



The mediation effect of strategic foresight between leadership behavior and tourism marketing strategy

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Abstract

The study aimed to highlight the importance of strategic foresight between the relationship of leadership behavior and tourism marketing strategy in the tourism sector in Iraq. The study followed the descriptive-analytical method through a survey method and data collection using the questionnaire and interview tools. The study population consisted of street vendors in some tourist destinations. A random sample of (71) individuals were selected among them. Appropriate statistical methods were adopted using structural equation modelling. The study reached a number of conclusions, the most important of which is that the use of strategic foresight helps in improving leadership behavior and reflected positively on the strategy of tourism marketing.

Keywords: Structure, concern, development, Structural Equation Modeling, PLS.

Introduction

Tourism plays a crucial role in any country that has the necessary amenities to support such an industry because it can be a significant contributor to the economy by increasing revenues and generating the necessary jobs among other positive factors. For this reason, understanding the key factors that shape or affect the industry is vital because this can help influence the success or failure of a particular sector (Abuhjeeleh et al., 2019). One area of particular interest in the tourism industry is the notion of souvenir street vendors, who are represented as an informal economy. The informal economy, also known as the popular, underground or black economy occupies between 10% and 20% of the total working population in Iraq. Informality responds to a need for sustenance that has not been possible to cover in the formalized labor market. The ministry of labor and social affairs of Iraq states that it also responds to the high costs of the formalization process of a company, the structural mismatches of labor supply and demand, low productivity and low income of workers (Bahney et al., 2013).

People access this type of economy for various reasons, including the search for a better quality of life for themselves and their families, the entry facilities (since the initial capital is low and



affordable for anyone) (Fiedler et al., 2010), the rapid income they receive in a short time and in some cases because it is their only opportunity to meet their basic needs.

In Iraq, there are factors such as the religious tourism, especially in the middle and south have created multiple opportunities for private work, and here found thousands of opportunities for street vendors can be optimized, especially in times of visits such as the annual Arba'een pilgrimage for Shia Muslims from over the world (Al-Amin, 2010). In this area, street vendors are looking for strategic tools that enable them to lead the business towards a successful marketing strategy (Willard & Hitchcock, 2009). Here emerged many successful strategic tools, which is the most one is strategic foresight (Cook, 2014). Several scholars have addressed strategic foresight with the essence of building the future of the organization (Conway, 2016; Rhisart & Jones, 2016). Typically, a strategy may entail building up individual or organizational competitive advantage or developing skills and competencies hard to copy. Strategic foresight entails future-oriented insights; therefore, it should be considered a key concept in any strategic planning activities. Strategic foresight entails understanding future external changes in relation to internal capabilities and drivers (Durst et al., 2015). Systematic work on strategic foresight requires new skills and operational techniques in all organizational levels. Given that entrepreneurship is comprises of identifying opportunities, innovations, vision, creativity, being proactive and competitive aggressiveness tied with uncertainty, liability, and taking risks in the complex corporate world; integration of strategic foresight management approaches has been found to help an organization avoid a future decline in business (Rostek, 2016). Organizations have adapted to strategic foresight to guarantee the stability of business performance and outcomes including adaptive knowledge, novelty, and ambidexterity and mitigate causes of performance decline.

This paper identifies the mediation effect of strategic foresight between leadership and marketing strategy of street souvenirs vendors.

Theoretical Background

Leadership Behavior

The leader's behavior influences his followers, being the main responsible for their success or failure, who are responsible for helping to achieve the organizational objectives (Lian, & Tui, 2012). In other words, the leader has in his possession the progress of organizations, since they all need someone to be directed. Successful leadership requires that individuals be able to manage their leadership behavior within the team (Houghton et al, 2003), and there is effectiveness for one team (Neck,2010), and that leadership be shared between team members through the distribution of responsibilities and roles in an effective manner, and this leads to shared leadership that promotes individual leadership behavior based on the type of tasks assigned to individuals (Stewart et al., 2011).

Leadership behavior is defined as the planning of the relationship between leadership and the members of the working group and solved the fixation of communication methods and procedures. Through leadership behavior, the leader can achieve the goals of the organization by making specific plans for the required performance and encourage creative ideas. Leadership behavior gained prominence in the mid-20th century, which relied on the leader to understand leadership. The points of classical behavior theory of leadership show three dimensions of structure, concern, and development (Li & Jiang, 2010). The structure indicates that the leader must allocate roles and tasks among followers in a rational and balanced manner, in order to ensure that there is efficiency in performance, and there are no organizational conflicts of authorities.



