ISSN NO. 2320-5407

Journal homepage: http://www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH

RESEARCH ARTICLE

Market Orientation and Firm Performance in Emerging Markets

Charles Lagat, Gary Frankwick, Timothy Sulo

Manuscript Info

Manuscript History:

Received: 15 July 2015
Final Accepted: 22 August 2015
Published Online: september 2015

Key words:

Market orientation, Innovation, emerging markets, performance.

Corresponding Author

Charles Lagat

Abstract

The effects of market orientation on firm performance have been examined in many settings over the past several decades. Most studies have supported its role in improving firm performance, fostering innovativeness, and contributing to the creation of market-driven organizations. However, most of these studies have taken place in developed countries with typically predictable environments. This study examines the effects of market orientation on firm performance through innovation in an environment of emerging markets, competition, technological change and government regulations. The study surveyed 147 managers from manufacturing firms throughout Kenya. Data were examined using moderated regression. Results indicate that market orientation positively affects innovation, innovation positively affects performance, and various environmental forces negatively moderate the relationship between innovation and performance.

INTRODUCTION

The role of market orientation in firm strategy has been debated extensively since it was introduced in the early 1990's. Market orientation is described as a set of behaviors and processes (Kohli and Jawoski, 1990) and as a concept of culture in which organizations create superior value for their customers by focusing on their current and future needs which produces long-term profits (Narver and Slater, 1990). Market orientation involves implementation of the marketing concept, offering products or services based on customer needs and wants (Kohli and Jaworski, 1990). Past empirical evidence shows that market orientation has a positive relationship with several measures of performance including, financial performance, overall firm performance, and new product success (Slater and Narver, 1994a; Pelham and Wilson, 1996; Baker and Sinkula, 1999). Numerous empirical studies have supported the role that market orientation play in improving firm performance, fostering innovativeness, and contributing to the creation of market-driven organizations (Smirnova, M., *et al*., 2011; Day, 1994; Pelham, 1997; Vorhies, Harker, & Rao, 1999).

New product success and innovation have assumed increasing importance in strategies even for firms in emerging economies. Following the lead from developed economies, successful firms in emerging economies are attempting to develop new products as part of managing their product portfolios. Part of this process involves an understanding of the mediating role of innovation in the relationship between market orientation and firm performance (Han, Kim, and Srivastava, 1998) in various contexts. Indeed, Jaworski and Kohli (1993) suggest that the relationship between a market orientation and performance seems to hold across most contexts, and that it probably enhances performance regardless of the company's external environment. Hult, *et al*., (2004) also found that innovation improved business performance, regardless of the level of turbulence in the firm's primary markets.

However, the competitive market environment in developing countries may present different challenges to marketing managers. As emerging markets evolve from the periphery to the core of marketing practice, we will need to contend with their unique characteristics and question our existing practices and perspectives, which have been historically developed largely in the context of industrialized markets (Sheth, 2011). Their ability to adapt to market changes, competitive intensity, technological changes and government regulations may affect the relationships

found in previous studies that took place in the developed countries of the world. To fill this gap, this study investigates the moderating effects of various environmental forces on the relationships between market orientation, innovation, and firm performance in an emerging economy.

Theory and Hypotheses

Market Orientation

Market orientation has its origin in a business philosophy known as "the marketing concept." According to Van Raaij & Stoelhorst (2008, p.1266) this philosophy has been a foundational element of marketing since Drucker (1954) described marketing as "the whole business seen from the point of view of its final result, that is, from the customer's point of view," and argued that "there is only one valid definition of business purpose: to create a customer" (p.39). Kohli & Jawoski (1990) state that "market orientation" has been used to mean the implementation of the marketing concept, hence a market-oriented organization is one whose actions are consistent with the marketing concept.

