



**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MARKETING MANAGEMENT**

**THE EFFECT OF MARKET ORIENTATION ON MARKETING  
PERFORMANCE: THE CASE OF AWASH BANK S.C.**

**BY: SADIA AHMEDIN**

**JANUARY, 2025**  
**ADDIS ABABA, ETHIOPIA**

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**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF  
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**JANUARY, 2025**  
**ADDIS ABABA, ETHIOPIA**

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**THESIS TITLE**

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**APPROVED BY BOARD OF EXAMINERS**

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## **DECLARATION**

I hereby declare that this thesis entitled “The Effect of Market Orientation on Marketing Performance: The Case of Awash Bank S.C.”, has been carried out by me under the guidance and supervision of Zemenu Aynadis (Ass. Professor).

The thesis is original and has not been submitted for the award of any degree or diploma to any university or institutions.

Researcher’s Name

Date

Signature

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## **CERTIFICATE**

This is to certify that the thesis entitles “The Effect of Market Orientation on Marketing Performance: The Case of Awash Bank S.C.”, submitted to St. Mary’s University for the award of the Degree of Masters in Marketing Management and is a record of bona fide research work carried out by Ms. Sadia Ahmedin under my guidance and supervision. Therefore, I hereby declare that no part of this thesis has been submitted to any other university or institutions for the award of any degree or diploma.

**Advisor’s Name**

**Date**

**Signature**

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## ***Abstract***

*The general objective of the study was examining the effect of market orientation on marketing performance in Awash Bank S.C, Addis Ababa Ethiopia. The sample size for the study was 250 employees of Awash Bank S.C, Addis Ababa. This study employed explanatory and descriptive research designs. The researcher used simple random sampling technique to select sample respondents. The primary data for this study was collected through questionnaires. Data analysis was done by using statistical package for social sciences (SPSS version 20). The study used descriptive and inferential statistics to analyze the data. The study was conducted by modeling the relationship between marketing performance and the following independent factors: intelligence generation, intelligence dissemination and responsiveness. The results of descriptive statistics revealed that examined the major determinants of marketing performance in the case of Awash Bank S.C., Addis Ababa. The result of regression analysis showed that intelligence generation, intelligence dissemination and responsiveness positively and statistically affected marketing performance of Awash Bank S.C. The R square result (.875) which means 87.5% of variance in marketing performance was predicted by the three market orientation variables. Therefore, the study recommended that the responsible body of the bank should work hard and allocate better budget on intelligence generation, intelligence dissemination and responsiveness to boost the market performance of the bank.*

***Key words: Marketing performance, Market orientation, Awash Bank S.C.***

# CHAPTER ONE

## INTRODUCTION

### 1.1. Background of the Study

Currently clients anticipate a greater product and services quality than ever before since they have more alternatives and have better understanding about the product/service offers. The idea behind marketing is that any company that wants to remain competitive must figure out what its customer's desire. According to the marketing philosophy, a company's long-term goal should be to maximize corporate profits by meeting the requirements of its customers (Kohli and Jaworski 1990). This necessitates that businesses adopt a proactive approach and be receptive to the demands of their clients and shifts in the market. Businesses that are better able to adapt to the demands of the market and predict shifting conditions are thought to have a sustained competitive edge and higher profitability (Day 1994).0

Market orientation, according to Mauzano in Sugiyarti (2016), is the main goal of the business unit's strategic planning in order to satisfy a number of demands from all business functions. It also aims to be able to take in all relevant information that affects purchasing, inter-functional and divisional decision making, and division as a result of effective coordination and a dedication to marketing activities.

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 Lafferty & 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.

The majority of findings regarding the effects of market orientation on business performance are positive and significant. Over the past two decades, market orientation research has focused primarily on examining the potential consequences of market orientation, with a particular focus on the relationship between market orientation and business performance (Cano, Carrillat, and Jaramillo, 2004; Goldman and Grinstein, 2010; Kirca et al., 2005). As the pressure to be customer-responsive increases, the term "market orientation" has become more and more important among researchers and practitioners, eventually becoming the cornerstone of marketing.

The banking sector in Ethiopia has remained dormant until recently due to the shift in business paradigm from product-centric to customer-centric, despite the above theoretical and empirical facts about the development and importance of market orientation. The main contributing factor to this is the dominance of public banks until the liberalization and deregulation of the economy in the 1990s, which hinders the development of the private sector and its potential impact on the competitiveness arena in the banking industry that would have benefited the customers and the banks therein.

The economic liberalization of the financial sector started in 2011 laid a foundation for the formation and expansion of private banks in Ethiopia (Hansson, 2013). This coupled with rapid technological advancement and improved communication systems, have contributed to the increasing integration and resemblance amongst banks in the financial sector. As a result, banks are now faced with very high and intense competition (Harvey, 2010).

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.

According to National Bank of Ethiopia 2022-2023 annual report, the major financial institutions operating in Ethiopia are banks, insurance companies and micro-finance institutions. The number of banks operating in the country during the fiscal year reached 32 of which 30 were private, and the remaining 2 state-owned. The significant branch expansion was undertaken by Awash Bank which opened 159 new branches.

According to the recent data from the National Bank of Ethiopia, there are 11,097 branches in the country which is 130% increase in the last 5 years. The new entrants have opened about 253 branches over the years. The well-established private banks have also expanded their branch network aggressively to maintain their position. According NBE report Awash Bank is the leading in private bank in terms of market share, branch network, volume of asset and profitability. Awash Bank, Ethiopia's pioneering private bank, was established on November 10, 1994 after the downfall of the socialist regime, having 700 branches stretched across the country as of January 2023. Awash Bank is the leading private bank with Total Assets: ETB 224 billion as of June 30, 2023.

This study will contribute to existing knowledge in several ways. This paper is one of the studies in the area of market orientation on financial firms in Ethiopia, where bank is important and growing sector in Ethiopian economy. This paper will also provide new evidence on effects of market orientation on firm's market performance from a developing country point of view. This is important, as one would expect that the practice of marketing concept in developing country would be different from that of a developed. Since emerging countries generally share a number of similar characteristics, examining the effects market orientation on marketing performance on Awash Bank S.C could present a rich base for future comparative research in other sectors operating in Ethiopia. Finally, this research highlights how market orientation is practiced in Ethiopia and its effect on their marketing performance.

## 1.2. Statement of the Problem

There is desirable support to suggest that being market-orientated is beneficial for organizations and that it is the interest of companies seeking to become and remain competitive to increase their level of market orientation. Market orientation is a potentially strong influence on many services, such as retail banking and health care, which are characterized by their dyadic exchange process in which a firm's employees interact with customers directly (Brown and Swartz, 1989; Zeithaml, Parasuraman and Berry 2013). Unpleasant encounters owing to poor services will lead to instant and strong consumer protests. As a result, delivering appropriate services will often be a dominant concern for service providers. A service provider may develop and supply a service mix that will be recognized as superior by their core customer while turning a profit and gaining a competitive edge by embracing a market orientation. The impact of market orientation in a service company will be more noticeable due to the nature of the dynamic exchange process since customers will be able to immediately perceive numerous changes based on their perceptions (Chang, Mehta, Mazur, Polska, and Chen 2015).

According to Narver and Slater (2014), a company's market performance will improve if it increases its market orientation. Given that a firm's survival depends on its capacity to create value, and value is defined by customers (Day, 2016), marketing makes a fundamental contribution to long-term business success. Therefore, measuring marketing performance is the main duty of marketing management.

There will be a considerable amount of research done on the subject of market orientation. It will be claimed that there will be a relationship between market orientation and the improvement of the business performance of the companies. The positive link between the level of market orientation and performance has been supported in numerous cases (Narver and Slater, 2000; Selnes, Jaworski and Kohli, 1996; Kohli and Jaworski, 1993; Narver and Slater, 1990).

But, in the Ethiopian case, to the best knowledge of the researcher, no empirical analyses have been conducted on the issue. Thus, banking sector will be chosen for study purpose because it will be important sector of Ethiopian economy will be one of the fast growing industries and relatively the sector has better data and documents which are important for the purpose.

Even though a lot of research has been done on market orientation and its effect on performance in developed countries and other developing countries, there are few studies in Ethiopia. Thus,

considering the significance of market orientation, as well as the lack of information on its effect in the Ethiopian context, this research will focus on the effect of market orientation on the marketing performance of Awash International Bank S.C. The study focuses on how the market orientation is internalized in the Awash Bank and its effect on the marketing performance.

### **1.3. Research Question**

- ✓ How does the market Orientation of Awash Bank look like?
- ✓ What is the effect of intelligence generation on marketing performance in Awash Bank S.C.?
- ✓ What is the effect of intelligence dissemination on marketing performance in Awash Bank S.C.?
- ✓ What is the effect of responsiveness on marketing performance in Awash Bank S.C.?

### **1.4. Research Objectives**

#### **1.4.1. General Objectives of the Study**

The general objective of the study was to determine the effect of market orientation on marketing performance in Awash Bank S.C.

