

# Employee's Market Orientation and Business Performance in Nigeria: Analysis of Small Business Enterprises in Lagos State

Dr. Yunus Adeleke Dauda

Department of Industrial Relation & Personnel Management, Lagos state University

Ojo, Lagos, Nigeria

Tel: 234-80-807-7474 E-mail: yadauda@yahoo.com

Waidi Adeniyi Akingbade (Corresponding author)

Department of Business Administration & Management Technology, Lagos state University

P.O. BOX 10149, LASU, Post Office, Ojo, Lagos State, Nigeria

Tel: 234-80-3050-0622 E-mail: akinwaidi@yahoo.com

## Abstract

Organization success is determined by the demand for its product or services. Many organization put in place methods and strategies that could enabled them attract customers and improved the quality and quantity of their product. One of the major methods in this direction is market orientation. Employees are influenced to consider organization interest and be involved or oriented to monitor their customers' loyalty and attitude towards their product to enable them to be competitive, productive and profitable. But despite its advantage, most small business enterprises (SBEs) in Lagos, the economic capital of Nigeria don't engage in market orientation. This paper examines different methods of market orientation and how it could be employed for improved SBEs performance in Lagos State. Two null hypotheses were formulated to test the relationship between customer orientation and sales growth and market orientation and SBE's profitability. Questions were formulated based on the hypotheses and questionnaires were distributed to top managers and investors of SBEs, out of which 95% of the respondents returned duly completed and properly filled questionnaires. The research findings show that many SBEs that engage in market orientation recorded substantial progress. But most other have not really applied this method, hence their low performance and profitability. The study recommends that market orientation should be used by SBEs for improved performance. Also, SBEs managers and owners should engage in market orientation to enable their enterprises more profitable and survive in changing, dynamic and turbulent business environment.

**Keywords:** Market orientation, Business performance, Marketing concept, Customer orientation

## 1. Introduction

The prevalent business environment is highly competitive and is influenced by globalization the outcomes of which are privatization and deregulation of markets, aggressive competition and ever-rising expectations of customers. This study gives an overview of small business enterprises and their market orientation, and provides empirical evidence of the assessment of SBEs performance and strategies for their improved performance in Nigeria turbulent market. Darabi, etal (2007) noted that to compete and survive in the severely competitive global market places; firms have to pay more attention to the needs of customers. They must constantly innovate in every aspect of their business including new technology adoption and the need to continuously seek improvements in their products and services so as to ensure a positive performance (Darabi, Caruana, & Zegordi; 2007). As a result many firms are changing their business operations from a product – oriented approach to a market – oriented approach. The marketing science institute has recognized the importance of market orientation for many years, and today it remains a research priority. Since the inception of the marketing concept, there have been studies linking a number of individual constructs to market orientation. These include the linkage between market orientation and business performance that has been strongly investigated in the literature, especially, in developed countries like the United States.

Market orientation which is, broadly speaking understood as the implementation of the marketing concept as a business philosophy has received a strong attention in the marketing literature. However, there has been little research on market orientation within the small business sector *in Nigeria*. According to many authors (e.g. Blankson and Stokes, 2002) who contended that small business owners had a problem with marketing, and following discussions with some small business owners/managers who did not perceived marketing to be useful,

it could be assumed that Nigerian small firms do not successfully apply the marketing concept or, in other words, the degree of their market orientation is expected to be low. Moreover, it seems quite reasonable to argue that market orientation has no significant impact on performance of Nigerian small firms. This paper examines the concept and the practice of market orientation and theoretical framework was directed to access various aspects of market orientation. The application of market orientation theories by SBEs in Nigeria was focused and its concomitant relationship to their performance and competitiveness were also analysed. Two null hypotheses were formulated to test the relationship between customer orientation and sales growth and market orientation and SBE's profitability. Questions were formulated based on the hypotheses and 194 questionnaires were distributed to top managers and investors of SBEs, out of which 185 were returned. Findings revealed that market orientation improved the sales growth and profitability of few SBEs, and the majority failure to employ this method denied them of the benefit. Hence their low performance and competitiveness. This study recommends that market orientation should be employed by SBEs for sales growth, profitability and competitiveness.