Narver and Slater (1990) define market orientation as "the business culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for customers ... consisting of three behavioral components– customer orientation, competitor orientation, and inter-functional coordination" (p.21). The results of a longitudinal study using panel data across a large number of industries, by Kumar *et. al.* (2011) indicated that market orientation has a positive effect on business performance in both the short and the long run.

According to Ruekert (1992) market orientation in a business unit is "the degree to which the business unit obtains and uses information from customers; develops a strategy which will meet customer needs; and implements that strategy by being responsive to customer needs and wants." This definition gave a strategic perspective and emphasized the development and execution of business unit strategy as the main organizing activity of a market orientation. Ruekert (1992) focused on the business unit rather than the corporate or individual market as the unit of analysis. Focusing on strategy suggests that managers need to collect and interpret information from the external environment to set goals and allocate resources to programs in the business unit (Laffery and Hult, 2001). In general, most definitions of market orientation entail an external focus with the customer as the primary focal point (Van Raaij and Stoelhorst, 2008). In this study, we adopt the definition developed by Narver and Slater (1990).

From a theoretical perspective, the resource based view of the firm suggests that resources which are valuable, rare, difficult to imitate, and substitute (Wernefelt, 1984; Barney. 1991) can provide firms with competitive advantages that can be used to produce extra rents or higher than average performance. Since market orientation is an intangible culture based on tacit knowledge, it cannot be purchased in the marketplace, and since cultures are socially complex in their structure and have components that are interconnected, it is logical that a truly market-oriented firm can enjoy long-run financial performance because of the difficulty in replicating their strategy (Hunt and Morgan, 1995).

Indeed, many studies support the positive relationship between market orientation and organizational performance (Deshpande and Farley, 1998; Jawoski and Kohli, 1993; Slater and Narver, 1994; Chang and Chen, 1998; 2003; Matear et al., 2004). In addition, many studies have focused on establishing the market orientation to business performance relationship under various environmental conditions (Grinstein, 2008). Today the positive effect of market orientation on performance in developed economies is no longer in doubt, however examining this relationship in emerging markets is still in its infancy.

Innovation as Mediator influencing Market Orientation and Performance

Several mediating variables have been suggested to affect the market orientation – performance relationship including innovation and new product development (Day 1994; Hurley and Hult, 1998; Han, *et al.*, 1998. Innovation is defined as the generation, acceptance, and implementation of new ideas, processes, products, or services. Alternatively, innovation is viewed as a new idea, practice or object by an organization (Zaltman et al. 1973). The 2005 Oslo manual defines innovation as the implementation of a new or significantly improved product (good or service), or process, new marketing method, or a new organizational method in business practices, workplace organization or external relations (Bloch, 2007). This definition is broad and encompasses the narrower concept of product and process innovation. Product innovation refers to the introduction of a good or service that is new or significantly improved with respect to its characteristics or uses. This includes significant improvements in technical specifications, components and materials, software, user friendliness or other functional characteristics. On the other hand, process innovation refers to the implementation of a new or significantly improved production or delivery method. This includes significant changes in techniques, equipment and/or software. Innovation may include new products or services, new production processes, or new administrative systems. Adoption of these

innovations generally contributes to improved firm performance (Damapour, 1991). Thus an innovative firm is one which aims to enhance production or delivery capabilities through improvements in productivity, efficiency or quality, or by facilitating the production of new products. This definition includes capabilities to create new ideas, use existing knowledge in new ways and transform knowledge into marketable products. This study adopts this definition.

Market orientation enhances an organization's innovation and new product performance because it creates a culture that motivates managers to continuously focus on meeting customer evolving needs (Han, Kim, and Srivastava, 1998). Developing new products and processes to meet the emerging needs of the market is the means by which a market orientated firm implements the marketing concept. Thus, it is hypothesized that:

H1: There is a positive relationship between market orientation and innovation.

