

Relationship between market orientation and performance (Case study: Football Schools of Golestan Province)

MALIHE YAZARLOO

Department of Physical Education, Aliabad Katoul Branch
Islamic Azad University, Aliabad Katoul, Iran

NASSER BAI¹

Department of Physical Education, Azadshahr Branch
Islamic Azad University, Azadshahr, Iran

REZA REZAESHIRAZI

Department of Physical Education, Aliabad Katoul Branch
Islamic Azad University, Aliabad Katoul, Iran

Abstract:

Investigating relationship between market orientation and performance in Football Schools of Golestan Province was main purpose of this study. The research method in this study was descriptive and correlation method. Statistical population of survey is all managers of Football Schools in Golestan province (N=45) that 41 managers selected as subject by random sampling. There were two questionnaires used for data collection including Ramayah (2011) market orientation questionnaire and Cho (2009) questionnaire to measure performance. Descriptive and inferential statistics methods for data analysis were used. The findings showed that between customer orientation and performance, there is significant and positive correlation. Competitor orientation was also significantly related to performance of Football Schools. It is recommended that managers of Football Schools in Golestan province must be utilize market orientation strategies to develop their performance.

Key words: Market Orientation, Customer Orientation, Football Schools

Introduction

Even though the last decade generated a substantial flow of research focusing on Market orientation (MO) and its linkage to business performance (Jaworski & Kohli, 1993; Greenley, 1995), there continues to be an interest in understanding how businesses use market orientation strategy to achieve their marketing goals. To stay with or even in front of advances in their markets, companies must develop a market sensing capability. This capability is generally called market orientation (Slater & Olson, 2002). Market orientation is important for organizations in competing against one another in the worldwide global market. It is needed in both marketing as well as management (Ramayah et al., 2011).

Market-oriented companies explore the market broadly and have a long-term focus. Since the future is so uncertain because of turbulent events that may emerge, they continuously conduct small-scale market experiments that allow them to learn from the results. The information derived from the market experiments gives companies the opportunity to modify their offerings based on the new knowledge and insights. Market orientation is observed in business behaviors when it enables managers to learn from current and potential customers' needs and act in an entrepreneurial way to generate superior customer value. The capabilities inherent in a market orientation permit the companies to discover customer needs and opportunities in un-served markets as well as in markets they are already serving (Slater & Olson, 2002).

MO has been conceptualized from both the cultural and the behavioral perspectives (Homburg & Pflesser, 2000). The cultural perspective investigates organizational norms and

values that encourage behaviors consistent with MO (Narver & Slater, 1990). The behavioral perspective focuses on organizational activities that are related to the behaviors of generation and dissemination of market intelligence as well as responsiveness to environmental change (e.g. Kohli & Jaworski, 1990). The cultural perspective emphasizes a set of customer-oriented beliefs, values, and market focus philosophies embedded in the firm, however, it has not been shown to directly impact the firm's performance. It is market-oriented behavior that has been shown to drive business success (Homburg & Pflesser, 2000). Therefore, research on the performance-related consequences of MO tends to focus on the behavioral perspective rather than cultural perspective (Cadogan et al., 2012).

Previous studies have suggested direct relationship between market orientation and business performance using specific scales. For instance, top management emphasis has a profound influence in the success of a company (Hammond et al., 2006; Malik & Naeem, 2009). Other scales that have been used extensively to measure market orientation- business performance linkage includes: management training (Morgan et al., 2009); management risk aversion (Avlontinis & Gounaris, 1999). Also used extensively are: organizational culture and organizational politics (Miller et al., 2008). Similarly, researchers have used centralization and formalization as scales to measure market orientation (Kaynak & Kara, 2004; Walter et al., 2007). Moreover, previous studies have continually used scales such as state of economy (Zebal, 2003); technological turbulence (Olavarrieta & Friedmann, 2008); competition (Simkin, 2002); and market turbulence (Jaworski & Kohli, 1993).

Previous studies have also used common components as moderating factors for market orientation and business performance. These factors include: intelligence generation;

intelligence dissemination (Wood & Bhuian, 1993); and intelligence responsiveness (Zebal, 2003).

Market orientation refers to the organization wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence within the organization, and responsiveness to it (Kohli & Jaworski, 1990). Organizations must make long-term commitments to maintain the relationship through quality, service, and innovation. Consequently, market orientation has been assumed as a prerequisite to success and profitability for most organizations (Kara et al., 2004). However, much less attention has been devoted to developing a valid measure of market orientation in sports organizations. In today's world, of the organizations, sport organizations play an increasingly important role in modern societies, as its influence spans across many spheres of activities (Kim, 2008). From an economic perspective, sport accounts for a significant part of the entertainment and service industries (Mullin et al., 2000). Hence sport organizations such as Football Schools needs marketing strategies. Marketing strategies such as market orientation can be identifying needs of sport customers. So the aim of the study is to explain relationship between customer orientation and performance in Football School of Golestan Province.

