



## The Role of Product Innovation on an Improvement of the Organization's Reputation /A Field Study in State Organization for Marketing of Oil (SOMO)

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### Abstract

This paper aims to verify the existence of relationships between product innovation and the reputation of the organization. The study problem is that the State Organization for Marketing of Oil (SOMO) system is inflexible in terms of marketing procedures and needs innovative, unconventional methods in innovating its products and improving performance. The reputation of the organization. The importance of the study lies in that it is an attempt to raise the interest of SOMO in its approach to the research variables in order to enhance its competitive position in the future and improve the marketing business environment, which contributes to enhancing the reputation of the organization by Product Innovation. The study sample included (221) of SOMO employees and employees. Data and information were collected using questionnaires and personal interviews. As well as, the field presence of the researcher. The data were analyzed using the statistical program (SPSS v.24). The most prominent findings of the study showed that any change in product innovation will contribute to bringing about a change in the reputation of the organization.

**Keywords:** product innovation, the reputation of the organization, SOMO.

## **Introduction**

Product innovation is one of the essential sources of excellence in light of these challenges posed by the current business environment and has become the most prominent tool to achieve success, which is intended to win customers and maintain them through a distinctive organizational reputation based on many characteristics and perceptions that the customer expects, the aim is to highlight the critical role that innovation plays. The products enhance the reputation of the organization, and the global business environment has witnessed in recent years many developments in the field of information and communication technology and economics, which imposed challenges on marketing in its modern sense and has become a distinctive position within the organizations as it is the link between the organization and its external environment.

The study started from SOMO, which is considered for providing innovative non-traditional products in marketing its products as it is a well-established company with monthly sales of (87,000) barrels in various international markets as well as it includes a large group of related departments, the most important of which are (Crude Oil Department, Market Research Department, and Products Department). The study variables are important for SOMO in enhancing its competitive position in the future, and among the most important difficulties the researcher faced is the delay in administrative correspondence, which lasted for more than three months, in addition to not allowing entry to the company to collect initial data until approval is obtained.

The modern business environment has witnessed significant changes in product innovation management and the need to move from traditional thought to modern thought by adopting innovation and creativity in various marketing elements and realizing the great importance of the organization's reputation. Hence, the research problem started because (SOMO) needs innovative, unconventional products for marketing its products and improving the organization's reputation. In light of the research problem, several questions can be aimed to identify the precise parameters of the problem:

A- Is there a correlation and influence between product innovation and the reputation of the researched organization?

B- Does SOMO realize the importance of product innovation in achieving a good reputation for itself under complex and rapidly changing environmental conditions?

While the importance of research emerged from the theoretical side with the following :

i. The study deals with essential variables in business organizations that help increase customer loyalty by building the organization's reputation.

ii. The lack of previous studies that dealt with the effect of product innovation in improving the reputation of an organization, which gives the research topic great importance in finding the relationship between them.

iii. Improving the marketing business environment that contributes to improving product innovation by building a distinctive reputation.

iv. The study derives its importance from the type and nature of the topic covered by the importance of the researched variables that help develop modern innovative methods.

v. this study represents knowledge communication between Arab and foreign studies that cover research variables while the importance of this study emerged from the practical side in the following;

A- An attempt to raise SOMO's interest in its handling of research variables in order to enhance its competitive position in the future.

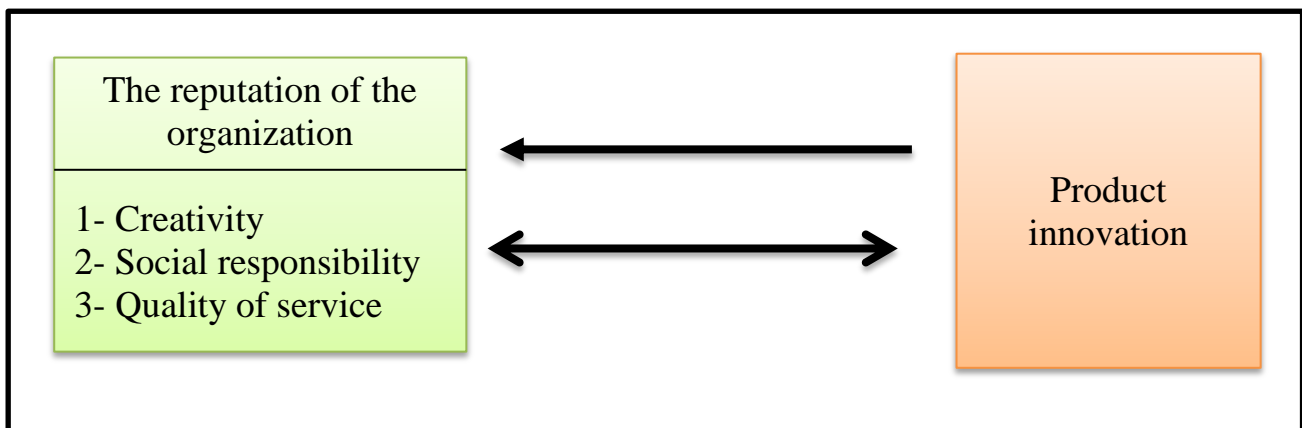
B - Benefiting from the results of field study in helping the management of SOMO to develop and adopt innovative marketing methods to address its weaknesses.

C - Encouraging SOMO to pay attention to the study variables because it deals with a large segment of customers to achieve excellence and prosperity in its various businesses.