Innovation capability is the most important determinant of firm performance, and it is suggested that firms must be innovative to gain a competitive edge in order to survive (Li and Calantone, 1998). Baumol (2002) stated that, under capitalism, innovative activity becomes mandatory, a life-and-death matter for the firm and that innovation maters for all different types of firms, new and as well as established firms. Innovation has been empirically linked to performance (Deshpande and Farley, 2004; Capon, et al., 1992).

Both product and process innovation are important in firms attempting to meet customer needs. By developing new products or services firms are likely to achieve and sustain superior performance. Supporting the innovation-performance link, Garcia-Zamora, Gonzalez-Benito, and Munoz-Gallego (2013) found a positive relationship between innovation and business performance for firms in Spain. Bigliardi (2013) found support for a positive innovation-financial performance relationship in the food machinery industry for small and medium firms in Italy. Sorescu, Chandy, and Prabhu (2003) found that firms who invest more in marketing prior to product launch enjoy better financial returns on radical innovations in the pharmaceutical industry. Loof and Heshmati (2002) found that European firms who sell a greater proportion of their total sales in recently innovated products perform better than competitors. Calvo (2006) found that small innovative manufacturing firms in Spain were more likely to survive and grow than their less innovative counterparts. In their meta-analysis, Rubera and Kirca (2012) found positive relationships between innovation and firm financial position, market position, and market value suggesting that performance does derive from innovation. Thus it is hypothesized that:

H2 There is a positive relationship between innovation and performance.

Han, Kim, and Srivastava (1998) established the mediating role of innovation on the market orientation – performance relationship. More recent research has found a positive relationship between market orientation and innovative consequences such as new product performance (Hult *et al.,* 2004). These results suggest that market orientation is likely to enhance innovation because it involves doing something new in response to market conditions. The mediating role of innovativeness is also supported in the meta-analytic study by Kirca *et al* (2005), which shows empirical evidence linking market orientation to innovativeness to customer outcomes and finally to performance. The research supports a strong case for innovation as a mediator of the market orientation – performance relationship, (Van Raaij & Stoelhorst, 2008). The underlying rational is that market–oriented organizations have a market knowledge advantage over their competitors, and that this knowledge helps them to become more proficient in their new product development activities (Han et al 1998) and hence achieve superior performance.

H3 Innovation mediates the relationship between market orientation and performance.

The relationships between market orientation, innovation, and performance have been shown in previous research in developed markets, and testing them again is not the focus of this study. The primary interest here is the effect of the environment in an emerging market on these established relationships. The next section addresses this issue.

Environmental forces affecting Market Orientation and Performance

The external business environment may affect managerial decisions that may moderate the relationships between various drivers and firm performance (Han *et al.*, 1998; Greenley, 1995; Kohli and Jaworski, 1990). According to sheth (2011) five key characteristics of emerging markets which are radically different from the traditional industrialized capitalist society, are market heterogeneity, sociopolitical governance, chronic shortage of resources, unbranded competition, and inadequate infrastructure.

Some potential moderators in most studies thus far include market turbulence, technological turbulence, competitive intensity and government regulation. Market turbulence refers to the number of customers, their rate of turnover and the degree and rate to which their preferences change (Slater and Narver, 1994a; Kohli and Jaworski, 1990). Technological turbulence refers to the rate of technological change (Kohli and Jaworski, 1990). Technological turbulence can cause changes in both products and production processes while market turbulence causes heterogeneity in customer preferences. Competitive intensity refers to the level of competition an organization faces (Jaworski and Kohli, 1993), which includes both current and potential competition. Competitor intensity can alter the many elements of competition which may offer customers new product and service options. Government regulation refers to the number. Strictness and consistency of laws firms must deal with to produce and sell their goods.

Thus far, results of research examining moderators have been equivocal (Van Raaij and Stoelhorst, 2008) with various researchers suggesting that these moderators have minimal effect on the positive effect of market orientation on performance. Slater and Narver (1994) found little support for the effect of competitive environment on the relationship and suggest that more market oriented firms will develop and maintain a competitive advantage in most environmental situations. The meta-analysis by Kirca et al. (2005) also concludes that the current stream of research lacks evidence supporting the view that competitive intensity, technological turbulence, or market turbulence, moderate the market orientation – performance relationship.

