



**THE EFFECT OF MARKET ORIENTATION ON
MARKETING PERFORMANCE: A CASE STUDY ON
ABAY BANK S.C**

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**St. Mary University Masters of arts
Marketing Management Post Graduate Program**

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Addis Ababa, Ethiopia

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**A Thesis Submitted to Department of Marketing Management, for the
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Board of Examiners

As members of the Examining Board of the final MSc, open defense, we certify that we read and evaluated the thesis prepared by Aklilu Teshome Medfu and recommend that it be accepted as fulfilling the thesis requirement for the degree of masters of marketing management.

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DECLARATION

I declare that this MSc Thesis is my original work and has never been presented for the award of any degree in this or any other university and all source of materials used for the thesis have been duly acknowledged.

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St. Mary's University

ENDORSEMENT

This thesis has been submitted to St. Mary's University, School of Graduate Studies for examination with my approval as a University advisory.

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LIST OF ABBREVIATION

SPSS	Statistical Package for the Social Sciences
AMA	American Marketing Association
ANOVA	Analysis of Variance
MARKOR	Measure of Market Orientation
MKTORA	Measure of Market Orientation
IG	Intelligence Generation
ID	Intelligence Dissemination
AMFI	Association of Microfinance Institutions
MPM	Marketing Performance Measurement
ROI	Return on Investment
SWOT	Analysis of Strengths, Weaknesses, Opportunities and Threats
TQM	Total Quantity Management

ABSTRACT

The main objective of this study is to examine the effect of market orientation on marketing performance in case of Abay bank. The data used for this study was collected using structured questionnaire from Abay bank 289 manager and non-managerial staffs who are selected by simple random probability sampling method and this study used explanatory research design with quantitative research approach which were appropriate for this kind of study. Returned instruments were analyzed using descriptive, correlation and regression analysis through the use of statistical package for social sciences version 21. From correlation analysis it is explained intelligence generation (70.7%), intelligence disseminations (80.4%) and responsiveness (62.5) statistically significantly effects marketing performance in Abay banks. The overall market orientation analyses findings shows that the extent to which market orientation being applied by Abay bank is good, particularly the highest score belongs to intelligence dissemination which implies that Abay bank is doing better on communication of information with its customers and among employees. The finding of this study the researcher recommends therefore, Abay should be diligently work on its in-house market research which can be achieved by investing on its R&D unit and giving further attention to the unit, as it will help the organization enhance its intelligence generation ability which will eventually lead to improve its overall performance.

Key Words: *Market orientation, business performance, intelligence generation, Intelligence dissemination, responsiveness.*

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

In today's unstable and competitive environments, customers are a scarce resource. To survive and prosper, business firms need to attend to and attract a sufficient number of customers who are willing to purchase their products and services at a price which at least covers the costs involved. Needs and wants of customers are always changing and recognizing these changes is necessary for firms' success. Usually, firms also need to pay attention to competitors because competitors "goods and services are likely to influence customers" preferences and choices (Dickson, 1992). Market orientation offers a lens, believed to provide organizations with a unifying focus and clear vision that will lead to improved access to information and understanding centered on creating superior value for customers (Day, 1994; Kohli & Jaworski, 1990; Slater & Narver, 1995). It is also believed that firms oriented toward the market (i.e. customers and competitors) should have good prospects for attracting a sufficient number of profitable customers (Kohli & Jaworski, 1990). Thus, a market orientation is assumed to be highly beneficial for business firms and other types of organizations.

Market orientation is not a new concept in the marketing and management literature. Scholars argued that customers must be the focus of organization's operations Drucker (1954) and the subsequent support given that the customers are the reason for the organization's existence were all pointing to the fact that market orientation behavior was necessary at that time Levitt (1960). This idea was extended to become known as the marketing concept (McNamara, 1972). Following these developments, the subject market orientation has received a great deal of attention from marketing scholars who have developed, tested and refined market orientation scales for measuring the degree of market orientation that organizations exhibit (see among others, Kohli and Jaworski, 1990; Narver & Slater, 1990; Heart & Diamantopoulos, 1993; Hooley et al., 1998; and Blankson & Stokes, 2002).

In addition the concept of market orientation is considered a corner stone of the marketing management field and emerged in the literature as the implementation of the marketing concept (Goldman & Grinstein, 2010; Kirca, Jayachandran & Bearden, 2005). The marketing concept is

essentially a business philosophy where superior financial performance is considered to be the result of being more effective than competitors in determining and satisfying customer needs. Market orientation is conceptualized as a supplement to the marketing concept as it expands the focus from customer to market, including customers, competitors and exogenous factors affecting

customer needs (Goldman & Grinstein, 2010; Hunt & Morgan, 1995; Kohli & Jaworski, 1990; Narver & Slater, 1990).

In the evolution of the market orientation concept, two approaches have been adopted.

- ❖ The first distinguishes three components: organization-wide generation of market information about current and future customer needs; dissemination of such information across departments and individuals within the market-oriented firm; and an organization wide responsiveness to the disseminated information (Jaworski & Kohli, 1993, 1996; Kohli & Jaworski, 1990).
- ❖ The second one is a cultural perspective focuses on organizational norms and values that encourage behaviors that are consistent with market orientation (Narver & Slater, 1990, 1995). In this viewpoint, Narver & Slater (1990) present market orientation as formed from the gathering of three behavioral elements: customer orientation, competitor orientation and inter-functional coordination.

According to Laferty & 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 & 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 behavior perspective (Narver & Slater, 1990) stresses three behavioral

elements which build market orientation: customer orientation, competitor orientation, and inter-functional coordination.

- ❖ The strategic focus perspective developed by Ruekert (1992) is in some aspects similar to definitions of Kohli & Jaworski (1990) and Narver & Slater (1990). Namely, his approach stress 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 & Webster (1993) who claim that the competitor focus must be excluded from the market orientation because it is opposed to a customer orientation, while inter-functional coordination is consistent with-it.

Business performance has a variety of meanings (e.g. short- or long-term, financial or organizational benefits), we can broadly view from two perspectives, and those are subjective and objective methods.

- ❖ The subjective method is primarily concerned with the performance of firms relative to their own expectations or assessments or relative to the competition.

The second method is the objective concept which is based on absolute measures of performance.

- ❖ Objective measures relate mainly to financial measures, e.g. return on assets (ROA), return on equity (ROE), return on investments (ROI), growth in sales, growth in profit and other indicators. (Golden, P.A., Johnson, D.M. and Smith, J.R.1995).

Kohli & Jaworski (1990) saw business performance as being influenced by four moderators, namely: market turbulence; technological turbulence; competitive intensity; and performance of the economy, which also suggests the possible impact of a national economy. Market and technological turbulence is the rate of change in the composition of customers and their preferences and change in technology that causes an unstable economic climate and continually

stirs up the market (Kotler & Armstrong, 2011). Competitive intensity is a commonly accepted measure of market concentration, indicative of the extent to which organizations put pressure on each other and limit each other's profit potential as they compete for profit and market share (Vieira, 2010).

At present almost all the companies, irrespective of developed or developing countries, consider market orientation as a pivotal point in their decision making process. Literature on this concept suggests that environmental factors such as technology turbulence, competition, market turbulence, create the need of market orientation (Malhotra, 2001). Therefore, companies now adopt market orientation either as a culture or philosophy or behavior (Kohli & Jaworski, 1990, Narver & Slater, 1990).

1.2 Background of the organization

Abay bank has fulfilled all the necessary requirements of the national bank of Ethiopia to set up a bank, and officially established on July 14, 2010 and started full-fledged banking operations on November 3, 2010. Currently the paid up capital of the bank is birr 2.12/ Two billion one hundred twenty million birr until April 30, 2021, and the number of shareholders reached 4,186/ four thousand one hundred eighty six. (Source, Boucher, document and flight paper)

The bank is poised to serve all economic sectors through its network of branches. It extends its services to domestic trade and services, international trade, agriculture, industry, transportation, construction and real estate sectors.

Abay bank is talking all the necessary steps to be an effective partner to every business in fulfilling their financial dreams and aspirations. The bank is determined to bridge the gap between access to financial services and those who need it most. In light of this, the bank offers all types of universal banking services, and has planned to render unique services to its clients supported with modern technology.

Since its establishment, the bank has achieved encouraging achievements by all standards. Its sphere of operation has expanded all over the country and the total number of branches has reached over 271 just within 10 years of operation and is has more than 915,000/eight hundred fifteen thousand account holders as of April 30,2021. (Source, Boucher, document and flight paper)

1.3 Statement of the Problem

In the modern business environment, competition among the business firms has reached an extraordinary level and obtaining bearable competitive advantage has become a key to survival for most of the firms. Market orientation is reported to be a major source of competition in many managements and marketing researches (Hultand & Ketchen, 2001; Jowarski & Kohli, 1993).

There appear to be several benefits of market orientation. However, the role of market orientation in improving marketing 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 & Mentzer, 2000; Narver & Slater, 1990; Pelham, 2000), all subscribe to the belief that market orientation is the key to successful business performance. In contrast, other researches with a negative finding on the relationship between market orientation and business performance include: Au, & Tse, (1995) in their study which employed hotel as sample with marketing managers as respondents. The results indicated no significant association between market orientations and hotel performance. Demirbag et al. (2006) conducted a study on TQM and market orientations impact on SMEs performance, using structural equation modeling for data analysis, with one hundred and forty one SMEs operating in the Turkish textile industry. They found no significant relationship between market orientation and organizational performance.

Amue and Igwe (2013) examine the effect of internal marketing on market orientation and business performance. The idea of this paper is to scrutinize the effect of internal marketing on commercial banks' in Pakistan organization obligation, market orientation, and business performance. The findings of the study recommended that internal marketing programs had a momentous effect on employees' commitment, their market orientation and overall profitability of the organization. In accumulation, the mediating connection of organization commitment with internal marketing and market orientation was not supported.

Moreover, literature on the impact of market orientation on firm performance has revealed mixed discoveries in the developed and developing countries (Narver & Slater, 1990; Jaworski & Kohli, 1993; Perry & Shao, 2002 & Dwairi et al., 2007).

Appiah-Adu (1998) found no significant relationship between market orientations and marketing performance among manufacturing and service firms in Ghana, Mahmoud et al., (2010) reported a positive relationship between market orientation and business performance in the Ghanaian public sector. Although there are numerous studies related to market orientation and its impact on business performance in European countries and in the USA, there is a gap in the literature since there has been almost no empirical study conducted in Ethiopia which examined the relationship between market orientation and marketing performance so this study attempted to fill the gap by examining market orientation-marketing performance relationship a case study on Abay bank S.C.

1.4 Basic Research question

The study was conducted with the aim of providing answers to the following basic research question.

1. What is the relationship between market orientation and marketing performance?
2. Does market orientation have an effect on marketing performance?
3. What is the level of Abay bank market orientation?

1.5 Objectives of the study

The general and specific objectives of the study are presented as follows;

1.5.1 General Objective

The general objective of the study is to investigate the effect of a marketing orientation on marketing performance of in Abay bank S.C.

1.5.2 Specific Objective

- To examine the relationship between market orientation and marketing performance.
- To explain the effect of intelligence generation on marketing performance in Abay bank.
- To explain the effect of intelligence dissemination on marketing performance in Abay bank.
- To explain the effect of responsiveness on marketing performance in Abay bank.
- To investigate the level of market orientation in Abay bank.

1.6 Scope of the Study

The scope of the study was bounded on effect of market orientation on marketing performance in Abay Bank head office and city branches Addis Ababa.

Besides, the research is limited, geographically. The findings of the research would be more fruitful if it were conducted on a wider scale. But due to giant nature of Abay bank, it is practically difficult for the researcher to include all branches. Thus, the sample frame was restricted to head office and Addis Ababa branches from which the survey was conducted in city branches of Abay bank.

1.7 Significance of the Study

The significance of the study the effect of marketing orientation on business performance on case of Abay bank S.C the purpose of this study expand the knowledge generated by previous research on the field of market orientation and business performance.

The study can be used to enhance corporate management and organization culture so that the business performance is improved from the manager's level. In addition, subjects used in this study Furthermore, at the empirical level, the ideas suggested by the researcher can contribute to develop new knowledge of the concept of market orientation and business performance.

The effect of marketing orientation in business performance is very important for the economy and labor force of the country.

Market orientation which distinguishes three components: First organization-wide generation of market information about current and future customer needs; second dissemination of such information across departments and individuals within the market-oriented firm; third an organization-wide responsiveness to the disseminated information will have a major significance not only for the topic of the study but also for practitioners, policy makers and planners .Moreover the result of the study might be used as a reference material for future studies that would be done in this area.

1.8 Limitations of the Study

This study focuses on selected representatives branches in Abay bank, which is marketing orientation on marketing performance. Thus, the results of this study can only be generalized to in the bank industry. Moreover, the research only emphasizes on the company's" view point of the industry. The researcher does not focus on customers" view point on the selected study area. To apply the results generated in this study to another industry or sector, one should be aware of the limitations of different factors from different industries and environment.