#### **1.4.2. Specific Objectives of the Study**

The study was guided by the following specific research objectives:

- To assess the market orientation of Awash Bank S.C.
- To determine the effect of intelligence generation on marketing performance in Awash Bank S.C.
- To examine the effect of intelligence dissemination on marketing performance in Awash Bank S.C.
- To investigate the effect of responsiveness on marketing performance in Awash Bank S.C.

## **1.5. Significance of the Study**

A number of researches have been conducted on the issues of market orientation and its effect on performance and different empirical results across countries as well as among industries will be witnessed as to the positive relationship between market orientation and organization performance that managers should take into account while implementing and practicing marketing concepts. Further, those research results have had immense importance to managers' knowledge of market orientation and its effect on the overall firm's performance which includes financial performance and market performance.

Therefore, this research will enhance the further understanding of market orientation in Awash Bank and how it leads to marketing performance. The study will be immensely significant in diverse ways to businesses, marketing practitioners, stakeholders, existing and newly emerging banks, insurance companies, service and manufacturing enterprises, micro financing institutions and also to trigger the interest of researchers to conduct similar study but in a border observation.

## **1.6. Scope of the Study**

Conceptually, this study is delimited to examine the effect of market orientation on marketing performance from Awash Bank manager's perspectives. The result of this research, therefore, would be limited to only revealing how market orientation was implemented in Awash Bank S.C. and its effect on the organization's marketing performance. This research aims would be a good base for Awash bank S.C. to evaluate its market orientation and marketing performance from its own employee's perspectives and to establish the appropriate ways to improve its marketing activities. Geographically, the study is delimited to Awash Bank S.C. branches in Addis Ababa. But, due to huge nature of Awash Bank S.C., it would be practically difficult for the researcher to include all branches .Thus, the sample frame would be restricted to Addis Ababa branches. Methodologically, this study used survey data and analyzed using descriptive and inferential statistics.

## **1.7. Limitation of the Study**

The quality of the output of this study depends on the genuine data acquired from the selected representative branches of awash bank S.C. This implies that, the finding and the analysis of this

paper depend up on the selected branches reliable data. So that, lack of willingness, for various reasons like suspect of miss use of the companies confidential information for non-academic purpose limits the reliability of the research paper to achieve its objectives. In addition, shortage of previous similar researches in Ethiopian case, and limited resource may affect the qualities of the study output.

## **Operational Definition of Key Terms**

The researcher used the following operational definitions of basic terms for this specific research:

**Marketing orientation:** is thought to be the most effective organizational culture for forming the behaviors required to create superior value for consumers and, consequently, consistently produce superior business performance. The three important components of Market orientations are: organization-wide generation of market information about current and future customer needs; dissemination of such information across departments and individuals with in the market-oriented firm; and an organization wide responsiveness to the disseminated information (Jaworski & Kohli, 1993, 1996; Kohli & Jaworski, 1990).

**Marketing performance:** is a benchmark in assessing the success of value creation which is a combination of strengthening innovation capabilities and an in-depth understanding of market orientation. Various experts use different dimensions in measuring marketing performance. Based on the opinions of several experts on the indicators used to measure marketing performance, the study of measuring marketing performance in the knitting industry in Bandung combines two theoretical concepts in measuring marketing performance indicators, this are framework thinking and hypothesis (Kohli & Jaworski, (1990).

### **1.8. Organization of the Study**

The study is organized into five chapters. Chapter one introduces the study by giving the background information, the research problem, questions, objectives, significance of the study, scope of the study, limitation of the study and operational definition of key terms. Chapter two discusses the review of relevant literature on the research problem. Chapter three discusses the research methodology for the study and relevant justifications. Chapter four presents the findings

on effects of leadership style on employee's performance. Finally chapter five provides summary of findings, conclusions and recommendations of the study.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

In research, several critical components help structure and guide the inquiry process. Here's an extract of conceptual review, theoretical review, empirical review, conceptual framework, and Research hypothesis.

#### **Conceptual Review**

A conceptual review examines the definitions and meanings of concepts related to the research issue. It draws on current literature to clarify and refine the topics that will be employed in the study. This form of review is necessary for gaining a thorough knowledge of the theoretical underpinnings that drive the research.

#### **Theoretical Review**

The theoretical review explores theories that are relevant to the research topic. It entails studying current theoretical frameworks and models to determine how they explain the events under investigation. This review aids in the identification of gaps in the literature and serves as the foundation for the development of new hypotheses or frameworks.

#### **Empirical Review**

An empirical review evaluates the body of research on a certain issue conducted through observation or experimentation. It assesses prior research findings, focusing on techniques, results, and conclusions. This review is critical for knowing what has been tried and what empirical evidence supports the research topics.

#### **Conceptual Framework**

A conceptual framework is a visual or written representation that describes the expected relationships between variables in a study. It guides the research process by clarifying the study objectives and the relationships between distinct concepts.

This framework is vital for organizing the research and ensuring that all relevant variables are taken into account.

## **Research Hypothesis**

A research hypothesis is a precise, testable prediction regarding the relationship between variables. It is based on theoretical and empirical reviews and is developed using insights from the literature. The hypothesis directs the research design and methods, establishing a clear focus for data gathering and analysis.

In summary, these components work together to provide a solid foundation for doing research, ensuring that it is anchored in existing knowledge while also adding new insights to the subject.

### **2.1. Conceptual Literature Review**

#### **2.1.1. Concept of Market Orientation**

Market orientation is a concept that has received a lot of attention in marketing literature. As an application of the marketing concept, it is considered a fundamental aspect of the discipline of marketing management (Goldman and Grinstein, 2010; Kirca, Jayachandran, and Bearden, 2005). Fundamentally, the marketing concept is a corporate theory that maintains that superior client identification and satisfaction leads to higher financial performance. There has been a growing interest in the market orientation construct in the previous decades. Since then, academics have worked hard to understand its composition, which has led to the operationalization of its definition as a construct (Blankson et al., 2006). Most definitions developed were derived from the conceptualization of both Kohli and Jaworski (1990) or Narver and Slater (1990).

#### **Definitions of Market Orientation**

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 the ir 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.

### 2.1.2. Cultural definition of Market Orientation by Narver and Slater(1990)

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's and 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.

### **2.1.3. 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 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).

#### **2.1.4. Implementing Market Orientation**

According to Narver and Slater (1990), market orientation is a state of being that changes throughout time rather than an operating mode that can be turned on or off. It will show up in the company culture, where staff members work hard to consistently deliver exceptional customer service to both internal and external clients. Employee proficiency in integrating all processes to optimize overall business performance increases with the level of market orientation (Laforet, 2008). The installation of a market orientation requires a number of actions. The following is a theoretically based rough roadmap.

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, economical, social, technological, environmental, legal issues) to do this analysis.

The next step is to systematically and continuously mediate the obtained knowledge and information all employees (Kotleretal, 2001). This organization all earning 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).

When implementing a market orientation in their organization, many business owners and top managers have a tendency to concentrate on the behavioral/information perspective proposed by

Kohli and Jaworski (1990) (Hafer and Gresham, 2008). This is obvious given that organizations are becoming more and more information-driven in their operations, decisions, interactions with suppliers and customers, and internal networking. The choice to adopt the behavioral/information-related perspective stems from the conviction that altering the way information is acquired, disseminated, and responded to in response to market, competitor, and customer conditions is anticipated to be quicker, less expensive, and simpler, and would have more immediate effects than attempting to alter 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 Srivastave, 1998; Bisp, 1999). One might suggest that a separate organizational culture is required to effectively establish a high level of market orientation.

### **2.1.5. Consequences of Market Orientation**

Great esprit de corps (team spirit), increased organizational commitment, increased competitive advantage, and improved performance are the main outcomes of market orientation, according to literature. Additional (indirect) effects include improved organizational learning, more creativity, and clarity of focus. The effects of market orientation on organizations were examined by Kohli and Jaworski (1990). In particular, they claimed that increased market orientation should result in increased esprit de corps (later backed by Jaworski & Kohli, 1993; Rose & Shoham, 2005) and increased organizational commitment. They proposed that because marketing orientation indirectly affects performance through organizational commitment and esprit de corps, its beneficial effects on performance may be more than previously thought. The word “through” suggests that organizational commitment and esprit de corps could both be causal antecedent variables and consequences of a market orientation. The management literature has a rich collection of research suggesting that organizational commitment develops from many other aspects of the firm’s environment and culture other than market orientation. Kohlis and Jaworski’s (1990) supposition was that marketing orientation fosters company spirit and employee commitment, when, in fact, the exact reverse may be the case.