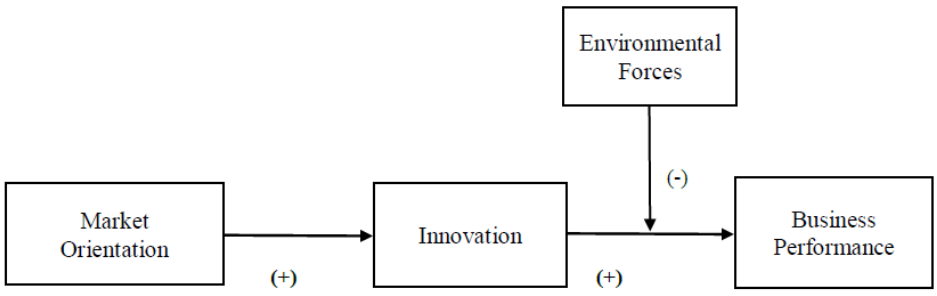
With the equivocal results from studies done primarily in developed economies, there is still the question of whether the primary relationships hold in developing economies. It might be that the theorized moderating relationships were or were not found because the environments in which they were tested did not exhibit enough variance to observe the moderation. The environment in emerging economies is expected to exhibit much greater variance because of the greater effects from greater or lesser competition in various parts of the country due to transportation, etc. The same is expected in terms of market stability and awareness of technological changes. Thus, the overall effect of these environmental forces are expected to negatively affect the relationship between market orientation and firm performance in an emerging economy.

H4: Environmental forces will negatively affect the relationship between innovation and firm performance.

The four hypotheses are depicted graphically in Figure 1 below. Observe, in Figure 1, that innovation fully mediates the market orientation to performance relationship while all environmental forces moderate the relationship between innovation and performance.

Figure 1

Emerging market environment effect on the innovation – performance relationship.



Research Method

Data were collected from Marketing and Sales Managers of manufacturing companies in Kenya. This person typically has knowledge of the company's market orientations, innovations, and their performance in the market. The use of a knowledgeable source was expected to limit measurement errors. The use of one manager as a key informant is consistent with prior studies (Kumar, Stern and Anderson 1993; Han *et al.*, 1998). The unit of analysis in this study is the company or strategic business unit.

The typical managers' familiarity with the questionnaire items, terminology and tools were assessed during a pilot study to determine if wording and layout of the questionnaires was appropriate. Only minor changes were made, and the questionnaire was believed to be acceptable.

The target population was 575 manufacturing companies listed as members of the Kenya Association of Manufacturers (KAM Directory, 2010). Members are from formal sector industries comprised of small, medium, and large enterprises. More than 80 per cent of these members are based in the capital city Nairobi, with the rest spread out in other major towns and regions. The companies spread across multiple industrial sectors including; Building, Construction, Mining, Chemical, Consultant, Industrial Service, Energy, Electrical, Electronics, Food, Beverages, Tobacco, Leather Products, Metal, Motor Vehicle Assembly, Paper, Pharmaceutical, Medical Equipment, Plastics, Rubber, Textile and Apparels, Timber, Wood, and Furniture. An appropriate random sample was drawn from this population. However, before questionnaires were administered, a formal request for support was sought from the CEO of the Kenya Manufacturers Association. Following pre-notification with this letter, 220 managers were asked to participate by employing a drop-off and pick-up technique. Of the 220 managers, 147 responses were adequately complete for analysis for a 66.8% response rate. All sectors were represented.

