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Marketing management and its impact on the financial performance of a sample of private banks in Iraq

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Abstract
The study aims to address a series of issues, including (Is there an influence of marketing management on financial performance in private banks?). What is the nature of that impact? Was the influence bad or positive? The significance of research is highlighted by understanding and measuring the extent of the impact of marketing management on the financial performance of Iraqi private banks, and these data highlight the importance of analyzing the relationship between marketing management and the financial performance of a sample of Iraqi private banks. The study began with the premise (that there is a statistically significant association between marketing management and the financial performance of a sample of Iraqi private banks). To test the study hypothesis, the statistical model was estimated using a basic autoregressive model. He came to a number of findings, the most important of which was that the results of the multiple linear regression analysis revealed a statistically significant influence link between the independent variable (marketing management) and the dependent variable (financial success).

Keywords: Influence, management, marketing management, performance

1. Introduction
Management of institutions, organizations, and businesses, whether public or private, strives to continuously improve their financial performance in order to sustain the benefits of (survival, competitiveness, and expansion). To obtain these benefits, their financial performance must be consistently profitable as a result of their actions, which cannot be done. Except for expanding its revenues over its expenditures, which is likewise accomplished by increasing the amount of its sales of products and services. since a result, the management of institutions and organizations, among other things, must pay close attention to the marketing component, since it is responsible for promoting the institution or organization's goods and services and thereby optimizing its sales volume.

1. The importance of research:
The relevance of research is shown by understanding and quantifying the amount of marketing management's influence on the financial performance of Iraqi private banks.

2. Research problem
The research problem is identified by asking the following questions:
- Is there an impact of marketing management on the financial performance in private banks?
- What type of effect is that?
- Was the effect negative or positive?

3. Research hypothesis
The study is based on the hypothesis that: There is a statistically significant association between marketing management and financial performance in a sample of Iraqi private banks.

4. Research aims

This research aims to do the following

- Getting to know marketing management in terms of concept, indicators, importance.
- Identifying financial performance in terms of concept, indicators, and goals.
- Measuring and analyzing the extent of the influence of marketing management on the financial performance of a sample of private banks in Iraq.

5. Research method

Statistical programs were used to combine the theoretical (descriptive) and quantitative methods in the investigation.

6. Temporal and spatial limits of research

- **Time limits:** Duration (2023).
- **Spatial boundaries:** A sample of private banks in Iraq (Gulf Bank, Sumer Bank, Baghdad Bank).

The first section: The theoretical framework of marketing management

First: The concept of marketing management

To accomplish the objectives of the organization, marketing management is the process of organizing, planning, carrying out, monitoring, assessing, and assessing all marketing-related operations. This has to do with figuring out how the business can effectively and profitably address the demands of the market and customers (Al-Salman, 2018, p. 12) [1].

Second: Objectives of marketing management

Through marketing management, businesses or organizations may accomplish a number of objectives, such as (Al-Abbasi, 2020, p. 25) [2]:

1. **Profit generation**: This is achieved by improving sales and increasing revenues.
2. **Customer satisfaction:** It is achieved by meeting the needs and expectations of customers.
3. **Brand building**: This is done by promoting and building a strong brand identity.
4. **Improving the competitive position:** This is done through innovation and improvement of products and services to be better than competitors.
5. **Expanding the market:** This is done by searching for new opportunities and expanding the scope of work.

Third: Roles of marketing management

Marketing departments in firms or organizations perform several functions, such as those listed below (Al-Aboudi, 2010, p. 16) [3]:

- **Market analysis:** This is done by studying customer needs and identifying opportunities and threats in the market.
- **Developing strategies:** This is done by developing strategies to achieve marketing goals.
- **Product development:** This is through improving products or launching new products.
- **Determining the price:** This is done by determining pricing strategies based on market analysis.
- **Developing communications:** This is through creating effective advertising, advertising and marketing campaigns.
- **Managing relationships with customers:** This is done by building and maintaining good relationships with customers.