Several academics who have studied market orientation, its effects, and how it affects performance have come to the conclusion that, when properly applied, it creates a competitive advantage (Narver and Slater, 1990; Slater and Narver, 1993; Kohli and Jaworski, 1990, Martín-Consuegra and Esteban, 2007). According to reputable business and economics writers, market-oriented businesses outperform their competitors and acquire a lasting competitive edge (Desphande, 1999; Webster, 1988; Levitt, 1960). Regardless of company size, culture, or product/service, there is a positive correlation between market orientation and organizational performance in many nations and business sectors (Kohli and Jaworski, 1990; Narver and Slater, 1990; Ruekert, 1992; Jaworski and Kohli, 1993, Slater and Narver, 1994; Hulbert and Pitt, 1996).

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.

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).

Furthermore, a positive and significant correlation between market orientation and the business performance of clean room design and manufacturing enterprises was discovered by Amir khani and Fard (2009). Orvis (1996) conducted study on the performance of retail stores in the United States and discovered that the more market-oriented the store, the better the performance.

Therefore, it appears that market orientation has effects that are not sector-specific. In addition to businesses that sell to consumers, service companies that solely sell to other businesses, non-profit organizations, and the public sector also benefit from a high degree of market orientation.

#### **2.1.6. Market Orientation in Banking Industry**

Just ten years ago, banks were thought to be hesitant to adopt and execute a marketing strategy, as stated by Kolar (2006). Kotler (1994) asserts that banks were sluggish to embrace marketing ideas and only adopted marketing as an advertising and sales promotion concept rather than as a business philosophy. Baker (1993) discovered that there was a glaring absence of a marketing strategy at both the organizational concept level and the functional level, which includes marketing tool planning and use.

However, during the past few decades, banks have undergone a number of changes. The liberalization of the banking industry, which raised various hazards and market competitiveness, was one of the most significant movements overall. As consumers grow more involved and powerful, other significant changes including the quick advancement of information technology and heightened competition also strain banks' market efficiency. To effectively respond to these shifts, banks have to become more adaptable, creative, and focused on the market.

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. Green Baum 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.

These days, banks are taking aggressive measures in the marketplace, adding modern marketing jobs to their agenda, and becoming more focused on the market (Howcroft and Durkin, 2003). Thus, the concept of market orientation and various issues pertaining to its conception, measurement, application, causes, and effects have gained prominence in the banking industry (Slattery and Nellis, 2005; Lancaster and van der Velden, 2004; Nielsen Kock Jaensson Hoest and Selnes, 2003). Furthermore, (Sattam D. Alshammri, 2003) attempted to determine whether the relationship between market orientation and performance is confirmed in the setting of a developing nation's banking sector, and his results are in line with earlier studies on the characteristics and impacts of market orientation.

### **2.1.7. Marketing performance**

Marketing performance in developing African countries has received more attention in recent years (Appiah-Adu, 1998). This growing corpus of empirical data suggests that both domestic and international organizations are performing better when it comes to marketing initiatives. Improving a commercial organization's financial results is the ultimate goal of marketing performance measurement, or MPM. However, financial output measurement by itself does not yield enough data to guide the kind of decision-making that will lead to 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).

**Marketing performance:** is a benchmark in assessing the success of value creation which is a combination of strengthening innovation capabilities and an in-depth understanding of market orientation. Various experts use different dimensions in measuring marketing performance.

Based on the opinions of several experts on the indicators used to measure marketing performance, the study of measuring marketing performance in the knitting industry in Bandung combines two theoretical concepts in measuring marketing performance indicators, these are framework thinking and hypothesis (Kohli & Jaworski, (1990).

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).

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 intermediaries and service quality.

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

## **2.2. Theoretical Literature Review**

Julian et al. (2014) state that one of the most important marketing strategies that business organizations may employ to improve their performance is market orientation. According to Yusif (2012), the contradictory results of previous studies suggest that there may be a more complex relationship between market orientation and performance, one in which the impact is difficult to determine.

The culture of prioritizing customers' interests is known as customer orientation, and it necessitates a deep comprehension of client demands in order to design goods or services that

offer exceptional value ( Narver& Slater, 1990). According to Zhou, Yim, and Tse (2005), customer orientation is frequently regarded as a component of a company's strategic means of providing clients with the value they desire. The primary goal of customer orientation is to establish a strong basis for gathering data about present and potential customers so that strategic decisions may be made based on adequate information supplied by the customer, thereby producing enhanced superior value for the clientele (Narver& Slater, 1990). Companies keep assessing these options to see how the best outcome might produce long-term, higher value for both present and future clients. Therefore, market orientation should be at the core of the organization in order to achieve the greatest level of performance, preserve the long-term capacity of the firm, and establish a mutually beneficial connection with the customer. Businesses must be aware of their competitors' capabilities, actions, and shortcomings in order to remain competitive. In order to prepare for the entity's future existence, the firm uses information about its competitors to reposition its product (Narver & Slater, 1990).

As a component of market orientation, competitor orientation is viewed as an organizational strategy to enhance the products that are offered to clients. An organization is said to be engaging in inter-functional orientation when there is a concerted effort to maximize the firm's resources in order to improve customer satisfaction (Narver& Slater, 1990). According to Ho (2011), marketing performance is linked to an organization's performance in terms of sales growth, profit ratio, market share growth, and customer happiness. The profitability measures of a company are used to assess its market performance. An organization can be said to be performing effectively in marketing if it can get good results in terms of market share or profit ratio. In addition to the quantitative metrics, a rise in marketing performance may be linked to a rise in consumer happiness. The rate of client retention will rise if customers are happy with the goods or services they receive.

The findings of a study on the customer expectations management strategies of a sample of British businesses were reported by Pitt and Jean trout (1994). In addition to proposing a checklist for firms to utilize in assessing their own expectations management procedures, their study linked customer expectations management methods to a few organizational success metrics. The most important finding from the Pitt and Jean trout (1994) study was that the only important individual component found in the investigation was market orientation. The authors

were able to determine that relative market share, a recognized economic and strategic measure of marketing performance, and market orientation with respect to expectations management strategies were significantly correlated. According to Pitt and Jean trout (1994), companies with a larger relative market share would seem to be those that comprehend how pricing affects customer expectations, routinely communicate with customers to learn about their needs, and generally have a better understanding, acquired through research, of what their customers expect. In other words, companies with a larger relative market share were more market-oriented than their rivals.

### **2.3. Empirical Literature Review**

Apiah-Adu (2011) empirically tested market orientation and performance in a transition economy (Ghana). Although there are many empirical studies on market orientation in the management literature, the majority of these studies have been based on industrialized countries, according to the researcher's assessment of the evidence to date. The author goes on to say that, despite the fact that the business environment in many developing economies is rapidly changing and thus influencing the transformations of organizations from fabrication to promotion orientation, there is still very little empirical research on market orientation in emerging nations. This study examined the relationship between market orientation and business performance in an open developing nation in an attempt to provide a more comprehensive understanding of the worldwide implications of this concept. We also looked at the likely effects of market expansion, competitive strength, and market enthusiasm on this relationship. The findings indicate that while market orientation does not appear to have a direct impact on sales growth or return on investment, the competitive environment does influence the relationship between market orientation and performance.

Amue and Igwe (2013) examine the effect of internal marketing on market orientation and business performance. The purpose of this article is to examine how internal marketing affects the organizational responsibility, market orientation, and business performance of commercial banks. 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. According to the study's findings, internal marketing initiatives significantly impacted staff dedication, market

orientation, and the organization's total profitability. Overall, there was no evidence to support the mediation relationship between market orientation, internal marketing, and organizational commitment. In order to examine the involvements, the research incorporates elements of market orientation and company performance. 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. Their study's objective is to assess how market orientation and organizational culture affect performance. Microfinance institutions that belong to Kenya's Association of Microfinance Institutions (AMFI) make up the study's population. The researchers employed a structured questionnaire to gather primary data and a descriptive cross-sectional survey design. Their hypotheses were through regression analysis. Their findings show that differences in performance are significantly and favorably impacted by organizational culture. It was determined that market orientation had a fractional conciliatory effect on the relationship between organizational culture and performance. The researchers suggested that in order to develop a lasting competitive advantage while providing enhanced consumer experiences, firms should invest more resources in cultivating market orientation. This is because organizational culture has a significant impact on market orientation. They came to the conclusion that mature sectors that are thought to have a varied range of consumer needs are more likely to experience the effects of organizational culture and market orientation on performance.

In addition to improved financial performance, market orientation practices have been proven to have a positive correlation with company success, more specifically, an increase in market performance (Chao & Spillan, 2010; Kenneth, Inman, Brown, & Willis, 2005). According to Ho (2011), marketing performance is linked to an organization's performance in terms of sales growth, profit ratio, market share growth, and customer happiness. The profitability measures of a company are used to assess its market performance. An organization can be said to be performing effectively in marketing if it can get good results in terms of market share or profit ratio. 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.

Both market success (Jaworski & Kohli, 1993) and increased firm profitability (Narver & Slater, 1990) have been linked to market orientation. According to other research, market-oriented businesses are more likely to see increases in organizational commitment, esprit de corps, and employee satisfaction (Ruekert, 1992; Jaworski & Kohli, 1993). Kohli and Jaworski (1990) propose both business performance outcomes, like profitability, market share, and sales growth, as well as other desirable outcomes, like customer satisfaction; repurchase employee job satisfaction, team spirit, and organizational commitment. Narver and Slater (1990) restrict their scope of performance to profitability measures.