D -This study contributes to the formation of a knowledge and application system that enhances the ability of SOMO to increase the market share significantly.

In terms of the research objectives, the researchers seek to achieve a set of objectives, including verifying the existence of an impact between product innovation and the reputation of the organization and stating the critical role that product innovation plays in a way that enhances the reputation of the organization as well as identifying the extent to which SOMO understands the importance of product innovation and to answer problem questions, testing study hypotheses and achieving its objectives: The researchers were briefed on some previous studies.

This model was developed to measure the impact of product innovation on the organization's reputation, as shown in Figure (1):



Correlation relationship ← Impact relationship ↔

Figure (1) The research plan

The study included main hypotheses, which are:

A- First: There is a statistically significant correlation between product innovation and the organization's reputation.

B- Second: There is a statistically significant influence relationship between product innovation and the organization's reputation.

To test the hypotheses, methods of all data were used on two aspects:

A. The theoretical aspects: The theoretical aspect was based on what was mentioned in references, books, letters and theses, published research, conference

publications, and Arab and foreign periodicals, in addition to the vast amount of knowledge provided by the internet, including books, theses, researches, periodicals, and conferences. The researchers sought to be as modern as possible, and the selection of references is in direct contact with the disciplines of the topics discussed.

**B. The practical aspect:** This study relied on certain tools to achieve the aims of the study, which are the study questionnaire and the five-year Likert scale . The questionnaire was designed based on the ready-made measures adopted in previous studies as in Table (1) :

**A- Apparent honesty:** The paragraphs of the questionnaire were presented to a group of specialists in business administration with experience and scientific knowledge to determine the veracity of the paragraphs and their relevance to the topic of research, and some paragraphs were reformulated.

**B- Validity of the content:** it is used to clarify the paragraphs of the questionnaire in terms of meaning, purpose, and design. Accordingly, the two researchers tested the validity of the content of the questionnaire and verified the ability of the paragraphs of the questionnaire to achieve the desired goals that were set in order to achieve the research. A value that confirms the validity of the scale.

**C- Stability of scale:** it means the stability of the scale and not contradicting itself, and it gives the same results with an equal probability of dividing the coefficient if it is re-applied to the same sample as the Cronbachs alpha values were ranged between zero and one, and the stability of the independent variable (product innovation) reached (0.878). While the value of the stability of the organization's reputation was 0.853 and at the total level of the questionnaire, the value of stability was (0.898), which is an acceptable value and a statistical function at the same time.

**Table (1) Composition of the research tool**

Measurement source	The main dimensions
(Kamel & Hassan, 2019)	Product innovation
( Sontaite&Kristensen,2009)	The reputation of the organization

To analyze the research data and test its hypotheses, a set of ready-made programs were used, namely (SPSS v.24), and in this regard, a set of statistical tools were used, which were divided into the following groups: -

**A. The mean:** It is one of the most important measures of central tendency to determine the level of answers about the paragraphs through which the data is represented by a single value that gives us a visualization of the data values

**B. Standard Deviation:** The degree of dispersion of the answers from their arithmetic mean, and the lower its value, the more intense the focus of the answer around its arithmetic mean.

**C. Coefficient of variation:** a statistical method used to compare the degrees of dispersion between two or more groups of values from their arithmetic mean by showing a percentage ratio that facilitates the comparison because it is not specified in specific units of measurement. On the mean, as follows (standard deviation / mean 100%)

**D. The Relative Importance:** It is the relative weight of the mean, which can be obtained from dividing the arithmetic mean of each statement by the highest score taken by the scale.

**E. Person Correlation:** It is used to determine the relationship between two variables.

**F. Simple Regression:** It is used to determine the effect of one independent variable on a dependent variable.

**G. (Cronbach's alpha):** To measure the stability of the measuring instrument in terms of the internal consistency of the instrument's expressions over different periods.

### **the theoretical side**

#### **A. The development of marketing innovation**

Innovation is a process or construction of an idea and making it a commodity or service circulating in the markets down to a different method of manufacture or distribution. Innovations affect performance with a large area of effects on products and the company's share in the market to improve productivity and efficiency, and it also means the driving force that drives organizations to do something to compete for survival. Companies feel obligated to develop new ideas, to apply new process technologies to enter new markets in order to increase sales (Gümüş & Gülnihal, 2015: 263).

Innovation was introduced in economics at the beginning of the twentieth century by the Austrian scientist Joseph Schumpeter; he highlighted innovation as a catalyst for economic development. According to this economist, innovation means that an activity characterized by mental creativity, and entrepreneurs looking for profits implement innovations through the creation of new groups—one of the means of production in the context of the so-called "creative destruction. If old economic structures are destroyed by new, better, and more efficient ones, Schumpeter considered innovation theory only from economics and institutions. Nevertheless, his theory became an inspiration to other researchers and introduced the topic of innovation in the social and economic sciences to forever (Waśkowski & Jasiulewicz, 2015: 100).

This concept becomes widespread in Germany with the German translation of Joseph Schumpeter's book "Business Cycles" (1939), in which a chapter deals with "innovation theory" and refers to innovations as qualitatively new products or processes that differ significantly on the current situation (Steinhoff & Trommsdorff, 2013: 106), radical innovations create fundamental changes in the activities of the organization and arise from the progress and development of the Knowledge of technologies and a departure from old methods, and incremental innovation focuses on changing market situations to gain a competitive advantage that arises from the further development of marketing methods( Zakerian et al., 2017: 317).