Fourth: Marketing management tools

Specialized departments can handle marketing activities using a variety of instruments, such as these (Al-Anazi, 2015, p. 77) [4]:

1. **Market research:** By collecting and analyzing data about customer behavior and market trends.
2. **SWOT analysis:** by evaluating the strengths, weaknesses, opportunities and threats.
3. **Marketing plans:** This is done by developing plans to achieve goals and allocating resources.
4. **Customer relationship management system:** This is done by tracking and managing customer interactions
5. **Social media:** Using social media to interact with the public.

Fifth: Marketing management challenges

Marketing departments in businesses encounter a variety of difficulties since the corporate environment is so large and modern in this era of rapid development based on electronic visualization (Al-Abrash, 2019, p. 37) [5]:

1. **Technological changes:** This means the need to keep pace with technological developments and artificial intelligence.
2. **Intense competition:** It means competing in a large, diverse and constantly evolving environment.
3. **Understanding customers:** The challenge means understanding the changing preferences and needs of customers.
4. **Budget management:** This means maintaining a balance between effective marketing and the available budget.

Sixth: Stages of the marketing process

Marketing processes go through many stages, which are (Al-Jubouri, 2011, p. 48) [6]:

- **Market and environment analysis:** by understanding the external and internal factors.
- **Developing strategies:** This is done by developing plans to achieve marketing goals.
- **Implementing strategies:** This is where marketing plans and campaigns are implemented.
- **Monitoring and evaluation:** This involves monitoring performance and evaluating results.

Seventh: Marketing management strategies

There are many strategies through which marketing management is applied, including (Al-Halabi, 2018, p. 15) [7]:

- **Market Research:** (Market Research) is concerned with collecting and analyzing data about the market and customers to understand their needs and desires, and this helps in making better decisions about products and services.
- **Targeting and Positioning:** Identifying a specific category of customers as a target for marketing, and developing strategies to differentiate the product or service in the minds of customers.
- **Product Development:** Product Development, it includes the processes of producing and improving products or services based on customer needs and market aspirations.

- **Digital Marketing:** This is through the use of digital means such as social media and online advertising to interact with customers and promote products or services.
- **Brand Management:** Building and managing brand identity and reputation to ensure product differentiation in the market.
- **Customer Relationship Management-CRM:** It includes using technology to improve the company's interaction with customers and build strong relationships with them.
- **Performance Evaluation and Analysis:** Monitoring the effectiveness of marketing campaigns and analyzing the results to make data-based decisions.
- **Preparing marketing plans:** Marketing planning developing marketing strategies and plans that achieve the goals of the institution or company in the short, medium and long term.

The second section: The theoretical framework of financial performance

First: The concept of financial performance

The phrase "financial performance" refers to the financial elements of an organization, institution, or company's performance. Numerous components and indicators make up financial performance, which aids in assessing the stability and robustness of the organization's financial condition. The following are some key ideas about financial success (Al-Jalili, 2009, p. 72) [8]:

- **Total revenues:** These are the financial amounts that the company achieves from its sales or services.
- **Net profit:** It is the difference between the company's total revenues and its total costs. Net profit represents the actual profit remaining after deducting the total costs.
- **Earnings before interest, taxes and extinction:** This indicator represents the basic profitability of the company, as it takes into account the profit before deducting interest, taxes and extinction.
- **Profit to revenue ratio:** This percentage expresses net profit to total revenue, and reflects the company's efficiency in managing its costs.
- **Debt and equity:** There late to how the company manages its financing, and includes debt and shareholders' equity.
- **Cash flow:** It measures the company's ability to generate liquid cash, which is important to ensure its ability to repay its debts and finance its activities.
- **Returns on Investment (ROI):** It expresses the expected return on investments.
- **Financial liquidity:** It refers to the company's ability to convert assets into cash within a short time.
- **Market value:** This is the company's value based on the market prices of shares.