1.9 Organization of Study

This research paper is structured to have five chapters arranged sequentially. The first chapter consists of the introductory part which includes background of the study, statement of the problem, research question, and objective of the study, organization of the study, scope and limitation of the study, significant of the study. Chapter two covers review of related literature which consist theoretical review, empirical review, and conceptual framework with hypotheses. The third chapter of consists of research design and methods. In this chapter, research approach, the design of the study, target population, the sample size and sampling techniques, instrument used to gather data, and so on are discussed. Forth chapter focuses on the analysis and discussion of the collected data. Finally chapter five consists major findings, conclusion and recommendations based the study findings.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Theoretical Literature Review

2.1.1 Market Orientation

The idea of market orientation is been introduced and espoused over 56 years ago (Levitt, 1960). The development of the concept of market orientation has led many researchers and scholars to contribute in terms of research in various facets of business and how it can be applied. Market orientation contributes significantly to various areas of business activities such as return to assets, how organizations learn and quickly react to environmental challenges and new product success and innovation (Lukas & Ferrell, 2000; Narver& Slater, 1990). One important point worth mentioning is that, market orientation differs from marketing orientation; where-as market orientation looks at the entire organization in a form of wide application, marketing orientation explain the philosophy and actions that are specific to marketing department (Kohli & Jaworski, 1990; Narver & Slater, 1990). A market-oriented organization is one that effectively and efficiently implement marketing concept in its lines of operations.

Many authors try to give meanings and explanations to the concept of market orientation. Shapiro (1988) conceptualized the concept and believed it is an organizational decision making process beginning from information gathering and proceeding to implementation. These would be realize if there is a strong commitment by managers through sharing information interdependently and allow employees to contribute to decision making at all levels of management.

2.1.2 Market Orientation Definitions

Kohli and Jaworski (1990) employ the marketing concept as their conceptual starting point for developing an operative conceptualization of market orientation. Based on extensive literature and field research they identified three aspects: intelligence generation, intelligence dissemination, and responsiveness, which they demonstrate are important components of a market orientation.

The concept of market orientation originated from the roots of modern marketing literature and the understanding of marketing as a field, and emerged as the implementation of the marketing concept. The marketing concept is essentially a business philosophy (Kohli and Jaworski, 1990) and holds that marketing is the principal function of the firm because the key to achieving organizational goals consists of being more effective than competitors in integrating marketing activities toward determining and satisfying the needs and wants of target markets (Kotler, 2009). Market orientation serves as a supplement to the marketing concept describing the activities and behaviors associated with the development of market intelligence and knowledge (Hunt and Morgan, 1995).

Two main contributions brought the market orientation literature into a new era as they each presented their own definitions of market orientation, both with the intention to provide an operative understanding of the marketing concept to theory as well as practice (Kohli and Jaworski, 1990; Narver and Slater, 1990). These contributions mark a shift of focus of the literature, from a descriptive and conceptual focus on the marketing concept as a business philosophy to a theory testing focus where empirical evidence is gathered and analyzed (Goldman and Grinstein, 2010). Providing operational definitions, measurement scales and a purposed theory of market orientation, the two contributions also resulted in a substantial growth in the amount of published market orientation literature (Goldman and Grinstein, 2010; Liao, Chang, Wu and Katrichis, 2011). Despite their common objective to provide an operative understanding of the marketing concept, Kohli and Jaworski (1990) and Narver and Slater's (1990), definitions of market orientation differ on several levels. In the following sections, the two definitions will be presented and discussed in terms of their differences and similarities, their strengths and weaknesses, and their standings in the literature. Based on this discussion, one conceptualization of market orientation is argued to be preferred over the other and adopted for the purpose of this study.

2.1.3 Cultural definition of Market Orientation by Narver and Slater

Narver and Slater (1990) argue in line with strategic management literature that a firm's ability to achieve above-normal performance depends on it being able to create a sustainable competitive advantage through the creation of superior value for customers. Further, they argue that in order to do so, the firm must have an organizational culture that is driven by a

desire to create superior value for customers. Organizational culture refers to the norms and values among the employees of the organization, and Narver and Slater (1990) argue that organizations must create and maintain a culture that will generate the behavior necessary to achieve and sustain competitive advantages. Narver and Slater (1990) define market orientation as follows.

“Market orientation is the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers and, thus continuous superior performance for the business.”

As they develop a valid market orientation construct, Narver and Slater (1990) argue that market orientation consists of three behavioral components;

Customer orientation, competitor orientation and inter functional coordination, and two decision criteria; long-term focus and profitability.

- A. **Customer orientation** refers to all activities that enable organizations to develop a sufficient understanding of how to create value for their current and potential customers.
- B. **Competitor orientation** refers to the activities associated with creating knowledge about current and potential competitor strengths and weaknesses, capabilities and strategies. This includes both acquiring information about customers and competitors, and disseminating it across the organization.
- C. **Inter functional coordination** is the third behavioral component and refers to the coordinated effort and resource utilization of the organization as a whole to create superior value for its customers. Narver and Slater (1990) stress that market orientation and the three behavioral components are the responsibility of all departments and all members at all levels of the organization. They argue that this must be the common focus of the entire firm in order for the firm to succeed in continuously creating superior value for its customer ‘sand thus a sustainable competitive advantage.

The two decision criteria that Narver and Slater (1990) include in the market orientation construct are long term focus and profitability.

They argue that both a long-term perspective and the main objective of profitability are necessary to survive with the presence of competition. They define market orientation in term of culture and related it to fundamental characteristics for the organization as. “Market orientation is the organization of culture that most effectively creates the necessary behavior for the creation of superior value for buyers and thus continuous superior performance for the business.”

2.1.4 Behavioral definition of Market Orientation by Kohli and Jaworski

Kohli and Jaworski (1990) employ the marketing concept as their conceptual starting point for developing an operative conceptualization of market orientation. Based on extensive literature and field research they identified three aspects: intelligence generation, intelligence dissemination, and responsiveness, which they demonstrate are important components of a market orientation.

- A. **The generation of market intelligence** refers to the gathering of information about the market. Market intelligence is a wider perspective than the traditional view of the marketing concept of simply identifying customers’ needs. As Kohli and Jaworski discovered in their field research, this term includes both existing and potential customer current as well as future needs and preferences and all exogenous factors that may influence these preferences, such as competitors, government regulations, and technology and other environmental factors. Kohli and Jaworski (1990) argue that intelligence generating activities should be carried out in all departments and levels of the organization, and that this should not just be assigned to the marketing department. While the marketing department will perform traditional market research and customer satisfaction inquiries, people in other parts of the organization will have access to other kinds of information about customers and their preferences and experiences, about technological developments and soon.
- B. **The dissemination of market intelligence** refers to how and to what extent the generated market intelligence is communicated to others within the organization in order to create a common understanding and unifying focus within the firm. This dissemination is

important in order for the organization to respond effectively to new information about the market, which is the third dimension of the market orientation construct.

C. **Responsiveness** refers to the concerted actions made by the organization to comply with the conditions in the market: selecting target markets, developing products and services.

Kohli and Jaworski (1990) point out that the generating, disseminating, and responsive activities are likely to be both formal and informal and stress that the entire organization must be involved, additionally, that a successful market orientation anticipates future market developments and respond accordingly. This activity is expressed in their behavioral definition of the market orientation construct:

“Market orientation is the organization wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness to it.”

In addition to providing an operational definition of the market orientation construct, Kohli and Jaworski (1990) developed a comprehensive framework of research propositions, constituting a theory of market orientation. This additional contribution has also made a substantial impact on the development of the market orientation literature and the marketing field as it provided a guide for researchers. Today the majority of market orientation research draws on this framework (Kirca et al., 2005). The framework comprises of four sets of factors: (1) antecedent factors that foster or impede the implementation of market orientation, (2) the market orientation construct, (3) consequences of market orientation, and (4) environmental factors moderating the market orientation – business performance relationship (Kohli and Jaworski, 1990).

The Narver and Slater, (1990) conceptualization shares some common themes with that of Kohli and Jaworski (1990). Both papers view knowledge about customers’ needs and preferences, competitors’ actions, and inter functional coordination, as central to the market orientation construct. In addition both argue that market orientation should be conceptualized on a continuum construct. However, the two approaches differ in some aspects. Narver and Slater report that all three components, namely customer orientation, competitor orientation, and inter functional coordination converged on a single dimension. They wondered if the other two proposed components, namely profitability emphasis and long term focus,

constituted separate dimension. Kohli and Jawroski argue that it is not meaningful to include profitability as a dimension for market orientation: they assert that profitability is an outcome of a market orientation. They include long term emphasis in their definition of market intelligence, by noting that it includes both current and future trends in the marketplace.

Other definitions of the market orientation concept are evident in the literature (e.g. Deshpandé and Farley, 1996; Ruekert, 1992), but the two presented in the previous sections stand out as they have had the far most significant impact on the development of the market orientation literature. As the two definitions represent somewhat different interpretations of what market orientation actually is, they have originated two parallel lines of research. The difference between these lines of research, however, is restricted to how market orientation is defined and operationalized. Both lines of research are in fact based on the comprehensive framework developed by Kohli and Jaworski (1990) in terms of studying antecedents to and consequences of market orientation. Narver and Slater (1990) are in line with this framework as far as the proposed positive performance outcomes of market orientation goes, but limit their scope of consequences to business performance and do not address potential antecedents. The two definitions certainly have their distinct differences, but they do in fact also have strong similarities and elements upon which they agree. Despite the fact that researchers make a choice as to which definition of market orientation they apply to their studies, it is also important to acknowledge that both definitions and interpretations of the concept of market orientation contribute to insights and perspectives that are more complementary than contradictory. This may also indicate an important reason why the two definitions seem to be equally extensively used (Cano et al, 2004; Deshpandé and Farley, 1998; Matsuno, Mentzner and Rentz; 2005).

2.1.5 Market Orientation Scales

Based on their behavioral definition of the market orientation concept, Jaworski and Kohli (1993) developed the 32-items scale of market orientation MARKOR which was refined and limited to a 20-items scale by Kohli, Jaworski and Kumar (1993). The items are designed to measure the three behavioral dimensions organization wide generation and dissemination of, and responsiveness to market intelligence. Narver and Slater (1990) developed the 15-items

MKTOR-scale reflecting their three behavioral components of their cultural definition: customer orientation, competitor orientation and inter functional coordination. Both measurement scales have provided a large number of significant results regarding not only antecedents to but also consequences of market orientation in the literature (Kirca et al., 2005). Several studies comparing the two, however, show that the MARKOR-scale seems to provide greater explanatory power with regard to the relationship between market orientation and performance than the MKTOR-scale (Cano et al., 2004; Deshpandé and Farley, 1998; Matsuno et al., 2005).

Of the two measurement scales, the MARKOR-scale seems to be more closely related to the market orientation definition, while MKTOR has received substantial critique regarding the lack of items addressing the cultural aspects that they emphasize in their definition. Deshpandé and Farley (1998) point out that 13 of 15 items measure behavior and activities rather than organizational culture despite Narver and Slater's (1990) interpretation that market orientation is essentially an organizational culture. Matsuno et al. (2005) reject Narver and Slater's (1990) definition and the MKTOR-scale based on two main issues: the lack of consistency between the cultural definition of market orientation and the behavior-oriented measurement items, and the fact that even though an organizational culture promoting market oriented behavior exists, the corresponding behavior does not necessarily take place. The MARKOR-scale has been criticized for limiting its market focus to customers and competitors, and for including limited items regarding other exogenous factors such as government regulations, technology, suppliers and stakeholders that may potentially influence the evolution of customer needs (Kohli et al., 1993; Matsuno et al., 2000). Another issue with this scale is that the three dimensions of the construct are difficult to distinguish and thus the items may not reflect the theoretical dimensions as well as one would want (Kohli et al., 1993; Matsuno et al., 2000).

Other critical points have been made regarding the MARKOR-scale and aspects relevant to the assessment of an organization's market orientation that the scale fails to take into account, some of which are equally relevant with regard to the MKTOR-scale. One is the issue of quality of both the documented market oriented behavior and the information it provides (Cadogan, Souchon and Procter, 2008; Jaworski and Kohli, 1996). This issue is not addressed

in either scale, a limitation that may inhibit the applicability of the market orientation measurement scales for practitioners. Consequently, organizations may document a high degree of market orientation in terms of scores in either scale, but risk that a low quality market orientation results in high costs or even failure in the market place due to the lack of correct market intelligence.

2.1.6 Implementing Market Orientation

Market orientation is not an operating mode that can be turned on or off but rather a state of being that evolves over time (Narver and Slater, 1990). It will manifest itself through the organizational culture where employees strive to continuously provide outstanding service to internal and external customers. The higher the degree of market orientation, the more skilled employees become to integrate all processes in order to maximize performance for the company as a whole (Laforet, 2008). There are a number of steps that must be taken in order to install a market orientation. What follows is a rough road-map that is grounded in theory.

