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NEAR EAST UNIVERSITY
FACULTY OF ECONOMICS AND ADMINISTRATIVE
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DEPARTMENT OF BUSINESS ADMINISTRATION**

**HOW MARKET ORIENTED IS THE NEXT GENERATION OF
MANAGERS?
“THE CASE OF THE NEAR EAST UNIVERSITY
BUSINESS/ECONOMICS STUDENTS”**

**MARKETING MANAGEMENT
PROJECT**

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MBA PROGRAM
Project

How Market Oriented Is The Next Generation Of Managers?
The Case Of The Near East University Business/Economics Students

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We certify that the project is satisfactory for the award of the Degree of
Master of Business Administration

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ABSTRACT

Increasingly, research has established a relationship between market orientation and organizational performance. This study develops a model to expand the scope of market orientation measurement to include business administration/economics students at the Near East University as a stakeholder group. A survey of 48 undergraduate and graduate students indicates overall student market orientation at the Near East University is slightly high. This study provides significant implications for marketing education and educators. The issue of measuring student market orientation needs to be addressed and very serious consideration given to including such measurements in output assessment procedures for colleges of business administration. Measurement of student orientation should also be included in measuring teaching effectiveness for individual marketing courses.

Keywords: Market orientation and business performance, student market orientation

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SECTION I

PROBLEM FORMULATION

1.1 Introduction

This section presents the topic area, the problem situation, the problem statement and the objectives of this proposed study.

1.2 Statement of the topic

Market orientation occupies a central position in marketing and strategic management literature. During the last decade an increasing number of empirical studies have demonstrated a relationship between market orientation and organization performance.

The purpose of this exploratory study is to work on conceptual frameworks revealed by the literature for broadening the scope of market orientation measurement to include undergraduate and graduate business students as stakeholder groups. In doing so, this study strives to foster development of a market-based measure of teaching effectiveness for graduate and undergraduate business students.

1.3 Problem situation

The faculty of Economics and Administrative Sciences at the Near East University is as old as the university itself which has been established for the last eighteen years. Hundreds of students of business studies and economics have graduated on their way to

become managers in various industries of their countries. All have taken marketing classes during their studies. Their contribution as managers to their companies can be recognized through measuring the performances of these companies. However, one needs to know how successful the Near East business graduates will be before they embark on their managerial carriers. As the literature agrees on a relationship between market orientation and performance, one may agree that measuring the market orientation of the business graduates might reveal the likelihood of success of these future managers and the effectiveness of the marketing classes at the Near East University.

1.4 Problem statement

The purpose of this exploratory study is to work on conceptual frameworks revealed by the literature for broadening the scope of market orientation measurement to include undergraduate and graduate business students as stakeholder groups. In doing so, this study strives to foster development of a market-based measure of teaching effectiveness for graduate and undergraduate business students.

1.5 Objectives of the study

This study will be carried out as a case study involving both the undergraduate and graduate students at the Near East University, Northern Cyprus in order to:

- 1.5.1 Develop a measuring instrument to measure the effectiveness of marketing classes on creating market oriented future managers.

- 1.5.2 Be able to advise educators at the Near East University on how to enhance the marketing classes toward training more effective future managers.

1.6 Conclusion

The problem statement and the objectives of this study are formulated in this section.

The next section reviews the literature on market orientation and performance.

SECTION II

LITERATURE REVIEW

1. Introduction

This section carries out a review on market orientation based on the past empirical studies.

2. Market orientation

Market orientation has been conceptualized in different ways. These researchers concur with the definition proposed by Langerak (2001). He states that based on the literature there are three dominant conceptualizations for creating superior value for customers. Kohli and Jaworski (1990) outline a conceptualization of market orientation that relates to the organization-wide generation of market intelligence, its dissemination across the various functional areas of the business and the organization-wide response to it. This perspective suggests that with the proper resources and focus, an organization can become more market oriented in a relatively rapid response to corporate directives (Noble, Sinha and Kumar, 2002).