The paper is divided into three parts. The first part provides a summary of numerous theories of market orientation and their link to business performance. The second part relates to an overview of the research methodology used in the study, followed by the analysis and results. The paper concludes that SBEs performance depends on its ability and readiness to employ market orientation for improved sales growth, profitability and competitiveness.

## 2. Literature Review

### 2.1 Market Orientation

Market orientation is more recently used synonymously with how to implement the marketing concept, and one of the major research topics in marketing literature during the past decades. Market orientation can be defined as a form of organizational culture where employees are committed to continuously create superior customer value, or as a sequence of marketing activities that lead to better performance (Gudlaugsson and Schalk, 2009). Years of research have concluded that market oriented companies perform better than companies that are less market oriented. They focus on adapting their products and services to the needs and expectations of their customers instead of those who are product oriented and focus on developing a product or service that is then marketed and hopefully sold (Gronross, 2006). To achieve this customer focus, a firm with a high degree of market orientation cultivates a set of shared values and beliefs about putting the customer first and reaps results in form of a defensible competitive advantage, decreased costs and increased profits (Desphande, 1999).

According to Kotler (2003), the marketing concept is supported by four pillars: target market, customer needs (which both are related to customer focus), integrated marketing, and profitability. However, the question arises which specific activities are needed to translate the philosophy into practice successfully. The question has led several authors to contribute to the operational definition of market orientation as a construct. So, various conceptualizations of the construct can be found in the literature. According to Laferty and Hult (2001), five perspectives on market orientation can be distinguished:

- The decision – making perspective proposed by Shapiro (1988) defines market orientation as an organization decision – making process characterized by a strong commitment of management to open interdepartmental decision-making.
- The market intelligence perspective proposed by Kohli and Jaworski (1990) focuses on specific marketing activities, i.e. generation and dissemination of market intelligence and responsiveness of all departments to it.
- The culturally based behaviour perspective (Narver and Slater, 1990) stresses three behavioural elements which build market orientation: customer orientation, competitor orientation, and interfunctional coordination.
- The strategic focus perspective developed by Ruekert (1992) is in some aspects similar to definitions of Kohli and Jaworski (1990) and Narver and Slater (1990). Namely, his approach stresses first obtaining and using information from customers, then developing a customer focused strategy, and finally implementing that strategy by being responsive to customer needs.
- The customer orientation perspective proposed by Deshpande, Farley and Webster (1993) who claim that the competitor focus must be excluded from the market orientation because it is opposed to a customer orientation, while interfunctional coordination is consistent with it.

All conceptualizations have several similarities (Jaworski and Kohli, (1996). First of all, they all put the customer in the very heart of the definition, stress the importance of being responsive to customers, and they all consider interests of other stakeholders as well (not just customers).

### *2.2 Consequences of market orientation*

The consequences of market orientation are organized into four categories: organizational performance, customer consequences, innovation consequences, and employees' consequences (Jaworski and Kohli 1996). The marketing strategy literature posits that market orientation provides a firm with market – sensing and customer – linking capabilities that lead to superior organizational performance (Hult & Ketchen, 2001). Organizational performance consists of cost-based performance measures, which reflect performance after accounting for the costs of implementing a strategy (e.g. profit measures), and revenue – based performance measures, which do not account for the cost of implementing a strategy (e.g., sales and market share). In addition, researchers have also used global measures that assess managers' perceptions of overall business performance, mostly through comparisons of organizational performance with company objectives and or competitors' performance (Jaworski & Kohli 1996).