Product innovations focus on solutions to consumer issues and provide work that achieves new and current goals through new means that achieve increased efficiency by producing high-quality goods and services at lower costs (Steinhoff & Trommsdorff, 2013: 106).

Product innovations aim to increase customer interest through innovative marketing tools. Customer satisfaction can be understood as a factor in assessing the competitiveness of a product that can meet its needs. It is essential to look forward for new opportunities and innovations to help the product create customer needs that it considers satisfactory and achieve satisfaction with the products provided. (Loučanová et al., 2018: 159). It is required by companies to

deal with competitive pressures, changing tastes and preferences, short product life cycles, technological advances, different demand patterns, and the specialized requirements of customers. Product innovation is one of the emerging and high potential areas that organizations try hard to pursue to stay ahead and profitable. In the global market, it can be strongly supported by local growth teams in emerging markets (Kanagal, 2015: 10).

#### **B. The requirements of the product innovation process**

The application of innovative marketing of products requires adopting several requirements that must be met in the organizations that want to adopt and implement them. These requirements are as follows: (Nehme, 2016: 116)

**1- Administrative and organizational requirements:** This is done by persuading the higher management of the organization, creating the organizational environment, and coordination and integration between the administration interested in innovative activities.

**2 - requirements for marketing information:** These are done through a security system for information and the presence of feedback information.

**3 - requirements related to the management of working people:** These are carried out by considering innovative capabilities a condition for employment, an effective system for stimulating innovation, and training in innovative marketing.

**4 - Requirements related to the feasibility and evaluation of marketing innovations:** This is done by studying the feasibility of marketing innovations and evaluating marketing innovations.

**5- Other requirements:** They can be identified by anticipating resistance to innovative marketing, willingness to deal with them, and balance in the field of innovative marketing.

#### **C. Barriers to product innovation**

##### **Barriers to product innovation**

Despite the importance of innovating new products for the organization in achieving stability and growth in its sales, profits, progress, and well-being for society as a whole, this process is shrouded in a high degree of risk, which is one of the most critical obstacles facing the organization in moving forward in the innovation process and there are a set of obstacles, the most important of which are the following : (Soleimani, 2007: 74-79)

**1- The high failure rate of new products:** The high failure rates of new products are one of the obstacles that prevent the organization from innovating, as the failure rate in goods ranges from 20% to 30%, and in-services from 15% to 25% and several organizations have carried out studies in order to determine failure and success rates for new products and attempts to analyze success and failure factors.

**2- The high cost of product innovation:** The marketing innovation process is costly, and this is proven the vast sums spent on studying and refining ideas for new products and on research and development activities due to the technical complexity of most products.

**3- Short product life cycle:** Some products are characterized by a short life cycle due to the great speed in product development and new ones.

**4. The intensity of competition in the event of success:** competition begins to appear sharply and in a way that affects the product's life after achieving success in the market.

5- The length of the product innovation process: Some product innovation processes are characterized by a long period that may reach thirty years, in addition to the huge sums spent, and some changes occur during this long period, which makes the market unsuitable for them.

6. Consumer resistance: the difficulty of attracting some consumers' attention towards new ideas due to their poor income.

#### **D. The reputation of the organization**

The reputation of the organization can be understood through three concepts:

(1) awareness, which is a collection of perceptions of the organization between stakeholders and other observers,

(2) evaluation is the result of judgment, evaluation, evaluation, or measurement, and (3) assets we mean that a reputation is an intangible asset of real value (Góis et al., 2020:4).

There are indicators by which the reputation of the organization can be evaluated according to different qualifications, depending on the priorities of the stakeholders, the reputation of the organization about customers is measured by the quality of its goods and services along with the returns that the organization provides to suppliers and intermediaries (Esenyel,2020:23), and (Lloyd, 2007: 27) identified six inputs to build the reputation of the organization (“information from the organization, audit data, investment analysis, and press insights“, Rumors, and branding activities).

Reputation contributes to reducing uncertainty for stakeholders by indicating the positive features of organizations being unique resources. The concept of reputation consists of business and social reputation. The first includes different aspects of the organization's reputation related to stakeholders closely related to the business activity, such as customers and employees. In contrast, the second includes Insights and perceptions of stakeholders who are not very close to the daily operation of the organization and who are known as the community (Mella & Gazzola, 2015: 41).

The pillars of managing the organization's reputation provided administrative recommendations for successful management. They divided them into primary and secondary pillars, as the work environment, goods, and services were“ determined to be the two main pillars for managing the organization's reputation. Defining ways to improve perceptions about “the workplace environment and perceptions about the goods and services of the organization. Financial performance“, vision, leadership, emotional appeal, and environmental “responsibility represent the secondary pillars of the organization's reputation, and these secondary pillars must be managed once the essential elements are appropriately managed. The organization is a valuable and intangible asset that influences consumer buying decisions and due to previous organization actions and a collective phenomenon that includes experiences of direct and indirect interaction.

