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ENVIRONMENTAL AND ORGANIZATIONAL ANTECEDENTS TO MARKET ORIENTED CULTURE AND BEHAVIORS

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بسـم الله الرحمـن الرحيـم

"لا يكلف الله نفسا الا وسعها لهـا ما كسبت و عليها ما اكتسبت ربنا لا تؤاخذنا ان نسينا أو أخطأنا ربنا و لا تحمل علينا اصرا كما حملته على الذين من قبلنا ربنا و لا تحملنا ما لا طاقة لنا به و اعف عنا و اغفر لنا و ارحمنا أنت مولانا فانصرنا على القوم الكافرين "

سورة البقرة الأية : **286**

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To my Mother ,
To my Father ,
To my Husband ,
To my little son Abdallah

Abstract

Market Orientation has been a major issue in marketing academia since the early nineties . In addititon to the behavioral approach of Jaworski and Kohli (1990) and the Cultural /behavioral approach of Narver and Slater (1990) many other perspectives have been developed . Yet , most of these studies overemphasize one aspect of the construct over another as well as the quantitative approach at the expense of qualitative approach. This research combines both approaches in an attempt to describe how the antecedents of market orientation interplay in the context of Egyptian banks and to identify the most important antecedents of market orientation . The qualitative research was conducted on a sample of five banks . The quantitative research was conducted on a sample of 101 bank executives . Both studies agree on some points . The most important antecedent of market orientation was a mixture of the strategic orientations of analysis, futurity and proactiveness . Market oriented systems intervene between market oriented culture and market oriented behaviors . The research showed that there were no significant differences between credit and retail managers and that among managers of public , private , joint and branches of foreign banks . The research has academic and managerial implications . Suggestions for future research are also presented .

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Graves and matsuno
http://scholar.google.com/url?sa=U&q=http://www.sbaer.uca.edu/research/sma/1995/pdf/92.pdf, p.5-6

Sharma, N. & **Patterson**, P.G. (1999), "The Impact of **Communication** Effectiveness and Service
Quality on Relationship Commitment in Consumer, Professional Services," *The Journal of Services Marketing*, Vol.13, (2), 151-170.

Market orientation in Nordic banks: does nationality matter?

Authors: Nielsen J.F.; Høst V.; Jaensson J-E.; Kock S.; Selnes F.

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Bagozzi , Li and Phillips (1991) noted that the use of key informants leads to random and non-random errors of measurement .More than the usual amount of random error is likely, because informants are asked to make inferences about macro-level phenomena or perform aggregations over persons, tasks, organizational subunits, or events, which produces unreliable responses .Non-random errors result from overreporting or underreporting of certain phenomena may occur as a function of the informant's position, length of time in the organization, job satisfaction, or other personal or role characteristics Likewise, factors related to the difficulty of observation or nature of the organizational context may also account for nonrandom errors, such as the size and complexity of the organization, the breadth of information sources, and the volatility of external and internal changes .

Chapter One: Introduction

1.1. Introduction:

Business organizations nowadays face a never ending environmental turbulence reflected in the perceived increase in competitive pressures, rate of change and emancipation of the customer, some macroeconomic developments such as privatization, deregulation and cut back on government subsidies. Such changes fuel mangers to adopt a market orientation (Van Raaij, 2001). The distinguishing characteristic of market orientation is system –wide attention to markets customers, competitors and other entities in the environment through out the organization (Hult & Ketchen, 2001). Market oriented firms are also willing and able to quickly adapt products and programs to fit changes in the environment (Boyd, Walker, Mullins & Larreche, 2001). Thus, market orientation is more important than ever in such a dynamic environment. For this reason it was designated a high priority by the Marketing Science Institute since the early 1990s and till now.

Previous research in market orientation focused on exploring its nature, its antecedents and consequences and how to implement it. In spite of all the efforts to examine it however, the construct is not yet distinct (Nielsen , Host, Jaensson , Kock &Selnes, 2003).With respect to the nature of market orientation, efforts focused on its conceptualization and measurement. Shapiro (1988, p.9) suggested that the term market oriented represents "*a set of processes touching on all aspects of the company* ". In the year 1990 two major studies were conducted in USA in an effort to operationalize the concept, the first was performed by Kohli & Jaworski (1990,p.1) who defined a market-oriented organization as "*one whose actions are consistent with the marketing concept*" . Later, they developed a market orientation construct which they called MARKOR developed by Kohli, Jaworski and Kumar (1993). The model was comprised of one factor for intelligence generation, one factor for dissemination and responsiveness, one factor for marketing executives, one for non-marketing executives and a general factor (where the first two factors are correlated). This approach was called the behavioral approach to market orientation .It received wide attention from a number of scholars with a significant number of researchers using such conceptualization (e.g., Bhuian, 1998; El Sahn, 1998; Pulendran, Speed and Widing, 2000 and Shoham and Rose, 1998).

In the same year , another avenue of research appeared with the study conducted by Narver and Slater (1990,p.21) who defined market orientation as: "*the organizational culture that most effectively and efficiently creates the necessary behaviors for the creation* *of superior value for buyers, and, thus, continued superior performance for the business ".* Market orientation is conceptualized as a single construct that consists of three elements: customer orientation, competitor orientation, and interfunctional coordination .Firms may stress one element over the other resulting in different forms of market orientation yet firms able to balance these different dimensions generally perform better (Greenley, 1995; Heiens, 2000 and Osborne and Gray, 2000).

Other researchers tried to provide other conceptualizations of market orientation. Some researchers conceptualized it as a component of organizational culture that places the highest priority on customer needs (Deshpandé and Webster , 1989) and maintenance and creation of superior customer value (Slater ,2001) or a set of capabilities , such as customer sensing , customer linking and channel bonding (Day, 1994) or as a combination of culture, processes and activities (cf. Deshpandé & Farley, 1999), market oriented management systems (Becker and Homburg, 1999) . Finally, Fritz (1996) noted that market orientation includes (1) a set of values, (2) corporate goals and (3) basic strategies.

Apart from conceptualizing market orientation as a culture, a set of behaviors, a combination of both or a set of management systems or processes, Slater and Narver (1998) noted that there is a difference between being customer –led and market oriented. While the first implies being responsive to customer expressed needs, the latter implies being more proactive in search for customers' latent needs. Slater (2001) and Narver ,Slater & MacLachlan (2000) also suggested that a proactive approach to market orientation consists of norms of behavior that guide the business to learn from current and potential customers about their latent needs , and to act in an entrepreneurial manner to create superior customer value (Narver et al .,2000).

Another development in conceptualizing market orientation was made by Jaworski, Kohli and Sahay (2000) who introduced the term market driven and driving markets as two different concepts. *Market driven* refers to learning, understanding and responding to stakeholder perceptions and behaviors within a given market structure. Conversely, *driving markets* refers to changing the composition and /or role of players in a market (p.47).

Furthermore, market orientation can be recognized in current marketing fashions such as customer relationship management, one to one marketing, mass customization or relationship marketing (Van Raaij, 2001) , in strategic management thoughts such as organizational capabilities (Day, 1994), organizational learning (e.g., Bennett & Gabriel 1999; and Sinkula, 1994), resource based view (Srivastava et al., 2001) and innovation (e.g.,