Narver and Slater (1990) defined a market orientation as consisting of three behavioral components--customer orientation, competitor orientation and inter-functional

coordination--and two decision criteria--long-term focus and profitability. Their inferences about the behavioral components of a market orientation complemented the findings by Jaworski and Kohli (1990) presented previously.

Deshpande, Farley and Webster (1993) defined market orientation as "the set of beliefs that puts the customers' interest first, while not excluding that of all other stakeholders, in order to develop a long-term profit". Recently, Deshpande and Farley (1998) synthesized the three conceptualizations presented above by defining a market orientation as the set of cross-functional processes and activities directed at creating and satisfying customers through continuous needs assessment.

Studies of market orientation have been conducted within a wide variety of industries. One group of researchers, in particular, have shown the Nordic banking sector is a good venue in which to study how companies meet the current market and technological challenges. Nielsen et al (2003) point to the different cultural attitudes coming out of Scandinavian and Nordic countries. But recent studies show that these differences are not relevant factors since market orientation in US and Scandinavian companies can be explained by the same framework, supporting the universality of the market orientation concept.

According to Nielsen et al. (2003), some differences do exist between the Nordic countries, although they are treated as one unit in international comparisons, but their cultural values differ slightly. For example, Denmark has the highest score on individualism while Finland has the lowest (Hofstede, 1984).

In reference to the differences regarding the structure of the banking industries and their use of technology, an international comparison showed Finland among the leading nations in the world with 17.4 percent of private customers using Internet-banking. The corresponding figures for other countries participating in the study were: Sweden 6.9, Denmark 5.8, Norway 3.1 and the United States with 6.0 (Mikkelsen and Garden, 2000).

As Nielsen indicates, to understand the mechanisms of market orientation and its development, the size of organizations has to be taken into account (Nielsen et al., 2003). In international research, size as well as location and market complexity are often considered more important than national culture (Negandhi, 1983; Norburn et al, 1990).

A number of researchers have argued for this positive relationship because large organizations have more slack, marketing skills and technological knowledge (Dewar and Dutton, 1986; Pavitt, 1990; Damanpour, 1992). Larger banks make surveys among customers and employees more often than small ones. Large banks are in a better position to tailor their educational programs and their computer systems to their own specific needs when buying these services outside the organization (Flohr Nielsen, 1995).

The subject of how size intervenes with market orientation is very straightforward. Large organizations have more available resources to improve communication systems and implement (formal) intelligence generation, distribution and response strategies than small organizations.

In the study by Nielsen, et al, (2003) the researchers hypothesized that "organizational size was positively associated with market orientation." But as they indicated, several

small banks had done well recently thus they also expected a negative size effect on an overall performance measure that included the retention of old customers and the attraction of new customers. Their second hypothesis established that "organizational size was negatively associated with market-related performance."

Research studies found positive relationship between market orientation and performance (Jaworski and Kohli, 1993; Narver and Slater, 1994; Fritz, 1996; Pitt et al, 1996; Selnes et al, 1996).

The research by Nielsen et al, surveyed the marketing and IT managers of banks in Denmark, Finland, Norway and Sweden. These formed the main part of the empirical basis of the study. Results of the study provided support for the hypothesis related market orientation and its impact on organizational performance in Nordic banks.

As the researchers indicated, performance was negatively related to market orientation (supporting Hypothesis 12), and in this sense even their cross-sectional data gave an indication of inertia in some well-performing banks (Nielsen et al, 2003). The study found that organizational size (Hypothesis 2) was negatively related to performance. As the researchers indicated, the influence of size may be explained by the fact that several small banks have achieved good results and feel very competitive in their local markets.

A research study by Nwanko, Owusu and Ekwulugo (2004) also tested the impact of organizational size on market orientation. The study tested a sample of the population of organizations that operate within the UK's facilities management (FM) industry. In their

article, the researchers explain how the FM industry has reached an inflection point (Jones, 2002).