### **E. Build the reputation of the organization**

There are many significant trends in how to establish and sustain an organization's reputation? (Dowling, 2006: 7) pointed out three common themes, namely:

- 1. Building a good reputation within the organization through a robust business model, strategy, good values and culture, products, and services that provide a strong customer value proposition will have a solid platform to create, maintain and communicate a good reputation.**
- 2. Perception of reputation depends on the relationship between stakeholders and the organization.**
- 3. The actions of the organization that resonate with one group of stakeholders may provoke hostility to others, and this needs some scrutiny to assess the strengths and weaknesses of the organization's reputation.**

Some factors have become a basis in building the organization's reputation. He pointed out (Boer, 2018: 41) as follows:

- 1. Communication: It is an important activity for the organization in building its reputation and positive image in front of the public. It can be said that the role that public relations departments play in internal and external communication "as a primary function in establishing a reputation.**
- 2. Professional attitudes: "Professionalism is a method of work that has substantial control over attitudes and behavior. It is not only a type of capabilities and skill that individuals possess, but also values or standards that become a standard for individuals to work well or not.**
- 3. Public trust: Reputation can be "built through increased trust and public satisfaction through experiences, achievement, and the "fulfillment of promises made. Here, a balance between statement and action and openness in information and communication is required. Honesty and candor are fundamental principles in this "matter, the public's confidence that has grown capable of stimulating sustainable attitudes to a certain extent.**

### **F- Diminishing the reputation of the organization**

**1- Social Responsibility: represents the " philosophy of a set of practices for management managers and it has a positive impact on the quality of the organization's products, and it expresses the behavior and personal values of business managers, and it is like the beliefs and trends that lead them to form a base for the information they carry and adopt the behavior they pursue, and it represents the commitment and commitment" of men Business in making decisions, addressing desired "situations and achieving goals for the general community, not only focusing on maximizing profits as a sole "goal but rather the work stems from the moral and ethical commitment of decision-makers in managing the organization (Mahdi & Shamran, 2017: 280). He mentioned (Yadav et al., 2018: 140), that social responsibility is classified into three types:**

**A- Social responsibility focuses on justice and fairness in practices based on ethical principles.**

**B. Social responsibility focuses on providing social services while directing some profits to the organization.**

**C. The social responsibility of charitable organizations focuses mainly on giving back to the community without expecting anything.**



Social responsibility means that organizations need to take responsibility for improving society, the environment, and operating and having a positive impact on the organization's reputation. It creates and develops ethical and charitable practices. Clients' beliefs that organizations adhere to high ethical standards and care about the welfare of society, so if customers realize the ethical meaning of organizational behavior, they will believe that the organization will follow certain quality standards and maintain or improve their institutional reputation (Fragouli, 2020: 64), the social responsibility of organizations can take many forms, including: (Abitbol et al., 2018: 3).

A. Reasoning Marketing is defined as aligning organizations' philanthropy with commercial interests.

B. Organizational social marketing includes an organization aiming to persuade people to engage in socially beneficial behaviors to support the organization.

C. Organizational social advocacy, which includes the organization issuing a public statement or taking a position on a socially or politically controversial issue.

The social responsibility of organizations, in addition to pursuing the utmost interest of the shareholders, means that at the same time, it is concerned with the interests of the relevant people, which include employees, consumers, suppliers, the environment of society, and others. One of the main reasons for not implementing social responsibility policies for organizations is that they usually cost a lot. However, in many cases, although it may involve high costs, it is generally believed to be profitable for organizations (Damianos & Dimitrios, 2017: 10).

2- Product quality: The constituent elements of product quality are management and the flow of quality, resources and services and, thus, "management mainly includes pursuing strategies and goals efficiently, forming organizational structures and creating a management system to support the process organization, the quality flow as an essential component refers to the processes within the organization and the quality flow consists of two structural elements. They are the front quality chains and the back chain, the front quality chains include preventive and proactive measures for each product group and the background quality chain organizes the reactive and corrective actions for all product groups and the control loops between the front quality chains for the different product groups and the back quality chain work on improving the quality, the third element is the resources "and services that it reflects the capabilities of the organization and the specific characteristics of the various characteristics of the organization are described within the elements of the structure and thus the capabilities of the organization can be presented within the resources and services of the structure component (Beaujean et. al., 2008: 3).

It means that the quality conforming to specifications and translating the needs of individuals and their expectations; then the customer is the final decision if the product meets or does not meet his needs, and it is a measure of the degree to which the level of service provided is to meet the expectations of customers. Providing organizations with the required quality achieves many positive benefits such as growth, profits, Continuity, ability to compete, and the goal of quality in several functions in the organization is to comply with these specifications strictly. In the event of an unintended error in the performance of some products,

which is possible, they can face and overcome these situations to build the concept of quality in the minds of its customers, which is intended a group The tangible and intangible benefits that aim to satisfy the needs and desires of the customer in addition to the services associated with them in a manner that leads to achieving customer satisfaction (Abdel-Hassan, 2018: 422).

**3- Creativity:** Creativity is a multi-dimensional concept, since the beginning of the twentieth century, there have been many discussions about it, its nature, characteristics, and types, all in order to understand a cycle in economic development and achieve a competitive advantage, which is essential for the development of any organization and we mean the ability to create something new and bring it into space existence, while from another point of view, it focuses on the processes, especially the psychological ones, in which a new thing of high value is being invented, and there are three groups of social interactions between the members of the organization participating in the process of organizational creativity (Al-Tai & others, 18: 2013).

**A-** The participation of creative people in various creative initiatives in the stages of production processes

**B.** The participation of the current creators in the various creative initiatives.

**C.** Creative people embrace interaction within the same organizational context.

These three groups of interaction include a different level of exposure and participation of the members of the organization in the creative process and different levels of interdependence among them, namely (a) when the non-creators realize the movement of the new creators, this is the promotion and awareness of the absence of gains for themselves, (b) when the current innovators see that the entry of new creators represents a threat to their goals and needs, (c) when creative people gain more and receive more appreciation from other creators, organizational creativity is defined as a socially interactive process that can evoke different emotions that reinforce specific sub-processes such as decision-making, problem-solving, and creativity for social interactions that can enhance the creation of adopting an idea or behavior by the organization (Biniari, 2011: 1).

