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Research Article

Market orientation and sales of quoted companies in Nigeria

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Abstract

The objective of the study was to establish the relationship between the adoption of market orientation and sales of quoted companies in Nigeria. Purposive samplings method was used to select a total sample size of fifty (50) companies. To measure market orientation, the study conceptualized it to consist of market orientation intelligence gathering, market orientation intelligence dissemination, market orientation intelligence design and market orientation intelligence implementation. To determine the relationship between the adoption of market orientation and sales, correlation analysis was used and the test was conducted at 5% level of significance. Results obtained from the analysis showed that there was a positive relationship between the adoption of market orientation and sales of quoted companies in Nigeria. The study recommends that companies should effectively implement all the four dimensions of market orientation to enhance sales and customer satisfaction.

Keywords: Market orientation, sales, quoted companies, intelligence gathering, intelligence dissemination, intelligence design, intelligence implementation

INTRODUCTION

The term market orientation refers to the marketing concept. As such, a market-oriented organization is one whose practices are consistent with the marketing concept (Kohli and Jaworski,1990; Roger, 2004). The focus of such a company includes customer satisfaction, profitability, effective and efficient marketing information system and integrated marketing. Despite the fact that market orientation is a fundamental competitive marketing strategy, many organizations pay lip service to its implementation (Mitchell and Agenmonmen, 1984; Iyasere, 2002; Roger, 2004; Kurt et al., 2006).

Several reasons have been adduced for the prominence of market orientation in the marketing literature suggesting the need for organizations to be market –oriented. First, increasing competition in the economy. In recent times, organizations have not just competing locally but globally, following the advent of globalization (Kohli and Jaworski, 1990). This stiff competition in the marketing environment implies that it is the organization that possesses the best competitive strategy that will perform well. Another reason is consumerism. Over the years, consumers have become sophisticated. They know their rights and they insist on their rights. Therefore, organizations must be customer –driven so as to remain in business (Kotler, 2010).

Another reason that may compel organizations to be market-oriented is the changing buying pattern of customers. Customers buy products for reasons best known to them. Market orientation enables organizations to acquire customer intelligence. It is this intelligence that assists them to monitor and provide solutions to the fluctuating buying pattern of customers (Liao et al., 2001). Another reason is mass market and mass affluence (Agbonifoh et al., 2007). The

Availability of a reasonable population of consumers who are well to do for whose patronage a large number of organizations are competing may compel these organizations to be market-oriented.

Again, another reason that may compel an organization to be customer-driven is the existence of a crop of professional managers (Agbonifoh et al., 2007). The transfer of responsibility and authority from organization owners to a crop of educated and professional managers assume that such professional managers should be willing and capable of adopting market orientation philosophy for the attainment of long term goals for the organization and for themselves of which customer satisfaction forms a major part. Furthermore, another reason is technological changes in production. Advancement in technology makes it possible for organizations to engage in large scale production of goods. These goods produced on large scale need to be sold to customers for the production process to continue. Customer orientation enhances to a reasonable extent the selling function of an organization (Kurt et al., 2006).

Also, growth in mass communication media is another reason for the adoption of market orientation. This makes it possible for information to be provided for the availability of products anywhere in the world thereby further making competition very tense (Day, 1994). In the opinion of Bamgboye (2003), decline in sales more often than not; create a compelling need for organizations to adopt m0arket orientation. Closely related to this, is the desire for growth in market shares by organizations (Raju et al., 1995). Furthermore, the dire need by organizations to satisfy their customers and hence to make profit are other reasons why it is necessary and compelling for them to adopt market orientation (Kotler, 2010).

However, in strong economies characterized by strong demand, an organization may be able to get along with a maximum level of market orientation (Kurt et al., 2006). In contrast, in a weak economy, customers are not likely to be value-conscious and organizations must not necessarily be in tune with and respond to customer needs in order to offer good value for their money (Kurt et al., 2006). The stronger the economy, the stronger the relationship between market orientation and organizational performance (Kohli and Jaworski, 1990; Dawes, 2000; Kurt et al., 2006).

Although this study suggests that market orientation is related to organizational performance, however, under conditions of limited competition, stable market demand and preferences, technologically turbulent-free industries and booming economies, market orientation may not be related strongly to business performance (Kohli and Jaworski, 1990). Organizations operating under the conditions above should pay close attention to the cost-benefit of implementing market orientation (Gounans and Avolotitis, 2001). Be that as it may indicators in the Nigerian economy reveals that the companies we are studying are operating under conditions of stable market demand and boom which makes it necessary for these companies to adopt market orientation.

STATEMENT OF THE RESEARCH PROBLEM

Marketing management can be seen as the conscious effort to achieve desired objectives using competitive strategies in target markets (Kotler, 2010). However, in some situations before organizations can realize their desired objectives, certain orientation(s) should direct their marketing efforts. For instance, what relative attention should they give to the customers (markets), the community or society and other stakeholders? Very often, many organizations are not so clear-cut on the appropriate orientation to adopt (Kotler, 2004).