Methodology

In view of the goal, the research is applied (functional), and in view of methodology, this research has descriptive, correlation method which was performed by field approach. The population of the study consisted of all managers of football schools in Golestan province (N=45). The sample size was considered by using random selection method that according to Morgan table 41 managers was selected as subjects.

For collecting data, two standard questionnaires were used, market orientation questionnaire developed by Ramayah et al (2011) with 12 questions (It includes 2 components: customer orientation and competitor orientation) that have closed answer and performance questionnaire developed by Cho (2009) with 11 questions that have closed answer. The content validity of the questionnaires was approved by ten professors of sports management. To calculate the reliability of the questionnaires, a pilot study was conducted. The results showed a reliability coefficient of $\alpha=0.79$ for market orientation questionnaire and $\alpha=0.83$ for performance questionnaire, which indicated the consistency of measurement. A demographic data sheet was used to collect the data on personal information including age, level of education and coaching experience. SPSS software (Ver. 16) was used to analyze the data. As to the statistical measures, descriptive statistics including frequency, percentage, mean, standard deviation and tabulations were used to describe the data. Inferential statistics including Pearson correlation formula was used to test the hypotheses.

Results

The results showed that mean of participants' age was 37.7 years. 53.7 percent of the subjects had B. C and higher degrees and mean of participants' coaching experience was 13.9 years.

Table 1 Description of study variables

Variable	Mean	S. D
Customer orientation	3.73	0.73
Competitor orientation	3.98	0.67
Market orientation	3.81	0.66
performance	3.64	0.64

As shown in Table 1, the mean of customer orientation was 3.73, the mean of competitor orientation was 2.86 and the mean normal behavior was 3.98. As the maximum market orientation

score was found to be 3.81 out of the total 5. Also the mean of performance was 3.64.

Table 2 Result from the correlations

Variable	Customer orientation	Competitor orientation	Market orientation	Performance
Customer orientation	1			
Competitor orientation	0.67*	1		
Market orientation	0.97*	0.82*	1	
Performance	0.53*	0.57*	0.58*	1

Note: Significant at: *P < 0.01

Regarding the results in table 2, customer orientation was significantly related to performance ($r=0.53$, $P<0.01$), Competitor orientation was also significantly related to performance ($r=0.57$, $P<0.01$). In addition, there was positive and significant relationship market orientation and performance ($r=0.58$, $P<0.01$).

Table 3 Results from the regression analysis

Variable	R	R2	Adjusted R2	t	β
Customer orientation	0.58	0.34	0.32	4.47	0.58

Note: Significant at: *P < 0.01

Result of regression (Table 3) revealed that market orientation ($\beta = 0.285$, $P< 0.01$) has a significant impact on organizational performance of football schools.

Discussion and Conclusion

The main purpose of the present research was to examine relationship between market orientation and performance in Football School of Golestan Province. The research result showed that there is meaningful and positive relation between customer orientation and Football Schools' performance. This is

consistent with the findings of Greenly (1995); Kara et al., (2004); Kaynak & Kara (2004) and Morgan et al., (2009). A business can never place too much emphasis on its customers. The customer is the foundation of any business' success. One of the primary goals of any marketing strategy should be to identify and meet the needs of the consumer (Jaworski & Kohli, 1993). Considering customer importance at all stages of the marketing process helps organizations to ensure greater customer satisfaction and increase its long-term goal of repeat business. By being customer oriented and by using information acquired from their customers, Football Schools can have the ability to enhance their customer value and thus, profitability. So, Football Schools' managers should care about their customers' wants and needs. Also, because customers of football schools have different ages and needs of them isn't same, recommended that all needs of these people must be identified.

The research result showed that there is meaningful and positive relation between competitor orientation and Football Schools' performance. This is consistent with the findings of Kara et al., (2004); Hammond et al., (2006); Morgan et al., (2009) and Ramayah et al., (2011). Competition is central to the operation of markets, and fosters innovation, productivity and growth, all of which create wealth and reduce poverty (Malik & Naeem, 2009). Because effective competition is a driver of productivity, competition policy should be an essential component of any pro-poor growth strategy. Crucially, competition facilitates greater equality of opportunity by breaking down the barriers to fair competition that often help to protect incumbent elites. Hence Football Schools must be clarifying their competition strategy. Knowing about competitors' capability and marketing strategies can help Football Schools' managers to set programs for success.