From what was stated above, we conclude that evaluating financial performance depends on comparing these indicators with the company's previous performance, and comparing them with competing companies in the same industry or activity, and this helps investors and shareholders in making their decisions and reflects the health and sustainability of the entity's financial business.

Second: Indicators for measuring financial performance

A corporation or institution's financial success may be evaluated using a variety of measures. The kind of industry and the analysis's objective determine which indicators are used. Among the metrics by which financial success is assessed are the following (Anouz, 2012, p. 24) [9]:

1. Profit to revenue ratio (profit margin)

- Calculated by dividing net profit by total revenue.
- This indicator reflects the company's efficiency in achieving profits from its sales.

2. Profit to capital ratio

- It measures the company's efficiency in using capital to achieve profit.
- It is calculated by dividing the net profit by the total capital.

3. Return on Investment (ROI)

- It expresses the expected return on investment.
- It is calculated by dividing the net profit by the total assets.

4. Debt to equity ratio (D/E)

- Measures the ratio of debt used compared to shareholders' equity.
- It is calculated when dividing debt by shareholders' equity.

5. Cash flow

- It reflects the company's ability to convert profits into cash.
- Calculated by analyzing cash turnover and whether the company is able to generate enough cash to cover costs and investments.

6. Return on shares (Earnings Per Share-EPS)

- It expresses the expected net profit per share.
- It is calculated by dividing the net profit by the number of shares traded.

7. Ratio of costs to revenues

- It measures the company's efficiency in managing its costs.
- Calculated by dividing total costs by total revenues.

8. Financial liquidity

- It reflects the company's ability to convert assets into cash.
- Calculated by dividing liquid assets by current liabilities.

9. Annual growth rate

- Measures the growth rate of total revenues or profits over a period of time.
- It is calculated by dividing the difference between the current value and the previous value by the previous value and then multiplying the result by 100.

Third: Financial performance indicators in banks

Examining a range of metrics that show the robustness and health of the institution's financial performance as well as the business model is part of assessing the performance of banks. Lists the following typical metrics that may be used to assess how well banks are performing (p. 50):

1. Profit to revenue ratio
- Calculated by dividing net profit by total revenue.
- It reflects the bank's efficiency in achieving profits from its operational activity.

2. Ratio of costs to revenues
- Measures management's efficiency in managing costs.
- Calculated by dividing total costs by total revenues.

3. Debt to equity ratio (D/E)
- Reflects the amount of debt used compared to shareholders' equity.
- It is calculated by dividing debt by shareholders' equity.

4. Liquidity index
- It measures the bank's ability to meet its financial obligations.
- Includes the spot liquidity ratio and the current liquidity ratio.

5. Return on assets (ROA)
- Calculated by dividing net profit by total assets.
- Reflects the efficient use of assets to achieve profits.

6. Return on Equity (ROE)
- It expresses the expected return on shareholders' equity.
- Calculated by dividing net profit by shareholders' equity.

7. Interest to revenue ratio (Net Interest Margin-NIM)
- It measures the bank's efficiency in achieving profits from the interest difference.
- Calculated by dividing interest on loans and investments by total revenue.

8. Non-Performing Loan Ratio
- It expresses the ratio of unrecovered loans to the total loan portfolio.
- It indicates the quality of the bank's credit risk management.

9. Operating efficiency index
- It reflects the bank's efficiency in managing its expenses.
- Calculated by dividing total costs by revenues.

10. Capital to assets ratio
- It measures the health of the bank's capital structure.
- Calculated by dividing total capital by total assets.

Fourth: The relationship between marketing management and financial performance

The relationship between marketing management and financial performance is largely related to how products and services are marketed and how it affects the company's financial returns, and there are some points that clarify this relationship (Al-Taie, 2021, p. 87) [11]:

1. Increase sales
- Improving marketing strategies can lead to an increase in sales.
- Increased sales mean increased revenues, which contributes to improved financial performance.