There are several philosophies or orientations that drive organizational marketing practices. These orientations or philosophies include production orientation, product orientation, selling orientation, marketing concept orientation, societal marketing orientation and relationship marketing orientation (Boone and Kurtz, 1995; Kotler and Keller, 2006). Organizations that are market oriented are able to serve the interest of customers, and are invariably able to achieve selling and profitability objectives (Unruh 1996).

Some works have been done in Nigeria and Africa on the need for business organizations to adopt and implement market orientation. For instance, Baker, El-Haddad (1982), examined the extent of the acceptability of market orientation by business organizations in Egypt. They used customer orientation, profitability of marketing operations and organizational characteristics of the chief marketing officers as bases to evaluate the degree of the implementation and operationalization of market orientation. They found that the practices of Egyptian organizations were at variance with the philosophies of market orientation. Furthermore, Mitchell, Agenmonmen (1984), carried out a study on the attitude of some Nigerian marketers toward the adoption of the marketing concept. They found that most managers only paid lip service to the marketing concept (market orientation) in their organizations. However, they did not evaluate the impact of the adoption of the marketing concept on organizational performance.

Olusoga (1978) proposed that the relevance of the marketing concept is dependent among others on the stage of the economic development of a given nation. Furthermore, Agbonifoh, Ogwo, Nnolim and Nkamnebe (2007), note that the complex and competitive nature of the Nigerian environment would compel business organizations in Nigeria to adopt the marketing concept. Also, in a study by Iyasere (2002), it was found that some bakery companies in Nigeria adopted the marketing concept.

Dauda and Akingbade (2010), did a research on “Employee’s Market Orientation and Business Performance in

Nigeria: An analysis of Small Business Enterprises in Lagos State". They recommend that employee's market orientation requires the flattening of the organizational structures, managing processes rather than functional specialization and outsourcing. Similarly, Asikhia (2010) did a study on "Customer Orientation and Firm Performance among Nigerian Small and Medium Scale Businesses". The result of the study indicated that there was a positive and significant relationship between customer orientation and firm performance in the context of Nigerian small and medium scale businesses. Asikhia (2010), in his study on "Banks Market Orientation and Performance relationship in Nigeria", found a positive and significant relationship between market orientation and banks performance.

Ofoegbu and Akanbi (2012) did a study on the role of market orientation on the perceived performance of a firm using Nigerian Breweries Lagos, Nigeria as case study. The study found that three dimensions of market orientation namely, market intelligence, intelligence dissemination and responsiveness were predictors of performance in Nigerian Breweries. A single firm in the manufacturing sector is not enough to generalize the outcome of the study for the entire manufacturing sector in Nigeria. Most authors in Nigeria who carried out research on market orientation and performance adopted a piece-meal approach in the selection of industries of industries in the quoted companies in the Nigerian stock exchange market. Therefore, our study takes a holistic survey of firms in the first-tier stock market in Nigeria with the intent of determining the relationship between market orientation and sales of quoted companies

LITERATURE REVIEW

Market orientation construct

Market orientation is a marketing philosophy that is based upon a company-wide acceptance of the need for customer orientation, profit orientation, and recognition of the important role of marketing in communicating the needs of the market (customers) to all major corporate departments in organizations (Kurt et al., 2006). The issues that are clear from the above assertion include customer focus, co-ordinated marketing, profitability and customer satisfaction. These are referred to as pillars of the marketing concept (Market Orientation) (Agbonifoh et al., 2007).

Customer Focus: This is the central element of market orientation. It involves obtaining information from customers about their needs and preferences. Furthermore, being customer-focused also involves taking actions based on market intelligence, not just on verbalized customer opinions alone (Kohli and Jaworski,1990). Market intelligence is a broader concept in that it includes the consideration of exogenous market factors such as competition and regulations that affect customer needs and preferences as well as current and future needs of customers (Kaynar and Arbelaez, 2000).

The generation of market intelligence relies not just on customer surveys, but on a host of formal and informal means. This intelligence gathering mechanisms include meetings and discussions with customers, trade partners, analysis of sales reports, analysis of world-wide customer databases, market research, customer attitude surveys and sales response analysis (Kohl and Jaworski, 1990; Bamgboye, 2003).

Co-ordinated Marketing: - Operationalization of market orientation is not the sole responsibility of the marketing department. For example, generation of market intelligence could be carried out by Research and Development Engineers, Senior Managers from other departments could find out world-class practices in trade Journals among others. Market intelligence once generated should be disseminated to all departments in the organization (Jaworski and Kohli, 1993). It is the synergy of all departments in the organization that ensures the effective implementation of the market orientation construct.

Profitability: The uniform agreement in the literature is that profitability is a consequence or outcome of market orientation and not a part of the construct, the same is true of customer satisfaction (Jaworski and Kohli, 1993; Slate and Narver, 2000).