Customer consequences include the perceived quality of products or services that a firm provides customer loyalty, and customer satisfaction with the organizations products and services (Jaworski and Kohli 1996). Market orientation proposes to enhance customer – perceived quality of the organization's products and services by helping create and maintain superior customer value (Brandy and Cronin, 2001). Market orientation enhances customer satisfaction and loyalty because market – orientated firms are well positioned to anticipate customer needs and to offer goods and services to satisfy those needs (Slater and Narver 1994a).

Innovation consequences include firms' innovativeness; their ability to create and implement new ideas, products, and processes (Hult and Ketchen 2001); and new product performance i.e; the success of new products in terms of market share, sales, return environment, and profitability (Im and Workman 2004). Market orientation should enhance an organization's innovativeness and new product performance because it drives a continuous and proactive disposition toward meeting customer needs and it emphasizes greater information use. For employee consequences, Kohli and Jaworski (1990) argued that by instilling a sense of pride and camaraderie among employees, market orientation enhances organizational commitment (i.e; willingness to sacrifice for the organization), employee team spirit, customer orientation (i.e. the motivation of employees to satisfy customer needs), and job satisfaction. In addition, market orientation can reduce role conflict; which Siguaw, Brown and Widing (1994) define as the incompatibility of communicated expectations that hampers employees' role performance.

### *2.3 Market Orientation and Small Business Enterprises*

Small business enterprises (SBEs) have been of great importance for the Nigerian economy and society for quite a long time. Small business enterprises play significant roles in the growth and development of many nations. SBEs constitute a large part of many economies of the world, including those of developed and developing countries. SBEs number up to half to two – thirds of businesses all over the world (Tuteja, 2001). In Nigeria, SBEs account for about seventy percent (70%) of the number of businesses operating presently, contribute a reasonable percentage to the nation's GDP, and employ a reasonable percentage of the nation's workforce (Osugwu, 2006).

A review of the marketing and management literature reveals that only little research in the area of market orientation was focused on issues concerning its relationship to the performance of small business enterprises. According to traditional management theory, market orientation is expected to be a less critical factor of small businesses enterprises success because SBEs have a smaller number of customers, less complex organizational structure, and are usually more flexible and quicker in responding to market changes. However, Pelham and Wilson (1996) who conducted a longitudinal research on the sample of U.S small Business Enterprises found that market orientation was one of the few significant determinants (besides sales growth and market share) which directly affected profitability.

Moreover, market orientation was the only variable which was strongly related to product quality and to a successful new product development. On the other hand, business strategy, firm size and industry environment turned out to have only a modest influence on SBEs' performance. Another study of Pelham (2000) supported the above results. In addition, Appiah – Adu and Singh (1998) who conducted a mail survey among a sample of UK small and medium – sized firms, reported a positive impact of customer orientation (which is a dimension included in all market orientation definitions) on small firms' performance (measured by sales growth, new product success, and ROI).

It is clear that strengthening the SBEs sector is an important direction for improving the economy of Nigeria as the country would become less dependent on oil and gas exports.

#### *2.4 Effect of Market Orientation on Business Performance*

There appear to be several benefits of market orientation. However, the role of market orientation in improving business performance has been the subject of dispute for a long time. The results of empirical studies are for and against the proposition that a company's performance is positively related to its market orientation. In general, market orientation is believed to be positively related to performance (e.g. Kotler, 2003; Matsuno and Mentzer, 2000; Narver and Slater, 1990; Pelham, 2000), all subscribe to the belief that market orientation is the key to successful business performance, although several authors did not find an empirical support for this widespread belief. For example, Narver, Jacobson and Slater (1999) who conducted a panel data analysis, found out that market orientation is significantly related to sales growth, but not to return on investment (ROI); moreover, Jaworski and Kohli (1993) found no significant relationship between market orientation and either market share or return on equity (ROE).