Grove (1996) describes a strategic inflection point as the moment at which critical change occurs to literally turn an organization around. This inflection point must be dealt with and therefore, for a growing number of organizations, market orientation is seen as an attractive conceptual premise for instigating their inflection points (Nwanko et al, 2004).

In their study Nwanko, Owusu and Ekwulugo hypothesized that small and large organizations were not significantly more market oriented than the medium-sized ones.

According to the researchers, current literature does not agree on the variation in the level of market orientation in different organizations attendant upon size (Pelman and Wilson, 1990). They further propose that large businesses may be less able than small ones to adopt a market orientation largely because of structural rigidities that usually characterize large organizations. Structural barriers and inter-departmental conflicts inherent in many large organizations might adversely affect the adoption and implementation of a high profile market orientation stance (Nwanko et al, 2004).

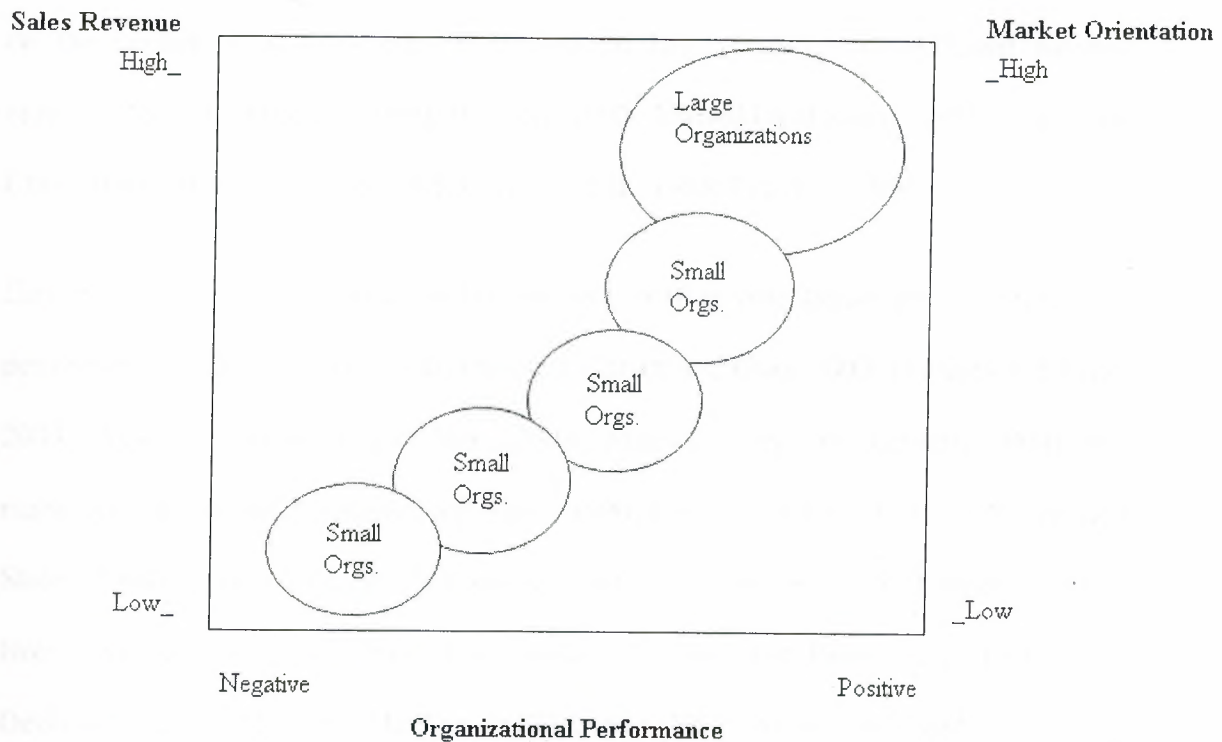
But the researchers also acknowledged that large organizations were likely to have the necessary resources to initiate and implement market oriented programs. They concurred that the effect of a large resource base might be more important than the effect of structural agility (Nwanko et al, 2004). The concept of a correlation between a larger organization and a higher level of market orientation was tested and the findings were presented along with those from similar studies.