Implementing a market orientation

As explained before, some factors can foster or discourage the implementation of market orientation in organizations. Since these factors identified are controllable by senior managers, deliberate installation of a market orientation is possible in organizations (Kohli and Jaworski, 1990). According to Kohli and Jaworski (1990), senior managers must themselves be convinced of the value of market orientation and communicate their commitment to junior employees in the organization. Proclaiming market orientation through annual reports and public interviews is good, however, junior employees need to witness behaviours and resource allocation that reflect a commitment to market orientation implementation by top managers (Webster, 1988).

Furthermore, senior managers must develop positive attitudes toward changes and have the willingness to take calculated risks. A market orientation may lead to a few projects or programmes that may not succeed, however, supportive reaction to failures is critical for engendering a change-oriented philosophy represented by the marketing concept or market orientation (Kohli and Jaworski, 1990).

Also, interdepartmental dynamics can be managed through appropriate in-house efforts. Some inexpensive ways to manage this situation include interdepartmental lunches, sports leagues that require mixed-department teams and newsletters that elicits fun and friendship at various interdepartmental relations (Jaworski and Kohli, 1993). Kohli, Jaworski (1990), added further that more advanced efforts include exchange of employees across departments, cross-departmental training programmes and senior department managers spending a day with executives in other departments. Such efforts appear to foster an understanding of the personalities of managers in other departments, their culture and their particular perspectives.

Another set of variables that senior managers might alter to foster a market orientation philosophy pertains to organization-wide systems. The impact of structural factors such as formalization and centralization is unclear because, though they appear to inhibit the generation and dissemination of market intelligence, these factors are likely to help an organization implement its response to market intelligence effectively (Kohli and Jaworski, 1990).

How an organization should structure itself appears to depend on the activity involved. Clearly, however, senior managers can help foster a market orientation philosophy by changing rewards from being completely financed-based to being at least partly market-based such as customer satisfaction intelligence obtained or generated, etc. Simultaneously, informal norms such as the acceptability of political behaviour in the organization should be changed to facilitate concerted response by the departments to market developments (Kohli and Jaworski, 1990; Lukas and Ferrell, 2000).

Furthermore, the balance of power across departments must be changed carefully in an effort to become more market-oriented. Though market orientation involves the efforts of virtually all departments in an organization, the marketing department typically has a larger role to play by virtue of its contact with customers and the marketplace. Individuals in the marketing department may try to relegate staff members of other departments to the background. This attitude will not foster the effective implementation of market orientation therefore, it should be discouraged (Kotler, 2010).

In general, organizations that develop market intelligence and respond to it, are likely to perform better and have more satisfied customers and employees than the organizations that do not do so (Kohli and Jaworski, 1990). Simply engaging in market-oriented activities does not ensure the quality of those activities with respect to customer satisfaction. The quality of market intelligence itself may be suspect or the quality of execution of marketing programmes designed in response to the intelligence may be poor. In such instances, market orientation may not produce the desired functional consequences. For example, to meet a customer's need, one industrial product company went to extreme length to customize small batches of products for the customer, which resulted to poor financial performance of the company (Kohli and Jaworski, 1990). Similarly, one executive noted that a company's efforts to raise customer expectations about product quality, response time, and other factors eventually resulted in uneconomical operations and dissatisfied customers. Variables in the quality of market intelligence, its dissemination and organizational response are very crucial in the implementation of market orientation and warrant consideration by both managers and researchers.

Market orientation and consumer SATISFACTION

The business of present day marketers involves satisfying consumers' needs and wants. Kotler and Keller (2006: 34) puts it this way:

The task of any business is to deliver customer value at a profit. In a hyper-competitive economy, with increasingly rational buyers faced with abundant choices, a company can win only by fine-turning the value delivery process and choosing, providing and communicating superior value.

Understanding customers' needs is very crucial to the success of any business. It involves learning not only what customers currently value, but what new values are been created by competitors (Unruh, 1996; Davidow and Uttal, 1998; Uncles, 2000). The techniques for uncovering values have also become more numerous and time-consuming to analyze and implement (Unruh, 1996). The first step in understanding customers is to listen to them. An organization needs to hear what customers are saying about its people, products, services and vision (Unruh 1996). Such information assists the organization to develop meaningful products (Walsh, 1994). Contents of the information from customers include complaints, satisfaction rating, competitive experiences, product and service history, suggestions among others (Unruh, 1996).

No doubt, information is a useful impetus in effective service delivery to customers (Burns, 1992). Once information are secured from customers, organizations are expected to harness them in serving the best interest of customers. Consumers are rational, they have expectations and they are surrounded by myriads of competing products. Therefore, organizations that want to succeed must be prepared to meet customers' needs (Davidow and Uttal, 1998).