Measures

All scale used in the study were previously employed by other researchers. Narver and Slater's (1990) scale was used to measure market orientation. Respondents were asked the extent to which they "Strongly Disagree" (1) to "Strongly Agree" (7) with the 15 items that describe their firms. Innovation was measured by adapting a scale developed by Baker and Sinkula (1999). Firm performance was measured by a scale adapted from Matsumo *et al.*, (2002). Environmental forces were measured using a scale developed by Narver and Slater (1990), as modified by Baker and Sinkula (1999). Performance, innovation, and environment were measured using a seven point scale from low to high.

Factor analysis was conducted to determine if all items loaded properly on their respective constructs given the minor adaptations made for this study. All items loaded greater than .50 on their respective constructs, and less than .30 on others. The Kaiser-Meyer-Olkin measure of sampling adequacy was greater than 0.60 and a significant Barlett's test of sphericity (Tabachnick and Fidel (1989) indicated an adequate sample. All Cronbach's Alphas were greater than the minimum 0.70 suggested by Nunnally (1978). Skewness and Kurtosis statistics were all between -1 and +1. From the regression results, the Durbin-Watson statistics were all between 1.50 and 2.50, and VIF statistics were all much less than 10 indicating no problems of multi-collinearity.

Results

Table 1 below presents the results of the regression series to test the mediation effects of innovation on the relationship between market orientation and performance. Observe in Table 1 that market orientation significantly affects Innovation (B=.261, p<.01) supporting hypothesis one. Innovation significantly affects performance (B=.674, p<.01) supporting hypothesis two. When both market orientation and innovation are in the regression together, market orientation becomes non-significant (B=.160, p>.05) and innovation remains significant (B=.580, p<.01) supporting hypothesis three. Thus, innovation mediates the relationship between market orientation and performance.

Table 1

Mediation Test of Innovation on Market Orientation to Performance

	Model 1	Model 2	Model 3	Model 4
Dependent Variable	Innovate	Performance	Performance	Performance
Market Orientation	.261**	.292**		.160
Innovate			.674**	.580**
R^2	.153**	.084**	.174**	.193**
** p<.01				

Table 2 below presents the results of the regression to test the moderation effects of the the external environment as hypothesized model four. It was observed that the R^2 ($p<.01$) was significant indicating support of hypothesis four. Suggesting that the external environment negatively affects the positive relationship between innovation and performance.

Table 2: Regression Results

	Model 1	Model 2
Constant	5.159	5.198
Market Orientation	.484**	.067
Innovation		.462**
Environment		.331**
Environment X Innovation		-.390**
R^2	.081	.320
f	12.348**	16.236**
*, p < .05		
**, p < .01		

Figure 2 below presents the results of the simple slope analysis (Aiken & West, 1996) showing that weaker environmental forces lead to higher performance when firms are innovative, and that strong environmental forces actually lead to poorer performance, moderate environmental forces still allow for positive performance for innovative firms.