2.3 Performance defined

According to Agarwal, Erramilli and Dev, (2003) performance is a two dimensional construct. The first dimension, objective performance, involves the finance or market based measures such as capacity utilization, profitability, and market share. The second dimension is judgmental performance, which involves customer and employee-based measures. Customer-based measures are service quality and customer satisfaction, and employee satisfaction is an employee-based measure.

Jaworski and Kohli (1993) examined the relationship between market orientation and both dimensions of performance objective and judgmental measures. They found no relationship between market orientation and the objective measures of performance. They did find a positive association with judgmental measures of performance. Subsequent research, described below, continued their work and found a relationship between market orientation and both objective and subjective measures of performance.

Figure 2.1 Three-dimensional matrix representation of large organisations with higher levels of market orientation than smaller organisations and its relevance to organizational performance



2.4 Studies of market orientation

During the past fifteen years the marketing concept has been the focus of research in not only the United States but also in the global markets. The past two decades have experienced a ceaseless flow of a variety of research studies that focus on the concept of market orientation and its impact on organizational performance (see Table 2.1).

Of particular interest was the study by Appiah-Adu, (1998) which found that market orientation was the only variable tested which had a significant and positive influence on three performance measures; new product success, sales growth and profitability levels (ROI) of small firms. His findings agree with the results of most of the research studies on the market orientation-performance link in large firms across different national cultures (Narver and Slater, 1990; Ruekert, 1992; Jaworski and Kohli, 1993; Chang and Chen, 1994; Atuahene-Gima, 1995; Caruana et al., 1995; Pitt et al., 1996).

Earlier studies tested the relationship between market orientation and organizational performance in the service (Matear, Osborne, Garrett and Gray, 2002; Olivares and Lado, 2003; Agarwal, Erramilli and Dev, 2003; Matear, Gray and Garrett, 2004) and manufacturing industries (Narver and Slater, 1990; Jaworski and Kohli, 1993; Narver and Slater, 1994; Appiah-Adu, 1997; Langerak and Commandeur, 1998; Langerak, 2001; Noble, Sinha and Kumar, 2002; Ramaseshan, Caruana and Pang, 2002; Farrell and Oczkowski, 2002; Matsuno, Mentzer and Ozsomer, 2002; Pulendran, Speed and Widing II, 2003; Kim, 2003; Akyol and Akehurst, 2003; Aziz and Yasin, 2004; Verhees and Meulenbergh, 2004). Other studies analyzed the impact of market orientation in the performance of hospitals (Raju, Lonial, Gupta and Ziegler, 2000; Knight and Dalgic, 2000). A description of the populations studied and their results appear on Table 1. Some of the findings from these studies concurred with the results from the present research study.

In contrast to the research studies presented above, the study by Perry and Shao (2002) did not find significance on the relationship between market orientation and quantitative

performance for both, traditional or specialty competitors. The sample consisted of foreign affiliates of US based advertising agencies. Based on their research the results for regression models using quantitative performance as the dependent variable indicated that one of the control variables, country economy, had a positive and significant effect on quantitative performance ($p < .05$) (Perry and Shao, 2000). These results were duplicated using qualitative performance as the dependent variable. They also found that the interaction of traditional competition on market orientation had a positive effect on qualitative performance.

Some of the studies examined the contribution of other mechanisms or the influence of environmental variables on the linkage between market orientation and organizational performance (Day and Wensley, 1988; Jaworski and Kohli, 1993; Slater and Narver, 1994; Verhees and Meulenbergh, 2004). According to Narver and Slater (1994) the possibility of a moderating effect is consistent with a long tradition of support for the theory that environment moderates the effectiveness of organizational characteristics. This study did not find any significance on the effects of environmental moderators -- market turbulence, competitive intensity and technological turbulence, on the relationship between market orientation and organizational performance.