Creativity is bringing an idea or group of new and unfamiliar ideas to others that constitute an improvement and development of the existing pattern, and these ideas go through stages to reach creativity, namely: (Abbas, 2016: 79)

**A. Preparation:** At this stage, (the individual, the team, the group) are prepared to provide them with knowledge and skills related to identifying problems, discovering opportunities, and everything related to them, such as generating ideas and achieving innovations in dealing with and addressing them.

**B- Incubation:** At this stage, the idea is reformulated uniquely, and a new approach is generated to the issue at hand by applying existing mental models in a way that makes the concerned workers be able to apply concepts, approaches, and processes in specific places that lead to decision-making, and need branching thinking that deals with reformulation. A problem in a unique way and generating different and disparate modalities for it.

**C- Insight:** This term is related to sight, a short flash of light, or a piece of inspiration that can be lost quickly if not documented. For this reason, many creative people keep a diary that is close to them at all times so that they can write down their thoughts before they disappear because it come at any point in time, even during sleep.

**D. Verification:** Ideas remain just useless raw material. They need verification through a detailed logical evaluation and actual experimentation, and more and more creative insight. Therefore, this stage is the beginning of a long process of creative decision-making towards an innovative development in the field of commodity or service.

**G. The components of an organization's reputation**

(Iwu & Chibuike, 2010: 199) identified the essential elements in the organization's reputation, and these elements are:

**a. Personnel quality:** The basis of a high reputation lies in the quality of employee organizations 'employment and the depth of their motivations and talents, how these employees are treated, and the quality of their behavior in the workplace seeps into the public sphere and thus affects the reputation or in any other way the organization will relate to.

**B. Quality of management:** The public admires well-managed organizations that can boast high-quality managers with a clear vision for the future. Often organizations end up housing managers or executives who deal with responsibility in the organization's reputation because, over time, its performance will decline.

**C. Market leadership:** Organizations that have charted their growth paths to become market leaders are admired and build this into a pool of the organization's intangible assets.

**D. Customer Orientation or Focus:** The care that an organization bestows on its clients translates into values that add up to build a bulwark of a reputation for itself, so better-off organizations build a strong commitment to their customers.

**H- The relationship of innovative marketing with the reputation of the organization**

Establishing a reputation depends on the organizational structure of the organization, which has a role in building and maintaining innovation. The better the quality of the organization, the greater its popularity among its competitors, to continue using similar products for projects related to its experiences, making the customer more satisfied through high-quality goods and services, keeping employees aware of the related side effects with reputation, demonstrating sensitivity to the environment, appointing public relations personnel to ensure communication through the media, and working to engage customers, studying the complex environment helps in presenting and enhancing the reputation of the organization is closely related to innovative marketing, customers generally focus on distribution methods and the quality of products as an indicator of Reputation, and there are two factors in building an organization's exceptional reputation through effective communication and trust. Consumers want to see their morally preferred organization; it cares about the environment and does not appear to be a very aggressive competitor concerning other organizations.

Achieving customer satisfaction cannot be achieved over time and perhaps for a limited period. Due to social, cultural, and economic differences in addition to principles, managers must increase interest in building The organization's reputation and ensuring its durability by forming a unique identity and displaying a coherent and consistent set of images to the public, the organization's logo is an essential visual point linked to the reputation of the organization. Managing the intangible competitive advantage that involves reputation should be a major executive focus (Omar et al., 2009: 177-181)

A positive reputation has great importance affecting the organization's ability to reduce costs, set higher prices, increase profits, and enhance consumers' intent to buy and their attitude towards the organization and its products. Negative information affects consumers' general evaluation of a product or is organized stronger than positive information and is more informative than information. Positivity in the consumer decision-making process Since they tend to rely on organization and product information in order to reduce perceived risks when making purchasing decisions, the negative reputation of the organization can be a more prominent feature of the positive reputation in the current business environment; there are indirect or direct effects of quality on Behavioral intent in addition to the effect of negative information on the organization's financial position. Price premiums are more important than the effect of positive information (Jung & Seock, 2016: 25).

Public relations contribute to building the reputation of the organization by attracting the best employees, increasing capital effectively, to become a good member of society, or acquiring and retaining loyal customers, and organizations use their reputation to enable customers to measure the advantages of a good or service; especially when they are faced with vague information about The organization or product, in addition to this, consistent positive reputation signals regarding the quality of an organization's goods or services can enhance credibility, positively affect customer attitudes as well as their purchasing intentions, and a good reputation of the organization has reduced transaction costs and provides beneficial financial and non-financial results for business organizations (Chen, 2011: 29-30).

The researchers believe that product innovation is necessary for maintaining the positive reputation of the organizations, which can be explained by the following:

- 1- Organizations offer innovative and new products to increase market share and staying in competition by adopting innovation processes in all production processes.
- 2- Organizations maintain the continuation of social responsibility activities to build the organization's positive reputation in the business market.
- 3- The innovation processes in the distribution outlets lead to being a feature of the organization by adopting the franchising system, direct selling, product licensing, and selling via the Internet.
- 4- Public relations and personal selling activities contribute to direct contact points with the customer whose purpose is to communicate new information on innovative products.