The concern means it should be a common interest between the leader and the followers, and the appreciation of their achievements, participation, and consultation with all, in order to strengthen the relationship with the followers. Development refers to the organization's approach to sustainable goals, through the adoption of new methods and standards that help innovation and environmental adaptation, and thus reflected on the organizational performance.

Strategic Foresight

Although foresight is a relatively new discipline in the work environment, it has been applied in the world since the beginning of the 20th century (Nelson,2010). The first serious studies on future scenarios began to develop in the United States in the 1920s, but the recession of 1929 and then the beginning of World War II diluted this first attempt to identify future scenarios (Kuosa,2016). At the end of the war, Japan began the search for methodologies that allowed it to reactivate its industry, and re-discovered the prospective, becoming the first country that successfully launched its application in the planning of its manufacturing industry (Martin,2010).

The successful experience of Japan turned the foresight into an essential tool for public policy planning. This is how, since the 1980s, almost all the nations of Europe and Asia have been developing their National Prospective Programs (Jemala,2010). Even the European Union and APEC have Specialized Centers in the formulation and execution of prospective studies: the Institute for Prospective Technological Studies (IPTS) in Seville (Spain) and the APEC Center of Technology Foresight in Bangkok (Thailand), respectively (Kuosa, 2016).

The first multinational company that used one of the foresight methodologies, scenario planning, was the Royal Shell oil company in 1968. Prior to that date, Shell applied only forecasting methods, which prevented them from identifying and interpreting crucial events for their industry like the one in October 1973 in the Middle East, which was later known as "the 1973 oil crisis". By applying perspective techniques, Shell was able to glimpse this undesirable scenario and propose contingency plans that were used at the time. Over the years, it was shown that the use of the prospective "had a fundamental impact on the way in which the company (Shell) as a whole went through the turbulent 1970s and early 1980s."

At present, most of the big international companies, from the automotive companies to the leaders of microelectronics and telecommunications, as well as investment banks and trading companies, employ the prospective for the medium and long term planning of their operations (Martín, 2013).

In his study Kapferer, (2013), termed strategic foresight as a strategy tool that gives a clear picture of the true nature of something in the future. He went ahead and explained that strategic foresight entailed the act of carrying out product testing sessions to clearly evaluate and get a clear insight into a type of product. Hacklin and Wallnöfer, (2012), in their case study on the business model and the strategic foresight, went ahead and explained that foresight is also obtained from people who have the experience, feelings and different backgrounds so as to identify how consumers may respond to a specific product or service offered.

Marketing Strategy

In theoretical terms, the market is affected by the elements of the marketing strategy and the marketing mix (Peter, 1999). On the other hand, the marketing strategy can be thought of as the different plans or courses of action that a company can choose to react to the environmental forces that affect it in order to achieve organizational objectives within a market segment. In



general, the concept of marketing strategy is associated with the elements of the marketing mix that include product, price, distribution, and promotion (Stanton et al., 2004).

Marketing strategy is to establish procedures or methods that lead to the primary goal of increasing sales and achieving sustainable competitive advantage. And it has so many factors (Suriyan et al., 2019), Which is linked to the business model, recognizing factors of its structure such as the market, distribution, and brand. Business model tools generate dynamic operations to trigger strategic marketing response. (Chaffey et al,2009). The marketing strategy is the result of decisions made about how to promote a particular product or service to the target customers. Marketing strategies are used to increase sales, launch new products and generally provide profits for the company, strategies include building and implementing a marketing mix (Varadarajan, 2010). The marketing mix refers to the product, price, packaging, promotion, location or distribution (Stanton et al., 2004).

The marketing strategy includes selling in-place, selling in-store, or choosing a single distribution channel. It's important to determine the right distribution strategy for the business because that's how the product gets to the customer. Promotion strategies can include different tools to attract more attention to the business and attract new customers (Cheney et al.,2015).