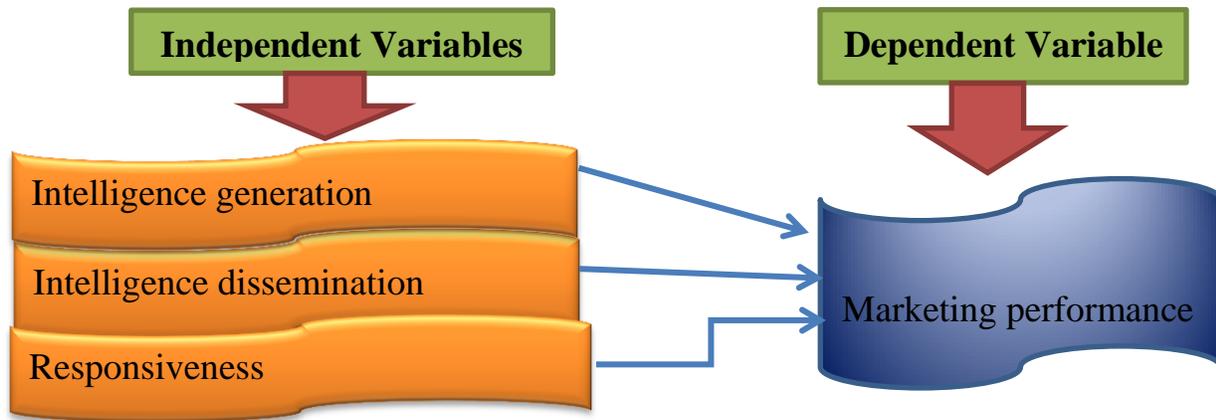
Ephrem worku (2017) this research aims to evaluate the effect of market orientation on business performance a case study on commercial bank of Ethiopia has showed that market orientation is a critical component of business performance and offers evidence of the effectiveness of the implementation of 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 for this study were collected using a structured questionnaire from CBE 249 top managers, customer service managers, and marketers who were chosen using a non-probability convenience sampling method. The study used an explanatory research design with a quantitative research approach, which was appropriate for this type of research. The primary goal of this thesis was to assess how market orientation affects company performance on CBE, and the findings indicate that market orientation has a significant impact on business performance from the perspective of CBE managers.

## **2.4. Conceptual Framework**

A conceptual framework refers to when a researcher conceptualizes the relationship between variables in study and shows the relationship graphically or schematically, Mugenda and Mugenda (2003). The conceptual framework is considered significant because it helps the

researcher to quickly perceive the established relationship. The conceptual framework for this research uses marketing performance as dependent variable, determined by the following independent factors which include: intelligence generation, intelligence dissemination and responsiveness. As a result, Figure 2.1 shows the conceptual framework of the study.



Source: adopted from Mugenda and Mugenda (2003)

Figure 2.1 Conceptual Framework of the Study

## 2.5. Research Hypothesis

Based on the 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**

### **RESEARCH METHODOLOGY**

#### **3.1. Research Design**

According to Zikmund (2003), a research design is a master plan that identifies clearly the procedure and ways for analyzing and gathering the needed information. In other words, it is an action plan for the research project. Cooper and Schindler (2008) define a research design as the scheme, outline or plan that is used to generate answers to research problems. Creswell (2007) similarly notes that a research design is the research framework that brings together all the elements of a research project. The researcher employed both descriptive and explanatory research designs to explore the effect of market orientation on marketing performance in Awash Bank. Descriptive research design is used to obtain information about the current state of phenomena to describe "what" exists' with respect to variables or conditions in a situation and explanatory research design enables the researcher to identify the cause and effect relationship so that this research can be conducted more effectively and the result was more reliable. The designs provided a detailed insight about the effect of market orientation on marketing performance.

#### **3.2. Research Approach**

Muijs (2010) explains quantitative research as a tool for explaining phenomena by collecting data which are analyzed using mathematically based methods. In the view of Rahman (2017) quantitative research is more representative since it usually has a larger sample size and variables that makes research trust worthy. The researcher used quantitative research approach and the data for the research were analyzed quantitatively.

### 3.3. Target Population

A target population as defined by Frederic (2010) is a universal set of the study of all members of real or hypothetical set of people, events, or objects to which an investigator wishes to generalize the finding. Zikmund (2003) defines the target population as the particular group relevant to a particular case. Furthermore, according to Mugenda and Mugenda, (2003), the target population as a complete set of individuals, cases or objects having the same common observable characteristics. The target population for the study was the managers working in Awash Bank S.C. in Addis Ababa branches. The numbers of branches in Addis Ababa were 125. Each branch has 2 managers, so the total numbers of managers were 250.

### 3.4. Sampling Technique and Sample Size

Sampling is the process of selecting units (e.g. people, organizations) from a population of interest so that by studying the sample, a fairly generalize results is trace back to the population from which they were chosen (Trochim, 2006). After the researcher got sample size of the respondents using Yemane's formula, the researcher used simple random sampling to collect data from the target population. This sampling technique is extremely simple and convenient for the researcher to create, conduct and analyze samples. It reduces the potential for bias in the information. A sample refers to a portion of the population that is intended for a study to reflect the characteristics of the population (Mugenda and Mugenda, 2003). Based on the sampling size formula, the sample size of the study is determined below. Yamane (1967) has provided a simplified formula to calculate sample sizes. This formula is written below and used to calculate the sample sizes.

$$n = \frac{N}{1 + N(e)^2}$$

#### Key

n= Sample size

N= Population size

e= Level of precision

Confidence level= 95%

Level of precision = 5%

$$n = \frac{250}{1 + 250(0.05)^2}$$

Therefore, the sample size of this study was 154.

### **3.5. Data type and Source**

The researcher to determine the effect of market orientation on marketing performance in Awash Bank S.C. and used primary sources of data. Kombo and Tromp (2006) define Primary data is information gathered directly from respondents. This is through questionnaire, interviews, focused group discussions, observation and experimental studies. The primary data for this study was collected through questionnaires method. The data collection was in quantitative approach.

### **3.6. Method of data Collection**

Data collection means collecting and measuring information about determinants, in an established systematic way that enables one to answer stated research questions, test hypotheses, and evaluate results (Cooper & Schindler, 2008). For the case of this study, questionnaire will be employed as tool of data collection. The questionnaire method was used to collect data from employees of Awash Bank. Questionnaire method is selected because it saves time, limits respondents bias, data can be collected in a large sample and confidentiality is upheld (Kombo and Tromp, 2006). Glaser and Strauss (2009) explain that questionnaires are an important instrument for research as a tool for data collection. The use of questionnaires was justified to the extent that questionnaires are an effective way of collecting information from a large sample of scholars in a short time and at lower cost than other methods. The questionnaires designed were in close-ended. Respondents complete questionnaires in the privacy of their office and return their anonymous questionnaires to the researcher. The questions were prepared in the form of statements on a 1-5 likert scale ranging from 1= strongly disagree, 2=Disagree, 3=Neutral, 4=Agree, and 5=strongly agree.

### **3.7. Method of data Analysis**

Descriptive data analysis method was applied by encoding responses from questionnaires through the Statistical Package for Social Science (SPSS) and analysis was done by using descriptive statistics such as mean, standard deviation and correlation analysis like Pearson correlation coefficient and regression analysis to ascertain whether there was statistically significant relationship exists between independent variables and dependent variables and to present results of the data analysis.

### **3.8. Model of Specification**

In this study, multiple linear regression models are used to achieve research objectives. The basic objective of using multiple linear regression models is to make the research more effective in analyzing impacts of intelligence generation, intelligence dissemination and responsiveness on marketing performance.

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + e$$

Where,

Y= Marketing performance (dependent variable)

$\beta_0$  = Constant parameter

X1= Intelligence generation

X2= Intelligence dissemination

X3= Responsiveness

$\beta_s$ = are coefficient of parameters

### **3.9. Validity and Reliability**

Validity means a test measures what we actually wish to measure. It involves the degree to which you measure what you should. Reliability is the degree to which the measure of a construct is consistent or dependable (Kothari, 2004). Reliability is essentially about consistency. That is if we measure something many times and the result is always the same, then we can say that our measurement is reliable. The most commonly used measure of internal consistency or reliability is Cronbach's Alpha. According to Zikmund, Babin and Griffin (2010) scales with coefficient alpha between 0.8 and 0.95 are very good quality, coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability. To check the validity of the questionnaire the researcher tested it by conducting

pilot test using some respondents and consulting subject matter experts in the area like research advisor and course instructors to check the content and as well as collecting feedback from the selected sample respondents to incorporate it into the questionnaire. Moreover, to check the reliability of the items, the researcher tested the reliability of the items which were developed for the respondents using Cronbach's Alpha.