On the other hand, a number of authors have questioned the link between market orientation and business performance. For example, Han, Namwoon and Srivastava (1998) did not find any relationship between market orientation and any of performance measures included in the study. Kaldor (1971) suggested that the marketing concept is an inadequate prescription of marketing strategy because customers do not always know what is needed. Furthermore, critics such as Gerken (1990) have pointed out that it is unrealistic to be market oriented because firms are no longer able to keep up with erratic and constantly changing demand and market developments. Bennett and Cooper (1979) have noted that the ability of customer to verbalize what they need is limited by their knowledge. Hence, marketers sometimes need to anticipate future needs and wants of consumers to be successful. Indeed, Bennet & Cooper (1979) argue that market orientation induces businesses into being interested in short-term and intermediate customer needs, which can be detrimental to innovation and the long-term success of a company.

Studies using samples from US companies (Jaworski and Kohli, 1993; Narver and Slater, 1990; Pelham, 1997) found undeniable support for a positive association between market orientation and business performance however, mixed findings are reported from non – US studies (Diamantopoulous and Hart, 1993). Jobber (2004) maintained that a number of more recent studies have also found a positive relationship between market orientation and business performance. Market orientation has been found to have a positive effect on sales growth, market share and profitability, sales growth and new product success, perception of product quality and overall business performance.

#### *2.5 Theoretical Framework*

Market Orientation theorist such as Kohli & Jaworski (1990), Narver & Slater (1990), Ruekert (1992), Gainer & Pandanyi (2005), Carr & Lopez (2007) have all argued that market orientation traces its origins from the market concept and has consequences to overall business strategy performance. Narver and Slater (1990), defined market orientation as the organizational culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and, thus, continuous superior performance for the business. They conceptualized an organization's degree of market orientation as the sum total of its emphasis on five components: customer orientation, competitor orientation, interfunctional coordination, long-term focused and profit emphases. They were able to develop the market orientation framework into a formalized causal model that could be tested empirically. Their causal model of market orientation consisted of five constructs customer orientation, and competitor orientation, include all the activities involved in acquiring information three interfunctional coordination – is based on the customer and competitor information flowing through-out the organization for coordinated efforts to create superior value for buyers; four long-term focus – relates to profits and implementing each of the three behavioural component; and profit emphasis (i.e. resources necessary to pursue a market orientation). The theoretical framework used in this study appears in figure 1. The framework shows the dimensions of market orientation described by Narver and Slater (1990), in their study: customer orientation, competitor orientation, interfunctional coordination, long-term focus, and a dependent measure of performance.

According to traditional management theory, market orientation is expected to be a less critical factor of small businesses enterprises success because SBEs have a smaller number of customers, less complex organizational structure, and are usually more flexible and quicker in responding to market changes. (Rojsek and Konic, 2008).

The market orientation framework designed by Narver and Slater had been used extensively in other research studies and is similarly adopted for this study. This study will investigate the relationship between Market



Orientation and Business Performance of small business enterprises. The relationship was tested using this framework. Three dimensions – A, B, & C were used in this research study.

### 3. Methodology

This study employed both subjective and objective measures of business performance, as is common in research on private organizations. Previous studies have found a strong correlation between subjective assessments and their objective counterparts (e.g. Narver and Slater, 1990; Slater and Narver, 1994a, use subjective measures and summarize some research showing the correlation with objective measure). Business performance was measured by a 6 – item scale, 3 items on subjective measure (i.e. customer retention and customer satisfaction and 3 items on financial performance (i.e., revenue and profitability). Respondents were asked to rate their firm's performance on a 5 point Likert-type scale (where: 1 equals "poor" and 5 equals "excellent").

Questionnaire for this study examine various aspect of market orientation. Items was used to complement others items relevant to the Nigeria environment were derived from various items related to market orientation as developed by Narver and Slater (1990), and Subramanian and Gopalakrishna (2001). Respondent responses were on a 5 point Likert-type scale (where: 1 = strongly disagree; 2 = disagree; 3= undecided; 4 = agree; 5 = strongly agree).