Discussion and Implications

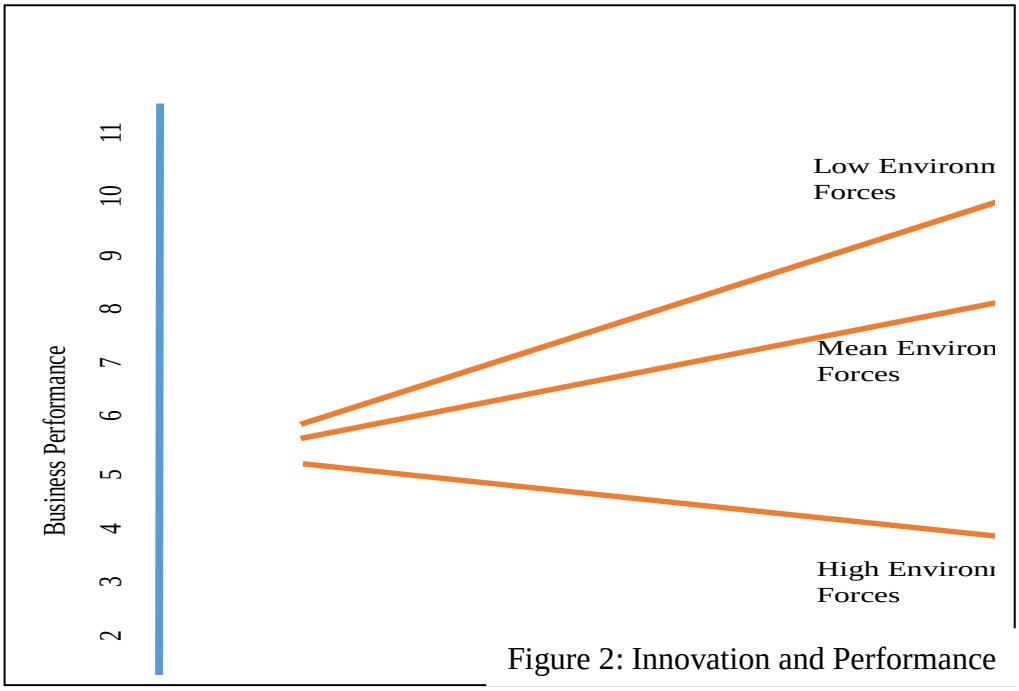


Figure 2: Innovation and Performance

The research presented here explores the mediating effects of a firm's level of innovation on the relationship between its level of market orientation and its business performance in an emerging market context. The paper also examines the moderating effects of environmental forces (such as competition, technologies and government regulations) on the relationship between a firm's level of innovativeness and its business performance. The results provide support for the research hypotheses which are implied by figure 1 (See Figure 1). The results are in line with

Kumar, et al. (2011) who's conclusion were that market/environmental turbulence is a significant moderator of the relationship between market orientation and performance. This is in contract with several studies who have concluded that environmental factors do not moderate the market orientation performance linkage. As a consequence, the study offers several interesting implications for both theory and practice.

First, the study contributes to managers in emerging markets seeking to influence their firms' innovation levels. The findings suggest that senior-level managers of firms in such markets should develop a market orientation; that is, they should transform their firms to become responsive to customers' needs, aware of their competitors' strategies, and work across business functions in a unified manner such that they collaborate to provide the highest possible customer value. Next, the study demonstrates that a Kenyan firm's level of innovation leads to business performance. As a result, managers are now sensitized to develop an organizational culture that is conducive to organization-wide innovation. In this regard, managers might consider measures that provide employees with a rich and fulfilling lifestyle, and thus encourage creativity. Finally, the results indicate that environmental forces moderate the relationship between a firm's level of innovation and its business performance. Put another way, environmental forces, such as marketplace turbulence, intensified competition, new disruptive technologies, and uncertain governmental regulations negatively impact a firm's performance. This suggests that managers should remain vigilant in their efforts to differentiate their firms from their competitors, invest in research and development, and remain sensitive to both customers' changing needs and competitors' capabilities.

From a theoretical perspective, the present research provides additional support for a well-established theoretical framework in a new and interesting context. More specifically, the study suggests that the relationships between a firm's market orientation and its level of business performance hold in Kenya, an emerging marketplace. Furthermore, this relationship is mediated—meaning that a mediating construct may be said to account for the relation between an antecedent variable and an outcome. In this sense, a firm's level of innovation (the mediator) provides a conduit through which a firm's market orientation (the antecedent variable) impacts its performance (the dependent measure). Additionally, the study's findings indicate that environmental forces can negatively impact the relationship between a firm's level of innovation—its capacity to create, accept, and implement new ideas, processes, products, or services—and its business performance, thus providing additional support for this framework in a novel context.