**Table 3.1: Reliability statistics**

Variables	No. of Items	Cronbach's Alpha	Source
Intelligence generation	5	.762	Questionnaires
Intelligence dissemination	5	.850	
Responsiveness	5	.863	
Marketing performance	10	.704	

(Source: SPSS output survey data, 2024).

### **3.10. Ethical Consideration**

While the researcher was conducting the study, ethical issues mainly considered. Before the data collection process all the necessary information about the study like who was conducting the study and for what purpose was the study conducting and other necessary information that respondents like to know was provided to all respondents so that it helped them to decide whether to participate or not in this study. They notified that their participation in the study was voluntary and they had freedom to withdraw from the study at any time without any unfavorable consequences. They also were guaranteed for their anonymity and confidentiality of their feedback.

## CHAPTER FOUR

### DATA PRESENTATION, ANALYSIS AND INTERPRETATION

In this chapter, the data collected from respondents were analyzed and interpreted using quantitative analysis which involves analysis of the demographical information of respondents and the descriptive and inferential statistics employed to test the hypothesis and to investigate the influence of independent variables on dependent variable. To analyze the collected data in line with the overall objective of the research undertaking, statistical procedures were carried out using SPSS.

#### 4.1. Response Rate

To determine the number of respondents who filled and submitted back the questionnaires, an analysis of the response rate was conducted. As shown in the response rate of the respondents was 145(94.15 %) of the total sample size and the non-response rate was 9(5.85%) from 100%. The response rate of 94.15% was considered appropriate according to Mugenda and Mugenda, (2003). A response rate of 30-50% of the total sample size provides enough data that can be used to generalize the characteristics of a study problem as expressed by the opinions of few respondents in the target population. The study hence considered the 94.15 % response suitable for the analysis of the effect of market orientation on marketing performance in Awash Bank S.C.

**Table 4.1: Response Rate**

No.	Respondents category	Frequency	Percentage
1	Responded questionnaires	145	94.15
2	Non-returned questionnaires	9	5.85
Total		154	100

*(Source: SPSS output survey data, 2024)*

#### 4.2. Demographic Characteristics of survey Respondents

This descriptive analysis is used to look at the data collected and to describe data captured through the questionnaire. It was used to describe the demographic factors for more clarification. It is mainly important to make some general observations about the data gathered for general or

demographic questions. The demographic factors used in this research were gender, age, work experience, and educational qualification of respondents.

**Table 4.2: Demographic data for respondent's**

<b>Gender of Respondents</b>			
		<b>Frequency</b>	<b>Percentage</b>
Valid	Male	98	67.6
	Female	47	32.4
	<b>Total</b>	<b>145</b>	<b>100.0</b>
<b>Respondents' Age</b>			
Valid	31-40	74	51.0
	41-50	12	8.3
	Above 51	59	40.7
	<b>Total</b>	<b>145</b>	<b>100.0</b>
<b>Educational qualification</b>			
Valid	1st Degree	102	70.3
	Masters	43	29.7
	<b>Total</b>	<b>145</b>	<b>100.0</b>
<b>Work Experience</b>			
Valid	5-10 years	25	17.2
	Above 10 years	120	82.8
	<b>Total</b>	<b>145</b>	<b>100.0</b>

(Source: SPSS output survey data, 2024)

From the above table 4.2, the first demographic factor of the study respondents is sex. The data indicates us among the 145 respondents of this study 98(67.6%) are male respondents and 47 (32.4%) are female respondents. Therefore, majority of the respondents are controlled by males.

When we come to the second demographic factor which is called respondents age, from 145 respondents 74(51%) of the respondents' were 31-40, 12 (8.3%) of the respondents were 41-50, 59(40.7%) were above 51 and the rest 0(0%) of them were 20-30. As a result, the respondents' age of this study is dominated by 31-40.

The third demographic factor was respondents' educational qualification. Among the 145 respondents 102(70.3%) respondents were degree holders and the rest 43(29.7%) of the respondents were masters holders. Thus, majority of the respondents are bachelor degree holders. It is interesting to note that all the respondents have a minimum of bachelor degree.

When we come to the fourth demographic factor which is respondents work experience, the table depicts that 25(17.2%) respondents have 5-10 years' work experience and 120 (82.8%) respondents have above 10 years work experience. Therefore, majority of the study respondents are subjected by above 10 years work experience.

### **4.3. Descriptive Statistics of the Study Variables**

This part explains the result of descriptive statistics calculated on the basis of variables. This study mainly focused on examining the effect of market orientation on marketing performance in Awash Bank S.C. by modeling the relationship between marketing performance and the following independent factors: intelligence generation, intelligence dissemination and responsiveness. As stated in chapter three, five point scales were used to measure level of agreement to each variable.

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.

The questions were prepared in the form of statements on a 1-5 likert scale ranging from 1=strongly disagree, 2=disagree, 3=neutral, 4=agree, and 5= strongly agree and 1=very low, 2=Low, 3=Average, 4=high and 5=very high.

**Table 4.3: Intelligence Generation**

Items	Mean	Std. Deviation
In this business unit, we do a lot of market research.	4.4414	.49827
We are slow to detect changes in our customers' product/service preferences.	1.5034	.50172
We poll end users at least once a year to assess the quality of our products and services.	4.5172	.50143
We are slow to detect fundamental shifts in our industry.	1.5103	.50163
We periodically review the likely effect of changes in our business environment on customers.	4.4552	.49971
Aggregate	3.2855	.500552
<b>N=145</b>		

(Source: SPSS output survey data, 2024)

According to table 4.6 item 1, majority of the respondents agreed with the mean score and Std. Deviation of 4.44 and .497 in this business unit, we do a lot of market research. This implies that they conduct a lot of market research. As table 4.6 item 2, respondents were asked whether they are slow to detect changes in our customers' product/service preferences or not. As a result, majority of the respondents disagreed with the mean of 1.50 and Std. Deviation of .501. This indicates us they are not slow to detect changes in our customers' product/service preferences. As per the response result indicates in table 4.6 item 3, respondents were agreed with mean of 4.51 and Std. Deviation of .501 on the statement we poll end users at least once a year to assess the quality of our products and services. So, they assess customers' feedback to assess the quality of our products and services. As indicates under table 4.6 item 4, majority of the research respondents disagreed with the mean and Std. Deviation of 1.51 and. 501 on the statement we are slow to detect fundamental shifts in our industry. This implies that they are not slow to detect fundamental shifts in their industry According to item 5(we periodically review the likely effect of changes in our business environment on customers), the respondents' agreed with the mean of 4.45 and Std. Deviation of. 499.

**Table 4.4: Intelligence Dissemination**

Items	Mean	Std. Deviation
We have interdepartmental meetings at least once a quarter to discuss market trends and developments.	4.4483	.49904
Marketing personnel in our business unit spend time discussing customers' future needs with other functional departments.	4.4069	.49296
When something important happens to a major customer of market, the whole business unit knows about it within a short period.	4.4828	.50143
Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	4.4276	.49644
When one department finds out something important about competitors, it is slow to alert other departments.	1.5448	.49971
Aggregate	3.86208	.497916
<b>N=145</b>		

(Source: SPSS output survey data, 2024)

As per the respondents response according to table 4.7 item1 the research respondents agreed with the mean and Std. Deviation of 4.44 and .499 on the statement we have interdepartmental meetings at least once a quarter to discuss market trends and developments. As indicated under table 4.7 item 2 majority of the research respondents agreed with mean of 4.40 and Std. Deviation of .492 on the statement marketing personnel in our business unit spend time discussing customers' future needs with other functional departments. According to item 3 (when something important happens to a major customer of market, the whole business unit knows about it within a short period), the respondents' agreed with the mean of 4.48 and Std. Deviation of .501. As the majority of them agreed about this issue, the result indicates that when something important happens to a major customer of market, the whole business unit knows about it within a short period of times. Based on the response of respondents on item 4, majority of the respondents agreed with the mean and Std. Deviation of 4.42 and .496 on the statement data on customer satisfaction are disseminated at all levels in this business unit on a regular basis. As indicated under table 4.7 item 5 majority of the research respondents disagreed with mean of 1.54 and Std. Deviation of .499 on the statement when one department finds out something important about competitors, it is slow to alert other departments.