To install the market orientation process, one should start with thorough analysis of the company and its environment, the markets on which it operates, competition, customer demands and expectation and the satisfaction level of customers and employees to name a few. Kohli and Jaworski (1990) write about the antecedents in this context. Marketing theorist have provided a number of simple tools such as SWOT (analysis of strengths, weaknesses, opportunities and threats), PESTEL (analysis of political, economic, social, technological, environmental, legal issues) to do this analysis.

The next step is to systematically and continuously mediate the obtained knowledge and information to all employees (Kotler et al, 2001). This organizational learning process will mix with the corporate culture and as such create market oriented behavior that will have a positive effect on employees and customers and lead to better overall performance.

The third step is continuous learning and adapting. Firms must set clear and measurable goals and milestones, and improve along the way. Feedback is an important issue here. The concept of market orientation and its steps for implementation should be integrated with the strategy and decision making processes in the company (Perry and Shao, 2002).

Many business owners and top managers tend to focus on the Kohli and Jaworski (1990) behavioral information perspective when introducing a market orientation in their company (Hafer and Gresham, 2008). That is understandable, because businesses are becoming more and more information driven, and their decisions, operations, customer relationships, supplier relationships and internal networking are increasingly information dependent.

The decision to take the behavioral/information-related perspective is based on the belief that being able to change information acquisition, dissemination and responses to the information in reaction to customer, competitor and market conditions is expected to be faster, cheaper, and easier, and would produce more immediate consequences than trying to change company culture. Thus, the behavioral/information related (Kohli and Jaworski) perspective would offer a company the greatest immediate return for the least effort and could be the grass roots foundation of company culture or cultural change. That being said, it has become evident that organizational culture is the key to building a market orientation and the vehicle that should drive organizational learning and change (Narver and Slater, 1990; Denison, 1990; Han, Kom and Srivastava 1998; Bisp, 1999). One could say that a distinctive type of organizational culture is necessary to effectively build a high level of market orientation.

2.1.7 Consequences of Market Orientation

In their comprehensive framework Kohli and Jaworski (1990) proposed three categories of consequences of market orientation: relative business performance, customer responses, and employee responses. In their refinement of the framework, Jaworski and Kohli (1996) add innovation consequences as a fourth category.

- A. Business performance** includes financial performance measures such as profit, sales, and market share as well as global measures of overall business performance. Kohli and Jaworski (1990) argue that a market orientation facilitates clarity of focus and vision in a firm's strategy and provides a unifying focus for the efforts and projects of individuals and

departments (Kohli and Jaworski, 1990: 13), and proposes that market orientation contributes positively to business performance. Narver and Slater (1990) emphasize that market oriented firms are able to understand how to create superior value for customers and realize competitive advantages, which in turn leads to superior financial performance. Similarly, Day (1994) argues that a market orientation provides firms with market-sensing and customer linking capabilities, enabling firms to develop market offerings in tune with customer needs.

- B. Customer consequences** refers to concepts such as perceived quality, customer satisfaction and customer loyalty, which in turn contribute to repeat business, customers spreading the good word, and firm reputation (Kohli and Jaworski, 1990). Narver and Slater (1990; 1994) do not include customer consequences in their studies, but they do argue that market oriented firms are better able to anticipate and satisfy the needs of customers and create superior value for their buyers.
- C. As for the employee consequences**, it is argued that market orientation will create a sense of pride and common purpose among employees, leading to higher team spirit, job satisfaction, customer orientation and organizational commitment (Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; 1996).
- D. Innovation consequences**, such as innovativeness and new product success, are proposed for market oriented firms because they are expected to be better able to create and implement new product ideas and process improvements (Jaworski and Kohli, 1996; Kirca et al., 2005). A market orientation is argued to drive a continuous and proactive disposition toward satisfying customer needs (Kirca et al., 2005).

The investigation of the variety of consequences of market orientation has been the main focus of market orientation research since 1990. A large number of consequences have been hypothesized and empirically tested, and the findings are consistent with Kohli and Jaworski's (1990; 1993) arguments regarding all four categories of consequences (Cano et al., 2004; Goldman and Grinstein, 2010; Jaworski and Kohli, 1996; Kirca et al., 2005). The market orientation – business performance relationship has received by far the most attention and there is a wide consensus of the positive business performance outcomes of market orientation (Cano et al., 2004; Goldman and Grinstein, 2010; Kirca et al., 2005).

Market oriented business culture facilitates clarity of focus. This focus becomes evident through the mission statement, the common vision of management and staff and the overall attitude of the company towards the customer. This creates a high degree of employee satisfaction, better morale, and greater commitment to the job and loyalty to the organization (Ruekert, 1992). Supporting this consequence, Sigauw, Brown and Widing (1994) reported that firms with a high degree of market orientation have a sales force that practices a greater level of customer orientation, decreases role stress and express greater job satisfaction and organizational commitment. It is important for frontline staff such as sales, marketing and service staff, to be market oriented, as they typically target new customers and persuade them to purchase.

Market orientation has also been shown to have positive consequences on customers' attitudes and behaviors. In order for the new customer to become a satisfied one that will repeat his purchase, the whole process from sales to transaction to after-sales must fit the market orientation concept. Anything the customer needs or wants must be adequately dealt with. A high score on customer satisfaction leads to loyal customers that repeatedly buy and might spread goodwill in favor of the company attracting new customers and thus more business (Kohli and Jaworski, 1990).

The market sensing and responding competencies implied by high levels of market orientation result in highly market oriented firms knowing what their customers want and what the market offers, and responding with a service or product that meets the needs of target customers better than competing offerings. Consequently, the success of a market-oriented strategy can be measured in terms of the customer satisfaction that it generates. (Webster and Kreppa, 2000; Qu and Ennew, 2003; Kaynak and Kara, 2004), As a consequence of increased customer satisfaction, it is reasonable to assume that repeat purchase and customer loyalty would be enhanced, and consequently profitability (Maydeu-Olivares and Lado, 2003).

The relationship between market orientation and performance is a cornerstone in the market orientation literature. A positive relationship between the level of market orientation and diverse performance measures was found by Narver and Slater (1990), Kohli and Jaworski (1990), Ruekert (1992), Deshpandé and Farley (1999); Rose and

Shoham, (2005); Martín-Consuegra and Esteban, 2007; Skerlavaj, Stemberger, Skrinjar and Dimovski (2007).

Additionally, (Amirkhani and Fard, 2009) found that positive and significant relationship between market orientation and business performance of the companies designing and manufacturing clean rooms. Orvis (1996) did research on retail store performance in the United States of America and found out that the more market oriented, the better the performance. Hence, the consequences of market orientation seem not to be sector specific. A high extend of market orientation not only benefits companies that sell to consumers, but also to service companies that exclusively sell business-to business and even not for profit organizations and the public sector.

2.1.8 Market Orientation in Banking Industry

The main goal of this paper is to investigate the practice of market orientation in an Ethiopian bank industry organization with a specific focus on the shape of organizational culture.

As cited by Kolar (2006), only a decade ago banks were held to be reluctant to follow and implement a marketing concept. According to Kotler (1994) banks were slow at adopting marketing concepts and they did not adopt marketing as a business philosophy, but merely as a concept of advertising and sales promotion. Baker (1993) found out that a clear lack of a marketing approach was evident at the level of organization-wide philosophy and on the functional level which encompasses planning and utilization of marketing tools

Banks, however, have faced numerous changes during past decades. One of the most important trends in general was deregulation of the banking sector which increased different risks and market competitiveness. Other important trends such as rapid information technology development and increasing competition also put pressure on the market efficiency of the banks, while customers become more active and empowered. Banks were forced to be more flexible, more innovative and more market oriented to respond efficiently to these trends.

Bank management theorists acknowledged this need and emphasized development of the marketing function as one of the key areas in which successful banks will distinguish

themselves in the future. Greenbaum and Thakor (1994), for instance, suggest that better market responsiveness and customizing offers to customer needs are increasingly important for success in the financial sector. Canals (1993), in analyzing competitive strategies of European banks, and also emphasizes the importance of different market-driven strategies that should provide added value through segmentation, innovation, more efficient marketing practice or additional services.

Today, banks are pursuing proactive policies in the market place, bringing contemporary marketing tasks on to the bank agenda and banks have become increasingly market oriented (Howcroft and Durkin, 2003). As a result the construct of market orientation and different issues related to its conceptualization, measurement, implementation, antecedents and consequences, have become prominent topics in the banking sector (Slattery and Nellis, 2005; Lancaster and van der Velden, 2004; Nielsen KockJaensson HoestandSelnes, 2003).

Additionally, (Sattam D. Alshammri, 2003) has also tried to see if market orientation and performance relationship is validated in the banking industry context in a developing country and his findings is also consistent with past research findings about the nature and effects of market orientation.

2.1.9 Marketing Performance

Business performance is a company's ability to adapt to the business environment and develop a good strategy that complements management's ability to create harmony between the environment and internal company (Zainudin & Sugiono, 2016). Organization performance has also been explained as the capability of firm to accomplish its goals and objectives with the help of talented administration, good governance and have a constant rededication to accomplish business objectives. As far as business performance is concerned, it can be perceived from two perspectives: judgmental performance and objective performance (Agarwal et al., 2003). Tuan et al. (2016) argued that, enterprise performance can be identified as a multidimensional concept that can be measured by three indicators: production, finance and marketing. Brown and Guzman (2014) concluded that firms that have more propensities to innovate are the largest, with high technological intensity and market share. Researchers have indicated that judgmental measures of performance are significant to profitability whereas objective measures of performance throw

more light on profitability in most service organizations (Agarwal et al., 2003). One of the most effective strategic options available to the firm in dealing with environmental issues that affect business performance is innovation (Ordanini, Parasuraman, & Rubera, 2014).

Performance is seen as the desire to evaluate the extent of success a firm has achieved, be it a large or a small firm (Akande, 2011). Businesses can be evaluated on the basis of their size, number of employees, working capital as well as profitability. Lately, researcher has paid increasing attention to how a firm improves performance in a dynamic environment (Bayer, Tuli, & Skiera, 2017; Cacciolatti & Lee, 2016). However, Researchers thought vary in terms of defining organization performance most of the researchers used the term performance to state the collection of measurement of input and output efficiency and transactional efficiency. There are measures used to evaluate the performance of a business. Some used objective performance measures of return on equity (ROE), sales growth and return on asset. Minai and Lucky (2011) gave business performance measures of financial and non-financial dimensions of measuring performance. Financial include market share, level of debtors and return on asset. One can therefore say that; the performance of firms is crucial in business activities. Trkman and McCormack (2009) posit that when organizations evaluate their level of performance, it will help them to know if they are progressing or not.

The purpose of marketing performance measurement (MPM) is ultimately an improvement in the financial outcome in a commercial organization.

However, measuring financial outcomes alone does not provide sufficient information of the kind to help direct the decision-making that will achieve the performance improvement (Woodburn, 2004). Organizations need to measure several factors in order to get a real idea of how the organization is performing and where they might intervene. Today's competitive environment requires marketing that is both effective and efficient, if organizations want to achieve their market and financial goals. With market fragmentation offering variety, increasing consumer sophistication, and decreasing ROI (return on investment) levels, measurement in marketing becomes essential. Nowadays, the assessment of marketing practice does not look like a luxury, a fad, or even an option (Antoniod Gama, 2011).

Research points to a variety of marketing metrics. Clark (1999) identifies about 20 measures, Ambler and Riley (2000) tested a total of 38 measures, Davidson (1999) considers ten important measures of marketing effectiveness and Meyer (1998) notes hundreds. However, Clark (1999) suggests we should make better use of existing measures rather than formulate new ones. Ambler and Kokkinaki (1997) have summarized marketing metrics in six categories: financial, competitive market, consumer behavior, and customer intermediate, direct customer and innovativeness measures. **Financial performance measures** are hardly obsolete (Woodburn, 2004). They can offer a total performance measurement (Tangen, 2003) by reducing numerous inputs and outputs to the same currency. As long as financial profits are the goal of most organizations, then decisions need to be validated in financial terms. Financial evaluations probably have more power to drive change than any other performance measure; even though they are poor indicators of what changes should be made. Woodburn 2004, adds that marketing also has an impact as financial performance through its income generating capacity. Of course, in most situations, financial assessment will involve income as well as expenditure. Ambler (2000) argues that financial metrics are usually the first type to be employed to evaluate marketing performance. The financial measures include turnover, contribution margin and profit. **Competitive market measures** define the extent to which an organization acquire market share over competitors, advertising and promotional share of the market. Gray et al. (1998) suggest that market share can be important determinant of profitability in the medium to long term. They state that large market share is both a reward for providing better value and a means of realizing lower costs.

Consumer behavior measures defines extend an organization penetrates consumers gain consumer loyalty and have a better customer gain.