Limitations and Future Research

The study suffers from some limitations that may provide opportunities for future research extensions. First, while the paper provides empirical support for a couple of well-established theoretical relations, its findings were derived from an analysis of single-respondent survey data. As such, future research could confirm the findings by including an analysis of both survey and, arguably, more objective secondary data. Next, while the results provide support for the notion that environmental forces moderate the relationship between innovation and performance, composite variables were used in the analysis. For this reason, future research might include an examination of the constituent components of this moderating variable to determine which sub-dimension has the greatest impact on the relationship. In sum, while the results contribute to both theory and practice, they also pave the way for additional research on a key theoretical framework.

References

Aiken, L.S. and S.G. West (1996). Multiple Regression: Testing and Interpreting Interactions. Sage, Newbury Park.

Baker, W. E., and J. M. Sinkula (1999). "The Synergistic Effect of Market Orientation and Innovation: Intergrating and Extending Models of Organizational Performance", Journal of the Academy of Marketing Science 27, 411–427.

Barney, J.B. (1991), "Firm resources and sustained competitive advantage", Journal of Management, Vol. 17.

Bigliardi, B. (2013), "The Effect of Innovation on Financial Performance: A Research Study Involving SMEs," Vol. 15, No. 2, pp. 245-256.

Bloch, C. (2007), "Assessing Recent Developments in Innovation Measurement: The Third Edition of the Oslo Manual," Scientific Public Policy, 34 (1), 23-34.

Calvo, J. L. (2006), "Testing Gibrat's Law for Small, young and Innovating Firms," Small Business Economics, Vol. 26, pp. 117-123.

Chang, T.Z. and Chen, S.J. (1998), "Market Orientation, Service Quality, and Business Profitability: A Conceptual Model and Empirical Evidence," Journal of Services Marketing, Vol. 12, No. 4, pp. 246-264.

Damanpour, F. (1991) "Organizational innovation: a meta-analysis of effects of determinants and moderators", Academy of Management Journal 34, 555-590

Day, G.S. (1994), "The capabilities of market-driven organizations", Journal of Marketing, Vol. 58 No. 4, pp. 37-61.

Deshpande, R., and J. Farley (1998). "Measuring Market Orientation: Generalization and Synthesis," Journal of Market Focused Management 2, 213– 232.

Garcia-Zamora, Evelyn, O. Gonzalez-Benito, and P.A. Munoz-Gallego (2013), "Organizational and Environmental Factors as Moderators of the Relationship between Multidimensional Innovation and Performance," Innovation: Management, Policy & Practice, Vol. 15 No. 2, pp. 224-244.

Greenley, G.E. (1995), "Market orientation and company performance: empirical evidence from UK companies", British Journal of Management, Vol. 6 No. 1, pp. 1-13.

Grinstein, A. (2008), "The Effect of Market Orientation and its Components on Innovation Consequences: A Meta-analysis," Journal of the Academy of Marketing Science, Vol. 36, 166-173.

Han, J.K., Kim, N. and Srivastava, K. (1998), "Market orientation and organizational performance: is innovation a missing link?" Journal of Marketing, Vol. 62 No. 4, pp. 30-45.

Hult, G.T., Hurley, R.F., and Knight, G.A. (2004), "Innovativeness: Its Antecedents and Impact on Business Performance," Industrial Marketing Management Journal, Vol. 33, (5) pp. 429-438.

Hunt, S.D. and Morgan, R.M. (1995), "The comparative advantage theory of competition", Journal of Marketing, Vol. 59, April, pp. 1-15.

Hurley, R.F. and Hult, T.M. (1998) Innovation, market orientation and organizational learning: an integration and empirical investigation Journal of Marketing 62, 4, 42-54

Jaworski, B. and Kohli, A. (1993), "Market orientation: antecedents and consequences", Journal of Marketing, Vol. 57 No. 3, pp. 53-70.

Kirca, A.H., Jayachandran, S. and Bearden, W.O. (2005), "Market orientation: a meta-analytical review and assessment of its antecedents and impact on performance", Journal of Marketing, Vol. 69, April, pp. 24-41.