Methodology

Once the characteristics of the workers who will be part of the population under study have been decided, the number of workers that need to be included in it must be established. A study can be performed on all available subjects of a labor or business sector, then it will be done in the universe of subjects, that is, a population study. On a representative sample of the reference or target population, with a size large enough to allow knowledge of the event, that is, there will be a minimum sample size to ensure the proper study of the event. When we want to investigate a phenomenon in a given population, it is not necessary to study each and every one of its workers, but rather by analyzing a representative sample, correctly extracted from that group of workers, we can transport our conclusions to all the population under study.

The sample consists of 80 street souvenirs vendors were random selected, The sample was finally composed of 71 people (n = 51 male and 20 female) between 20-30 years (n= 13), between (30-40) years (n=22), between (40-50) years (n=36).

Questionnaire Design

The basic instrument used in the survey investigation was a questionnaire, which we can define as the “document that organizes the indicators of the variables involved in the objective of the survey in an organized way”. From this definition, we can conclude that the word survey is used to name the entire process that is carried out, while the word questionnaire would be restricted to the form that contains the questions that are addressed to the subjects under study. In the questionnaire, you can find different types of questions according to the answer they admit from the respondent, the nature of the content and its function.

The questionnaire consists of four parts, the first part includes the demographic profile, the second one includes the independent variable leadership behavior (LB) with dimensions of (Structure (LB1), Concern (LB2), Development (LB3)), the third part of the questionnaire includes the mediator variable strategic foresight (SF), and finally the fourth part includes the dependent variable marketing strategy (MS). as it shown in figure 1.

Conceptual Framework

Figure 1 shows the study theoretical framework built-in line with the hypotheses formed. LB with dimensions of (LB1, LB2, LB3), have been identified as independent variables, SF has been identified as mediator variables, and MS is tested as a dependent variable.