To explicate the nature of the relationship between market orientation and organizational performance of small business enterprises, several different analyses were conducted. Initially, descriptive statistics (means and standard deviations), correlations and internal consistency estimates (Cronbach's alphas) were computed. A Pearson correlation was used to test the overall relationship between MO and performance, whereas a test for the difference between two independent correlations was used for the moderator hypothesis (Cohen, 1988) coefficient Alphas for the market orientation scales range from 0.49 to 0.78. All of these internal consistency coefficients meet the standards recommended for research purposes (standards for Education and Psychological Testing, 1999).

#### 3.1 Result of Findings

Table 1 presents the means and standard deviations of the study variables; the five sub-scales of market orientation and the measure of business performance. The overall means of the market orientation show that customer orientation (mean = 4.76) had the strongest agreement. Interfunctional coordination (mean = 5.57) and long-term focus (mean = 4.43) were also moderately strong. The profit emphasis (mean = 5.46) received only weak agreement, and competitor orientation (mean = 5.68) was marginally below the midpoint of the scale, indicating that respondents were mostly neutral in answering this question.

For business performance, the respondents were stronger at customer response (mean = 5.42), and perceived high ability to acquire, satisfy, and retain customers. The mean of financial performance (mean = 4.30) was only moderately above the mid-point of the scale.

The descriptive statistic and inter-correlation among the study variables are presented in Table 1. Business performance (i.e. profitability, sales growth and revenue) were significantly and positively correlated with seven market Orientation in the study with customer orientation ( $r= 0.39$ ,  $p<0.01$ ), competitor orientation ( $r=0.26$ ,  $P<0.01$ ), profit emphases ( $r= 0.09$ ,  $p< 0.01$ ), customer satisfaction ( $r=0.09$ ,  $p< 0.01$ ), customer retention ( $r=0.14$ ,  $p>0.01$ ) and customer acquisition ( $r=0.11$ ,  $p<0.01$ ), which are expected as all the seven scale measures relevance of market orientation.

There was also a significant relationship between the customer orientation and customer retention ( $r = 0.11$ ,  $p<0.01$ ).

There was, however, no significant correlation between long term focus and other variables in addition to being inversely correlated with business performance. This is perhaps, an indication, that it measures something different from other variables. Another plausible reason is that for the long-term focus, scales responses were anchored on 5 – points from 'always' to 'never' whereas the other variables were anchored from 'strongly agree' to 'strongly disagree'.

The general implication of the results is that market orientation is significantly correlated with business performance. However, to effectively sustain the performance they must be long-term focused.

#### 3.2 Population of Sample

The theoretical population of the study consists of the entire SBEs in the country. However, the study was restricted to Lagos State. The choice of Lagos State stems from the fact that it was former Nigeria Capital also Lagos State is the commercial centre of Nigeria and that the concentration and predominance of SBEs in Lagos

State are easily identifiable (Ojo, 2009). For effective coverage and lower cost, purposive sampling technique was used to select the participating owners/managers. A simple random sampling technique was used to select a total of 194 managers that constituted our sample size.

### 3.3 Data Collection

Data was collected via a questionnaire that has been developed after a review of related literature. The questionnaires were administered to the small scale business enterprises owners/ managers included in the study. Each manager was notified about the research project two weeks before data collection process started. A cover letter was sent to each firm followed by a phone call. Respondents received the questionnaires at their workplace. Included with each questionnaire was a cover letter explaining the purpose of the study and emphasizing the confidentiality of responses for purely academic purposes. A total of 194 questionnaires were distributed out of which 185 were returned realizing a response rate of 76 percent, these questionnaires were e-mailed to the respondents.