2. Brand building
- Marketing strategies contribute to building and strengthening the brand.
- A strong brand can positively influence customers' decisions and stimulate more sales.

3. Market analysis
- A good understanding of market needs and expectations can better guide marketing strategies.
- Market analysis can lead to improved guidance and thus improved financial performance.

4. Determine the price
- Pricing policies affect financial returns.
- Setting appropriate prices can increase the company's ability to achieve profit and improve financial performance.

5. Marketing costs
- Marketing budget must be carefully managed to achieve return on investment (ROI).
- Effective marketing costs contribute to improving profit margin and financial performance.

6. Understanding customers
- A deep understanding of customer needs and preferences can lead to the development of better products and services.
- Continuing to meet customers' needs can achieve loyalty and repeat sales.

7. Digital Marketing
- Using digital marketing methods can have a significant impact on financial performance, as the company can reach a wide audience online.
- Understanding the market, analyzing data, improving advertising targeting and improving the quality of products and services, all of these factors contribute to achieving strong and sustainable financial performance.

The third section measures and analyzes the relationship between digital marketing and financial performance for a sample of private banks (Gulf Bank, Sumer Bank, Baghdad Bank)

First: Description of the statistical population

There are one hundred workers of private banks in Iraq (Baghdad Bank, Gulf Bank, Sumer Bank) that make up our statistical community. A sample of those banks' personnel was asked to provide their comments using the questionnaire form; 150 questionnaires total, split into 50 each bank received an equal number of forms, which were distributed on October 15 and collected on October 25, 2023. However, only 100 forms 30 from the Bank of Baghdad, 30 from the Bank (Sumer), and 40 from the Gulf Bank were collected, as many employees of those banks declined to provide their thoughts on the matter.

The form of the distributed questionnaire is as follows:

Questionnaire form

The first axis: Personal information of the participants

1. Name
2. Sex
3. Department/Department

The second axis: Marketing management in the bank

1. How do you evaluate the effectiveness of marketing management at Ahli Bank?

- Excellent
- Good
- Acceptable
- Weak

2. Do you think that the adopted marketing strategies contribute to achieving the bank's financial goals?

- Yes
- No

3. Do you think there is a need to improve some aspects of marketing management in the bank?

- Yes
- No

The third axis: The impact of marketing management on financial performance

1. Did you notice an improvement in the bank's financial performance after implementing marketing strategies?

- Yes
- No
- I don't know

2. Do you think there is a relationship between marketing efforts and increasing revenues for the bank?

- Yes
- No

3. Do you think that customers respond positively to the marketing campaigns carried out by the bank?

- Yes
- No

Fourth axis: Proposals to improve marketing performance

Do you have any suggestions or recommendations to improve the performance of the marketing department in the bank?

As for the variables of the study, only two variables were taken from the answers of the employees of the mentioned banks, which are as in Table 1.

Table 1: Variables of the standard model

Variable name	Code	type
Marketing Management	PL	Independent
The impact of marketing management on financial performance	PG	dependent

Second: Measuring and analyzing the relationship between the independent variable marketing management and the dependent variable financial performance for a sample of private banks using the statistical program (SPSS)

1. Honesty and consistency

A. Constancy: From Table 2, we notice that the value of (Cronbach's Alpha) appeared at (0.414), which is close to (zero), and this indicates that the data of our standard model is little stable.

We also notice from Table 3 that the values of (Cronbach's Alpha) decreased when the variables (PL, PG) were deleted, and this indicates that they are very important variables in the statistical model. As for the variable (GEN), when the aforementioned value was deleted, the value increased, and this indicates there is no effect of (gender) on the statistical model.