**Table 4.5: Responsiveness**

Items	Mean	Std. Deviation
It takes us forever to decide how to respond to our competitor's price changes.	1.5034	.50172
We periodically review our product development efforts to ensure that they are in line with what customers want.	4.4414	.49827
If a major competitor were to launch an intensive campaign targeted at our customers, we would implement a response immediately.	4.4069	.49296
The activities of the different departments in this business unit are well coordinated.	4.3862	.48857
When we find that customers would like us to modify a product of service, the departments involved make concerted efforts to do so.	4.4897	.50163
Aggregate	3.84552	.49663
<b>N=145</b>		

(Source: SPSS output survey data, 2024)

As can be seen in table 4.8, the first statement was it takes us forever to decide how to respond to our competitor's price changes. The majority of respondents disagreed with mean of 1.50 and Std. Deviation of .501. From table 4.8, the second item was we periodically review our product development efforts to ensure that they are in line with what customers want. In this item, they agreed with the mean value of 4.44 and Std. Deviation of .498. We can understand that they review their product development efforts to ensure that they are in line with what customers want. The third item in table 4.8 was if a major competitor were to launch an intensive campaign targeted at our customers, we would implement a response immediately. In this item, the study respondents agreed with mean and Std. Deviation of 4.40 and .492. From the above table 4.8, respondents were asked whether the activities of the different departments in this business unit are well coordinated or not. As a result, majority of them agreed with mean value of 4.38 and Std. Deviation of .488. So we understand that the activities of the different departments in this business unit are well coordinated in the company. As can be seen in table 4.8, the last statement was when we find that customers would like us to modify a product of service; the departments involved make concerted efforts to do so. The majority of respondents agreed with mean of 4.48 and Std. Deviation of .501.

**Table 4.6: Marketing Performance**

Item	Mean	Std. Deviation
Service sales contribution margin	4.4207	.49538
Overall profitability	4.4207	.49538
Market share	4.4207	.49538
Consumer penetration in the market	4.4966	.50172
Strategy to attract customers in relation to competitors.	4.3655	.48324
Products and/or services to meet the needs and expectations of customers	4.4966	.50172
On time performance and commitment to meet customer expectations	4.4552	.49971
Products and/or services competitiveness to satisfy customers	4.4621	.50029
Responsiveness in dealing with customers	4.4621	.50029
New or significantly improved methods of producing services	4.4414	.49827
Aggregate	4.44416	.497138
<b>N=145</b>		

(Source: SPSS output survey data, 2024)

As per the respondents response in table 4.9 item1 the research respondents agreed with the mean and Std. Deviation of 4.42 and .495 on the statement service sales contribution margin. As indicated under table 4.9 item 2 majority of the research respondents agreed with mean of 4.42 and Std. Deviation of .495 on the statement overall profitability. According to item 3 (market share) the respondents' agreed with the mean of 4.42 and Std. Deviation of .495. Based on the response of respondents on item 4, majority of the respondents agreed with the mean and Std. Deviation of 4.49 and .501 on the statement consumer penetration in the market. As can be seen in table 4.9, the fifth statement was strategy to attract customers in relation to competitors. The majority of the respondents agreed with mean of 4.36 and Std. Deviation of .483. According to table 4.9 item 6, majority of the respondents agreed with the mean and Std. Deviation of 4.49 and .501 on the statement products and/or services to meet the needs and expectations of customers. As table 4.9 item 7, respondents were asked to rate the statement On time performance and commitment to meet customer expectations. As a result, majority of the

respondents agreed with the mean of 4.45 and Std. Deviation of .499. As indicates under table 4.9 item8, majority of the research respondents agreed with the mean and Std. Deviation of 4.46 and .500 on the statement products and/or services competitiveness to satisfy customers. According to item 9(responsiveness in dealing with customers), the respondents' agreed with the mean of 4.46 and Std. Deviation of .500. The last statement of this variable was new or significantly improved methods of producing services. According to the respondents' feedback, they agreed with mean of 4.44 and Std. Deviation of .498.

#### 4.4. Correlation Analysis

Correlation coefficients provide a numerical summary of the direction and strength of the linear relationship between two variables. The sign of the correlation coefficient indicates the direction of the correlation: a positive correlation indicates that as one variable increases, so does the other; a negative correlation indicates that as one variable increases, the other decreases. The strength of the relationship is given by the numeric value: 1 indicates a perfect relationship; 0 indicates no relationship between the variables.

**Table 4. 7: Correlation Analysis of the Effect of Market Orientation on Marketing Performance**

		<b>Correlations</b>			
		Marketing performance	Intelligence generation	Intelligence dissemination	Responsiveness
Marketing performance	Pearson Correlation	1	.765**	.596**	.784**
	Sig. (2-tailed)		.000	.000	.000
	N	145	145	145	145
Intelligence generation	Pearson Correlation	.765**	1	.691**	.458**
	Sig. (2-tailed)	.000		.000	.000
	N	145	145	145	145
Intelligence dissemination	Pearson Correlation	.596**	.691**	1	.152
	Sig. (2-tailed)	.000	.000		.068
	N	145	145	145	145
Responsiveness	Pearson Correlation	.784**	.458**	.152	1
	Sig. (2-tailed)	.000	.000	.068	
	N	145	145	145	145

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

*(Source: SPSS output survey data, 2024)*

Since all variables are interval, the relationship between the independent variables i.e. intelligence generation, intelligence dissemination and responsiveness and the dependent variable i.e. marketing performance was investigated using Pearson product –moment correlation coefficient. The results of correlation analysis in the table 4.10 show that all the independent variables were positively and significantly correlated with the dependent variable.

## **4.5. Regression Analysis**

### **4.5.1. Diagnostic Tests**

A diagnostic test refers to a type of test used to identify the presence or absence of a specific condition or phenomenon within a study population, essentially acting as a tool to pinpoint the root cause of a problem by analyzing data collected through various methods like surveys, interviews, or observations; it's often used to determine the factors contributing to a particular issue before implementing interventions or solutions. Some of the diagnostic tests are normality, multicollinearity, linearity and homoscedasticity.

#### **4.5.1.1. Normality Test**

Normality can be checked by drawing histogram and pp-pilot, if the distribution of error terms under histogram is approximately normal, and the distribution of points in pp-plot lays around the straight line normality is attained otherwise it is violated. The histogram is a traditional way of displaying the shape of a group of data. It is constructed from a frequency distribution, where choices on the number of bins and bin width have been made. These choices can drastically affect the shape of the histogram. The ideal shape to look for in the case of normality is a bell-shaped distribution.

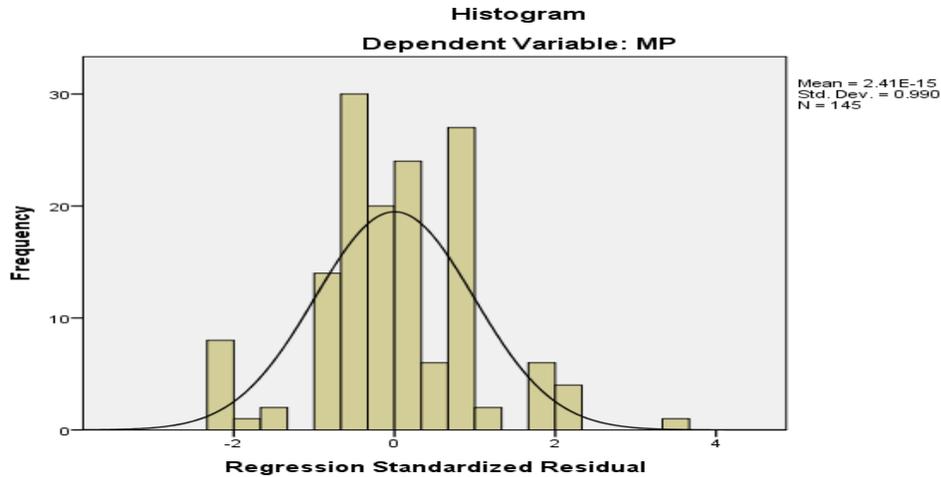


Figure 4.1: Normality assumption by using histogram  
(Source: SPSS output survey data, 2024)

From the above figure 4.1, shows that the data was almost normal and indicates that the data satisfy the normality assumption for the effect of market orientation on marketing performance.

#### 4.5.1.2. Multicollinearity Test

Table 4.8. Multicollinearity Test

Variables	Tolerance	VIF
Intelligence generation	.395	2.531
Intelligence dissemination	.489	2.047
Responsiveness	.738	1.354

(Source: SPSS output survey data, 2024)

In this assessment, first VIF is applied to detect Multicollinearity in the model. It is noted none of the VIF is greater than 10, those variables are highly related to the other repressor's. But in all cases as shown in table 4.11, it is found that none of the variance inflation factor is greater than 10. Hence there is no problem of co linearity between independent variables

#### 4.5.1.3. Linearity Test

Linearity can be checked by drawing the scatter plot of response variable versus fitted value. To attain linearity the pattern of the plot must be approximately linear.