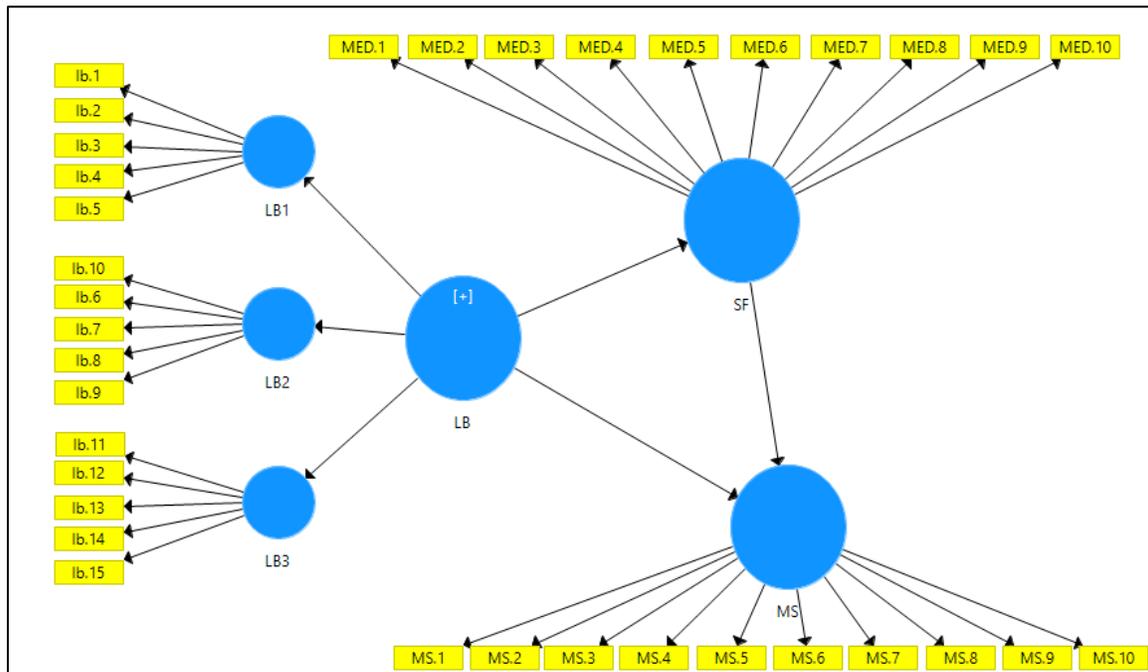


Figure 1. Conceptual Framework

Findings

Correlation

The results of Table 1 show differences in leadership behavior with street vendors when considering leadership behavior as a key variable. In this regard, the main objectives that would explain the assistance to the vendors are weekly and daily purchases, which have similar shares (26% and 34%, respectively). the correlation between LB and MS is (0.434), with a significant result with (sig=0.000), Regarding the sub-dimensions of LB, the results showed that there is a significant correlation between LB1 and MS, the correlation coefficient is (0.278) with (Sig=0.019), which is a statistically significant result. and there is a significant correlation between LB2 and MS, the correlation coefficient is (0.438) with (Sig=0.000), which is a statistically significant result. As for the third dimension LB3, the correlation is significant and the correlation coefficient is (0.334) with (Sig=0.004). As for the relationship between independent variable LB and mediator variable SF, LB is significantly correlated to SF, the correlation coefficient is (0.446) with (Sig=0.000), which is a statistically significant result, Regarding the sub-dimensions of LB, the results showed that there is a significant correlation between LB1 and SF, the correlation coefficient is (0.327) with (Sig=0.005), which is a statistically significant result. and there is a significant correlation between LB2 and SF, the correlation coefficient is (0.476) with (Sig=0.000), which is a statistically significant result. As for the third dimension LB3, the correlation with MS is significant and the correlation coefficient is (0.275) with (Sig=0.020).



Finally, the relationship between SF and MS is statistically significant with a correlation coefficient of (0.798) with (Sig=0.000).

Table 1. Correlation Coefficient Between Variables

Var.		LB1	LB 2	LB 3	LB	SF	MS
LB 1	Cor.	1	.768**	.345**	.869**	.327**	.278*
	Sig.		.000	.003	.000	.005	.019
	SS.	15.887	12.865	5.556	11.436	4.092	3.241
	Cov.	.227	.184	.079	.163	.058	.046
LB 2	Cor.	.768**	1	.335**	.870**	.476**	.438**
	Sig.	.000		.004	.000	.000	.000
	SS.	12.865	17.678	5.691	12.078	6.279	5.389
	Cov.	.184	.253	.081	.173	.090	.077
LB 3	Cor.	.345**	.335**	1	.689**	.275*	.334**
	Sig.	.003	.004		.000	.020	.004
	SS.	5.556	5.691	16.344	9.197	3.486	3.955
	Cov.	.079	.081	.233	.131	.050	.056
LB	Cor.	.869**	.870**	.689**	1	.446**	.434**
	Sig.	.000	.000	.000		.000	.000
	SS.	11.436	12.078	9.197	10.904	4.619	4.195
	Cov.	.163	.173	.131	.156	.066	.060
SF	Cor.	.327**	.476**	.275*	.446**	1	.798**
	Sig.	.005	.000	.020	.000		.000
	SS.	4.092	6.279	3.486	4.619	9.839	7.325
	Cov.	.058	.090	.050	.066	.141	.105

Path Analysis

Table 2 and Figure 2 indicate that there is a direct effect of LB on MS, where the level of direct effect is (0.009), which is not significant because the value of the significance level is (Sig=0.908), and the direct effect of the variable SF on MS is (0.828) and it is significant with (Sig =0.000), and the mediation effect of the SF on the relationship between LB and MS is (0.459) which is significant.

Table 2. Path Analysis Between LB and MS

Path	Effect	Mean	Stdv.	T.Stat	Sig
LB...>MS	0.009	0.013	0.076	0.115	0.908
LB...>SF	0.554	0.565	0.103	5.393	0.000
SF...>MS	0.828	0.842	0.054	15.204	0.000
LB...>SF...>MS	0.459	0.475	0.089	5.144	0.000