Table 1: Show Reliability Statistics

Reliability Statistics	
Cronbach's Alpha	N of Items
.414	3

Table 2: We notice that the value of (Cronbach's Alpha) appeared at (0.414)

Item-Total Statistics				
	Scale mean if item deleted	**Scale variance if item deleted**	**Corrected item-total correlation**	**Cronbach's Alpha if Item Deleted**
GEN	3.1633	.757	.015	.709
PL	3.0816	.509	.366	.080
PG	3.0000	.495	.421	-.028-[a]

a. The value is negative due to a negative average covariance among items. This violates reliability model assumptions. You may want to check item coding

B. Validity: The validity coefficient is obtained by taking the square root of the reliability coefficient. In this case, the value of the validity coefficient is (0.643), which is close to (1). This indicates that our statistical model has high validity in its data.

2. Measures of central tendency and dispersion

Notice from Figure 1 that the number of males in our statistical sample is greater than the number of females.

Also notice from Figure (2) that the number of answers "no" to the second axis (marketing management) is more than the answer "yes".

Similarly note that the number of answers with "no" is more than "yes" on the third axis the impact of marketing management on financial performance.

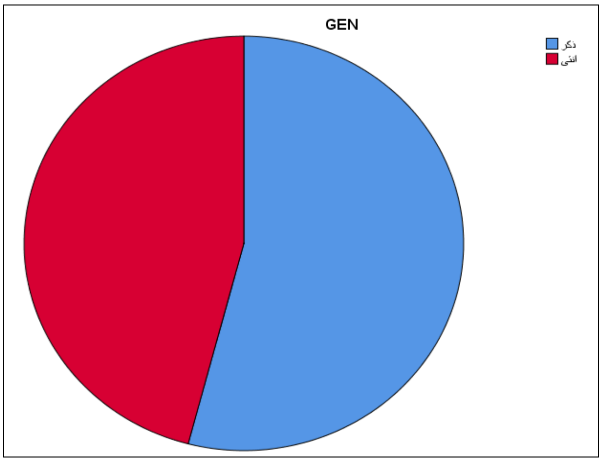

Fig 1: Show the number of males in our statistical sample is greater than the number of females

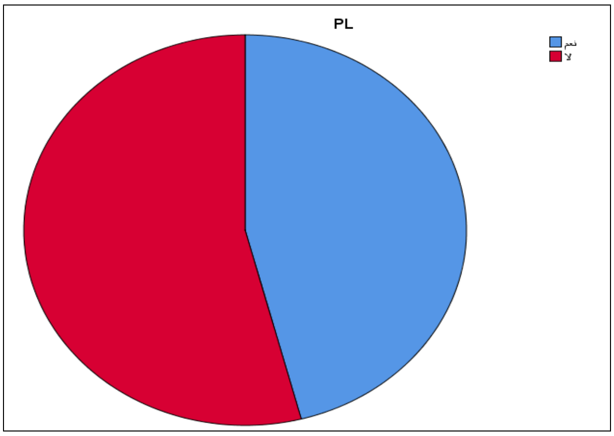

Fig 2: Show the number of answers “no” to the second axis (marketing management) is more than the answer “yes”

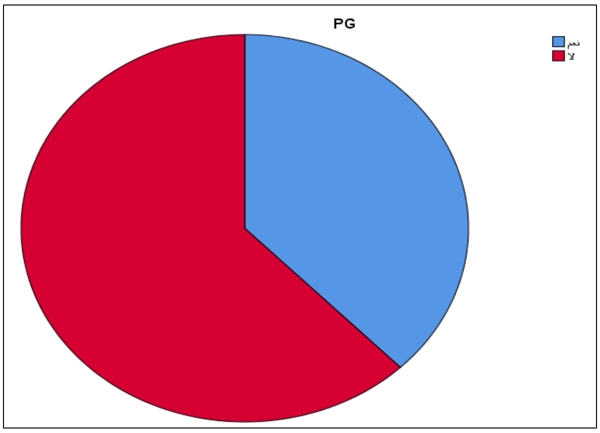

Fig 3: Show the number of answers with “no” is more than “yes” on the third axis the impact of marketing management on financial performance

3. Correlation

It is noted from Table 4 that the value of the correlation coefficient between the independent variable and the dependent variable is (0.550), which is close to (1), and this indicates the existence of a correlation between these variables.