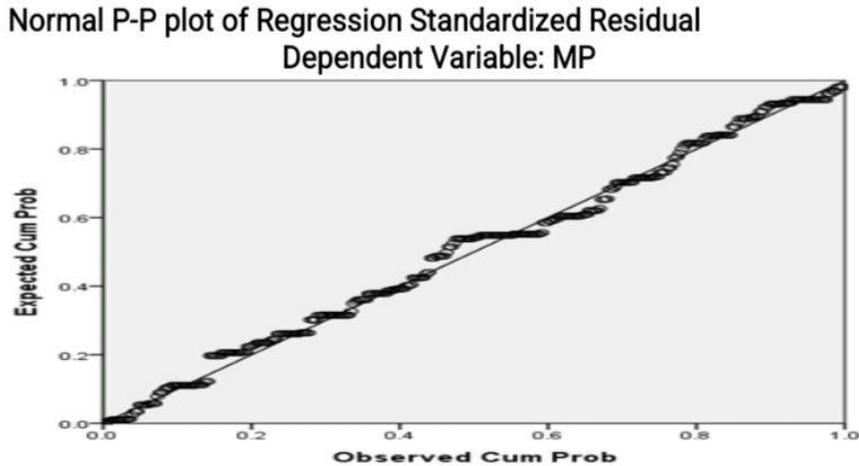


Figure 4.2: Normal Probability plot

(Source: SPSS output survey data, 2024)

Observe on the p-p plot all observations are lies approximately through the line which shows the data were satisfied the linearity assumption. And indicates that the linear relationship between the residuals and the outcome variable marketing performance.

#### 4.5.1.4. Homoscedasticity Test

Plots of residuals against time can be used to examine whether the variance of the error term is constant or not. Homoscedasticity is an assumption of equal or similar variances in different groups being compared. This is an important assumption of parametric statistical tests because they are sensitive to any dissimilarity. Uneven variance in samples results in biased and skewed test results. As shown in figure 4.3, we can say the residuals are homoscedastic.

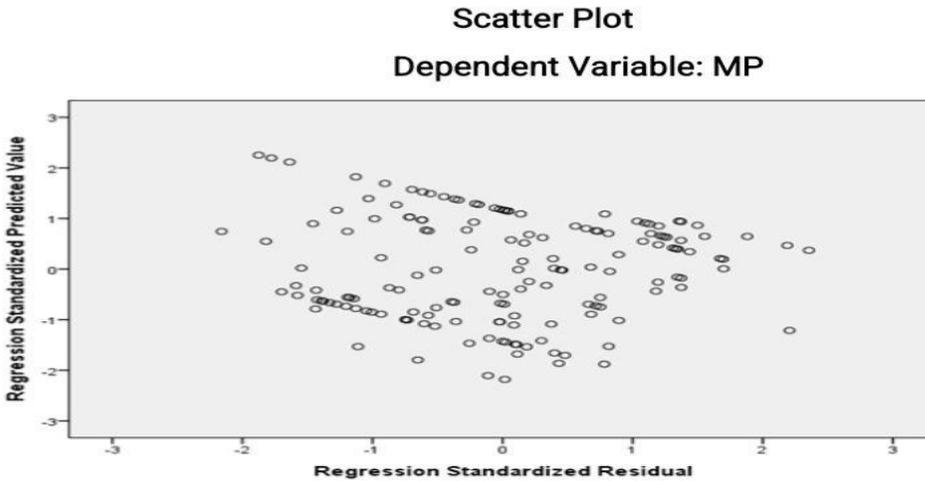


Figure 4.3: Homoscedasticity test  
(Source: SPSS output survey data, 2024)

**4.6. Multiple Regression Analysis**

Regression is a technique that can be used to investigate the effect of one or more predictor variables on an outcome variable that is, it allows us to make statements about how well one or more independent variables will predict the value of dependent variable. Multiple regression analysis was employed to explore the effect of market orientation on marketing performance in Awash Bank S.C. by modeling the relationship between marketing performance and the following independent factors: intelligence generation, intelligence dissemination and responsiveness.

Mathematical representation of the model:

$$Y = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + e$$

Where,

Y= Marketing performance (dependent variable)

$\beta_0$  = Constant parameter

X1= Intelligence generation

X2= Intelligence dissemination

X3= Responsiveness

$\beta_s$ = are coefficient of parameters

**Table 4.9: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.935 <sup>a</sup>	.875	.872	.18638

a. Predictors: (Constant), intelligence generation, intelligence dissemination and responsiveness

b. Dependent Variable: Marketing performance

(Source: SPSS output survey data, 2024)

As it is clearly seen from the above table it is clearly seen that R square result is .875 which means 87.5 % of the variance in marketing performance was explained by the three dimensions of market orientation (intelligence generation, intelligence dissemination and responsiveness). R is called correlation coefficient. The meaning of correlation coefficient in statistics, it measures the strength and direction of linear relationship between variables on scatter plot. The value is always in between +1 and -1. Hence in the case the variables have a positive linear relationship.

**Table 4.10: ANOVA model**

**ANOVA<sup>a</sup>**

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	34.227	3	11.409	328.430	.000 <sup>b</sup>
Residual	4.898	141	.035		
Total	39.125	144			

a. Dependent Variable: Marketing performance

b. Predictors: (Constant), intelligence generation, intelligence dissemination and responsiveness

(Source: SPSS output survey data, 2024)

Analysis of variance (ANOVA) is a parts of regression analysis showing the overall model. The significance level in the above table reveals that the regression model is highly significant to fit the data. The cumulative impact of the set of independent variables on employee motivation is highly significant at (F=328.430) (P<0.001) and it can be said that there is a relationship between marketing performance and the predictors (intelligence generation, intelligence dissemination and responsiveness).

**Table 4.11: Beta Coefficient**

Model		Coefficients <sup>a</sup>			T	Sig.
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta		
1	(Constant)	.140	.084		1.664	.098
	Intelligence generation	.216	.039	.260	5.489	.000
	Intelligence dissemination	.349	.046	.323	7.570	.000
	Responsiveness	.612	.034	.616	17.768	.000

a. Dependent Variable: Marketing performance

(Source: SPSS output survey data, 2024)

The above table shows the regression standardized coefficients for the independent variable. The variables intelligence generation, intelligence dissemination and responsiveness (independent variables) in marketing performance (dependent variable) were explained by standardized beta coefficient. From all variables, responsiveness had .616 beta values and its significant value is .000. The result revealed that, responsiveness would lead to 61.6% and marketing performance will be increased by 61.6%. Secondly, the beta value of intelligence dissemination was .323 and its significant value is .000 which implies the marketing performance will be increased by 32.3%. Similarly, intelligence generation had .260 beta values and its significant value is .000. The result revealed that intelligence generation would lead to 26% and marketing performance will be increased by 26%. Generally, based on the regression coefficient results, responsiveness is

the best determinant to boost the market performance of the bank. Table 4.14 also shows the regression unstandardized Coefficients. It is the coefficients of the estimated regression model.

Model

$$Y = .140 + .260x_1 + .323x_2 + .616x_3$$

Where,

Y= Marketing performance (dependent variable)

$\beta_0$  = Constant parameter

X1= Intelligence generation

X2= Intelligence dissemination

X3= Responsiveness

$\beta_s$  = are coefficient of parameters

#### **4.7. Hypothesis Testing**

The study examined the three hypotheses formulated regarding the relationship between the independent variables (intelligence generation, intelligence dissemination and responsiveness) and the dependent variable which is marketing performance. Regression analysis was used to quantify the degree of association between the dependent and the independent variables and to determine whether the hypotheses are supported or not. Therefore, the following analysis verifies the hypotheses of the research and the strength and direction of the relationship between the independent variables and the dependent one.

**H<sub>1</sub>: Intelligence generation has significant influence on marketing performance.**

As it is founded in the previous regression result, intelligence generation correlated positively and significantly to the independent variable which is marketing performance. According to table 4.14, the beta value for the independent variable intelligence generation =.260 which clearly shows this variable is one of the factors of marketing performance in Awash Bank S.C, Addis Ababa.

**H<sub>2</sub>: Intelligence dissemination has significant influence on marketing performance.**

As it is founded in the previous regression result, intelligence dissemination correlated positively and significantly to the independent variable which is marketing performance. According to table

4.14, the beta value for the independent variable intelligence dissemination =.323 which clearly shows this variable is one of the factors of marketing performance in Awash Bank S.C, Addis Ababa.

**H<sub>3</sub>: Responsiveness has significant influence on marketing performance.**

As it is founded in the previous regression result, responsiveness correlated positively and significantly to the independent variable which is marketing performance. According to table 4.14, the beta value for the independent variable responsiveness =.616 which clearly shows this variable is one of the factors of marketing performance in Awash Bank S.C, Addis Ababa.

**Table 4.12: Summary of Hypothesis Testing**

No	Hypothesis	Tool	Result
1	<b>Intelligence generation has significant influence on marketing performance.</b>	Regression	Accepted
2	<b>Intelligence dissemination has significant influence on marketing performance.</b>	Regression	Accepted
3	<b>Responsiveness has significant influence on marketing performance.</b>	Regression	Accepted

*(Source: SPSS output survey data, 2024)*

**4.8. Discussion**

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

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. Regarding descriptive analyses of market orientation variables and

marketing performance, 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 1.5034 to 4.4552. The least mean obtained from the dimension that most of the respondent was disagree. Employees of Awash Bank S.C. perceived the overall intelligence generation is good. The mean score from the standard deviation shows the respondent varies from .49827 to .50172 with their response to the variable intelligence dimensions. The regression analysis supports that intelligence generation plays a crucial role in improving marketing performance. Moreover, 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.