### 3.4 Hypotheses Testing

Regression analysis was used for testing the hypothesis. The first regression is on  $H_1$  and examines the strength of the association between customer orientation as independent variable and sales growth as dependent variable. The summary of this regression is shown in Table 1. A positive relationship between the variables was found ( $r=0.512$ ). The model fit is significant (at  $p=0.01$ ), and the adjusted  $R^2$  indicates that customer orientation explain about two fifth of the variation in turnover or sales.

Since there is only one independent variable, the parameter on customer orientation is significant.  $H_1$  was supported, indicating that there is a significant relationship between customer orientation and sales performance or growth.

$H_2$  was tested using regression to examine that market orientation should improve organizational profitability. The regression using the five market orientation components as independent variables, with organizational profitability as dependent was significant, shown in table 3, indicating that at least some part of market orientation had some impact on organizational profitability. The equation accounts for about one- third of variance in organizational profitability. Two components, customer orientation and competitor orientation, were found to be significant determinants of business performance, i.e organization profitability ( $B_1 = 0.333$   $p, < 0.01$ ;  $B_2 = 0, 21$ ,  $p < 0.01$ ). Thus, although not all components of market orientation seem relevant here,  $H_2$  was supported. The specific part of market orientation that seems critical in this content of SBEs is customer orientation and competitor orientation. When the degree of customer orientation and competitor orientation increases, it leads to increased organizational profitability or better performance.

Regression analysis was used for testing the hypothesis. The multiple regression examined  $H^1$  that the higher the level of MO the greater the organizational performance. The regression using the five market orientation components as independent variables, with the sales growth as dependent variables was significant shown in Table 2, indicating that at least some part of market orientation had some impact on sales growth. The equation accounts for more than variance in sales growth. Three components were found to be significant determinants of business performance.

The degree of relationship between the components and sales growth is 53.2% as shown in table 2b, supported our findings. Furthermore the analysis of variances F as shown in variable 2c further confirm 18.62 the significant relationship between MO & bP. Thus, although not all components of market orientation seem relevant here, the hypothesis was supported. The specific part of market orientation that seems critical in this context of small business enterprises are customer orientation, competitor orientation and profit emphasis. When the degree of customer orientation, competition orientation as well as tendency for profit increases, it leads to better performance. Since business organization are established to maximize profit, the application of market orientation will leads to better performance (Subramaniah, et al; 2006).

## 4. Conclusions and Recommendations

Employee's market orientation requires the flattening of the organizational structures, managing processes rather than functional specialization and outsourcing. It also require forming network of relationships with other organizations, and creating an organizational culture in which every employee views the customer as stakeholder whose interests and needs should be protected. These variables are critical components for achieving superior business performance. Positive effect of market orientation on SBEs performance is not only reflected in superior financial performance (i.e. objective measure) but has also been linked to other factors (i.e subjective measure) that are beneficial to the customers, the firm and its employees, and society in general. Aspects

beneficial to the customers are stronger level of satisfaction and access to better products. Factors beneficial to the firm include a better capacity for innovation, a greater entrepreneurial productivity, stronger interdepartmental integration and improved employee's organizational commitment. For employees, market orientation brings about cooperation and support between the employees, managers, investors, and other stakeholders.

Market orientation provides us with a way to formalize our relationship with the market we serve rather than standing above these markets. It has been proved that satisfaction of customer's need through employees market orientation improves organizational growth and profitability which are required for its competitiveness and survival. SBEs have to understand the need of their customers and provide them. Therefore, market orientation would be beneficial to managers / owners in many ways; their actions must be based on market understanding, they should have better understanding of business operating environment and they must work as a team and not as heads of individual function.

Findings revealed that employees's orientation to organizational structure and practice without due regard given to market and customer orientations cannot promote organizational growth and profitability. Market orientation is the most appropriate strategic option that could influence employees commitment to organizational success. Employees inputs have contributed through market orientation and commitment to organizational success were found to be associated to high level of business performance in Europe and USA.