A study by Langerak (2001) used self-reports, customer reports and supplier reports to test the relationship between the manufacturer's market orientation and its business performance. He investigated the existence of potential gaps between what a supplier, manufacturer and customer perceive to be the extent of the manufacturer's market orientation. The researcher tested a sample of seventy-two matched sets of suppliers,

manufacturers and customers in business markets in the Netherlands. Although, the results reveal that no market orientation gap exists between what manufacturers think of themselves and what customers think of them, the findings led to insights regarding the existence of an upstream market orientation gap. Also, the findings of the study suggest that management should realize that the positive effects of market orientation on business performance do not accrue immediately, because a change in the market oriented efforts take place slowly and is costly.

Table 2.1 - Studies of Market Orientation

Researchers	MO on Performance - Significance	Population
Narver and Slater, 1990	Significant - measured by business profitability	Commodity and Non- commodity businesses
Jaworski and Kohli, 1993	Significant - measured by judgmental performance	Manufacturing industry - SBUs
Appiah-Adu, 1998	Significant on three performance measures	Consumer/industrial and product/service business - United Kingdom
Langerak and Commandeur, 1998	Significant and positive on business performance	Manufacturing industry - Netherlands
Raju, Lonial, Gupta and	Significant for both small and	Hospital Industry - United

Ziegler, 2000	large hospitals	States
Knight and Dalgic, 2000	Significant - international performance	Exporting companies - in the United States
Langerak, 2001	Significant - measured by sales growth, profit, product success and ROI - self and customer reports	Manufacturing industry -- Netherlands
Kumar, 2001	Significant - measured by organizational competencies	Acute care hospitals - United States
Gainer and Padanyi, 2001	Significant - measured by Customer Satisfaction	Non profitable organizations - Canada
Ramaseshan, Caruana and Pang, 2002	Significant - measured by overall new product performance	Consumer and industrial products / services - Singapore
Noble, Sinha and Kumar, 2002	Significant - five dimensions of MO on firm performance	Mass merchandiser sector of the retail industry
Saini, Johnson and Grewal, 2002	Significant - measured by e-commerce and web-site performance	Online Brokerage firms - United States
Matear, Osborne, Garrett and Gray, 2002	Significant on Market and Financial performance	Service Industry - New Zealand

Perry and Shao, 2002	Significant on Qualitative performance - moderated by traditional competition	Advertising Agencies - United States
Matsuno, Mentzer and Ozsomer, 2002	Significant - three measures of performance	Manufacturing industry - United States
Farrell and Oczkowski, 2002	Significant - four measures of performance	Manufacturing organizations in Australia
Pulendran, Speed and Widing II, 2003	Significant - positive on business performance	Multi-industry – Australia
Olivares and Lado, 2003	Significant on business economic performance	Insurance companies - the European Union
Agarwal, Erramilli and Dev, 2003	Significant - performance measured judgmentally and objectively	Hotel industry - General Managers – subjects
Kim, 2003	Significant - measured by growth and profitability	Multi industry - Korean subsidiaries in US markets
Akyol and Akehurst, 2003	Significant - measured by export performance	Textile and Apparel export industry – Turkey
Matear, Gray and Garrett, 2004	Significant - positive effect on performance	Service organizations - New Zealand - Marketing subjects
Aziz and Yasin, 2004	Partially significant - influence on marketing competency	Manufacturing and Travel industry – Malaysia

A study of great relevance by Saini, Johnson and Grewal (2002) investigated the market orientation-performance relationship and tested the moderating role of a firm's information technology (IT). According to the researchers (Grewal, Comer, and Mehta 2001) the IT capability is a critical resource for effectively competing in the electronic media. In their study, Saini et al., conceptualized performance at two levels: (1) web site performance, that indicates the effectiveness of a firm's web site, and (2) e-commerce performance, that indicates the overall business performance of its Internet operations.

