Relationship between Market Orientation Culture and Business Performance

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Abstract
The main objective of the present study is to investigate the relationship between culture of market orientation and business performance in enterprises of conversion industries in Golestan province of Iran. Research method is descriptive–survey. Statistical population of this research includes managers and experts of conversion Industries Company in Golestan province that have been selected by simple random sampling. A sample size of 440 statistical populations by using Morgan was determined 285 individuals. In this study, in order to secondary data collection was used library method and in order to secondary data collection were used the field method with two questionnaires. In inferential statistics to analyze data was used the Spearman correlation coefficient test by using SPSS statistical software. Research findings show that there is significant relationship between market orientation culture and business performance of company.

Keywords: Market Orientation Culture, Business Performance, Financial Performance, Effectiveness of Company

1. Introduction
Market orientation is entering to marketing literature Since the 1980s. Market orientation is concept rooted in marketing theory and applications for marketing philosophy that seriously by Slater and Narver (1990) discussed and evaluated. They introduced market orientation as heart of modern marketing and management and define market orientation as an organizational culture that with maximum effectiveness and efficiency provide necessary behaviors for the creation of superior value for buyers and followed superior performance and competitive advantage for business (Faryabi & et al, 2011). In marketing there is great willingness to market orientation (as intangible factor that effects on organizational performance). Market orientation is a business culture that through creation of superior value for customers effects on organizational performance. On the other hand market orientation as an organizational culture that involves placing customer satisfaction at the center of business operations, therefore will have greater value for customers and better performance for organizations (Doaie & Bakhtiari, 2005).

2. Literature Review
Market orientation is known sometimes mistakenly as synonymous with customer orientation and understood that market orientation is same customer-oriented. However, market –oriented is beyond customer orientation and gives a more comprehensive view. Market-based companies (market orientation) should apply the broad definition of customer so that they include hidden needs. These companies are committed to understand the needs of their customers declared and undeclared and planning and abilities of their competitors through the collection and analysis of market information. An article in Fortune magazine in 1995 is mentioned to this issue and concludes if a company understand needs of their customers as true, in that case can ignore from customers claims.

Market orientation is entering to marketing literature since the 1980s. Market orientation is concept rooted in marketing theory (Kok & et al, 2003). Although there are differences in the definition of market orientation, this concept usually focuses on three components: customers, competitors, coordination between tasks. All the definitions offered from market orientation by experts such as Kohli and Jaworski has an operational focus on data collection, data dissemination and the ability to respond to what has been received (Erdil, 2003).

Narver & Slater are expressed in the definition of market orientation culture: it is a business culture that all employees are continually committed to creating superior value for customers. In another definition, market orientation is as a set of activities and cross-functional processes that will guide business to create satisfy in customers through needs evaluated (Deshpande and Farly, 1997). Tendency to the market and customer needs is the first feature in the new marketing.

Customer oriented means that the organization focus shifted firstly to customer and to satisfy his needs and desires. In terms of customer oriented, market is orientation to the customer and direction finds that this direction is done based on Speculate from customer's requirements. In fact, the market attends to assessment of thoughts, comments and suggestions of Buyer. Customer is
employer. Manufacturer and service providers are required to meet customer needs. In discussions of customer and interactions with his should be understand customer perceptions that firstly, which the benefit is more attractive from customer perspective and secondly, what are the costs and obstacles faced by the customer.

Service should constantly change with people and customer needs. Narver & Slater in 1990 defined customer-oriented as frequent and continuous understand of current and potential customer needs and use of knowledge (knowledge of understanding customer requirements) in order to create customer value. In the other hand, customer-oriented will help to participate in manufacturing the product that is the customer's need. Also Narver & Slater expressed that competitor orientation is means continuing understanding of the capabilities and strategies of major competitors of potential and current that customer’s needs provide purpose of organization the use of its knowledge (knowledge understanding competitors) is in order to create superior customer value. Davis has defined competitor orientation as strengths and weaknesses, abilities and strategies of competitors, So that they can react against their activities. Martin-Consuegra & Esteban believed that competitor orientation is efforts to collect and disseminate information about competitors of market Orientation Company.

Narver & Slater defined interfunctional coordination as coordinate all functions of the organization and operation of customer and market data to create value for customers. Also Tse & et al (2003) stated that interfunctional coordination is dissemination of information about customers and competitors among all people and sections of organizations in order to make a correct understanding of the needs and wishes of the customer and planning to overcome in competition. They divided interfunctional coordination to four parts: functional integration in strategy, information shared among functions, dissemination of information and coordination among all units towards creating value for the customer.

Financial performance evaluation is often based on financial statements and financial analysis offers valuable information about the trends, correlations, quality, profit, earnings per share and the company's strengths and weaknesses and how their financial situation. When talk about to evaluate corporate performance, have more attention to financial performance of the companies. Such approaches are known to traditional approaches in evaluating corporate performance, only deals with one aspect of company activities. Financial statement analysis is tools and techniques that enable the analyst to compare the company's financial statements and operations and generally evaluate financial condition and operations of the company and also to meet future risks (Esmailpour, 1998). Performance evaluation shows what things are not going according to plan and objectives and also assessment shows what cases is not going well in work. So it can achieve to next status (Madani Mohammadi, 2006). Financial performance of business unit includes the efficiency of resource controlled by business unit. Information about the financial performance is presented income statement comprehensively. Income statement is the main data sources to provide users requires of financial statements about company's performance but these financial statement due to not giving reflect some important event cannot provide a complete picture of accounts totally. In other words, there isn’t possible to gain a complete understanding from the company's performance by using this form.