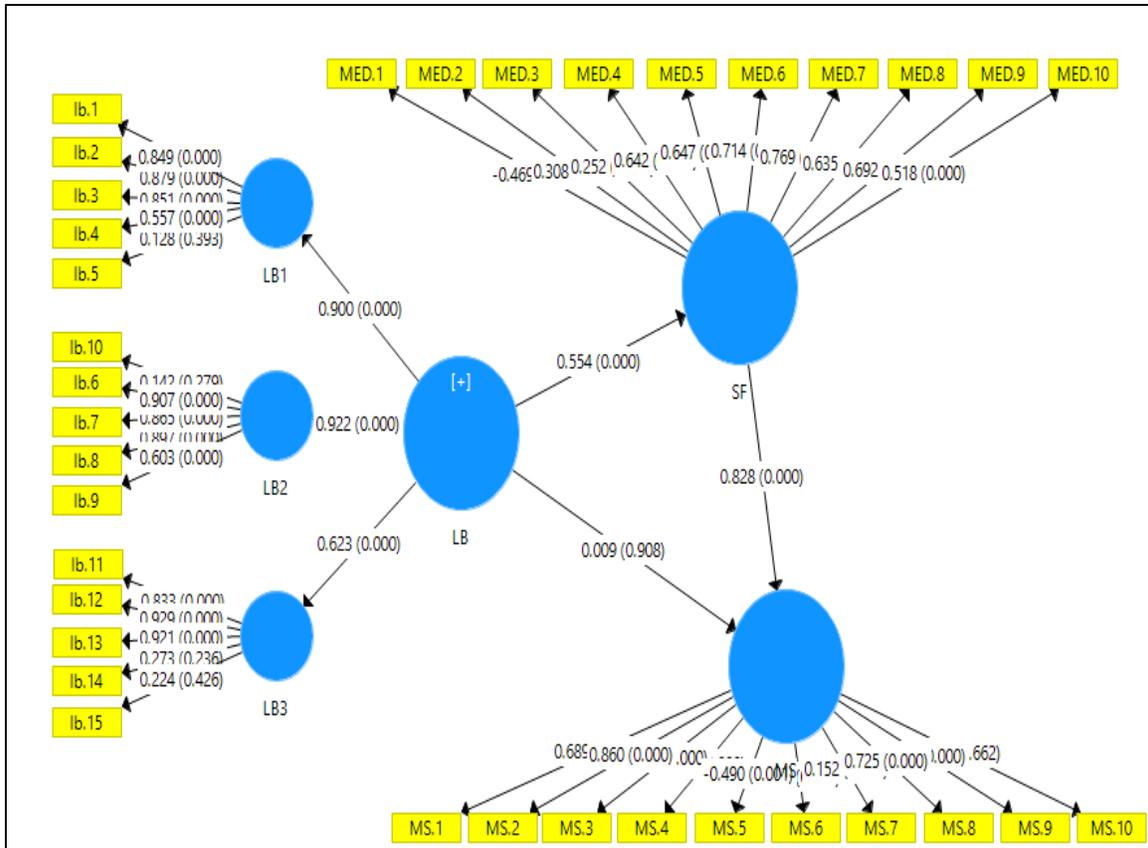


Figure 2. Structural Relationship Between LB and MS

Regarding the sub-dimensions of leadership behavior, the results are as follows:

Table 3 and Figure 3 shows that there is a direct effect of LB1 on MS, where the level of direct effect is (-0.028), which is not significant because the value of the significance level is (Sig=0.746), and the direct effect of the variable SF on MS is (0.849) and it is significant with (Sig=0.000), and the mediation effect of the SF in the relationship between LB1 and MS is (0.366) which is significant.

Table 3. Path Analysis Between LB1 and MS

Path	Effect	Mean	Stdv.	T.Stat	Sig
LB1...>MS	-0.028	-0.013	0.085	0.324	0.746
LB1...>SF	0.431	0.465	0.119	3.611	0.000
SF...>MS	0.849	0.862	0.048	17.660	0.000
LB1...>SF...>MS	0.366	0.401	0.107	3.422	0.001