The population studied by Saini et al. was made up of online brokerage firms in North America. The results of their study indicate that both market orientation and proactive market orientation are critical for a superior performance on the Internet.

2.5 Conclusion

This section has revealed the literature on past research relating to market orientation and business performance. The next section depicts the conceptual framework on which this study was based.

SECTION III

CONTEXTUAL FACTORS

3.1 Introduction

The students, both undergraduate and graduate, studying at the Near East University, Departments of Business and Economics, were selected as the target population of this descriptive, case study. This section describes the study setting and its environment.

3.2 The Near East University

Near East University (NEU) is a private international institution of higher education founded in Lefkosa, Northern Cyprus, in 1988.

The main objective of this institution is to give students a sound education and bring them up as confident and responsible individuals with creative and inquisitive minds. Today the NEU consists of a select student population from eighteen different countries; hence, its international identity. The NEU with its ample educational facilities and academically highly qualified staff from 12 different countries is the only institution of higher education in Lefkosa, the capital city of Northern Cyprus rendering quality education.

Towards establishing close ties between the NEU and other universities primarily in Turkey, the United States, England, Australia, Kazakstan and Azarbaijan protocol agreements have been undersigned and put into effect.

The medium of instruction at the Near East is English. Students with a good background of English may directly start from the degree program while those with little or no knowledge of English at all are exposed to a highly intensive English program in the English Preparatory School for a duration of at least one academic year.

All newly enrolled students to the university have to take the English Proficiency and Placement Exam, which will help determine their English language aptitude. Currently, 28% of the students receiving education at the Near East are on scholarship, and the ratio of students on scholarship is expected to reach 50% by the year 2000. Students, upon request, can complete the Teacher Training Program offered by the Psychology Department to become teachers at secondary schools.

The University also offers graduate programs under the guidance and coordination of the Graduate School of Social and Applied Sciences. The NEU currently has 7 Faculties with 20 Departments and School of Physical Education and Sports and, School of Tourism and Hotel Management offering courses at undergraduate and graduate levels:

Faculty of Economics and Administrative Sciences; Faculty of Engineering; Faculty of Architecture; Faculty of Arts and Sciences; Faculty of Maritime Studies; Faculty of Law; Faculty of Communicative Arts and Sciences; School of Physical Education and Sports; School of Tourism and Hotel Management.

3.3 Faculty of Economics and Administrative Sciences

The faculty is structured in a way that would help the graduating students to acquire problem solving capabilities, innovative skills alongside other essential qualities which could facilitate their employments in all sectors, and find jobs that require highly qualified personnel who are

capable of making quick but sound decisions, who have a through knowledge on the most recent issues related to their respective fields of study. These qualities are all acquired by the students in an English medium of instruction. The Faculty renders its services to the students fully aware of all the needs and demands of the rapidly changing and improving conditions of world communities, individuals and, in short the environment. The faculty needs to be in mutual collaboration and interaction with different disciplines which in turn allow them to work in complete harmony.

The degree programs are offered in Business Administration, Economics, International Relations, Computer Information Systems, Tourism & Hotel Management, and Banking & Finance. The elective courses offered and academic activities enable a close interaction and collaboration to be established between and among the faculty at a very collegiate level.

3.4 Department of Business Administration

The Department Business Administration aims to equip its graduates with a knowledge and understanding of all the business administration disciplines and to give them an insight into the key issues confronting the business practitioner now and in the future.

Its programme is based on a modular structure including both compulsory and elective units. The elective units reflect the needs of the current businesses and may vary from year to year.

Graduates should acquire the conceptual and analytical tools that will enable them to tackle business problems and issues with greater confidence, and an appreciation of the wider

organisational context. This will enable them to advance their career prospects in many areas of business.