### the practical side

The study aims to identify the reality of the role of product innovation in achieving the reputation of the organization for a sample of workers in the Oil Marketing Company (SOMO), as the descriptive statistics represented" by the arithmetic mean, standard deviation, coefficient of variation, and the order of importance will be answered to the opinions of the researched sample according to their answers. Results of the variables that make up the dimension of product innovation as an independent variable and the reputation of the organization as an approved variable, and through the current research, it is possible to know where the opinions of a sample go for each paragraph of the questionnaire related to the research variables. Between the highest and lowest value (1 - 5) and in five levels, as illustrated in Table (2)

Table (2) Likert's Column

I don't completely agree	I do not agree	neutral	Agreed	Totally agree	Degrees of the scale
1	2	3	4	5	Averages value

Sekaran, Uma & Bougie, Roger, (2016),” Research Methods for Business A Skill-Building Approach,” 7thed, John Wiley & Sons Ltd, pp.207.

The responses of the respondents to the questionnaire questions were coded and entered into the (24SPSS.v) program specially prepared for this purpose, as the range of answers was calculated, and the category length for each of the five-point weight scores was reached, and the result of that was as follows:

$$\frac{\text{LENGTH CATEGORY}}{\text{RANGE NUMBER OF CATEGORIES}} = 0.80$$

The range is the difference between the smallest value and the largest value (largest value - smallest value), range = 5 - 1 = 4

Determining the range of the arithmetic mean of the respondents 'answers aims to get rid of reliance on absolute values and to define a level by which the statement is accepted within the scale specified for it. The following table displayed the results of measuring the arithmetic mean of the respondents' answers (unit of measurement).

Table (3) the average response of the respondents, the prevailing opinion, and the level of the response to the research variables

The level of the answer	Percentage	Average	Categories
Very weak	%20 - %36	1- 1.80	The first category
Weak	%37 - %52	1.81- 2.60	The second category
Average	%53 - %68	2.61- 3.40	The third category
Good	%69 - %84	3.41- 4.20	Fourth category
very good	%85 - %100	4.21- 5.00	Fifth category

Saunders, Mark., Lewis, Philip & Thornhill, Adrian, (2019), "Research Methods for Business Students", 8th ed, Pearson Education, England, pp. 524.

The researchers examined all the answers that fall into the first and second categories as indications of weakness ranging from "very weak" or "weak" in the considerations related to evaluating the opinions of the respondents, which can be accepted to measure the importance of the information, then use statistical methods and the nature of the data. In order to achieve the objectives of the study and test the hypotheses and questions that came out in what follows a detailed presentation of the analyzes that have been carried out and the results that have been reached.

#### A- product innovation

Innovation in the product was adopted as one of the research variables, as Table (4) shows the descriptive statistics, the order of importance about the paragraphs, and the direction of the answers of the researched sample, as it is clear that arithmetic means of innovation in the product achieved an amount of (3,864) with a good level and a standard deviation (0.740). The level of innovation in extracting petroleum products at SOMO is good, and the results showed that the highest value was at Paragraph (1), which is (the company is keen to ensure that the quality of its oil products is better than the competing companies) with an arithmetic mean (4.253) and an excellent standard deviation (0.873). ), As its coefficient of variation reached (0.205) and came in rank (2) in terms of relative importance. SOMO is considered one of the major oil marketing companies in Iraq, and the quality of Iraqi oil products competes with countries and is ranked second in the Arab world with the largest oil reserves. Paragraph (3) in the lowest value is (the company creates new petroleum products) with a mean of (3.565) and an excellent standard deviation (1.112), as its coefficient of variation reached (0.312) as it ranked (7) in terms of relative importance as the company is marketing Iraqi oil as it is a product. Ride, and there are fewer opportunities for innovation.

The paragraphs	Arithmetic mean	standard deviation	Coefficient of variation	Order of importance	the answers
1 The company is keen to ensure that the quality of its oil products is better than the competitors.	4.253	0.873	0.205	2	Agreed
2 The company is interested in research and development compared to competitors	4.244	0.838	0.197	1	Agreed
3 The company is creating new petroleum products.	3.565	1.112	0.312	7	Agreed
4 The company is constantly developing its existing petroleum products.	3.724	0.986	0.264	4	Agreed

5	The company is making major changes in the components of petroleum products to improve their qualities.	3.615	1.005	0.278	6	Agreed
6	The company relies on the innovation of its petroleum products on the market's needs promptly.	3.864	0.962	0.249	3	Agreed
7	The company uses modern technology to provide petroleum products.	3.787	1.011	0.267	5	Agreed
	The general mean	3.864	0.740	0.191		Agreed

Source: Preparing the researchers using the computer program outputs

## B. Variable reputation of the organization

### 1 - Dimension creativity

The creativity dimension was adopted as one of the dimensions of the organization's reputation variable, as a table (5) shows the descriptive statistics, the order of importance about the paragraphs, and the direction of the answers of the surveyed sample, as it achieved the results related to the dimension in total, with a mean of (3.967) and a standard deviation (0.751), which indicates that SOMO welcomes solutions innovative problem-solving, methods of extracting crude oil and means of distributing petroleum products, it is evident from the results that Paragraph (14) achieved the highest value, which states (The company encourages its employees to learn and develop to adopt new creative ideas). With an arithmetic mean (4.090) and a standard deviation (0.826), as its coefficient of variation reached (0.201) as it ranked (1) in terms of relative importance to keep pace with the development in global markets and the speed of response to the external environment imposed on the company to encourage its employees to learn, develop their skills and enter them In training courses and to make room for them to complete postgraduate studies. Paragraph (10) obtained the lowest value, which is (the company contributes to the career development of those with creative abilities.) With an arithmetic mean (3,864) and a standard deviation (0.938), as the coefficient of variation had a value of (0.242) and ranked (7) in terms of relative importance.