Kohli, A. and Jaworski, B. (1990), "Market orientation: the construct, research propositions and managerial implications", Journal of Marketing, Vol. 54 No. 2, pp. 1-18.

Kumar, N., Stern, L., and Anderson, J.C. (1993), "Conducting Interorganizational Research Using Key Informants," the Academy of Management Journal, Vol. 36, No. 6, pp. 1633-1651.

Kumar, V. *et al.* "Is Market Orientation a Source of Sustainable Competitive Advantage or Simply the Cost of Competing?, Journal of Marketing, Vol. 75, 16-30.

Lafferty, B.A. and Hult, T.M. (2001), "A synthesis of contemporary market orientation perspectives", European Journal of Marketing, Vol. 35 Nos 1/2, pp. 92-109.

Langerak, F. (2003), "An appraisal of research on the predictive power of market orientation", European Management Journal, Vol. 21 No. 4, pp. 447-64.

Li, T. and Calantone, R.J. (1998), "The impact of market knowledge competence on new product advantage: conceptualization and empirical examination", Journal of Marketing, Vol. 62 No. 3, pp. 13-29.

Loof, H. and A. heshmati (2002), "Knowledge Capital and Performance heterogeneity: A Firm-level Innovation Study," International Journal of Production Economics, Vol. 76, pp. 61-85.

Matear, S.,Gray, B. J. and Garrett, T. (2004), "Market orientation, brand investment, new service development, market position and performance for service organizations", International Journal of Service Industry, Vol. 15, No. 3, 284-301.

Matsumo, K., Mentzer, J.t., and Ozsomer, A. (2002), "The Effects of Entrepreneurial Proclivity and Market Orientation on Business Performance," Journal of Marketing, Vol. 66, No. 3, pp. 18-33.

Narver, J.C. and Slater, S.R. (1990), "The effect of a market orientation on business profitability", Journal of Marketing, Vol. 54 No. 4, pp. 20-35.

Nunnally, J.C. (1978), Psychometric Theory, New York: McGraw-Hill.

Pelham, A.M. and Wilson, D.T. (1996), "A Longitudinal Study of the Impact of Market Structure, Firm Structure, Strategy, and market Orientation Culture on Dimensions of Small Firm Performance," Journal of the Academy of Marketing Science, 24 (1), 27-43.

Rubera, G. and A.H. Kirca (2012), "Firm Inovativeness and Its Performance Outcomes: A Meta-Analysis Review and Theoretical Integration," Journal of Marketing, Vol. 76, May, pp. 130-147.

Ruekert, R. W., 1992, "Developing a market orientation: An organizational strategy perspective," International Journal of Research in Marketing, 9, 225-245.

Slater, S. and Narver, J.C. (1994), "Does competitive environment moderate the market-orientation-performance relationship?" Journal of Marketing, 58, 46-55.

Smirnova, M., *et al*. (2011), "The impact of market orientation on the development of relational capabilities and performance outcomes: The case of Russian industrial firms." Industrial Marketing Management 40, 44–53

Sheth, Jagdish N. (2011), "Impact of Emerging Markets on Marketing: Rethinking Existing Perspectives and Practices" Journal of Marketing, Vol 75, 166-182.

Sorescu, A.B., R. K. Chandy and J.C. Prabhu (2003), "Sources and Financial Consequences of Radical Inovation: Insight from Pharaceuticals," Journal of Marketing, Vol. 67, Oct., pp. 82-102.

Tabachnick, B.G. and Fidell, L.S. (1989), Using Multivariate Statistics, (2nd. ed.), Cambridge: Harper & Row.

Van Raaij, E. M. and Stoelhorst, J. W., (2008), "The Implementation of market orientation", European Journal of Marketing, Vol. 42 Nos 11/12, pp. 1265.1293.

Wernefelt, B. (1984), "A resource-based view of the firm", Strategic Management Journal, Vol. 5 No. 2, pp. 171-80.