The mission of Business Administration is to be the premier teaching institution in our market, helping our students to acquire the knowledge, skills and values necessary for participation and leadership in the evolving global marketplace. In carrying out that mission, it provides an environment of excellence in teaching and learning. The faculty pursues a balance of theoretical knowledge and practical experience through instructional excellence, research and intellectual inquiry and a commitment to professional and community service.

3.5 Conclusion

This section described the NEU and its Faculty of the Economics and Administrative Sciences as a contextual factor of this study.

SECTION IV

CONCEPTUAL FRAMEWORK

4.1 Introduction

This section sets out the conceptual framework based on current literature that this study is built upon

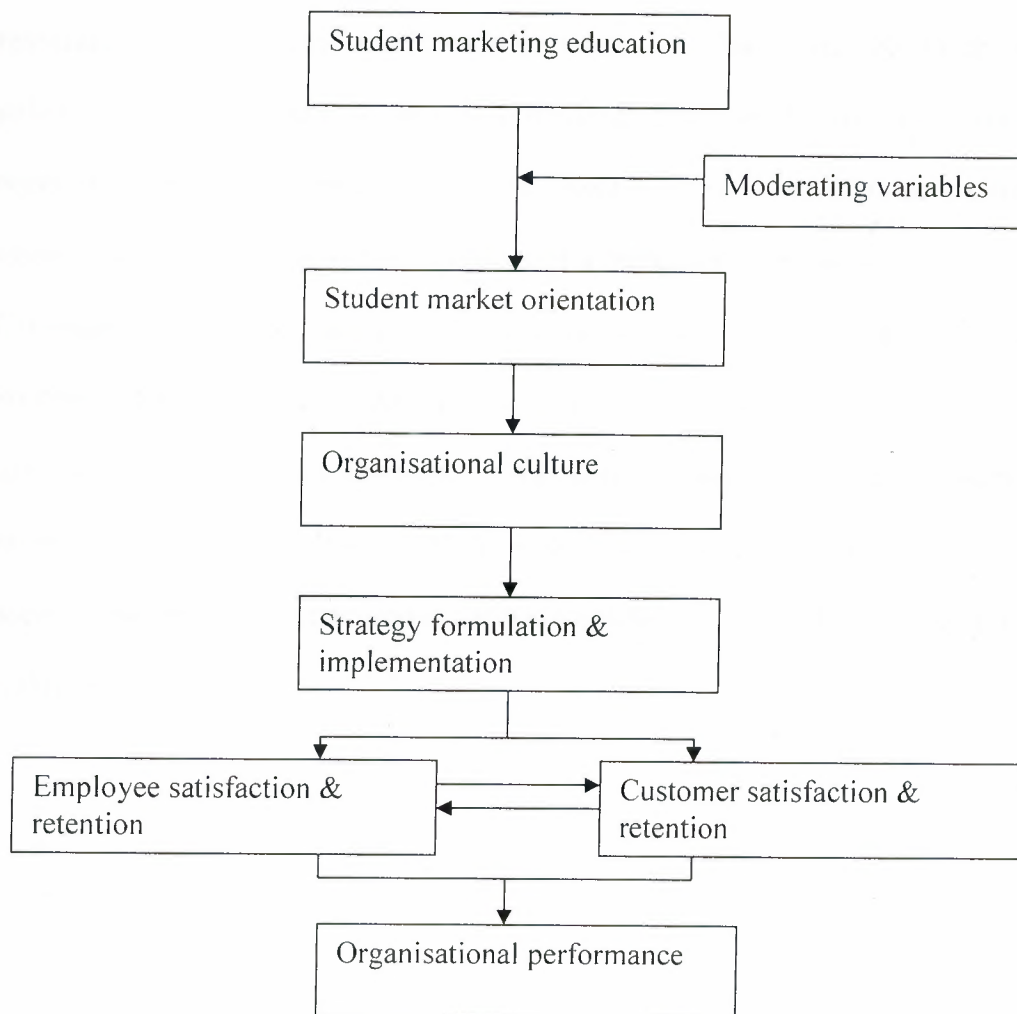
4.2 Student market orientation and organisational performance