The paragraphs		Arithmetic mean	standard deviation	Coefficient of variation	Order of importance	the answers
8	The company provides an environment that drives employees to creativity	4.06	0.892	0.218	3	Agreed
9	Setting rules and instructions that suit the requests of the creators.	3.891	0.877	0.225	6	Agreed
10	The company contributes to the career development of those with creative abilities.	3.864	0.938	0.242	7	Agreed

11	Keep up with creativity programs locally and internationally.	4.036	0.873	0.216	2	Agreed
12	Adopting a creativity reward system to upgrade the creative skills of workers.	3.927	0.865	0.220	5	Agreed
13	The company continually introduces innovation in business models.	3.895	0.854	0.219	4	Agreed
14	The company encourages its employees to learn and develop to adopt new creative ideas.	4.090	0.826	0.201	1	Agreed
The general mean		3.967	0.751	0.189		Agreed

Source: Preparing the researchers using the computer program outputs

## 2 - Dimension social responsibility

The figures related to the social responsibility dimension shown in table (33), as it is clear that the dimension achieved an overall mean of arithmetic amounted to (4.001) and a standard deviation (0.583). This indicates that SOMO provides charitable aid to the immigrants and the displaced. It is (the company encourages charitable work and practices (with an arithmetic mean (4.230) and a standard deviation (0.717), as its coefficient of variation reached (0.169) as it ranked (1) in terms of relative importance. SOM contributes to society in terms of social responsibility in some activities. Moreover, actions that benefit society. Paragraph (19) came in the lowest value, which is (the company supports civil society organizations), with arithmetic mean (3.773) and a standard deviation (0.885), as its variation coefficient reached (0.234), as it ranked (6) In terms of relative importance, there are few contributions by SOMO in civil society organizations, as the latter has independence in its work.

The paragraphs		Arithmetic mean	standard deviation	Coefficient of variation	Order of importance	the answers
15	The company encourages philanthropic businesses and practices.	4.230	0.717	0.169	1	Agreed
16	The company adopts projects that urge to help needy workers.	4.140	0.788	0.190	2	Agreed
17	The company has a unit specialized in following up social activities and preserving the environment.	3.945	0.812	0.206	4	Agreed
18	Availability of social strategies that contribute to economic benefits to the company.	3.850	0.874	0.226	5	Agreed



19	The company supports civil society organizations.	3.773	0.885	0.234	6	Agreed
20	The company seeks to deal credibly with employees.	4.067	0.836	0.205	3	Agreed
	The general mean	4.001	0.583	0.145		Agreed

Source: Preparing the researchers using the computer program outputs

### 3. Dimension product quality

The results related to the product quality dimension in table (7) showed that the product quality achieved overall a mean of (3.945) and a standard deviation (0.684). This indicates that the quality of the crude oil market by SOMO has a reasonable level. Moreover, the highest value was at paragraph (21), which is (the best petroleum products are provided to customers) with an arithmetic mean (4.076) and a standard deviation (0.802), as its variation coefficient reached (0.196) as it ranked (1) in terms of relative importance. SOMO has sought to attract the loyalty of customers by presenting offers and at reasonable prices in order to gain the largest market share. As for paragraph (22), it was the lowest value, which is (a unique composition of the components of petroleum products is found efficiently) with an arithmetic mean (3.764) and a standard deviation (0.883), As its coefficient of variation reached (0.234), as it ranked (7) in terms of relative importance. The nature of the product that SOMO markets is characterized by its typicality and production in a large quantity, and therefore its components are similar in all production processes.

The paragraphs	Arithmetic mean	standard deviation	Coefficient of variation	Order of importance	the answers	
21	Customers are offered the best petroleum products	4.076	0.802	0.196	1	Agreed
22	A unique combination of petroleum product ingredients is created efficiently.	3.764	0.883	0.234	7	Agreed
23	We are adopting building ideas and proposals aimed at improving and sustaining product quality.	3.950	0.821	0.207	4	Agreed
24	We are providing quality standards for petroleum products in line with customers' aspirations.	3.981	0.803	0.201	2	Agreed
25	There is a small gap between expected quality and perceived quality.	3.837	0.884	0.230	6	Agreed
26	The company adopts plans that contribute to the development of petroleum products	3.986	0.811	0.203	3	Agreed

27	The company adopts plans that contribute to the development of petroleum products.	4.018	0.852	0.212	5	Agreed
	The general mean	3.945	0.684	0.173		Agreed

Source:Preparing the researchers using the computer program outputs

### C.To test the hypotheses of correlation and influence

The "paragraph is concerned with testing the main and sub-hypotheses of the research through the correlation coefficient that tests the relationship between the main variables of the research and the sub-dimensions by measuring the direction and strength of the linear relationship and appears with three relationships " (when the correlation coefficient is close to zero, the relationship between the variables is negated, but if it is more than the value of zero to the positive one means the existence of a direct relationship) "and the relationship can be considered weak if the value of the correlation coefficient is less than (0.30) and it is considered medium when the value ranges between " (0.30-0.50). However, when its value is more than (0.50), the relationship is strong. Correlation is used directly in evaluating and measuring the linear relationship between two or more variables" if the data are naturally distributed, and the relationship of the variables is linear, the researchers can use the Pearson correlation coefficient to find the correlation "relationship between the research dimensions of the study sample consisting of (221) respondents.