Customer intermediate measure defines brand recognition, satisfaction and purchase intention.

The direct customer measure defines distribution level; profitability of intermediary's and service quality.

Finally, **innovativeness** defines the frequency to which an organization launches new products and their revenue achieved thereof.

2.1.10 Market orientation and Marketing Performance

Market orientation is very significantly important in aiding organizations to have clear understanding of the market place and develop suitable and proper products and service strategies to meet customer needs and requirements (Liu, 2009). A market orientation guarantees a customer focused strategy for market knowledge base generation which is monitored by coordinated, inter-functional marketing efforts to achieve long-term firm success. A number of researchers have reported positive relationship between market orientation and firm performance. Julian et al. (2014) believed that, market orientation represents a major marketing strategy that can be adopted by business organization to improve its performance. The contradictory results reported by previous studies suggest that the relationship between market orientation and performance may be more complex and the impact cannot be viewed in a simple manner (Yusif, 2012).

Customer orientation as an aspect of market orientation has to do with the culture of placing customers' interest first and requires a thorough understanding of client needs so as to fashion products or services of superior value (Narver& Slater, 1990). Customer orientation is commonly seen as an aspect of firm's strategic means of delivering desires value to clients (Zhou, Yim, &Tse, 2005). The main aim of customer orientation is to lay a solid foundation of gaining information concerning current and future clients for strategic actions based on sufficient information provided by customer, hence resulting in creating improved superior value to the customer base (Narver& Slater, 1990). Businesses continuously evaluate these alternatives to understand how the greatest effect can create sustainable better value for current and potential customers. Therefore, to achieve the highest level of performance and to maintain firms long term capacity and creates a mutually beneficial relationship with the customer, market orientation should be at the heart of organization.

For businesses to be competitive, it is required of them to know the weaknesses and strengths as well as capabilities and activities of competitors. Information that is gathered about competitors helps the firm to reposition its offering so as to prepare for the future survival of the entity (Narver& Slater, 1990). Competitor orientation as part of market orientation is seen as an

organizational strategy to improve on the products they deliver to customers. When there exists a coordinated maximization of the firm's resources that aims at performing better in the eyes of the customer, it is seen as the organization practicing inter-functional orientation (Narver & Slater, 1990).

The positive impact market orientation has on performance has been supported by many researchers. Narver and Slater (1990) established a positive relationship between market orientation and business performance for that matter profitability where a market orientation is predominantly concerned with learning from various forms of contact with customers and competitors in the market (Slater & Narver, 2000). The authors further extended their original study by taking into account the influence of marketing orientation on profitability. A marketing orientation entails such behavior's as innovativeness, risk taking and competitiveness which may improve the prospects for developing a breakthrough product or identifying an un-served market segment (Slater & Narver, 2000).

Marketing performance is related to organization performance in terms of market share growth, Profit ratio, sales growth, or customer satisfaction (Ho, 2011). A firm's profitability ratios are used to determine how well the firm performs in the market. If an organization is able to perform well in terms of market share or profit ratio, it can be concluded that the organization is doing well in marketing performance. Besides the numeric measures, the increase in customer satisfaction can be related to an increase in marketing performance. If customers are satisfied with the services or products provided, customers' retention rate will increase.

Ghosh et al. (1994) compared the marketing practices among the better performers in Australia, New Zealand, and Singapore and the importance of market orientation to successful marketing performance was evident. In the three countries (Australia, New Zealand and Singapore), better performing companies claimed a much stronger market orientation than their less successful counterparts, with 89 percent of New Zealand's better performers identifying with this approach, followed by Singapore (88 percent) and Australia (79 percent). Additionally, the Ghosh et al. (1994) study identified that a higher proportion of the better performers in all three countries tended to have a stronger

commitment to marketing' role within the organization, by adopting marketing as a guiding philosophy for the whole organization.

Further support for market orientation as a significant determinant of marketing performance was given by Pitt and Jeantrout (1994). Pitt and Jeantrout (1994) described the results of a study of customer expectations management practices of a sample of British firms. Their study related customer expectations management practices to some organizational success criteria and proposed a checklist for organizations to use in evaluating their own expectations management practices. The most significant conclusion to come from the Pitt and Jeantrout (1994) study was that market orientation was the only significant individual factor to come from the study. The authors were able to conclude that there was a significant relationship between market orientation with regard to expectations management practices and relative market share (an accepted economic and strategic indicator of marketing performance). Pitt and Jeantrout (1994) concluded that firms with a higher relative market share would appear to be those which understood the impact of pricing on customer expectations; who regularly contact customers to understand their needs; and who generally have a better understanding, gained through research, of what their customers expect; or put simply those firms who had a higher relative market share had a greater market orientation than their competitors. The extent to which top management is interested in assessing marketing, or market performance, depends on the extent to which they are market-oriented (Day 1994; Jaworski and Kohli 1993; Kohli and Jaworski 1990; Narver and Slater 1990) because market-driven firms need to gather and disseminate market intelligence within the organization (Kohli and Jaworski 1990; Morgan, Katsikeas and Appiah-Adu 1998; Slater and Narver 1995). Several arguments link MPM to improvements in marketing and firm performance.

First, the mere fact that some output will be measured has a positive effect on results. It encourages greater attention to the activities to be measured ("what gets measured gets done").

Second, it has been suggested that marketing contribution to the achievement of strategic goals is underrepresented in firms that do not measure marketing performance.

Third, it has been argued that MPM should lead to learning, which should enable improved marketing decisions and consequently improved performance. (António G and Joaquim C, 2013).

2.2 Empirical Literature Review

Ephrem worku (2017) this research aims to evaluate the effect of market orientation on business performance a case study on commercial bank of Ethiopia has showed that market orientation is a critical component of business performance and offers evidence of the effectiveness of the implementation of the marketing concept by using MARKOR scale of Kohli, Jaworski and Kumar (1993) for independent variable market orientation with its components intelligence generation, intelligence dissemination and responsiveness and the 11 items scale for dependent variable business performance(financial and non-financial) are adapted from Ali Kara et al. (2005).

The data used for this study was collected using structured questionnaire from CBE 249 top manager, customer service managers and marketers who are selected by non-probability convenience sampling method and this study used explanatory research design with Quantitative research approach which were appropriate for this kind of study. The main purpose of this thesis was to measure how business performance is affected by market orientation on CBE and finds that business performance is strongly affected by market orientation as per CBE manager's perspective.

Mulugeta Gebre-Medhin Kassie (2015) this thesis aims to evaluate relationship between marketing orientation and business performance. The units of analysis used in this study were banks including the 3 public and the 15 private banks which have a service life of at least three years in the industry. The unit of analysis for 49 measuring market orientation has often been at a strategic business unit level where the key informants are top level managers (Jaworski and Kohli, 1993). It is believed that managers at various organizational echelons shall be the key informants so that top level managers address the broader view of the organization and lower level managers who are near to the market operation provide more candid information related to customers and the competition facing the bank. In this study, therefore, bank managers at various levels in the hierarchy including top level marketing managers and branch managers participated as respondents in the survey. The total effect of market orientation on business performance was observed to be positive and significant.

Apiah-Adu (2011) empirically tested market orientation and performance in a transition economy (Ghana). The researcher argues that although the management literature is stuffed with empirical studies on market orientation, an assessment of the proof so far advocates that the mass of studies have been based on industrialized countries. The author argues further that regardless of the reality that the business surroundings in numerous developing economies are swiftly undergoing transformation, thereby influencing the metamorphoses of organizations from fabrication to promotion orientation, empirical research involving to market orientation in rising countries remains negligible. In an effort to present further approaching into the global significance of market orientation, this study scrutinized its connection with business performance in an opened developing country. Probable influences of market enthusiasm, competitive strength and market growth on this connection were also examined. The results designate that even though market orientation does not emerge to have a through effect on sales growth or return on investment, the competitive surroundings does control the market orientation-performance linkage.

Amue and Igwe (2013) examine the effect of internal marketing on market orientation and business performance. The idea of this paper is to scrutinize the effect of internal marketing on commercial banks' organization obligation, market orientation, and business performance. Data collection from 12 commercial banks of Pakistan was embattled. Quantitative approaches were used for data collection from 500 bank employees and effective data was supplementary investigated by using inferential techniques on SPSS 18.00. The findings of the study recommended that internal marketing programs had a momentous effect on employees' commitment, their market orientation and overall profitability of the organization. In accumulation, the mediating connection of organization commitment with internal marketing and market orientation was not supported. The studies investigate the involvements by incorporating element of business performance and market orientation in a particular study. From the study, the authors suggest that parsimonious aspect is followed by taking the only mediating variable i.e. organization commitment. Lastly, this study is one of few papers that focus on internal marketing in Pakistani banking industry.

Accordingly, Aliyu (2014) empirically examined the effect of organizational culture and market orientation on performance of microfinance institutions in Kenya. The aim of their study is to

evaluate the impact of organizational culture and market orientation on performance. The population of the study comprises microfinance institutions that are members of the Association of Microfinance Institutions (AMFI) in Kenya. The researchers used descriptive cross-sectional survey design and collected primary data using structured questionnaire. Their hypotheses were through regression analysis. Their results reveal that organizational culture extensively and positively affect variations in performance. The fractional conciliation impact of market orientation on the correlation linking organizational culture and performance was established. The researchers recommended that the admiring impact of organizational culture on market orientation entails that organizations need to spend further resources in cultivation market orientation to create sustainable competitive advantage in the course of delivery of advanced customer experience. They concluded that the effect of organizational culture and market orientation on performance is more plausible for mature industries regarded as diverse in terms of customer needs.

2.3 Research Gap

In general, according to the above literature one can conclude that there is still a need for further studies and this study can add information to fill the gap in the study area particularly, in Abay bank, Ethiopia. The market orientation has influence on marketing performance from the review literature. However, little has been done to investigate the impact of market orientation on marketing performance in Ethiopia organizations specially, in financial organization. So this study attempted to fill the gap by examining market orientation-marketing performance relationship a case study on Abay bank S.C.

2.4. Conceptual framework and Hypothesis

2.4.1 Conceptual Framework

Based on the above literature review the following conceptual framework is developed. The conceptual frame work of Market orientation and Marketing performance measures.

Market Orientation Dimension

Independent Variable

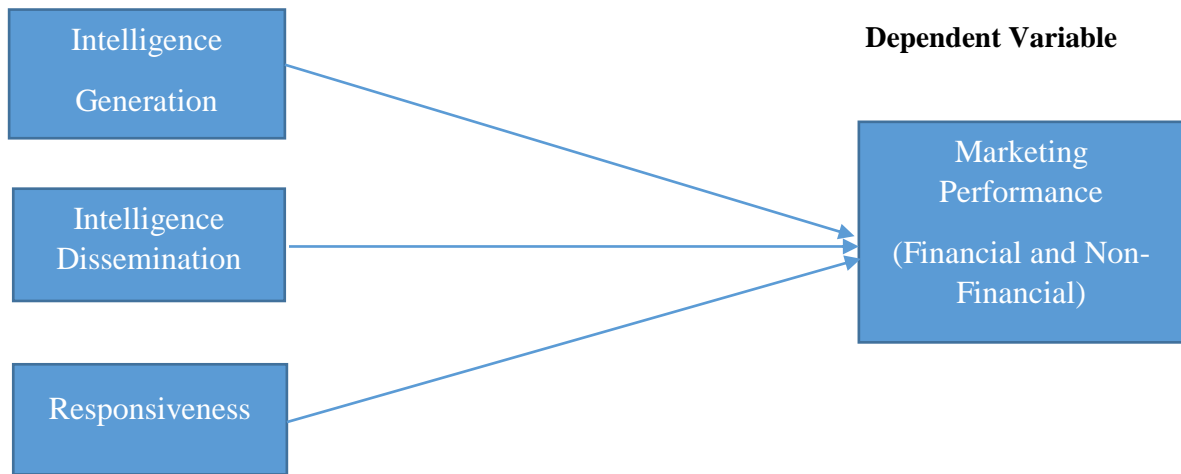


Figure 1. **Conceptual framework**

Source: - Jaworski & Kohli (1990)

2.4.2 Research Hypothesis

Based on the above empirical review and conceptual framework the following hypotheses are formulated.

- **H1-** There is a significantly positive association between generation of market information and Marketing performance.
- **H2-** There is a significantly positive association between dissemination of information and Marketing performance.
- **H3-** There is a significantly positive association between responsiveness and Marketing performance.
- **H4-** There is a significant positive association between market orientation and Marketing performance.

CHAPTER THREE

3. RESEARCH METHODOLOGY

This chapter describes the research approach, research design, and target population, sampling design, method of data collection, reliability and validity of research instruments, data analysis and presentation methods, model specification of the study and finally, ethical issues related to the study are explained and justified.