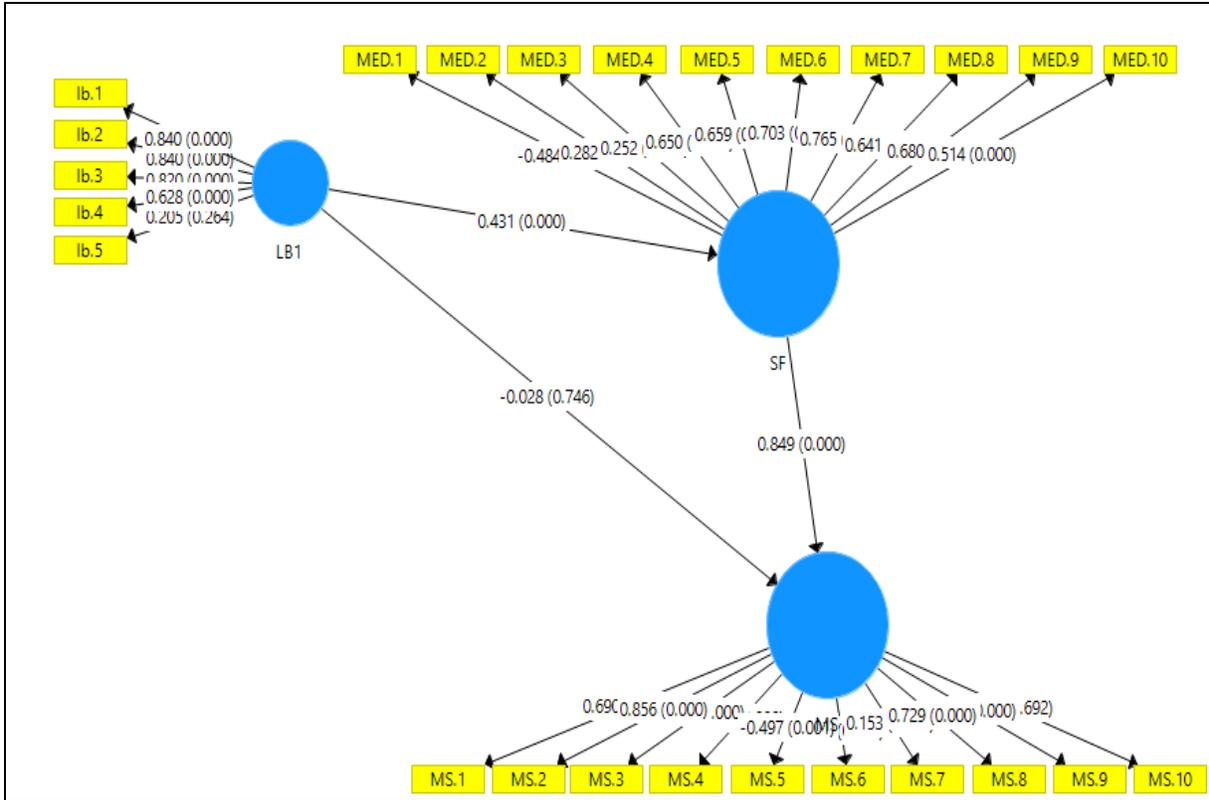


Figure 3. Structural Relationship Between LB1 and MS

Table 4 and Figure 4 shows there is a direct effect of LB2 on MS, where the level of direct effect is (0.016), which is not significant because the value of the significance level is (Sig=0.839), and the direct effect of the variable SF on MS is (0.821) and it is significant with (Sig=0.000), and the mediation effect of SF in the relationship between LB1 and MS is (0.485) which is significant.

Table 4. Path Analysis Between LB2 and MS

Path	Effect	Mean	Stdv.	T.Stat	Sig
LB1...>MS	0.016	0.008	0.081	0.204	0.839
LB1...>SF	0.591	0.595	0.097	6.090	0.000
SF...>MS	0.821	0.848	0.054	15.246	0.000
LB1...>SF...>MS	0.485	0.504	0.087	5.562	0.000