Table 4: That the value of the correlation coefficient between the independent variable and the dependent variable is (0.550), which is close

Correlations			
		PL	PG
PL	Pearson Correlation	1	.550**
	Sig. (2-tailed)		.000
	N	98	98
PG	Pearson Correlation	.550**	1
	Sig. (2-tailed)	.000	
	N	98	98

**. Correlation is significant at the 0.01 level (2-tailed).

Simple linear regression

Notice from Table 6 that the value of (R Square) appeared at (0.302), and this indicates that the independent variable explains (30%) of the dependent variable.

We also notice from Table 7 that the value of (SIG) appeared at (0.000), and it is significant because it is less than (0.05), and this indicates the existence of a relationship of influence of the independent variable (marketing management) (PL) on the dependent variable (impact of marketing management). For marketing on financial performance (PG), this means that we will reject the null hypothesis (the absence of a statistically significant relationship) and accept the alternative hypothesis (the existence of a statistically significant influence relationship between the independent and dependent variables).

We also notice from Table 8 that the value of (SIG) appeared at (0.000) and it is also significant. We also notice that the value of (B) (beta) appeared at (0.535) and this indicates that the independent variable (PL) when changed by one unit, the dependent variable (PG) will increase by (0.535) units.

Table 5: Show the variables entered/removeda

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	PL[b]	.	Enter
a. Dependent Variable: PG			
b. All requested variables entered.			

Table 6: Show the value of (R Square) appeared at (0.302)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.550[a]	.302	.295	.40921
a. Predictors: (Constant), PL				

Table 7: Show the value of (SIG)

ANOVA[a]						
Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	6.955	1	6.955	41.535	.000[b]
	Residual	16.075	96	.167		
	Total	23.031	97			
a. Dependent Variable: PG						
b. Predictors: (Constant), PL						

Table 8: Show that the value of (SIG) appeared at (0.000) and it is also significant

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	.799	.134		5.946	.000	.532	1.065
	PL	.535	.083	.550	6.445	.000	.370	.699
a. Dependent Variable: PG								

Conclusions and Recommendations

First: Conclusions

1. A statistical sample consisting of (100) employees working in private banks (Gulf Bank, Baghdad Bank, Sumer Bank) was taken.
2. A multiple linear regression model was used to measure and analyze the relationship between the independent variable (marketing management) and the dependent variable (financial performance).
3. The questionnaire form was used as an administration to collect information and generate data for the statistical model.
4. The statistical sample data was analyzed using the statistical program (SPSS26).
5. The results of the multiple linear regression analysis were that there was a statistically significant influence relationship between the independent variable marketing management and the dependent variable

financial performance.
6. The research hypothesis was proven, which states (the existence of a statistically significant influence relationship between marketing management and the financial performance of a sample of Iraqi private banks).

Recommendations
1. The need for any organization to pay attention to marketing management because it represents the link between the management of the company and the organization and the customers.
2. The need for any organization to pay attention to collecting information from customers about the extent of their satisfaction with (the type and quality of the goods, the extent of their satisfaction with marketers and the marketing method). This information is called feedback, and it is very useful for the management of the organization or company in order to determine the strengths and weaknesses of its activity and products.
3. The need for organizations and companies to set a specific budget in order to develop the marketing department, through which it is provided with competent human cadres and to constantly train and develop these cadres, in order to ensure a good marketing method for their products, and this matter will be reflected in increasing their sales volume, and thus improving their financial performance.
4. The need for organizations and companies to pay attention to researching information about marketing departments and marketing systems in other organizations and companies, in order to constantly develop their marketing system in order to maintain the advantage of survival, competitiveness and expansion.

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