3.1 Research Design and Approach

The research design depends on the type of research and the kind of information that is going to collect. Academic researches' purpose can be exploratory, descriptive, or explanatory (Yin, 1994). According to Yin (1994) which strategy to use in the research can be determined by looking at three different conditions which are (1) the type of research question posed, (2) the extent of control an investigator has over actual behavioral events and (3) the degree of focus on contemporary than as opposed to historical events? Descriptive research sets out to describe and to interpret what is. It looks at individuals, groups, institutions, methods and materials in order to describe, compare, contrast, classify, analyze and interpret the entities and the events that constitute the various fields of inquiry. It aims to describe the state of affairs as it exists. On the other hand, explanatory research, aims at establishing the cause and effect relationship between variables. The purpose of this study is to examine how examine marketing orientation affect marketing performance.

The research is used explanatory research design thus follows a mixed-method approach (by combining quantitative and qualitative procedures).

3.2 Population

Target population as the set of elements that the study focuses upon and to which the results obtain by testing the sample should be generalize. According to Ralph (2013), a sampling frame is a list of elements from which the sample is actually drawn and is closely related to the population. Total population Abay bank is 3,500 and the sampling frame constituted the employees of the Bank head office and A.A branches total population of the study is used 1,038.

3.3 Sample size and Sampling Technique

According to Japheth (2014), sampling technique is defined as selecting the require sample size in a manner so that the sample is representative of the study population. Sampling techniques can be classified into two main groups, probability and no probability sampling.

The population was very large because of this study used simple random probability sampling techniques. Therefore, the researcher used simple random probability sampling technique to select sample banks to be included in the study. Abay bank has a total of 92 branches in Addis Ababa and the branches are categorized in two districts i.e., North east Addis Ababa which has 52 branches and South west Addis Addis Ababa branches which has 40 branches. Each branch is further categorized in to sub groups as per the bank's branch grading system. This grading system categorized branches form grade A to grade C based on volume of transaction, variety of services provided, site location, amenities and staff strength, cash holding limits and other similar consideration.

Sample size were selected based on the table for sample size determination given by using the formula developed by Toro Yemane (1967), which is based on a 5% margin error and 95% confidence level which states that if the number of population under study is 1038, then it is sufficient to draw 289 as sample size. Sample size from the employees is calculated as follows:

$$n= N/ [1+N (e)^2]$$

Where n= the sample size

N= Population size

e= Acceptable sampling error (5%)

$$\begin{aligned}n &= 1,038/ [1+1,038(0.05)^2] \\ &= 1,038/ 3.595 \\ &= 289\end{aligned}$$

3.4 Sources of Data

There are two types of sources when collecting data; primary and secondary data sources (Arbnor and Bjerke, 1994) as cited in OlleStromgren, 2007. Primary sources are directly related to the study purpose. Primary data consists of all the data collected throughout the study that

directly can be related to the study purpose, both personally gathered as well as data from a third party that has been collected with equivalent purpose. Secondary data on the other hand, contains relevant data that has been collected for a different purpose, but from which the conclusion is valuable for the purpose.

The sources of data for this research is used both primary and secondary data sources. Primary data, directly related to the purpose, were collected through an empirical study. The empirical study is through distributing questionnaire regarding service quality. Secondary data, indirectly relating to the purpose, might be collected through a theoretical study comprised of; books, research thesis, articles, internet, manuals and annual reports.

3.5 Methods of Data Collection

There is a tendency to divide research into qualitative and quantitative when approach to research has been considered as the criterion of classification. Qualitative research involves studies that do not attempt to quantify their results through statistical summary or analysis. Qualitative research seeks to describe various aspects about behavior and other factors studied in the social sciences and humanities. In qualitative research data are often in the form of descriptions, not numbers. Quantitative research is the systematic and scientific investigation of quantitative properties and phenomena and their relationships. The objective of quantitative research is to develop and employ mathematical models, theories and hypotheses pertaining to natural phenomena. The process of measurement is central to quantitative research because it provides the fundamental connection between empirical observation and mathematical expression of an attribute (Abiy et al., 2009)

This research is used both quantitative and qualitative data; the researcher is going to collect quantitative data through close-ended questionnaire. The researcher use Likert scale that helps to measure a variable provided and adopted by the researcher and helps the respondents. This measurement shows statement with which the respondents show the level of agreement or disagreement that is strongly agree=5, “agree=4”, “neutral=3”, “disagree=2” strongly disagree=1 points and also the researcher was used nominal and ordinal scale according to their importance in the data collection and changed to scale measurement in the data entry.

3.6 Validity and Reliability

Validity is the extent to which differences found with a measuring tool reflect true differences among respondents being tested. The purpose of validity in the study has to seek relevant evidence that confirms the answers found with the measurement device which is the nature of the problem. The items is revise and improve according to the employee's, expertise and advisors.

Validity: - The draft survey questionnaire was pilot tested with randomly selected respondents and feedback from the pilot testing was incorporated in to designing of the final questionnaire.

Reliability

The reliability of the scale which is how the collects data is free from random error will check. Cronbach's alpha is a statistic. It is generally use as a measure of internal consistency or reliability of a psychometric instrument. In other words, it measures how well a set of variables or items measures a single, one-dimensional latent aspect of individuals. In order to be reliable, using SPSS result, the Cronbach's alpha should exceed the threshold of .70. This indicates that there was a high degree of internal consistency amongst the test items. (Streiner, Norman, 1989).

Reliability checked using the Cronbach's Alpha test. Reliabilities less than 0.6 are considered to be poor, those in the 0.7range, acceptable, and those over 0.8 good. The closer the reliability coefficient gets to 1.0, the better. The alpha of a scale should be greater than 0.700 for items to be used together as a scale. Therefore minimum 0.700 coefficient alpha values accepted to finalize the item reliability Alkhatabi (2014) cited Sekaran (2000).The level of reliability of the instrument that is the consistency of the variables is checked with the Cronbach's alpha statistics. Cronbach's alpha is an index of reliability associated with the variation accounted for by the true score of the "underlying construct"(Nunnaly,1978).Cronbach's Alpha's can only be measured for variables which have more than one measurement question. Nunnaly (1978) has stated that 0.5 is a sufficient value, while 0.7is a more reasonable Cronbach's alpha.

Table 1 Cronbach's alpha test for market orientation and business performance

No	Item	Cronbach's alpha	No of items
1	Intelligence generation	.741	7
2	Intelligence Dissemination	.827	6
3	Responsiveness	.717	11
	Market orientation	.738	24
1	Financial measures	.793	5
2	Direct customers measures	.918	4
3	Competitive market measures	.788	4
4	Consumer behavior measures	.730	3
5	Innovativeness measures	.852	4
	Marketing performance	.765	20

Source: Survey result 2021

Reliability analysis was calculated to test whether the scale used in the study is internally consistent. As cited by (Hailu 2013) according to George and mallery (2003) Cronbach's Alpha result which is greater than 0.70 is acceptable. From data analysis the Cronbach's Alpha for marketing orientation is 0.738 and for marketing performance is 0.765. Thus, Cronbach's Alpha result of the two variables is greater than 0.70 so this indicates that there is an internal consistency between the items and measurements.

3.7 Data Analysis Methods

Data is analyzed in the form of descriptive statistics, t-test, and correlation and regression analysis with the help of statistical package for social science (SPSS) version 21.0. Descriptive analysis is used to describe the demographic factors for more clarification. Correlation analysis is used to align with the objectives of the research, to test relationship between the two variables.

Regression analysis is also employing to determine the effect of independent variable (market orientation) on dependent variable (marketing performance). Linear regressions and correlation analysis were used to analyze the effect and the relationship between the dependent and independent variables applying Statistical Package for Social Sciences (SPSS version 21).t-test was used to compare the practice of market orientation and marketing performance in Abay bank

3.8 Procedure of Data collection

In order to carry out any research activity; information should be gathered from proper sources. The study has employed both primary and secondary data. Primary data was collected through self-administered questionnaires by soliciting the employee of each branch selected in the sample and included in the study. The questionnaires were given to the concerned Branch Managers and staffs. Consequently, the Branch Managers further distributed them to the customer service managers and marketing officers under their domain. The questionnaire was distributed to all branches with in the sample frame, due to the company's grading system and as the allocation of managers in each branch depends on its grade, from the randomly selected branches, there were branches which have two managers" i.e. branch manager and Assistance manager therefore, even though the sample size was 289, the total distributed questionnaire was 289 and from the 289 distributed questionnaire 254 usable questionnaire were returned. The secondary data was collected from National Bank of Ethiopia, website of the Abay bank, annual reports, and other published and unpublished documents.

3.9 Ethical Considerations

Participants of the study were asked for their consent before participating in the study. During the consent process, they were provided with information regarding the purpose of the study, why and how they are selected to be involved in the study, and what is expected from them and that they can withdraw from the study at any time, in addition they were assured about confidentiality of the information obtained in the course of the study by not using personal identifiers and analyzing the data in aggregates. Respondents were not asked to write their name in order to increase the confidentiality of the information they give. And also the questionnaire explained that the purpose of research was only for academic purpose.

CHAPTER FOUR

4. RESULTS AND DISCUSSION

This chapter contains the reliability analysis, demographic characteristics respondent's, overall market orientation analysis, overall marketing performance measures analysis, the effect of market orientation on marketing performance analysis of the sample population based on the data gathered from the respondents of Addis Ababa branches and head office of Abay Bank S.C. A total of 289 questionnaires were administered. Accordingly, 254 questionnaires were appropriately filled and returned which gives 88.02% return rate that is assumed to be suitable for further analysis.

4.1 Demographic Characteristics of Respondents

The first part of the questionnaire consists of the demographic information of the participants. This part of the questionnaire requested some information related to personal and demographic characteristics of respondents. Accordingly, the following variables about the respondents were summarized and described in the table below. These variables includes: Characteristics of respondents by age, sex, educational level and Designation/position.

Table 2 **Demographic Information of the Respondents.**

Sex	Frequency	Percentage	Cumulative percent
Male	151	59.4	59.4
Female	103	40.6	100
Total	254	100	
Age in years			
18-24	25	9.8	9.8
25-34	122	48.0	57.9
35-44	73	28.7	86.6
45-54	30	11.8	98.4
55-64	4	1.6	100
65 and above	-	-	-
Total	254	100	
Designation/position			
Managerial	65	25.6	25.6
Non managerial	189	74.4	100
Total	254	100	

No. of years in the position			
Less than 5	136	53.5	53.5
5-15	101	39.8	93.3
16-25	10	3.9	97.2
More than 25	7	2.8	100
Total	254	100	
Educational Level			
Certificate	-	-	
Diploma	11	4.3	4.3
Degree	172	67.7	72.0
Masters of degree	70	27.6	99.6
PHD	1	0.4	100
Total	254	100	

Source: survey result (2021)

Out of the total 254 respondents, 40.6% of respondents were females and 59.4% respondents were males. (**Table 2**).The study demonstrated that even though the bank has been serving both sexes, males are the dominant ones. It might be the culture of our society in which males are the dominant bank employees. However, it should be more interesting to further study in the future whether advertisement will have any effect on gender or not.

The respondent's age were also categorized into six. That is, less than 25 years 9.8 % (25), from 25 up to 34 years 48.0 % (122), from 35 up to 44 years 28.7% (73),from 45-54 years 11.8% (30), from up to 55-64 years 1.6% (4) and more than 65. Most of the respondents 48.0% (122)fall under the age category of 25-34, 28.7% (73) respondents fall under the age category of 35-44,11.8% (30) the age category of 45-54, 9.8%(25) the age category of 18-24 years and none of respondents are more than the age of 65.

The respondent's designation or position in the company categorized in to two. That is managerial and non-managerial position in the above tables shows managerial position respondents 25.6% (65) and non-managerial position respondents 74.4% (189).

The above table shows Table 4.2: The year of experience respondents" have in the company was categorized in to four. Among the total population, 53.5% (136) of the respondents have less than five years of experience in the organization. 39.8% (101) of the respondents have

5-15 years of experience in the organization, 3.9 % (10) and 2.8% (7) of respondents stayed in the organization from 16-25 years and more than 25 years respectively. Most of the respondents, which are 53.5 % (136) have less than five years of experience in the company.

The academic qualification of the respondents was classified in to five. That is, certificate, diploma, BA degree, Master's degree and PhD. Most of respondents are BA degree holder 67.7% (172) and diploma 4.3% (11), master's degree 28.0% (71), none of certificate

and none of the respondents possess PHD.

Reliability analysis was calculated to test whether the scale used in the study is internally consistent. As cited by (Hailu 2013) according to George and mallery (2003) Cronbach's Alpha result which is greater than 0.70 is acceptable. From data analysis the Cronbach's Alpha for marketing orientation is 0.738 and for marketing performance is 0.765. Thus, Cronbach's Alpha result of the two variables is greater than 0.70 so this indicates that there is an internal consistency between the items and measurements.

4.2 Market Orientation Analysis

In order to assess the marketing orientation and marketing performance of Abay bank S.C, descriptive statics were computed per dimension. The mean scores have been computed for all twenty four items of marketing, intelligence generation with seven items, intelligence dissemination six items and eleven items of responsiveness.