Listening to customers and studying the output provide organizations with a step to set strategies for aligning themselves with customers' values. One way to ensure that an organization's strategy is actually customer-oriented is to involve customers and employees in its development. When this is done, the strategy will provide the impetus to meet customer needs and at the same time assist employees in its implementation (Davidow and Uttal, 1998; Kotler and Kotler, 2006).

In addition to customers' and employees' input, organizations examine what their competitors or other best practice organizations are doing. Competitive analysis gives insight into competitors' strategies, capabilities, strengths and weaknesses, culture and personality. It further provides a thorough understanding of what competitors are trying to accomplish, how they will do it, how likely they are to be successful, and how they will respond to changes in the marketplace and their own competitors' moves (Unruh, 1996; Kasper, 2002). Some organizations evaluate their competitors firsthand by having their employees use competitors' products.

Another strategy for innovating customer-friendly products is bench marking. These assist organizations to rigorously measure their performance against first class organizations within a given functional or process area (Ignacio et al., 2002). Benchmarking measures not only how much an organization can improve, but also how it can improve by identifying best practices and key success drivers. It is also about improving competitive positioning and using best practices to stimulate radical innovation rather than just seeking minor incremental improvement in performance (Unruh, 1996).

Unruh (1996), adds further that because of the external focus of benchmarking, it seems to aid most in establishing realistic measures of productivity and customer satisfaction and in strategies that have an outward perspective. There are three types of benchmarking. Organizations can benchmark against the top competitors in their industry, against industry competitors who are best at a particular practice, and against the world-class company that is recognized as the best at a particular practice regardless of industry (Unruh, 1996; Davidow and Uttal, 1998; Cheung, 1999).

Another customer-focused strategies worth mentioning in this study are service quality standards, seminars and award criteria. However, the caveat is that standards should be applied selectively, only those most relevant to organization's customers should be used.

For customer-focused strategies to be successful, it is recommended that it should be part of the organizational culture, that is, it should be second-nature for organizational members to serve the best interest of the customers because it is the satisfaction of the customers that determines the success of organizations (Hofstede, 1986; Hofstede, et al., 1990). Organizational culture should not be merely written on a piece of paper, it has to become second nature to all employees, who will then improve upon it by learning from each other, customers, competitors and the general business environment (Unruh, 1996).

Furthermore, employee teaming seems to play an important role in helping organizations implement a customer-driven strategy. The teams can break down organizational boundaries and solve problems faster and they can speed up the process of building a new customer culture in the organizations.

Having examined some of the most critical customer-driven strategies, the next thing to do is for organizations to learn more thoroughly about customer values (Burns, 1992). Technology is playing an increasingly important role in the process of learning about customer values. In the same vein, some organizations give employees training to enhance their customer listening skills. This will enable them to have proper insight into what they think customers are saying and what the organizations should be doing (Davidow and Uttal, 1998; Paul, 1990; Paswan and Troy, 2004).

Relationship between market orientation and market share

In a study by Pelham (2000), it was found that market orientation was significantly and positively correlated with sales effectiveness at a level of 0.39 ($P<001$), with growth in market share at a level of 0.30 ($P<001$), and with profitability at a level of 0.29 ($P<001$) (Pelham and Wilson, 1995).

The above findings on the relationship between market orientation and organizational profitability are valid here since it is from the value of sales we calculate profitability. Impliedly, there is a positive relationship between market orientation and growth in sales and market share.

However, marketing managers adopt some tools to check or evaluate sales analysis, market share analysis, marketing expense-to-sales analysis, financial analysis and customer attitude tracking (Kotler, 1988).

Sales Analysis: sales analysis consists of measuring and evaluating annual sales in relation to sales goals. There are two specific tools in sales analysis.

Sales-variance analysis: Measures the relative contribution of different factors to a gap in sales performance. The gap factors include price decline and volume decline. On the other hand, the micro-sales analysis looks at specific products, territories among others that failed to produce their expected share of sales (Kotler, 1988).

Market Share Analysis: A company sales do not reveal how well the company is doing relative to competitors' sales. Increase in sales by a company could be due to increased economic conditions or it could be as a result of improved company performance. An organization need to track its market share to establish performance. When a company's market share goes up, the company is gaining on competitors, and if the market share goes down, the company is losing relative to competitors (Webster, 1994, Kotler, 1988).

Theoretical framework of market orientation and organizational performance

There is a body of evidence of the association between developing a market orientation and performance in business organizations (Dawes, 2000). The assumption is that profit is an overriding objective, though not necessarily the sole criterion for evaluating and assessing organizational performance (Narver and Salter, 1990). While it is believed that profit is a component of market orientation, Kohli and Jaworski (1990); Narver and Slater (1990), argue that profitability is a dependent outcome that is influenced by the nature of an organization's market orientation. However, Narver and Slater (1990), in particular, suggest that profitability is the objective of a market – oriented company.