This paper has implications for improved performance of the SBEs and of its managers and investors. The methods and instruments used in the paper could be employed by them to analyse, monitor and measure their own SBEs market orientation and performance. Highly market oriented firms in Nigeria business environment would outperform those with low level of market orientation.

#### **5. Limitations and Directions for Future Research.**

This study gives an overview of small business enterprises and their market orientation, and provides empirical evidence of the assessment of SBEs performance and strategies for their improved performance in Nigeria turbulent market. However, the paper is restricted to small business enterprises in Lagos Nigeria. But despite this limitation the findings could be generalized to all SBEs in Lagos.

Major SBEs of all local governments in Lagos were selected which make the study representative. The samples are stratified and selected to represent all the entire population of SBEs. Furthermore, although the choices for each question were adopted from previous studies, other alternatives might not have been considered. In addition, despite its inherent advantage organisation that failed to provide necessary resource and motivate their employees for market orientation cannot realize or achieve its benefits.

Future research could build upon this study through replication across different samples. Framework proposed in this study can serve as a basis for hypotheses formulation for future research in this area. A longitudinal research design would provide further evidence to the relationship between market orientation and business performance. It could also be used by large companies, provided large inputs are considered and enough information are processed for result.

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Table 1.

STUDY													
VARIABLES	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
Profitability	4.17	1.45	0.12	0.08	0.09	0.39	.26	.08	-0.10	.09	.09	.14	.11
Sales growth	3.95	1.76		0.18	0.04	0.25	.18	.07	0.06	.05	.08	.10	.16
Revenue	4.86.	1.62			(0.62)	0.34	.16	.05	-0.03	.07	.07	.12	.12
Customer orient	4.76	1.59				(0.49)	.13	-.01	-.04	-.00	.11	.04	.04
Competitor orient	5.68	1.09					(0.63)	.006	-.09	-.00	.04	.02	.06
Interfunc coord	5.57	0.96						(0.51)	-.02	.00	.02	.06	.10
Long-term focus	4.43	1.89							-	.00	.03	.09	.05
Profit emphases	5.46	1.82								-	.09	.04	.03
Customer satisfa	5.62	1.64									-	.01	.07
Customer retention	3.96	1.83										-	.02
Customer acquisition	5.93	0.74											-

Table 2a. Regression of customer orientation on sales growth

Unstandardized	standard		standard		
Coefficient	Error		Coefficient	t	sig
(Constant)	4.211	2.617	-	2.874	0.003
CO	0.332	0.805	0.512	3.976	0.000

Table 2b. Model Summary of Simple Regression for Customer Orientation

Mode	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	Standard Error of Estimate
1	0.512	0.436	0.401	102.3313
a. Predictors(Constant: Sales growth)				

Table 3A. Regression of Market Orientation Components on organizational profitability

Unstandardized		standardized			
Coefficient	Standard error	coefficients beta	t	significance	
(Constant)	6.418	2.282		4.074	0.003
Customer orientation	0.333	0.082	0.567	4.596	0.001
Competitor orientation	0.210	0.056	+0.003	+0.012	0.8 005
Information flow	-3.612	0.051	-0.016	-0.136	-0.800
Long-term focus	-2.E012	0.113	-0.122	-0.781	0.421
Profit emphasis	-2.643	0.490	-0/426	-4.189	0.062

Table 3b. Model Summary of Multiple Regressions for Marketing Orientation

Model	R	R <sub>2</sub>	Adjusted R <sub>2</sub>	Std. error of Estimate
1	0.569	0.336	0.312	121.4117
a. Predictors				

(Constant Organizational Profitability)

Market Orientation		Business Performance
Customer orientation		Objective measure
Competitor orientation		Judgmental n
Information Flow	Hi	
Long-term Focus		
Profit Emphasis		

Figure 1. Market Orientation and Business Performance – Theoretical Framework  
*Narver and Slater’s Market Orientation Framework (Narver and Slater, 1990).*