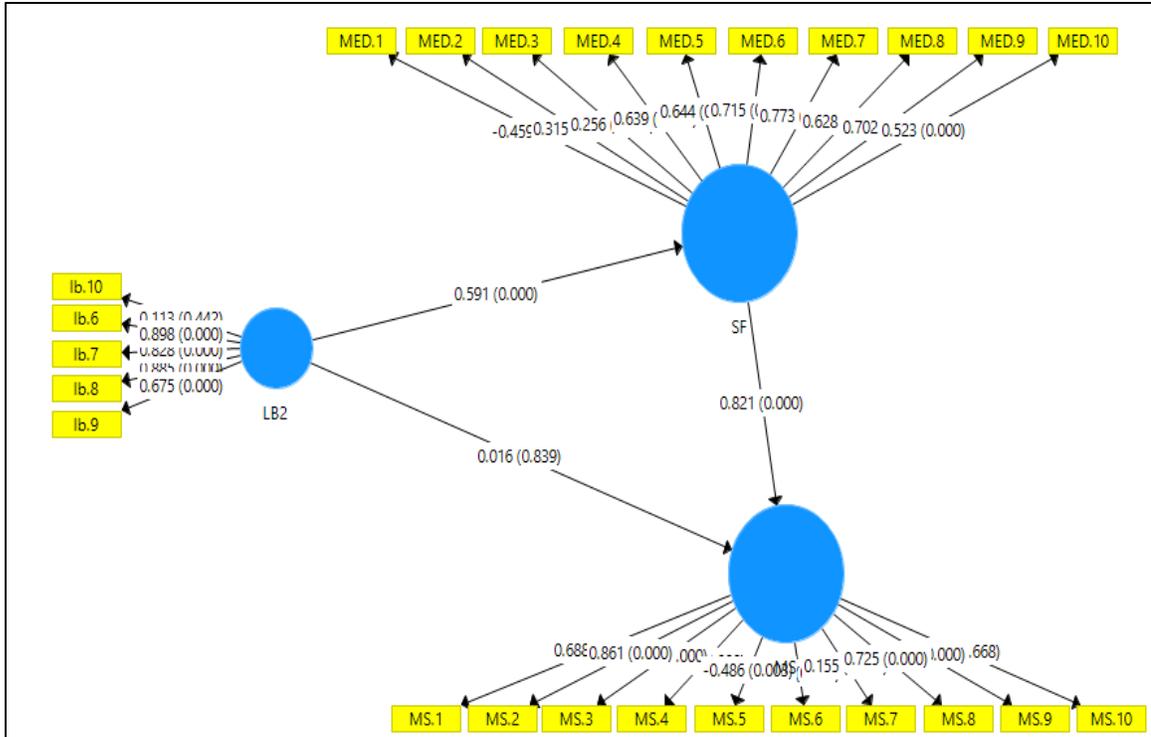


Figure 4. Structural Relationship Between LB2 and MS

Table 5 and Figure 5 shows there is a direct effect of LB3 on MS, where the level of direct effect is (0.082), which is not significant because the value of the significance level is (Sig=0.260), and the direct effect of the variable SF on MS is (0.810) and it is significant with (Sig =0.000), and the mediation effect of SF in the relationship between LB3 and MS is (0.324) which is significant.

Table 5. Path Analysis Between LB3 and MS

Path	Effect	Mean	Stdv.	T.Stat	Sig
LB1...>MS	0.082	0.102	0.073	1.127	0.260
LB1...>SF	0.400	0.473	0.091	4.385	0.000
SF...>MS	0.810	0.812	0.049	16.563	0.000
LB1...>SF...>MS	0.324	0.383	0.072	4.486	0.000