A good number of scales have been developed to measure market orientation. For instance, the ones developed by Kohli and Jaworski (1990); Despande (1993); Narver and Slater (1990); Ruekert (1992); Jaworki and Kohli (1993). However, in this study, we are adopting the market orientation models developed by Kohli, Jaworski (1990), and Jaworski and Kohli (1993). They described market orientation construct as a structural and behavioural response to customer expectations of consistently high quality products relative to changing market needs. Furthermore, Jaworski and Kohli (1993), described the antecedent conditions that could lead to the development of a market orientation viz: top management risk orientation, interdepartmental dynamics and structural decision making systems.

In the same way, Narver and Slater (1994), argue that the relationship between market orientation and performance was positive and subsequent researches have concentrated on examining this relationship in various business environments (Greenley, 1995; Raju et al., 1995). Having a market orientation is a fundamental component of marketing practice and is often taken for granted. Nevertheless there is a need to examine the construct in terms of its links to other organizational factors such as strategic marketing planning (Despande et al., 1993), corporate culture (Webster, 1990), which creates the necessary behaviour for a market orientation.

Furthermore, without an appreciation of an organization's underlying values and beliefs, it may be difficult for organizational members to develop a commitment to a market orientation philosophy (Steinman et al., 2000). Market orientation scale developed by Kohli and Jaworski (1990), popular known as the MARKOR scale involves possessing the propensity to gather market intelligence, distribute the intelligence throughout the organization, develop appropriate market response and implement these responses. In this study, the market orientation measurement shall be based on the above stated scale.

Issues involved in market intelligence gathering include:

- Intensive customer research.
- Consumers' assessment of product and service quality.
- Regular meetings with consumers.
- Securing information on happenings in the industry.
- Generating performance intelligence independently and previewing the effect of change in operational environment on customers.

Issues covered in market intelligence dissemination include:-

- Circulating information that concerns customers to all the departments in the organization.
- Holding interdepartmental meetings to discuss trends and developments about competitors and industry in general.
- Discussing customers' future needs, timely knowledge of changes in customers, and disseminating customer satisfaction/dissatisfaction indices to all the departments.

Furthermore, issues covered in organizational responses to market intelligence are:

- Quick response to competitive changes.
- Taking initiatives that are consumer-driven.
- Taking cognizance of changes in consumers' needs.
- Marketing programmes are designed to meet customer needs.

Finally, on the aspect of customers' response implementation, issues involved include:-

- Proper coordination of the activities of the different departments.
- Empathizing with customers' complaints.
- Implementing customer plans in a timely fashion.
- Quick response to changes in competition.

- Taking prompt response to customers' dissatisfaction.
- Modifying products to suit customers' needs.

In this study, all the above-stated market orientation dimensions were measured to determine whether market orientation exist or not in the organizations under study. The performance indicators that are of interest in this study include customer satisfaction, growth in sales, profitability, and growth in market share (Kotler, 1988).

The proposed model of this study that would enable us carryout all the relevant analyses to achieve the objectives of this study is as shown in figure