Effectiveness of organization is degree or extent to which organizations can achieve their desired goals. Generally, in an organization, is not easy to calculate effectiveness. To assess or measure the effectiveness as the approach based on goal that is considered product or manufacturing organization and also whether or not Organization has reached its goals and approach based on providing resources of system that consider to the starting point of organization process and whether the organization has been able to provide very good performance to efficiently provide the necessary resources. To assess or measure the effectiveness of organization by using based on the internal process consider to activities within the organization and by using efficiency indicators and health within the organization is measured organization effectiveness.

Companies dominate on market: it is to measure the strength of a brand, product, service or company to offer competitive. There is often a geographic element to the competitive view. In definition of dominate on market, you have to see to what extent a product or brand or classification control is dominant in a geographic area.

Different researchers have used different parameters to measure business performance and cannot be seen any similar practices or proven in this area.

In present study according to research community to evaluate performance were extracted ten components that divided into three categories:

Financial performance: includes components of profit, liquidity and return on investment

Dominate on market: includes the components of sales volume, sales growth and market share

The company effectiveness in markets: includes components of new product success, customer retention, customer acquisition and product quality.

According to what is stated, the research model as follows:
According to conceptual model, research hypotheses are presented as follow:

Main Hypotheses
There is significant relationship between market orientation culture and business performance of company.

Sub-Hypotheses
H1: There is significant relationship between market orientation culture and financial performance of company.
H2: There is significant relationship between market orientation culture and companies dominate on market.
H2: There is significant relationship between market orientation culture and effectiveness of company in market.

3. Research Methodology
This study in terms of purpose is applied research methods and in term of doing research is descriptive – survey. Statistical population examined in this study includes all managers and experts of conversion industries companies in Iran (Golestan). According to the statistics in industries and mines are 440 people. In order to collect data is used the questionnaire that includes 40 components for market orientation and 10 components for business performance. To check the validity of the questionnaire is given to 5 lecturers of marketing and management. The sample is obtained 205 individuals by Morgan table and by using simple random sampling. In this study, in order to secondary data collection was used library method and in order to secondary data collection were used the field method with two questionnaires. In inferential statistics to analyze data was used the Spearman correlation coefficient test by using SPSS statistical software.
4. Data Analysis

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Spearman's correlation coefficient</th>
<th>Sig</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is significant relationship between market orientation culture and financial performance of company.</td>
<td>0.313</td>
<td>0.000</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H2: There is significant relationship between market orientation culture and companies dominate on market.</td>
<td>0.320</td>
<td>0.000</td>
<td>Confirmed</td>
</tr>
<tr>
<td>H2: There is significant relationship between market orientation culture and effectiveness of company in market.</td>
<td>0.411</td>
<td>0.000</td>
<td>Confirmed</td>
</tr>
</tbody>
</table>

First Hypothesis:
The results show that correlation coefficient between the elements of market orientation culture and financial performance is equal to 0/313 and the sig = 0.000 <0.05, thus research hypothesis is confirmed and there is significant relationship between market orientation culture and financial performance of company.

Second hypothesis:
The results show that correlation coefficient between the elements of market orientation culture and financial performance is equal to 0/320 and the sig = 0.000 <0.05, thus research hypothesis is confirmed and there is significant relationship between market orientation culture and companies dominate on market.

Third hypothesis:
The results show that correlation coefficient between the elements of market orientation culture and financial performance is equal to 0/411 and the sig = 0.000 <0.05, thus research hypothesis is confirmed and there is significant relationship between market orientation culture and effectiveness of company in market.

Main hypothesis
The results show that correlation coefficient between the elements of market orientation culture and financial performance is equal to 0/405 and the sig = 0.000 <0.05, thus research hypothesis is confirmed and there is significant relationship between market orientation culture and business performance of company.

According to significant relationship between market-orientated culture and performance of the business in this study it can be concluded that increasing attention to this culture is caused to improve business performance in conversion industries of Golestan.

5. Conclusions and Recommendations
According to result obtained and compared with the results of many accomplished researches in same way, can be said that there is relationship between market orientation culture and business performance of company. Thus results of this study are consistent with the results of the research Hamburg (2003), Narver & Slater (2000), Erdil (2003), Kok(2002), Bolis(2000), Kotler & Armstrong (1988). Compared to the findings of research background, there was/is always significant relationship between customer orientation, competitor orientation and interfunctional coordination and financial performance, dominance of company in market and effectiveness of the company in market. The results of this study show that market orientation culture with values varying degrees has relationship with business performance in term of effectiveness of the company in market and financial performance and dominance of company in market. According to research findings, the following recommendations are offered to improve business performance:

- To consider customer needs in corporate strategy.
- To measure customer satisfaction on a regular basis.
- To maintain a dynamic system to handle customer complaints.
- To identify the strengths and weaknesses of their competitors regularly.
- Regular reviews of their competitors marketing variable.
- Senior managers of the company allocated regular meetings to discuss their competitors.
- To provide information about competitors to other departments.
- Personnel, units and other resources coordinate such a way to create value for customers as coordinated and integrated together.
• Marketing information systems are established in their company.
• Information about the market (customers, competitors and the environment) are collected on a regular basis.
• To interpret information.
References