This research has been done on Football Schools of Golestan province and a same research is recommended to do in

other province in Iran. Other effective factors also are suggested to study on Football Schools' performance.

Acknowledgement

The authors would like to express their appreciation to the subjects for their participation in this study.

REFERENCES

- Avlonitis G. J., & Gounaris S. P. (1999). Marketing Orientation and Its Determinants: An Empirical Analysis. *European Journal of Marketing*, 33 (11/12), 1003–1037.
- Cadogan, J. W., Sundqvist, S., Puumalainen, K., & Salminen R. T. (2012). Strategic flexibilities and export performance: the moderating roles of export market-oriented behavior and the export environment. *European Journal of Marketing*, 46 (10), 1418-1452.
- Greenley, G. (1995). Market orientation and company performance: empirical evidence from UK Companies. *British Journal of Management*, 6, 1-13.
- Hammond, K. L., Webster, R. L., & Harmon, H. A. (2006). Market orientation, top management emphasis, and performance within university schools of business: implications for universities. *Journal of Marketing Theory and Practice*, 14 (1), 69-85.
- Homburg, C., & Pflesser, C. (2000). A multiple-layer model of market-oriented organizational culture: measurement issues and performance outcomes. *Journal of Marketing Research*, 37 (4), 449-462.
- Jaworski, B. J., & Kohli, A. K. (1993). Market orientation: antecedents and consequences. *Journal of Marketing*, 57, 53-70.
- Kara, A., Spillan, J. E., & DeShields, O. W. (2004). an Empirical Investigation of the Link between Market Orientation and Business Performance in Non-Profit

- Service Providers. *Journal of Marketing Theory and Practice*, 22 (2), 59-72.
- Kaynak, E., & Kara, A. (2004). Market orientation and organizational performance: A comparison of industrial versus consumer companies in mainland China using market orientation scale (MARKOR). *Journal of Small Business Management*, 43 (2), 105-118.
- Kim, Y. K. (2008). Relationship Framework in sport management: how relationship quality affects sport consumption behaviors. Dissertation Presented to the Graduate School of the University of Florida.
- Kohli, A. K., & Jaworski B. J. (1990). Market orientation: the construct, research propositions, and managerial implications. *Journal of Marketing*, 54 (2), 1-18.
- Malik, M., & Naeem, E. B. (2009). Identification of Drivers and Obstacles of Market Orientation among Diversified Industries of Pakistan. *Research Journal of South Asian Studies*, 24 (2), 322-333.
- Miller, B. K, Rutherford, M. A., & Kolodinsky, R. W. (2008). Perceptions of organizational politics: a meta-analysis of outcomes. *Journal of Business Psychology*, 22 (3), 209-222.
- Morgan, N. A., Douglas, W., Vorhies, C., & Mason H. (2009). Market orientation, Marketing capabilities and firm performance. *Strategic Management Journal*, 30 (8), 909-920.
- Mullin, B., Hardy, S., & Sutton, W. (2000). *Sport Marketing*, 2nd ed. Human Kinetics, Champaign.
- Narver, J. C., & Slater, S. F. (1990). The effect of a market orientation on business profitability. *Journal of Marketing*, 54 (4), 20-35.
- Olavarrieta, S., & Friedmann, R. (2008). Market Orientation, Knowledge-Related Resources and Firm Performance. *Journal of Business Research*, 61 (6), 623-630.

- Ramayah, T., Samat, N., & Lo, M. (2011). Market orientation, service quality and organizational performance in service organizations in Malaysia. *Asia-Pacific Journal of Business Administration*, 3 (1), 8-27.
- Simkin, L. (2002). Barriers Impeding Effective Implementation of Marketing Plans – A Training Agenda. *Journal of Business and Industrial Marketing*, 17(1), 8-24.
- Slater, S. F., & Olson, E. M. (2002). A fresh look at industry and market analysis. *Business Horizons*, 45 (1), 15-22.
- Walter, J., Christopher, L., & Franz, W. K. (2007). Knowledge transfer between and within alliance partners: Private versus collective benefits of social capital, *Journal of Business Research*, 60 (7), 698-710.
- Wood, V. R., & Bhuian, S. N. (1993). Market orientation and nonprofit organizations: Performance associations and research propositions. *Journal of Nonprofit and Public Sector Marketing*, 1 (1), 7-32.
- Zebal, M. A. (2003). *A Synthesis Model of Market Orientation for Developing Country – A Case of Bangladesh*, PHD Thesis, Victoria University, Melbourne, Australia.