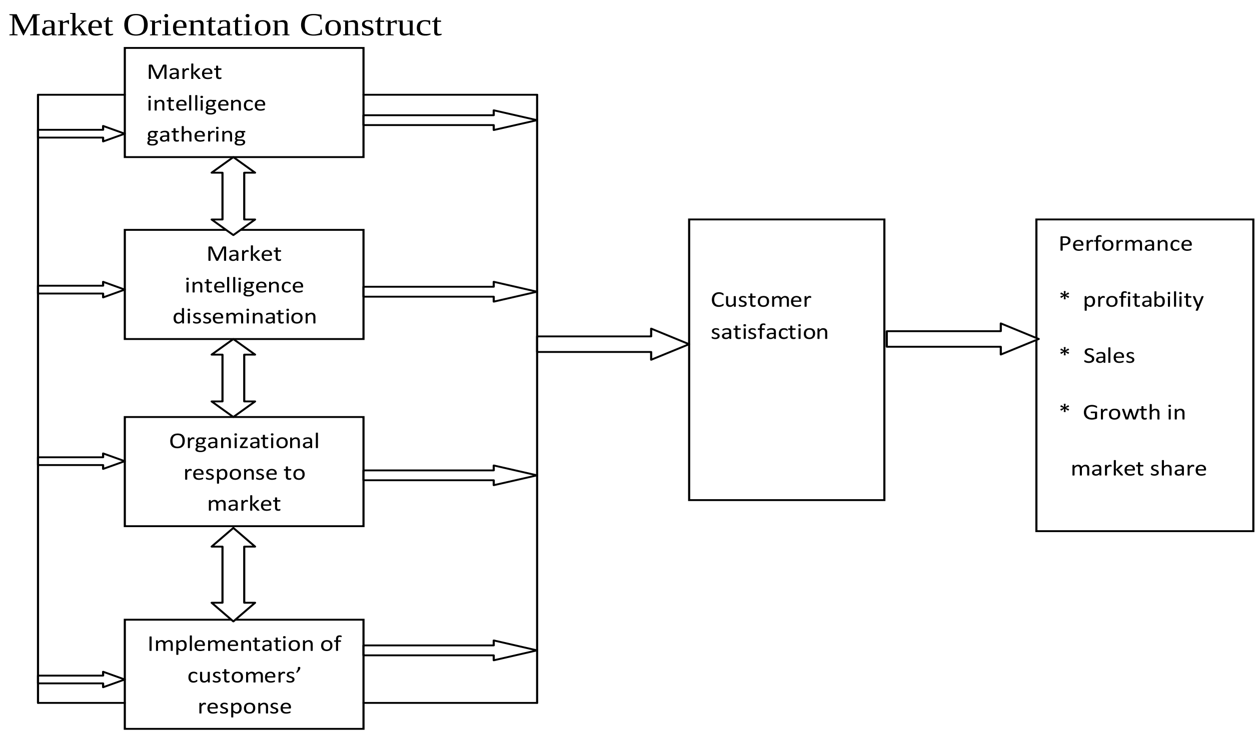

Figure 1. A model of market orientation and organizational performance

Source: Author's Modified Version of Jaworski, B J, Kohli, A.K.(1993), Market Orientation and Performance in Organisations

Figure 1 above explains the contents of the proposed model for the adoption and implementation of market orientation and organizational performance. The model is divided into three parts viz: market orientation construct, customer satisfaction and performance.

Market Orientation Construct: An organization is said to be market-oriented when the variables in the construct are implemented (Jaworski and Kohli, 1993; Kohli and Jaworski, 1990).

Customer Satisfaction: This is the second part of the proposed model. Customer satisfaction is one of the pillars of market orientation. Indeed, implementation of the market orientation construct is to enhance customer satisfaction. Satisfied customers stay loyal and longer. The concern of every business organization is to have loyal customers. Customers are said to be satisfied when their expectations are met after consuming a product. They are delighted when more than their expectations are met (Kotler, 2009). Business organizations enjoy some benefits when their customers are satisfied. First, there is certainty in sales which consequently leads to profitability. Second, less money is spent on customer attraction and retention. Third, there is growth in market share.

Organizational Performance: This is the third and final aspect of our model. The performance indicators that are of interest to us in this study are sales, profit and growth in market share. There is a positive correlation between sales and profit all things being equal. The expected results of the market orientation construct are customer satisfaction, which consequently lead to sales, profit making and growth in market share (Nanver and Slater, 1990).

Apart from the MARKOR scale, the other prominent scale for measuring market orientation is known as the MKTOR scale developed by Narver and Slater (1990). The scale is a 15 – item, 7-point Likert-type scale with all points specified. In this measure, market orientation is conceptualized as a one dimensional construct, with three components namely:

customer orientation, competitor orientation and inter-functional coordination. The simple average of the scores of the three components is the market orientation score.

THE RESEARCH INSTRUMENT

The main research instrument used in this study was the questionnaire as shown in appendix A and Appendix C. The sections of the questionnaires and the relevant information sought are as shown below:

Section A of our research instrument in appendix A requested for the profile of the Organizations. The information sought included the year of establishment of the organizations, nature of business, the type of industry, position of the respondents, years of experience of the respondents in their organizations and the highest level of education of the respondents.

Section B of appendix A was intended to ascertain the extent to which the organizations were customer-oriented. Here, we relied on market orientation measurement scale developed by Kohli and Jaworski (1990); Jaworski and Kohli (1993) respectively. As noted earlier in our literature review, issues involved in this scale include market intelligence gathering, market intelligence dissemination, intelligence response design and customers' response implementation. Five-point Likert Scale was used to elicit data from the respondents (See Appendix A for more details).
Furthermore, all the questions in appendix C were used to determine the relationship between the adoption of market orientation and customer satisfaction. The respondents to the questions were customers that formed part of the sample size. Information sought bordered on satisfaction of customers in quoted companies.

RESEARCH METHODOLOGY

To derive the profit value, we took determined Return on Investment (ROI) using the formula of EBIT for each of the company and divided by five

AV. Sales = f(MOIGi, MOIDi, MORDi, MORIi).
= f(MOIGi MOIDi MORDi MORIi) ………………(1)

AV. Sales = $\beta_0 + \beta_1 MOIG_i + \beta_2 MOID_i + \beta_3 MORD_i + \beta_4 MORI_i + \mu$

The correlation analyses of the above equation was done using SPSS statistical package version 17.0.

TEST OF HYPOTHESIS

The hypothesis tested is that there is no relationship between market orientation and sales.

To test the hypothesis, SPSS statistical package was used. The dependent variable was average sales while the independent variable was market orientation. To get the sales value, we aggregated the figures of sales for five years and divided by five. The result of the correlation analysis is as shown in table 2.