The first research hypothesis was tested, "which states " (there is a statistically significant correlation between the innovation dimension in the product and the organizational reputation), as the correlation coefficient between the product innovation dimension and the organizational reputation reached (\*\* 0.542) at a " significance level " (0.000), which is Less than the level of significance (0.01), this means accepting the hypothesis which states (there is a statistically significant correlation between the product innovation dimension and the organizational reputation).

The reputation of the organization	**0.542	Correlation value	Product innovation
	0.000	Sig	

The second impact hypothesis was tested, which states that there is a statistically significant effect of the dimension of product innovation on the organization's reputation . It will be investigated" according to the simple linear regression equation as " follows:

$$= Y a + \beta_1 X_1$$

$$Y = 2.295 + 0.606 (X)$$

(A) represents the amount of the constant, and (Y) is a function of the real value of the dimension of product innovation. As for the estimates of these values and their statistical indicators, they were calculated at the level of the research sample amounting to (221) in SOMO.

The value (F) computed between the product innovation dimension in the organization's reputation was (91.329). It is higher than the tabular (F) value of (6.30) at the level of significance (0.01), and accordingly, the hypothesis is accepted, which states that there is a statistically significant effect of the product innovation dimension on the reputation of the organization at a level of significance (1%), i.e., with a degree of confidence (99%), and through the value of the determination coefficient ( $R^2$ ) of (0.294), it becomes clear that the innovation dimension in the product explains 29% of the variables that affect the reputation of the organization, while the remaining 61% is due to variables others are not included in the search form. Moreover, it is evident through the value of the marginal slope coefficient ( $\beta$ ) of (0.606) that an increase in the dimension of innovation in the product by one unit will increase the reputation of the organization by (60%). The value of constant (a) in equation (2.295), meaning when the innovation dimension in the product is zero, the organization's reputation will not be less than this value.

Indication	sig	The computed f value	$R^2$	Values(b)	Value (a)	Dependent variable	Independent variable
Moral	0.000	91.326	0.294	0.606	2.295	The reputation of the organization	Product innovation

## D: Conclusions and recommendations

### 1- Conclusions

This paragraph presents the most prominent theoretical and practical conclusions that embody the outcome of the intellectual foundations and field boundaries that explained the most important findings of the researcher, namely:

- a. The results indicated that the study sample members agreed in their answers with a good evaluation level about product innovation, which explains this result that the SOMO oil company management seeks to adopt multiple innovative methods to increase its oil sales local-global levels.
- b. The study found that SOMO has long-term relationships with its customers and provides them with clear and frank information and that it does not depend on delegates to create its oil products. Instead, it is contracted with the company itself.
- c. The results revealed that the study sample individuals agreed with a good evaluation level about the organization's reputation variable, primarily social responsibility, which explains this result that SOMOA has a good reputation not only with its customers but with the Iraqi society in general.
- d. Despite the typicality of the products presented, the company encourages employees to present creative ideas that contribute to work development, but the company does not guarantee them categorically that these ideas will significantly improve their future career.

### 2.Recommendations

This paragraph focused on reviewing several recommendations that sought to improve the performance of SOMO for Petroleum Products in terms of enhancing product innovation and improving its reputation. Recommendations can be summarized as follows:

- a. The management of SOMO should cooperate with Iraqi universities, advisory bodies, and houses of expertise in drawing innovative products based on solid scientific foundations.
- b. The necessity for the company to rely on social media to disclose some public information and define its activities and its essential role in the Iraqi economy.
- c. The management of the company must improve the future of the creative workers and reward them financially and morally by producing workers' compensation systems based on profitable and applicable ideas because this will positively affect the improvement of the oil industry as a whole.
- d. The company management must improve the future of the creative workers and reward them financially and morally by producing workers' compensation systems based on profitable ideas that are applicable because this will positively affect the improvement of the oil industry as a whole.

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## دور ابتكار المنتجات في تحسين سمعة المنظمة / دراسة ميدانية في شركة تسويق النفط (سومو)

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### المستخلص

يهدف البحث الى التحقق من وجود علاقات بين ابتكار المنتجات وسمعة المنظمة, وتتمثل مشكلة البحث كون شركة تسويق النفط (سومو) تحتاج الى اساليب ابتكارية غير تقليدية في ابتكار منتجاتها وتحسين سمعة المنظمة, وتبرز اهمية البحث كونه يتناول متغيرات مهمة في منظمات الاعمال تساعد على زيادة ولاء الزبائن. وانطلق البحث من فرضيتان رئيسة لاستكشاف علاقات الارتباط والتأثير بين متغيرات البحث عن طريق تحليل اجابات عينة البحث التي شملت (221) موظف وموظفة من العاملين في شركة تسويق النفط (سومو) , وتم جمع البيانات والمعلومات باستخدام الاستبانة, والمقابلات الشخصية, فضلا عن التواجد الميداني للباحث, وتم تحليل البيانات باستخدام البرنامج الاحصائي (SPSS v.24). ومجموعة من الاساليب الإحصائية , وكانت ابرز النتائج التي توصل اليها البحث تبين ان اي تغيير في ابتكار المنتجات سيسهم في احداث تغيير في سمعة المنظمة.

**الكلمات الرئيسية:** ابتكار المنتجات , سمعة المنظمة .

\*البحث مستل من رسالة ماجستير