Similarly, the mean score of dimensions of intelligence dissemination ranges from 1.5448 to 4.4828 and the standard deviation shows the respondent varies from .49296 to .50143 with their respond to the variable intelligence dissemination. Amue and Igwe (2013) stated that 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. And mean score of dimensions of responsiveness ranges from 1.5034 to 4.4897. The overall score of responsiveness is good. And the standard deviation shows that respondents' response varies from .48857 to .50172 with respect to the variable responsiveness. Chao & Spillan (2010) explained that 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.

Market orientations have a positive relationship with marketing performance; all hypotheses are accepted. Specifically, market orientation has statistically significant effect on marketing performance of Awash Bank S.C. It explains 87.5 % of their marketing performance which

implies that market orientation in bank sectors plays bigger influence on marketing performance in private bank in Awash Bank S.C. 12.5% other factors effect on marketing performance on private bank in Awash Bank S.C. That is also could be explained with the fact that in Awash Bank S.C 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 results support these findings that market orientation and marketing performance have high positive relationship between them.

## CHAPTER FIVE

### SUMMARY, CONCLUSION & RECOMMENDATION

This chapter discusses summary of findings, conclusion and recommendation of the study.

#### 5.1. Summary of Findings

The main objective of this study was exploring the effect of market orientation on marketing performance in Awash Bank, Addis Ababa. To achieve the research objective and questions, the researcher was distributed 154 questionnaires to the employees of the sub city. The response rate was 145(94.15 %) of the total sample size and the non-response rate was 9(5.85%) from 100% due to different reasons. In this study gender, age, work experience, and educational qualification in the bank were taken as a demographic representative for respondents.

The research found that 67.6% of the respondents were male, 32.4% were female. The majority were aged 31-40, with 82.8% having work experience above 10 years. The majority were degree holders, with 70.3% holding a degree and 29.7% holding a master's degree.

Regarding the reliability of the questionnaire as it can be seen from table 3.1. The Cronbach's coefficient alpha results for all variables' items are found reliable. According to Zikmund, Babin and Griffin (2010) scales with coefficient alpha between 0.8 and 0.95 are very good quality, coefficient alpha between 0.7 and 0.8 are considered to have good reliability, and coefficient alpha between 0.6 and 0.7 indicates fair reliability. So, it is possible to conclude the items are reliable and acceptable.

The data collected from primary sources was analyzed. The collected raw data was categorized, edited, organized and analyzed using quantitative methods with SPSS. The quantitative data was presented in tables and figures. In this study, the independent variables were intelligence generation, intelligence dissemination and responsiveness and the dependent variable was marketing performance. From the descriptive results of the findings, intelligence generation, intelligence dissemination and responsiveness are determinants of marketing performance in Awash Bank, Addis Ababa, Ethiopia according to the mean and Std. deviation of the respondents' response.

The result of Pearson correlation coefficient between marketing performance and intelligence generation, intelligence dissemination and responsiveness were found to be .765, .596 and .784 at (sig. =0.000) respectively. Therefore, the findings of this study indicate that there was a significant relationship between intelligence generation, intelligence dissemination and responsiveness and marketing performance.

The R square result is .875 which means 87.5 % of variables which directly and indirectly affect the marketing performance in the bank is assessed and evaluated in this research paper which means the researcher has assessed more than 50% of the variables which have significant and great impact on the dependent variable.

## **5.2. Conclusion**

The main objective of this study was exploring the effect of market orientation on marketing performance in Awash Bank, Addis Ababa. The study has been successful in accomplishing the research objectives. The researcher identified the major factors of marketing performance in the case of Awash Bank S.C., Addis Ababa. Marketing performance is a common problem observed in most public and private sectors. There are situations beyond the control of responsible parties to identify determinants of marketing performance but some of the factors are identified in a few research works. In this research marketing performance exploration was conducted and analyzed in order to give answers to the research questions raised in chapter one of this paper and based on the study findings, the following conclusions were drawn.

- Intelligence generation was the basic factor of marketing performance in Awash Bank, Addis Ababa, Ethiopia.
- Intelligence dissemination was the major factor of marketing performance in Awash Bank, Addis Ababa, Ethiopia.
- Responsiveness was the major determinant of marketing performance in Awash Bank, Addis Ababa, Ethiopia.

### 5.3. Recommendation

According to the research findings, the researcher has produced the following recommendations as ways to enhance marketing performance in Awash Bank S.C.

- The findings of this study indicate that market orientation of the bank is good. The result on intelligence generation determinant indicates us; all the items in this variable have good score in the case of Awash Bank S.C.; however, the researcher recommends, the bank should work more and allocate more budget as it is necessary to improve better on its overall performance.
- When we come to intelligence dissemination variable, the result depicts us it has good score in case of the study area; however, the researcher recommended the responsible body of the company to work better on this area so as to boost the bank's marketing performance.
- When we come to its responsiveness dimension, according to the respondents' feedback, the items under this variable has good score. As a result, the researcher recommended that the responsible body of the bank to invest much 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 implement new technologies and also make customers and employees use the technology.
- Basically the major target of the researcher has full filed but it does not mean that this research has completely answered all the issues regarding to marketing performance. The first limitation is related to sample. The researcher took only Awash Bank S.C., so this couldn't represent all banks in Addis Ababa hence it would be better if future researchers could make their research on bigger sample size.
- Besides this the researcher has taken three main determinants of marketing performance, but there are also other significant variables which could influence marketing performance. Hence future researchers are advised to explore other relevant factors on this issue.

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**APPENDIX**  
**Research Questionnaire**  
**ST. MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**DEPARTMENT OF MARKETING MANAGEMENT**  
**LETTER TO RESPONDENTS**

Cell Phone: 0911256345  
Addis Ababa, Ethiopia

November, 2024

Dear Respondents,

**Re: Request for your participation in my thesis**

I am a student currently pursuing a course in Marketing Management at St. Mary University. In partial fulfillment of the requirements of the award of the Master's Degree, I am conducting a research to explore the effect of market orientation on marketing performance in Awash Bank. Participation is voluntary and if you will, please spare a few minutes of your time to fill in the blanks of the attached list of questions to the best of your knowledge. Kindly complete all sections of the questionnaire to enable me complete the study. Please note that the information you provide will be treated as confidential, and will only be used for the purpose of this research.

Your participation in this study is highly appreciated.

Yours Sincerely,

Sadia Ahmedin

**General Instruction**

- No need of writing your name.
- Please put (√) this sign in the provided space.

**Section 1. Personal data**

1. Gender
  - A. Male ( )
  - B. Female ( )
2. Age
  - A. 20-30 ( )
  - B. 31-40 ( )
  - C. 41-50 ( )
  - D. Above 51 ( )
3. Educational background
  - A. Certificate ( )
  - B. Diploma ( )
  - E. PHD ( )
  - C. 1st Degree ( )
  - D. Masters ( )
4. Experience
  - A. Less than 1 year ( )
  - B. 1-5 Years ( )
  - C. 5-10 years ( )
  - D. Above 10years ( )

**Section 2: Issues related to different factors and the dependent variable**

The following questions are prepared to get your views regarding some of the effect of market orientation on marketing performance. For each questions below, Please put (√) this sign in the options that fits to your opinion based on the given scale in the provided space.

**Table 1: Issues Related to Intelligence Generation**

No.	Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	In this business unit, we do a lot of market research.					
2	We are slow to detect changes in our customers' product/service preferences.					
3	We poll end users at least once a year to assess the quality of our products and services.					
4	We are slow to detect fundamental shifts in our industry.					
5	We periodically review the likely effect of changes in our business environment on customers.					

**Table 2: Issues Related to Intelligence Dissemination**

No.	Items	Strongly Agree	Agree	Neutral	Disagree	Strongly disagree
1	We have 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	When something important happens to a major customer of market, the whole business unit knows about it within a short period.					
4	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.					
5	When one department finds out something important about competitors, it is slow to alert other departments.					

**Table 3: Issues Related to Responsiveness**

No.	Items	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1	It takes us forever to decide how to respond to our competitor's price changes.					
2	We periodically review our product development efforts to ensure that they are in line with what customers want.					
3	If a major competitor were to launch an intensive campaign targeted at our customers, we would implement a response immediately.					
4	The activities of the different departments in this business unit are well coordinated.					
5	When we find that customers would like us to modify a product of service, the departments involved make concerted efforts to do so.					

**Table 4: Issues Related to Marketing Performance**

No.	Items	Very low	Low	Average	High	Very high
1	Service sales contribution margin					
2	Overall profitability					
3	Market share					
4	Consumer penetration in the market					
5	Strategy to attract customers in relation to competitors.					
6.	Products and/or services to meet the needs and expectations of customers					
7.	On time performance and commitment to meet customer expectations					
8.	Products and/or services competitiveness to satisfy customers					
9.	Responsiveness in dealing with customers					
10.	New or significantly improved methods of producing services					