Table 1. Company Sales (2004-2008) in Naira

S/N	2004	2005	2006	2007	2008
1.	6,237,334	5,991,295	6,281,911	6,230,867	5,431,011
2.	35,168,246	27,914,179	21,000,553	21,396,866	12,676,269
3.	2,311,226	2,465,657	2,740,784	2,807,711	4,734,193
4.	3,332,574	3,345,252	3,666,102	3,904,967	4,223,150
5.	910.297	1,646,239	1,847,472	3,474,156	3,601,021
6.	610,272,000	856,569,000	1,199,586	1,699,536	4,216,984
7.	2,343,618	3,050,539	5,150,388	3,661,275	4,430,035
8.	5,582,235	7,726,051	13,162,020	16,239,452	20,051,337
9.	3,002,830	14,071,924	28,893,886	28,384,891	171,002,026
10.	25,026,663	51,670,878	158,859,934	382,022,439	1,038,310,356
11.	20,576,024	15,192,667	11,019,351	36,453,242	96,040,240
12.	16,696,246	16,696,246	68,868,916	74,885,010	173,365,973
13.	27,552,079	35,584,264	121,089,359	218,332,100	535,479,544
14	470,839	616,824	911,427	1,528.234	2,009,914
15.	23,736,249	51,318,268	106,611,290	252,841,089	467,336,930
16.	24,579,922	26,403,831	25,491,355	181,308,208	444,193,935
17.	912,722,264	735,692,906	486,491,079	735,692,906	962,722,264
18.	96,786	203.647	369,234	704,784	1,392,210
19.	363,899,190	219,535,338	94,867,608	219,535,338	363,899,190
20.	25,998	31,990	174,197	446,114	784,878
21.	31,612,307	39,151,016	113,225,846	151,290,437	315,107,101
22.	44,122,814	19,435,289	109,564,427	145,974,674	236,502,923
23.	418,728	550,983	667,766	700,094	1,128,890
24.	212,024	250,783	884,137	1,191,042	1,672,991
25.	24,545	25,696	33,179	131,032	203,234,
26.	61,323,432	71,423,836	97,909,060	120,109,067	165,081,532
27.	42,100,230	100,661,661	116,454,656	346,617,643	--
28.	1,020,869	920,780	986,678	1,103,630	1,623,020
29.	37949,795	47,369,394	45,859,356	53,651,781	62,265,413
30.	594,704	401,399	313,148	561,669	931,921
31.	73,594,134	80,130,968	86,322,075	111,748,297	145,461,762
32.	12,567,156	15,815,247	16,771,564	16,473,955	21,378,197
33.	43,273,809	38,664,795	39,517,587	26,463,835	21,925,978
34.	412,561	352,889	417,564	450,707	367,129
35.	272,696	167,567	191,554	272,696	246,418
36.	79,412	70,387	78,115	59,905	42,579
37.	1,841,134	1,914,236	2,300,	2,275,356	2,534,721
38.	1,466,762	1,525,426	1,986,246.815	2,097, 929	2,679,857
39.	185,508	189,053	203,082	186,01ß	234,925
40.	608,944	657,904	860,994	1,590,825	4,209,875
41.	435,052	653,355	770,925	1,081,253	758,231
42.	6,120, 757	7,035,811	7,151,096	7,237,987	11,221,545
43.	16,385,000	9,173,000	11,927,000	16,551,000	20,881,000
44.	34,134,609	42,225,417	7,54,216,824	65,945,174	80,974,071
45.	5,014,000	4,493,000	3,721,000	1,863,000	2,746,000
46.	25,116,000	27,229,000	34,082,000	37,155,000	53,480,000
47.	23,693,923	33,,390,940	25,554,415	33,990,848	37,377,492
48.	29,487,173	39,842,586	56,868,100	78,377,640	112,475,888
49.	14,222,114	14,937,371	17,346,662	22,071,731	27,309,123
50.	18,719,498	20,401,163	20,088,542	22,853,185	21,912,671

Source: Retrieved from FACT Book (2009) ***Published by*** SEC

Table 2: Estimated Correlation Analysis of Market Orientation and Average Sales of Quoted companies in Nigeria

Method	Principal Variable	MOR	Av. Sales	Pcal	$P_{0.05, 48}$
Pearson Product/Moment Correlation Coefficient	MOR	1	0.144	0.319	0.273

Source: Author's Fieldwork (2012).
From table 4, Pcal > $P_{0.05, 48}$
Hence, we reject the null hypothesis that states:
Ho: $\Gamma sales = _{MOR} = 0$
We accept the alternative hypothesis that states:
Ha: $\Gamma sales , _{MOR} \neq 0$.