The minimum and maximum responses of this study are ranging from 1 to 5 for all the variables used in the descriptive statics section, the mean value represents the average all employee response on certain dimensions. Mean scores 4.51-5.00 excellent or very good, 3.51-4.50 good, 2.51-3.50 average or moderate, 1.51-2.50 fair and 1.00-1.50 is poor (Poonlar Btawee: 1987) while, standard deviation shows how diverse the responses of the respondents are meaning, if the standard deviation shows smaller number it indicates that the response of the respondents shows close opinions and when the standard deviation is high it indicates the response of the respondents show high variation.

Table 3 Intelligence Generation

Intelligence Generation

Items	N	Mean	Std. deviation
Employees from in Abay bank interact directly with customers to learn how to serve customers' needs better.	254	4.20	.512
In Abay bank, we meet with customers at least once a year to find out what banking products they will need in the future.	254	4.50	.501
In Abay bank, we do a lot of in-house market research.	254	4.10	.438
We are slow to detect changes in our customers' product/service preferences.	254	2.50	.501
The bank surveys end-users at least once a year to assess the quality of financial service offerings.	254	3.34	.565
The bank periodically reviews the likely effect of changes on the banking environment such as competition, regulations and technology on customers.	254	4.43	.519
We are slow to detect fundamental shifts in our industry (e.g., competition, technology, regulation).	254	2.45	.499
Total		3.64	.276

Source: Survey result 2021

According to the (Table 3) the average mean perception on intelligence generation items ranges from 2.50 to 4.50 on a 5-point scale and the highest mean is scored form item one i.e. meeting with customers at least once a year to find out what products or services they will need in the future with a mean score of 4.50 followed by item five which is detecting The bank periodically reviews the likely effect of changes on the banking environment such as competition, regulations and technology on customers with a mean score of 4.43. The

organization perform least on item two which is doing we are slow to detect changes in our customers product or service preferences with a mean score of 2.50 this shows that the organization is doing little slow to detect changes in our customers product or services preferences compare to other intelligence generation items. In general the grand mean score for intelligence generation dimensions **3.64** therefore the researcher concludes that, regarding to intelligence generation Abay bank employees perceive that the extent to which intelligence is being generated by the organization is good. And the standard deviation shows the respondent varies from 0.474 to .645 with their respond to the variable responsiveness.

Table 4 **Intelligence Dissemination**

Intelligence Dissemination

Items	N	Mean	Std. deviation
Abay bank holds interdepartmental meetings at least once a quarter to discuss market trends and developments.	254	4.05	.808
Marketing personnel in our business unit spend time discussing customers' future needs with other functional departments.	254	3.70	.460
The bank periodically circulates documents (e.g., reports, and newsletters) that provide information on our customers.	254	4.25	.538
Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	254	3.60	.490
When something important happens to a major customer of market, the whole business unit knows about it within a short period.	254	3.65	.455
When one department finds out something important about competitors, it is slow to alert other departments.	254	2.75	.701
Total		3.66	.381

Source: Survey result 2021

According to (Table 4) the mean score of dimensions of intelligence dissemination is **3.66** the highest mean of intelligence dissemination item is organization interdepartmental the bank periodically circulates documents (e.g., reports, and newsletters) that provide information on our customers with a mean score of **4.25**. The second highest mean scored is item five which refers

Abay bank holds interdepartmental meetings at least once a quarter to discuss market trends and developments with a mean score of **4.05**. The least mean scores are item when one department finds out something important about competitors, it is slow to alert other departments with a mean score **2.75**. To conclude, the above table shows that grand mean of intelligence dissemination dimension is good. And the standard deviation shows the respondent varies from 0.570 to .767 with their respond to the variable responsiveness.

Table 5 Responsiveness

Responsiveness

Items	N	Mean	Std. deviation
In Abay bank, principles of market segmentation drive new banking product development efforts.	254	4.55	.499
In Abay bank tends to pay attention to changes in the customer's product/service needs.	254	4.20	.598
We periodically review our product development efforts to ensure that they are in line with what customers want.	254	3.90	.301
In Abay bank plans are driven more by technological advances than by market research.	254	1.56	.506
Several departments get together periodically to plan a response to changes taking place in our business environment.	254	4.60	.490
If a major competitor were to launch an intensive campaign targeted at our customers, the bank responded immediately.	254	1.69	.652
The activities of the different departments in this business unit are well coordinated.	254	3.60	.491
When our bank finds out that customers are unhappy with the quality of the service, we take corrective actions immediately.	254	4.20	.598
Customer complaints are properly handled in our bank.	254	3.60	.491
Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion.	254	2.37	.519
When the bank finds that customers would like to modify a product or service, the departments involved make concerted efforts to do so.	254	4.60	.490
Total		3.53	.226

Source: Survey result 2021

According to (Table 5) the mean score of dimensions of responsiveness ranges from 2.73 to 4.55. The highest mean scored from dimension five followed by dimension eleven and dimension eleven, and the least mean scored from item ten. The overall score of responsiveness is **3.53** shows that more of them respondents good. The mean score from dimension four, six and ten which is 1.56, 1.69 and 2.37 shows that almost all respondents disagreed Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion. And the standard deviation shows the respondent varies from 0.287 to .620 with their respond to the variable responsiveness.

4.4 Marketing performance measures analysis

Table 6 Marketing performance on financial measure

Items	N	Mean	Std. deviation
Market share of this bank in comparison to competitive banks.	254	3.81	.389
Service sales contribution margin	254	3.83	.375
Profit of the bank in comparison to competitive banks.	254	3.02	.595
Service sales turn turnover	254	3.85	.411
Return on investment of this bank in comparison to competitive banks.	254	3.96	.285
Total		3.70	.313

Source: Survey result 2021

According to (Table 6) the mean score of dimensions of marketing performance (financial) ranges from 3.2 to 3.96. the highest mean scored from dimension five followed by dimension four, and the least mean scored from item three. The overall score of marketing performance (financial) is good. And the standard deviation shows the respondent varies from 0.285 to 0.595 with their respond to the marketing performance (financial).

Table 7 **Marketing performance on direct customer's measures**

Marketing performance on direct customer's measures

Items	N	Mean	Std. deviation
Responsiveness in dealing with customers.	254	4.04	.598
Employee professionalism in dealing with customers.	254	4.22	.608
Approach to quality management to ensure complete customer satisfaction.	254	4.12	.650
Profit shares compared with your trading partners.	254	4.06	.506
Total		4.11	.531

Source: Survey result 2021

According to (Table 7) the mean score of dimensions of marketing performance (direct customers) ranges from 4.04 to 4.22.the highest mean scored from dimension two followed by dimension three, and the least mean scored from item one. The overall score of marketing performance (direct customers) is good. And the standard deviation shows the respondent varies from 0.506 to 0.650 with their respond to the marketing performance (direct customers).

Table 8 **Marketing performance on competitive market measures**

Marketing performance on competitive market measures

Items	N	Mean	Std. deviation
Market share	254	3.16	.792
Consumer mind share	254	3.76	.538
Advertising and promotional shares	254	3.43	.717
Effectiveness of promotional campaigns	254	3.06	.685
Total		3.35	.539

Source: Survey result 2021

According to (Table 8) the mean score of dimensions of marketing performance (competitive market) ranges from 3.06 to 3.76. The highest mean scored from dimension two followed by dimension three, and the least mean scored from item four. The overall score of marketing performance (competitive market) is average or moderate. And the standard deviation shows the respondent varies from 0.538 to 0.792 with their respond to the marketing performance (competitive market).

Table 9 Marketing performance on consumer behavior measures

Items	N	Mean	Std. deviation
Consumer penetration in the market.	254	3.65	.476
Strategy to attract customers in relation to competitors.	254	3.68	.466
Overall customer loyalty and customer gained.	254	4.37	.614
Total		3.90	.350

Source: Survey result 2021

According to (Table 9) the mean score of dimensions of marketing performance (consumer behavior) ranges from 3.65 to 4.37.the highest mean scored from dimension three followed by dimension two, and the least mean scored from item one. The overall score of marketing performance (consumer behavior) is good. And the standard deviation shows the respondent varies from 0.466 to 0.614 with their respond to the marketing performance (consumer behavior).

Table 10 **Marketing performance on Innovativeness measures**

Items	N	Mean	Std. deviation
New or significantly improved methods of producing services.	254	4.24	.734
New or significantly improved supporting activities for your marketing processes or operations.	254	3.78	.527
New or significantly improved services on to your market before competitors.	254	3.93	.547
New or significantly improved services that were already available from your competitors in your market	254	4.09	.661
Total		4.01	.518

Source: Survey result 2021

According to (Table 4.10) the mean score of dimensions of marketing performance (Innovativeness measures) ranges from 3.78 to 4.24. the highest mean scored from dimension one followed by dimension four, and the least mean scored from item two. The overall score of marketing performance (Innovativeness measures) is good. And the standard deviation shows the respondent varies from 0.527 to 0.734 with their respond to the marketing performance (Innovativeness measures).

Table 11 **Overall marketing performance measures**

	Mean	Standard Deviation
Marketing Performance Measures	3.803	.245

Source: Survey result 2021

Table 4.11 indicates the overall marketing performance measures. As shown in the above table the mean score for overall marketing performance measures is 3.80. Thus, the researcher concludes employees of Abay bank perceived marketing performance measures of Abay is good.

4.5 Correlation Analysis between Marketing Orientation and Marketing Performance

Bivariate correlations measure the degree of association between two variables. The correlation coefficient, which ranges from +1 to -1, is both a measure of the strength of the relationship and the direction of the relationship. A correlation coefficient of +1 describes a perfect positive relationship in which every change of +1 in one variable is associated with a change of +1 in the other variable. A correlation of -1 describes a perfect negative relationship in which every change of -1 in one variable is associated with a change of -1 in the other variable. A correlation of 0 describes a situation in which a change in one variable is not associated with any particular change in the other variable. In other words, knowing the value of one of the variables gives you no information about the value of the other. One can also determine the statistical significance of the correlation coefficient. If the direction of the association is hypothesized in advance, you can use a one-tailed test to determine whether the correlation is statistically significantly different from zero, otherwise use a two-tailed test.

Table 12 Correlation matrix between market orientation and marketing performance

Correlation analysis between market orientation and marketing performance (Pearson correlation coefficient)

Correlations					
		Marketing performance	Intelligence generation	Intelligence dissemination	Responsiveness
Marketing performance	Pearson Correlation	1	.707**	.804**	.625**
	Sig. (2-tailed)		.000	.000	.000
	N	254	254	254	254
Intelligence generation	Pearson Correlation	.707**	1	.586**	.545**
	Sig. (2-tailed)	.000		.000	.000
	N	254	254	254	254
Intelligence dissemination	Pearson Correlation	.804**	.586**	1	.600**
	Sig. (2-tailed)	.000	.000		.000
	N	254	254	254	254
Responsiveness	Pearson Correlation	.625**	.545**	.600**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	254	254	254	254

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

** .correlation is significant at 0.01 levels (2-tailed)

As depicted in table 4.12, a correlation between dependent variable with independent variables. According to the result marketing performance is positively correlated **intelligence generation** with a coefficient value of **0.707** and the linear relationship between marketing performance and intelligence generation is statistically significant at both 1% and 5% level of significant.

Marketing performance is positively correlated with **intelligence dissemination** with a coefficient value of **0.804** and the linear relationship between marketing performance and intelligence dissemination is statistically significant at both 1% and 5% level of significant.

Marketing performance is positively correlated with **responsiveness** with the coefficient values of **0.625** and the linear relationship between marketing performances is statistically significant at both 1% and 5% level of significant.

4.6 Regression Analysis

4.6.1 Results and Discussions of Multiple Regression Models

To investigate the relationship between market orientation and marketing performance, multiple linear regression models was applied. According to the SPSS package, the multiple linear regressions is used to model the value of a dependent scale variable based on its linear relationship to one or more predictors. The overall marketing performance is an aggregation of financial performance measure, competitive market measure, consumer behavior measure, customer intermediate measure, direct customer measure and innovativeness measure.

1. The relationship between independent and dependent variable is linear.

To check the linearity of the data normal P-P plot of regression standardized residual test is conducted. If the assumptions of linearity is to be fulfilled the Scatter plot should form a line in the plot rather than a curve or other shape. The outputs of the test are presented in Figure 4.1 below.

