016). Accordingly, Evanschitzky et al., (2015) were mentioned the successful innovations must provide positive benefits as compared to the costs. Additionally, customers required for participate in service process, reduced the likelihood of continuous use of service innovation. **Thus, Hypotheses 4b and 4c are not supported.**

Fifthly, the result found that new marketing tool implementation (NMTI) is significant positive related to market fulfillment (H5b:  $\beta_{12} = 0.385$ ,  $p < 0.01$ ) and marketing advantage (H5c:  $\beta_{19} = 0.319$ ,  $p < 0.01$ ). The ability of the firms to adapt technology tools in their works increased service performance (Huang & Chang, 2014). Likewise, Popa et al., (2016) suggested that online marketing

tools have attracting prospect customers and developing relationships with potential customers. New marketing tool implementation reaches for marketing advantage by adapting new tool that enhances lower cost service and creates differentiate by technology marketing tool. **Thus, Hypotheses 5b and 5c are supported.**

On the contrary, new marketing tool implementation has no significant effect on customer response (H5a:  $\beta_5 = 0.138$ ,  $p > 0.05$ ) and marketing profitability (H5d:  $\beta_{30} = 0.115$ ,  $p > 0.05$ ). The adaptation of new marketing tools require more time, knowledge, skill and budget at the beginning compared to those that are non-virtual (Galati et al., 2017). Additional, Wang et al., (2017) mentioned employees in service business most required professional knowledge and skill to prepare a delightful service applying. **Thus, Hypotheses 5a and 5d are not supported.**

Lastly, the customer response is significant positive related to marketing advantage (H6a:  $\beta_{22} = 0.242$ ,  $p < 0.01$ ), and marketing profitability (H6b:  $\beta_{33} = 0.120$ ,  $p < 0.05$ ). The customer response capability of the firm reduced a crucial service cost and time. The rapid respond and helpfulness services to customers allow an organization to differentiate its product and service from competitors, maintain customer loyalty and extend the value provided to customers (Lee & Lin, 2005). **Thus, Hypotheses 6a and 6b are supported.**

Moreover, the analyses indicate that market fulfillment has significant positive related to marketing advantage (H7a:  $\beta_{23} = 0.540$ ,  $p < 0.01$ ) and marketing profitability (H7b:  $\beta_{34} = 0.172$ ,  $p < 0.01$ ). The firms have provided

new alternative service choices to the market raising more market share and customer satisfaction (Mol et. al., 2012). Furthermore, the firms strengthen their competitive advantages by analyzing customers' needs, and offering consistent new/distinct service to fulfill customer needs and enhance service performance (Dolnicar, 2008). **Thus, Hypotheses 7a and 7b are supported.**

Additionally, the analyses indicate that marketing advantage has significant and positive related to marketing profitability (H8:  $\beta_{35} = 0.494$ ,  $p < 0.01$ ). These findings suggested that marketing profitability can be derived from marketing advantage. The marketing advantage can be obtained from product/service-based such offer different value of product/service or lower price (Morgan, 2012). The position of the firm that superior to competitor in market share or profits, rise marketing performance (Hendar et. al., 2017). **Thus, Hypotheses 8 is supported.**

## Conclusions

The aim of the research is to contribute to the empirical examination of the relationships among marketing intelligence strategy, customer response, market fulfillment, marketing advantage, and marketing profitability of tourism business in Thailand. The results presented that marketing intelligence strategy has a crucial role on customer response, market fulfillment, marketing advantage and marketing profitability. However, some dimension of marketing intelligence strategy has not effects on outcomes. The development of customer databases, market information, analysis

and implementation of service innovation rises cost, and requires more time and human resources skills.

## Research contributions

Marketing intelligence used to consider as an operational system whereas this research respect marketing intelligence as the ability of the firm which allowed a business to achieve marketing advantage and led to marketing performance. The findings revealed that the competency of competitor information had an effect on the speed of customer response, provided a service to unserved market, and increased marketing advantage. Moreover, this research presented the interesting dimension such service innovation focus as a part of marketing intelligence explained by knowledge and information that rose through service innovation process.

The research findings have managerial implications for marketing practitioners who are responsible for marketing strategic planning in capability development of organizational. First of all, this research benefits the marketing executives to identify and justify the key components of marketing intelligence strategy that may be more crucial in a severe competitive. The results of this research recommend components of marketing intelligence strategy which are the key components for enhancing the outcomes which included customer response, market fulfillment, marketing advantage, and marketing profitability. Surely, the marketing executives should concentrate on competitor insight competency, service innovation focus and new marketing tool implementation, because these are the significant factors



of marketing intelligence strategy. Especially, competitor insight competency is the ability of firm to track, analyze, predict competitor's information and create networks to exchange the competitors information that helps to evaluate the capabilities of competitors in the market, legally and ethically, and enhance response strategies to prevent market and serve customer demand. Small and medium-sized businesses like tourism business, need to focus on study and analysis information about their competitors and build information exchange network, because they can adjust strategy to fit the situation. Additionally, service innovation focus is concentration of a firm to acquire and assimilate knowledge, transform it into new, unique abilities and ideas, and produce these ideas by first generating and commercializing new or improved service to response customer. Service organization such tourism firm should emphasize on create a new service that helps to deliver better service and expand the channel. Moreover, new marketing tool implementation is an adaptation of the firm to execution of new marketing's techniques and communication instrument with suitable and efficiency to service operations. The knowledge to exploitation new marketing tool of the firm can enhance better marketing process and reduce error to response customer demand.

The nature of tourism industry depends on the environment which constantly changing and hard to control. The firm that have the marketing data and information analysis skills will help businesses adapted to the situation. For example, marketing intelligence enhances the firm ability to develop a

tour program related to tourists' behavior and environment changes. It leads the firm to generate a marketing profitability. This research result can be gained many important insights for managerial contribution. The firm's marketing executive particularly in the outbound tourism business in Thailand understand how their firm can create capability propositions to enhance marketing advantage, and achieve better marketing profitability.

## Directions for future research

The finding of this research indicate that the need for further research is apparent. Firstly, this research was collected data only from tourism business in Thailand. The future research could investigate the effect of marketing intelligence strategy and marketing profitability in the different businesses such as consumer goods businesses, to understand how this strategy works in tangible product businesses. Additionally, further research using multiple businesses samples would strengthen the generalizability of results. Secondly, this research only used questionnaires to collect the data and was explored through a cross-sectional survey. The limitation of data collected raise to a precise moment in time, and lack of in-depth information and tactic, it would be beneficial to brings a longitudinal study to examine how strategy modifications to the firm and changes. Moreover, further research with qualitative methods such as case study and in-depth interview would extend the interestingness and in-depth information. Lastly, the nature of tourism



and services are intangible and difficult to control, it depends on the environments more than tangible products. The further research could

compare service and consumer goods businesses would deliver an interesting results of marketing intelligence strategy.

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