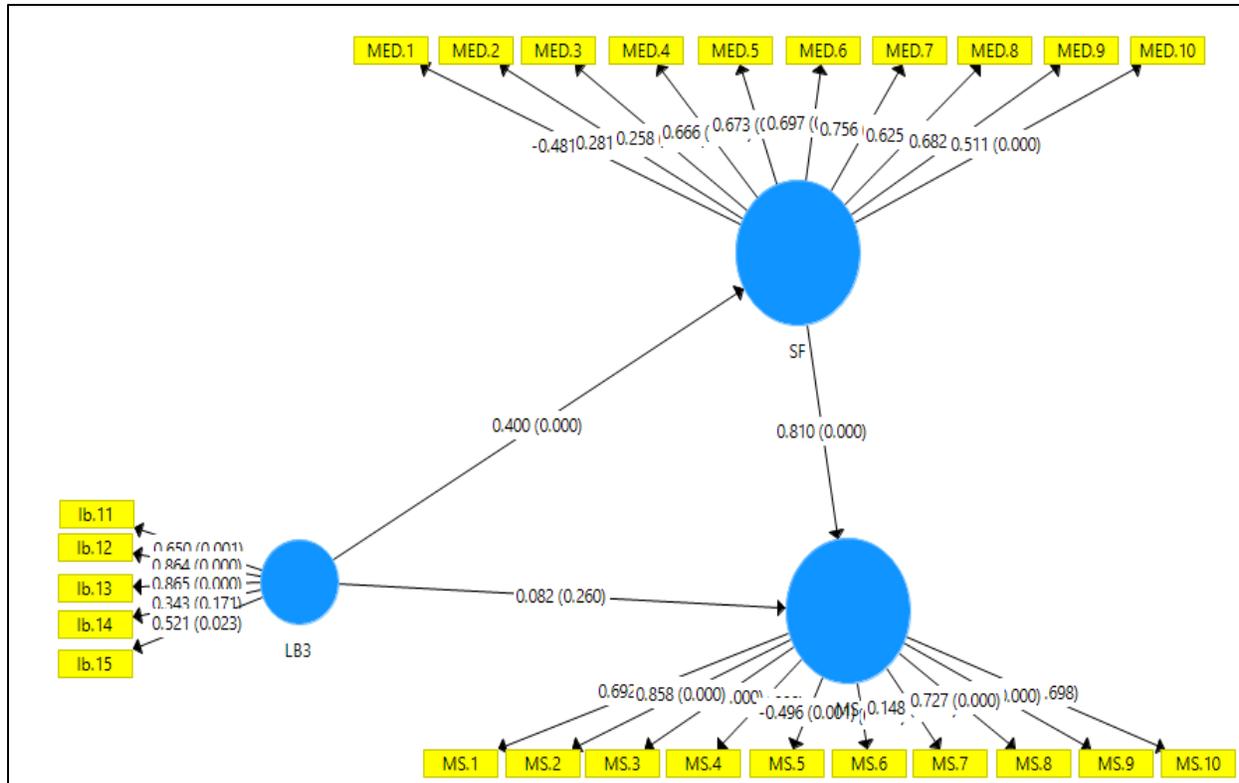


Figure 5. Structural Relationship Between LB3 and MS

Discussion

Small businesses have become a major influence on the country's economy and the main reason is that it creates employment and provides income for the population (Mjoka & Selepe, 2017). The number of private souvenir street vendors has been growing rapidly over the years. Street vendors become an important economic activity in Iraq, and require greater attention in research and academia. For researchers in the areas of management such as marketing and administration, this type of merchants may be belittled as economic agents and as managers of strategies and practices that may well be understood from the theoretical and technical studies of the discipline of marketing and administration. There is still much to know about the informal and popular economy, and much remains to be discovered. This activity is carried out in market and exchange areas including suppliers, customers, needs, desires and satisfaction, concepts that are the object of marketing. Hence, this activity has become one of the important economic activities that need strategic tools that contribute to its success, and here the study focused on research on the topics of leadership behavior and strategic foresight.

This article aims to identify the mediation effect of strategic foresight between leadership behavior and marketing strategy. Confirming the hypothesis, leadership behavior positively correlated with strategic foresight and marketing strategy, as well as strategic foresight are positively correlated with marketing strategy. Confirming the augmentation hypothesis, leadership behavior explains a higher proportion of variance over marketing strategy through a mediator which was strategic foresight. path analyses confirm that leadership behavior does not affect the marketing strategy directly, but it does affect indirectly. that means the leadership behavior can achieve a successful marketing strategy only through the adoption of strategic foresight, because strategic foresight



contributes widely to give a correct future vision that has a positive impact on making the right strategic decisions, this result is in line with Hines (2006). The structure has a positive impact on marketing strategy through strategic foresight, and this result is supported by Ringland (2010), which proved that the structure is linked to strategic foresight and reflected positively on the business model. The concern in marketing strategy has also been demonstrated through strategic foresight, which is in line with the Costanzo and MacKay (2009). Development positively affects marketing strategy through strategic foresight, This finding is in line with Heger and Rohrbeck, (2012), who argued that the development of strategic foresight is a successful strategic factor.

Accordingly, leadership behavior needs to influence the behavior of others to get them to do something to achieve the success of a marketing strategy, and it should be putting creative ideas into action by influencing human behavior and directing it towards a specific goal.

Conclusion

This study examines strategic foresight as one of the most important strategic factors that can contribute to the success of the tourism marketing strategy by promoting leadership behavior. The study proved that strategic foresight contributes to improving the leadership behavior needed to be influential in tourism marketing strategy. It also requires attention to elements of leadership behavior: structure, concern, and development that have also been shown to require strategic foresight as an intermediary that strengthens marketing strategy.

Finally, this study can be a motivation for the Iraqi authorities to pay greater attention to the street vendors, as an important factor in the success of tourism marketing in the country.

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