Normal P-P Plot of Regression Standardized Residual

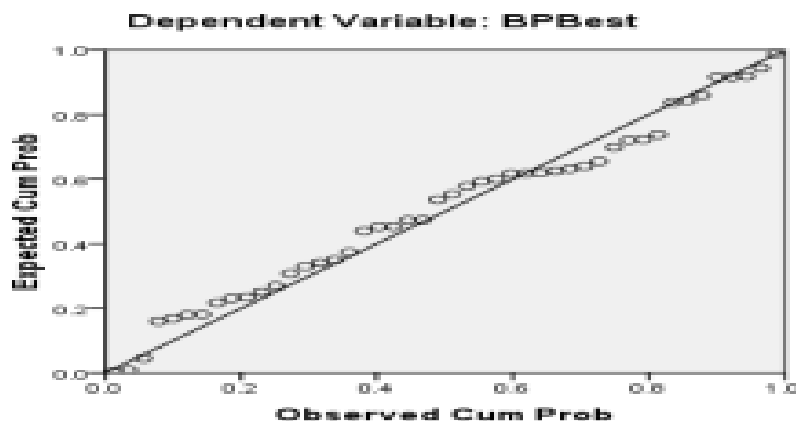


Figure 2 Normal p-p plot of regression standardize Residual

Source: survey result 2021

According to figure 2 assumption one is fulfilled because scatter plot have made a line in the plot.

2. Residuals should be approximately normally distributed.

The histogram of residuals allows us to check the extent to which the residuals are normally distributed. Using a histogram on regression standardized residual; normality of the data is tested.

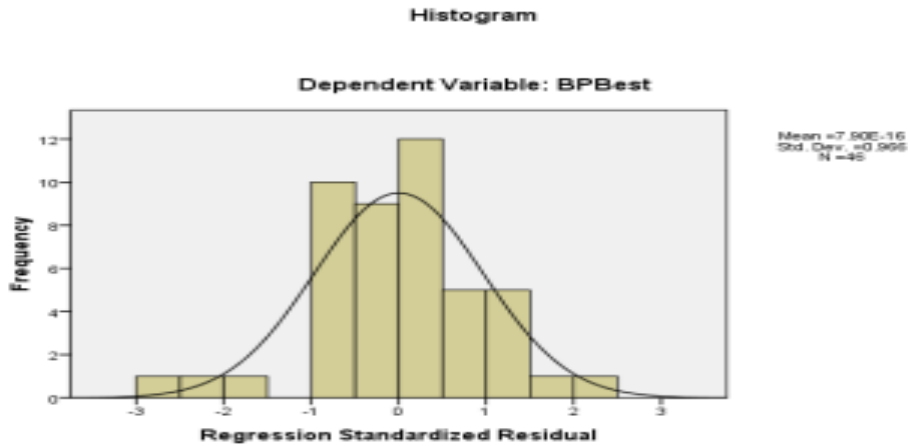


Figure 3 Normality

Source: survey result 2021

As it can be seen in figure 3 the residual are approximately normally distributed, which implies that assumptions of normality is met.

3. Homoscedasticity:

Another important test assumption for regression is the test for homoscedasticity. If an assumption of homoscedasticity is to be fulfilled, scatter plot of standardize predicted values shows no pattern or the scatter is roughly the same width as increase.

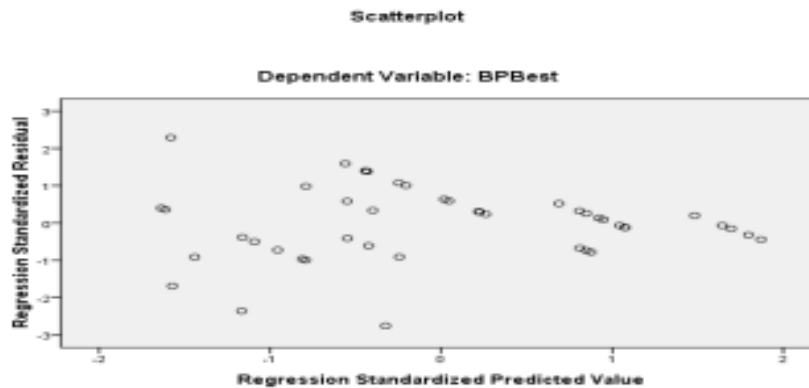


Figure 4 Homoscedasticity

Source: survey result 2021

As it can be in the figure 4, there is no pattern in scatter. The width of scatter as predicted values increase is roughly the same so the assumption has met. The overall result shows that all assumption has fulfilled I can run regression analysis.

4. Multi Co linearity:

The other important test for assumptions of regressions is the test for multi-co linearity between independent variables. Multi co linearity can also be checked by the result of VIF (variance inflation factor) and the tolerance value. According to the study of **Friday & Emenonye (2012)**, multi co linearity is a violation of one of the assumptions of regression analysis, such as tolerance value, variance inflation factor (VIF) and pair wise correlation matrix among the set of predictors. According to these authors, multi co linearity exists among independent variables when a tolerance value is less than 0.10 or 0.20 or VIF (variance inflation factor) value of greater than or equal to 5 with a p value > 0.05 and the pair wise correlation among independent variables are 0.90 and above.

Table 13 Multi Co linearity:

Model		Coefficients ^a					Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	.201	.027		7.322	.000		
	Intelligence generation	.276	.036	.322	7.722	.000	1.000	1.000
	Intelligence dissemination	.466	.038	.540	12.369	.000	1.000	1.000
	Responsiveness	.095	.032	.125	2.963	.003	1.000	1.000

a. Dependent Variable: Marketing performance

As it can be seen in the Table both tolerance and VIF of the independent values show that the assumption for multi co linearity is fulfilled. After having the above basic assumptions of

regression analysis has checked and found fulfilled, the researcher has conducted a regression analysis and is presented in the following section.

Table 14 **Model summery**

Mode	R	R Square	Adjusted R Square	Std. Error of the Estimate	Sig.
1	.860 ^a	.740	.737	.175	.000

a. Predictors: (Constant), Responsiveness, Intelligence generation,

Intelligence dissemination

b. Dependent Variable: Marketing performance

Source: survey result (2021)

As indicated in the above table the independent variables predict the dependent variable with R square =74.0% with adjusted R Square 73.7% the remaining 26% are other extraneous variables that can affect marketing performance.

Table 15 **ANOVA**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	21.799	3	7.266	237.468	.000 ^b
	Residual	7.650	250	.031		
	Total	29.449	253			

a. Dependent Variable: Marketing performance

b. Predictors: (Constant), Responsiveness, Intelligence generation, Intelligence dissemination

Based on table 4.14 the value of F-ratio which explain whether the results of the regression model could have occurred by chance have a value F=237.46 and is significant at 0.000 level (less than 0.05). Indicates that the results probably are not due to random chance. Therefore, it is possible to say the regression model adopted in this study could have not occurred by chance and is considered significant.

Table 16 Simple linear regression analysis between Intelligence generation and marketing performance measure

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.201	0.27		7.322	.000
Intelligence generation	0.276	0.36	0.322	7.722	.000

a. Dependent Variable: Marketing performance

Source: survey result (2021)

Table 4.15 presents the result of regression analysis; the result of regression analysis is based on market orientation intelligence generation as an independent variables and marketing performance as a dependent variable. According to the regression analysis show in the above table market orientation affect marketing performance measures with a beta weight of 0.322.

Table 17 Simple linear regression analysis between Intelligence dissemination and marketing performance measure

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.201	.027		7.322	.000
Intelligence dissemination	.466	.038	.540	12.369	.000

a. Dependent Variable: Marketing performance

Source: survey result (2021)

Table 4.16 presents the result of regression analysis; the result of regression analysis is based on market orientation intelligence dissemination as an independent variables and marketing

performance as a dependent variable. According to the regression analysis show in the above table Market orientation affect marketing performance measures with a beta weight of 0.540.

Table 18 Simple linear regression analysis between Intelligence generation and marketing performance measure

coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.201	.027		7.322	.000
	Responsiveness	.095	.032	.125	2.963	.003

a. Dependent Variable: Marketing performance

Table 4.17 presents the result of regression analysis; the result of regression analysis is based on market orientation responsiveness as an independent variables and marketing performance as a dependent variable. According to the regression analysis show in the above table market orientation affect marketing performance measures with a beta weight of 0.125.

Table 19 Simple linear regression analysis between Intelligence generation, Intelligence dissemination, Responsiveness and marketing performance measure.

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.201	.027		7.322	.000
	Intelligence generation	.276	.036	.322	7.722	.000
	Intelligence dissemination	.466	.038	.540	12.369	.000
	Responsiveness	.095	.032	.125	2.963	.003

a. Dependent Variable: Marketing performance

Source: survey result (2021)

Table 4.18, presents the result of regression analysis; the result of regression analysis is based on market orientation responsiveness as an independent variables and marketing performance as a dependent variable. According to the regression analysis show in the above table market

orientation affect marketing performance measures with a beta weight of 0.322, 0.540 and 0.125. so hypothesis is accepted.

To conclude the regression analysis presents the effect of market orientation on market performance. Based on the above tables by examining the beta weight of data analysis result, the finding shows that intelligence generation, intelligence dissemination and responsiveness with marketing performance beta value of 0.322, 0.540 and 0.125 are affected by market orientation respectively.

Goodness of fit statistics

Goodness of fit statistics intended to show how well does the model containing the explanatory variables that can explain variations in the dependent variable. As depicted in table 4.14 above, the adjusted R-squared (the coefficient of determination) of the model was 0.737. The result indicated that, intelligence generation, intelligence dissemination and responsiveness collectively explains 74.0% of the variation in marketing performance. In contrary, the remaining 26% of changes on marketing performance were explained by other exogenous factors which were not included in the current study.

4.6.1. Discussions and Interpretations on Significant Explanatory Variables

As depicted in table 4.15 above, among the four regression included in the model that need to be statistically significant at 5% level of significance. Variables that were found to be statistically significant includes: intelligence generation, intelligence dissemination and responsiveness. Hence, those significant explanatory variables were found to be important factors to influence marketing performance in Abay bank.

The coefficient estimates of the significant explanatory variables that are intelligence generation, intelligence dissemination and responsiveness were 0.322, 0.540 and 0.125 respectively. In light of the above summarized regression model the possible explanation for each significant explanatory variable as follows:

4.7 Hypothesis testing

Table 20 Hypothesis testing

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.201	.027		7.322	.000
	Intelligence generation	.276	.036	.322	7.722	.000
	Intelligence dissemination	.466	.038	.540	12.369	.000
	Responsiveness	.095	.032	.125	2.963	.003

a. Dependent Variable: Marketing performance

The discussion in this section focuses on the first research question and the hypothesis.

H1: Intelligence generation has a significant effect on marketing performance measures

The researcher has 95% confidence for the decision made based on the data from the sample. Thus the significance level is 0.05 i.e. the maximum risk that the researcher will take on the result as a sample varies from the total population. Reject the null hypothesis if the calculated p-value is less than or equal to the level of significance, or in other words accept the alternative hypothesis.

Therefore, the standardize Beta coefficient of the two variable (intelligence generation and marketing performance) is.322*at.000 significance level. The result sows that the Beta value of intelligence generation is 0.322 this means IG is 32.2% explains marketing performance at the statistical significant ($p < .001$). This means Abay banks in Ethiopia intelligence generation big effect or positive relation on business performance.

H2: Intelligence dissemination has a significant effect on marketing performance measures

The result sows that the Beta value of intelligence generation is 0.540 this means IG is 54% explains marketing performance at the statistical significant ($p < .001$). This means Abay banks in Ethiopia intelligence generation big effect or positive relation on business performance.

H3: Responsiveness has a significant effect on marketing performance measures

The result shows that the Beta value of intelligence dissemination is 0.125, which means responsiveness has 12.5% effect on marketing performance at the statistical significant ($p < .001$). This market orientation component results show that positive influence on business performance. The results of this study show that all of the variables of market orientation have almost the same influence on marketing performance.

H4: Market orientation has a significant impact on marketing performance

Market orientations have a positive relationship with marketing performance the overall hypothesis which implies that hypothesis four is accepted. More specifically, market orientation has statistically significant effect on business performance of banks. It explains 74% of their business performance which implies that market orientation in bank sector plays bigger influence on marketing performance in private bank in Abay. 26% other factors effect on marketing performance on private bank in Abay. That is also could be explained with the fact that in Abay bank the market orientation plays crucial role in responding to business performance. Market orientation generally augments positive influence on business performance in mature economies characterized by intense competition and market turbulence. There are countless empirical evidences in support of the positive effect of market orientation on business performance (Kohli and Jaworski, 1990; Narver and Slater, 1990; Doyle and Wong, 1998; and matsuno and Mentzer, 2000). The above result shows that support this findings market orientation and marketing performance is high positive relationship between them.

Table 21 **Summary of Hypothesis test**

Hypothesis	Result	Analysis used
H₁ : Intelligence generation a positive and statistical significant effect on adoption of marketing performance.	Accept	Regression
H₂ : Intelligence dissemination a positive and statistical significant effect on adoption of marketing performance.	Accept	Regression
H₃ : Responsiveness a positive and statistical significant effect on adoption of marketing performance.	Accept	Regression
H₄ : Market orientations has a positive relationship with marketing performance	Accept	Regression

Source: own survey result (2021)

CHAPTER FIVE

5. SUMMARY, CONCLUSION AND RECOMMENDATION

The objective of this thesis was to examine the effect of market orientation on marketing performance of Abay bank. In order to accomplish this objective the researcher used MARKOR-scale and marketing performance measures which are financial measures, competitive market, consumer behavior, innovativeness measures and direct customer measures.