Using the Pearson Product Moment correlation coefficient, the results as shown in Table 4 reveals that the critical value at 5% is 0.273. This value is less than the calculated value of 0.319. Thus, the study failed to accept the null hypothesis that states that the correlation between market orientation (MOR) and sales is not significantly different from zero. Hence, the alternative hypothesis that states that the correlation between market orientation and sales is significantly different from zero is accepted. This implies that there is a significant positive relationship between the adoption of market orientation and sales. This finding is consistent with the findings by Iyasere (2002). In his study of selected bakeries in some parts of Nigeria, he found that bakers who were close to their customers sell more than those bakers who were not close to their customers. Pelham (2000) came to similar conclusions that total market orientation was significantly correlated with sales effectiveness at a level of 0.39 (P>001). This suggests that companies should be more market oriented so as to increase their sales volume.

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CONCLUSION

The emphasis of companies is sales of products. This is understandable from the backdrop that without product sales, companies will not recover their investment and meet their obligations to employees (by way of payment of salaries) government payment of taxes) etc. The findings of the study shows that for companies to be successful in their selling function, they should embrace market orientation especially the four dimensions of market orientation used in our analysis.

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APPENDIX A

SECTION A (PROFILE OF YOUR ORGANISATION)

Please, kindly answer as appropriate to your organization.

A. YOU AND YOUR ORGANISATION

1. The year of establishment? ____

2. Nature of Business? ____

3. Your Years of experience in the organization: 0-5 years [ ] 5-10 years [ ]
   10-15 years [ ] 15-20 years [ ] 20 years and above [ ]

4. Which industry is your company? ____

5. Your position in this company? ____

6. Highest educational Qualification? OND [ ] HND [ ] B.SC [ ] M.SC [ ]

   MBA [ ] PH.D [√] OTHERS (SPECIFY) …………………………………..

APPENDIX A

SECTION B. (MARKET ORIENTATION)

Please tick ( ) as appropriate to your organization.

5-Very frequently, 4- Frequently, 3-Uncertain, 2- Rarely, 1- Very rarely

		5	4	3	2	1
7.	We carry out a lot of in-house customer research.					
8.	We talk with product user groups to find out how they feel about our products					
9.	We collect industry information through formal/informal information by several departments.					
10	Intelligence on our customer performance is generated independently by several departments.					
11	We review effects of changes in our operating environment on customers					
12	We hold departmental/inter-departmental meetings to discuss trends and developments about our customers.					
13.	We freely circulate documents that provide information on our customers.					
14	Data on customers' satisfaction/dissatisfaction are disseminated at all levels on a regular basis.					
15	It takes us time to decide how to respond to competitive changes.					
16	We tend to ignore changes in our customers' needs.					
17	Our initiatives are driven more by technological advances than by customer research.					
18.	The kind of products we offer depend more on internal politics than real customer needs.					
19.	The activities or the different departments are well coordinated to serve the interest of the customers.					
20.	Competitors' campaigns targeted at our customers get urgent response from us.					
21	Our organization responds with empathy to customer complaints.					
22.	When we come up with a great customer plan, we are able to implement it in a timely manner.					
23.	We are quick to respond to significant changes in our competitors' marketing strategies					
24.	When we discover that customers are unhappy with the quality of our products, we take immediate action.					
25.	When it is known to us that customers want us to change a product, we try hard to do so.					
26.	Senior managers in our organization repeatedly tell employees that survival depends on adapting to customers trends					
27.	Senior managers often tell employees to be sensitive to industry changes.					
28	Senior managers often tell employees to be sensitive to industry changes.					
29	Senior managers tell employees to gear up to meet customers' future needs.					

APPENDIX C

* Please, provide answers to the questions below as appropriate.

1. Name of the organization of which you are a customer?
____
____

2. How long have you been a customer to this organization? (i) 0-5 years [ ]
(ii) 5-10 years [ ] (iii) 10-15 years [ ] (iv) 15-20 years [ ] (v) 20 years and above [ ]

3. How do you perceive the company – customer relations of this organization? (a) Very good [ ] (b) Good [ ] (c) fair [ ] (d) poor [ ] € very poor [ ]

4. Rate the quality of products of this organization? (a) Very good [ ] (b) Good [ ] (c) fair [ ] (d) poor [ ] € very poor [ ]

5. How satisfied are you with the company's products? (a) Very satisfied [ ] (b) satisfied [ ] (c) fairly satisfied [ ] (d) Dissatisfied [ ] (c) Very dissatisfied [ ]

6. How satisfied are you with the customer service of this organization? (a) Very satisfied [ ] (b) satisfied [ ] (c) fairly satisfied [ ] (d) Dissatisfied [ ] (c) Very dissatisfied [ ]

7. Do you make complaints to this organization when you are dissatisfied with their products? Yes [ ] No [ ]

8. How satisfied are you with the way and manner the organization handle your complaints? (a) Very satisfied [ ] (b) satisfied [ ] (c) fairly satisfied [ ] (d) Dissatisfied [ ] (c) Very dissatisfied [ ]

9. Will you continue to patronize this organization? Yes [ ] No [ ]

10. If no, why not/ State your reasons? ______________________________________

Thank you very much