5.1. Summary of Major Findings

The main source of the data in the study was primary data source that was gathered in a form Questionnaire which was analyzed using SPSS version 21. In line with the objectives mentioned, the main findings are concluded as follows.

- From data analysis the Cronbach's Alpha of this study for market orientation is 0.738 and for marketing performance is 0.765 which shows that there is internal consistency among the variables.
- Regarding descriptive analyses of market orientation variables and marketing performance measures, descriptive analyses of market orientation which are intelligence generation, intelligence dissemination and responsiveness were analyzed considering mean and standard deviation from the result the mean score of dimensions of intelligence generation ranges from 2.45 to 4.50. The least mean obtained from the dimension that most of the respondent was disagree. Employees of bank perceived the overall intelligence generation is good. The mean score from the standard deviation shows the respondent varies from 0.438 to 0.519 with their response to the variable intelligence dimensions similarly, the mean score of dimensions of intelligence dissemination ranges from 2.75 to 4.25 and the standard deviation shows the respondent varies from 0.455 to 0.808 with their respond to the variable intelligence dissemination, and mean score of dimensions of responsiveness ranges from 1.69 to 4.60. The overall score of responsiveness is good .the least mean score 1.69 which shows that almost all respondents were disagree. And the standard deviation shows that respondents 'response varies from 0.301 to 0.598 with respect to the variable responsiveness.
- In general the computed grand mean scores of intelligence generation, intelligence dissemination and responsiveness is 3.64, 3.66 and 3.53. Employees of Abay bank perceive

that the responsiveness of the organization is good when compared to intelligence generation and dissemination.

- In addition descriptive analysis was computed for dimensions of marketing performance (financial) the mean score ranges from 3.02 to 3.96. And the standard deviation shows the respondent varies from 0.285 to 0.595 with their respond to the marketing performance (financial). Employees of bank perceived that the overall marketing performance (financial) is good.
- The other marketing performance measures (direct customers measures) the mean score ranges from 4.04 to 4.22. And the standard deviation shows the respondent varies from 0.506 to 0.650. Employees of bank perceived that the overall marketing performance (direct customers measures) is good.
- The third one marketing performance measures (competitive market measures) the mean score ranges from 3.06 to 3.76. And the standard deviation shows the respondent varies from 0.538 to 0.792. Employees of bank perceived that the overall marketing performance (competitive market measures) is average or moderate.
- The fourth one marketing performance measures (consumer behavior measures) the mean score ranges from 3.65 to 4.37. And the standard deviation shows the respondent varies from 0.466 to 0.614. Employees of bank perceived that the overall marketing performance (consumer behavior measures) is good.
- The last marketing performance measures (Innovativeness measures) the mean score ranges from 3.78 to 4.24. And the standard deviation shows the respondent varies from 0.527 to 0.734. Employees of bank perceived that the overall marketing performance (consumer behavior measures) is good.
- The correlation result shows that intelligence generation, intelligence dissemination and responsiveness are positively correlated with market orientation and all are positively correlated with market orientation measures.
- The result of regression analysis showed that intelligence generation, intelligence dissemination and responsiveness with beta value of 0.322, 0.540, and 0.125 are affected by market performance respectively. Based on the data analysis the entire hypotheses made were tested. From the regression result, market orientation has an effect on marketing performance measurements. Therefore, the entire hypotheses made were accepted. The result shows that

the independent variables predict the dependent variable with R square=74% with adjusted R Square 73.7% the remaining 26% are other extraneous variables that can affect marketing performance.

5.2. Conclusion

In today's unstable and competitive environments, customers are a scarce resource. To survive and prosper, business firms need to attend to and attract a sufficient number of customers who are willing to purchase their products and services at a price which at least covers the costs involved.

Needs and wants of customers are always changing and recognizing these changes is necessary for firms "success Abay bank one of commercial bank in Ethiopia has been implementing and implemented several strategies to attract its customers from the strategies market orientations one, the main purpose of this thesis was to measure how marketing performance is affected by market orientation on Abay bank and finds that marketing performance is strongly affected by market orientation as per Abay bank employees perspective.

Furthermore, 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, the result of this study showed that Abay bank is doing a good job in finding interests and needs of customers though applying market orientation components.

The finding indicates that market orientation has a significant effect on marketing performance. Based on the result intelligence generation, intelligence dissemination and responsiveness are affected by market orientation. Among those listed measures, competitive measure was found to be the least affected dimension by market orientation. In addition to this, the hypotheses further strengthen this finding by asserting the effect of market orientation on marketing performance.

Market orientation provides us with a way to formalize our relationship with the market we serve rather than standing above these markets. To apply market orientation improves organizational growth and profitability which are required for its competitiveness and survival. Banks in Ethiopia employees have to understand the need of their customers and provide them. Therefore,

market orientation would be beneficial to employees 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.

In comparison with the findings of this study, The overall market orientation analyses findings in this study shows that the extent to which market orientation which incorporates intelligence generation, intelligence dissemination and responsiveness being applied by Abay bank is good, particularly the highest score belongs to intelligence dissemination which implies that Abay bank is doing better on communication of information with its customers and among employees, and it shows that the level of market orientation is good more over bank employees are aware of and doing a good job in exercising and implementing the concept market orientation and its effect on the overall marketing performance.

The correlation result shows that intelligence generation, intelligence dissemination and responsiveness correlated strongly among themselves and with both financial and non-financial marketing performance measures. Intelligence dissemination correlates better which is followed by intelligence generation then responsiveness with marketing performance measures.

5.3. Recommendations

In light of the above summary of major findings and conclusions, the following are recommended.

- The findings of this study indicates that market orientation of Abay bank is “good”, the result shows that on intelligence generation dimension, the bank surveys end users at least once a year to assess the quality of financial service offering and in-house market research has the average least score when compared with the other items. The researcher recommends therefore, Abay should diligently work on its in-house market research which can be achieved by investing on its R&D unit and giving further attention to the unit, as it should be help the organization enhance its intelligence generation ability which will eventually lead to improve its overall performance.
- On the other the researcher recommended should be based on the findings intelligence dissemination dimension, which means when data on customer satisfaction are disseminated at all, levels in the business unit on a regular basis are the least scored items. Therefore, it is recommended that Abay bank should work in those areas in order improve

its intelligence dissemination through implementing simple and efficient standard reporting procedures which will enable the organization to disseminate the generated information across departments within a short period and as well using informal mechanisms such as impromptu conversations or phone calls, by which managers often obtain market intelligence.

- The researcher recommended should be based on the findings responsiveness dimension, Abay bank plans are driven more by technological advances than by market research and if a major competitor were to launch an intensive campaign targeted at our customers, the bank responded immediately the least scores items respectively. The researcher recommended that Abay bank should also put an effort to simultaneously develop competitive strategies like post-entry defensive strategies so as to protect its market position and improve its competitiveness in order to remain competitive in the market and the bank should be implement them new technologies and also make customers and employees use the technology.
- According to Abay bank employees the overall score for marketing performance of Abay bank is “good” however, as there is always a room for improvement the researcher suggests that the organization should keep on working on what has been labeled as “good” and strive for better and try to improve on the items in each dimension which scored least when compared with the others.

5.4. Limitations and Direction for Future Study

This study examined how market orientation is being internalized in Abay bank and its effect on marketing performance. However, it is difficult to say Abay bank is internalizing market orientation and is seeing the effect on its marketing performance based on this study because this study does not include all branches of Abay bank and is also limited employees perspectives. Furthermore, this study is limited to branches which are found in head office and Addis Ababa.

Future study can be conducted on the relationship between market orientation and marketing performance in Ethiopia across various sectors including hotels, tourism, manufacturing, education, health and other public and private organizations. Future study can also be conducted on the effect of market orientation on business performance from customers’ perspective.

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APPENDICES



**St. MARY'S UNIVERSITY POST GRADUATE PROGRAM
DEPARTMENT OF MASTERS OF MARKETING
MANAGEMENT**

Questionnaire

Dear respondents,

This questionnaire is designed to seek information on the effect of marketing orientation on marketing performance: The case of Abay bank S.C, in partial fulfilment for the award of master of art in marketing management.

The overall objective of this questionnaire is to gather firsthand information on the aforementioned issue. I would like to assure you that the information you are going to provide will

be exclusively used for academic purpose and will kept confidential. Your contribution to this research is very greatly appreciated.

Thank You, for your cooperation and timely response in advance!

Part I: General information of the respondents

1. Designation/position
 - A. Managerial
 - B. Non-Managerial
2. Gender
 - A. Male
 - B. Female
3. Which category below includes your age?
 - A. 18-24
 - B. 25-34
 - C. 35-44
 - D. 45-54
 - E. 55-64
 - F. 65 and above
4. How long have you been employee of the bank?
 - A. Less than 5
 - B. 5-15
 - C. 16-25
 - D. more than 25
5. Academic qualifications
 - A. Certificate
 - B. Diploma
 - C. Degree
 - D. masters of degree
 - E. PHD

Part II: Market Orientation Measures:

Please indicate the extent to which you agree with the following put by this a ✓ mark in the box to choose the number of from 1 to 5 that the best represent your level of agreement with the statement.

1. Strongly Disagree 2. Disagree 3. Neutral 4. Agree 5. Strongly Agree

No.		1	2	3	4	5
Intelligence Generation						
1	Employees from in Abay bank interact directly with customers to learn how to serve customers' needs better.					
2	In Abay bank, we meet with customers at least once a year to find out what					

	banking products they will need in the future.					
3	In Abay bank, we do a lot of in-house market research.					
4	We are slow to detect changes in our customers' product/service preferences.					
5	The bank surveys end-users at least once a year to assess the quality of financial service offerings.					
6	The bank periodically reviews the likely effect of changes on the banking environment such as competition, regulations and technology on customers.					
7	We are slow to detect fundamental shifts in our industry (e.g., competition, technology, regulation).					
Intelligence Dissemination		1	2	3	4	5
1	Abay bank holds interdepartmental meetings at least once a quarter to discuss market trends and developments.					
2	Marketing personnel in our business unit spend time discussing customers' future needs with other functional departments.					
3	The bank periodically circulates documents (e.g., reports, and newsletters) that provide information on our customers.					
4	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.					
5	When something important happens to a major customer of market, the whole business unit knows about it within a short period.					
6	When one department finds out something important about competitors, it is slow to alert other departments.					
Responsiveness		1	2	3	4	5
1	In Abay bank, principles of market segmentation drive new banking product development efforts.					
2	In Abay bank tends to pay attention to changes in the customer's product/service needs.					

3	We periodically review our product development efforts to ensure that they are in line with what customers want.					
4	In Abay bank plans are driven more by technological advances than by market research.					
5	Several departments get together periodically to plan a response to changes taking place in our business environment.					
6	If a major competitor were to launch an intensive campaign targeted at our customers, the bank responded immediately.					
7	The activities of the different departments in this business unit are well coordinated.					
8	When our bank finds out that customers are unhappy with the quality of the service, we take corrective actions immediately.					
9	Customer complaints are properly handled in our bank.					
10	Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion.					
11	When the bank finds that customers would like to modify a product or service, the departments involved make concerted efforts to do so.					

Part III: Marketing Performance Measures:

This part of the questionnaire covers items related to marketing performance measures. How do you rate your company's marketing performance on the following 1.**very low**, 2.**Low**, 3.**Average**, 4.**High** and 5.**very high** measuring scales that best describes your judgment in relation to your competitors in the financial service sector based on the statement given, Please put a ✓ **mark in the box appropriate number** for the corresponding questions given below.

No.	A. Financial Measures	1	2	3	4	5
1	Market share of this bank in comparison to competitive banks.					
2	Service sales contribution margin					
3	Profit of the bank in comparison to competitive banks.					
4	Service sales turn turnover					
5	Return on investment of this bank in comparison to competitive banks.					

No.	B. Direct customers measures	1	2	3	4	5
1	Responsiveness in dealing with customers.					
2	Employee professionalism in dealing with customers.					
3	Approach to quality management to ensure complete customer satisfaction.					
4	Profit shares compared with your trading partners.					

No.	C. Competitive market measures	1	2	3	4	5
	How do you rate your company?					
1	Market share					
2	Consumer mind share					
3	Advertising and promotional shares					
4	Effectiveness of promotional campaigns					

No.	D. Consumer behavior measures	1	2	3	4	5
1	Consumer penetration in the market.					
2	Strategy to attract customers in relation to competitors.					
3	Overall customer loyalty and customer gained.					

No.	E. Innovativeness measures	1	2	3	4	5
1	New or significantly improved methods of producing services.					
2	New or significantly improved supporting activities for your marketing processes or operations.					
3	New or significantly improved services on to your market before competitors.					
4	New or significantly improved services that were already available from your competitors in your market					