The primary proposal of this study concerns the importance of expanding the scope of market orientation measurement to include undergraduate and graduate business students as stakeholder groups. Figure 4.1 presents the relationship between marketing education and student market orientation. This relationship provides the basis for expanding the scope of market orientation measurement to include undergraduate and graduate business students. Figure 4.1 can be summarized as follows:

Marketing education, as influenced by moderating variables (such as the teaching environment), is the foundation of student market orientation. Student market orientation, as influenced by organizational culture, is the foundation of individual employee market orientation. Individual employee market orientation drives overall organization market orientation, which drives organizational strategy formulation and implementation. Strategy formulation and implementation drives customer/employee satisfaction and retention, which drives organizational performance.

Figure 4.1

A basic model of student market orientation role in organisational performance



4.3 Jaworski and Kohli's Framework of market orientation

Jaworski and Kohli (1993) defined market orientation as the implementation of the marketing concept. They described market orientation as the generation of market intelligence, dissemination of this intelligence across the functional areas of an organization and the organization's wide response to it. They were able to develop the market orientation framework into a formalized causal model that could be tested empirically. Their causal model of market orientation consisted of three constructs -- antecedents, two outcomes -- consequences of a market-oriented environment, and a set of mediating factors -- Market turbulence, competitive intensity and technological turbulence. The first part of the theoretical framework used in this study appears in Figure 4.2. The framework shows the dimensions of market orientation described by Jaworski and Kohli (1993) in their study: intelligence generation, intelligence dissemination, organizational responsiveness, mediating factors and a dependent measure of performance.

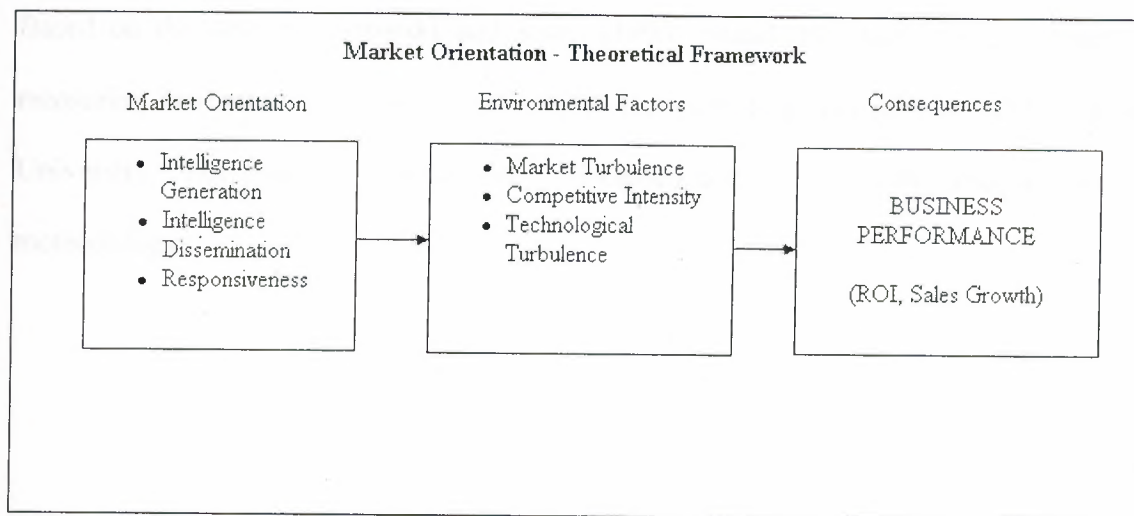


Figure 4.2 Jaworski and Kohli's market orientation framework (1993)

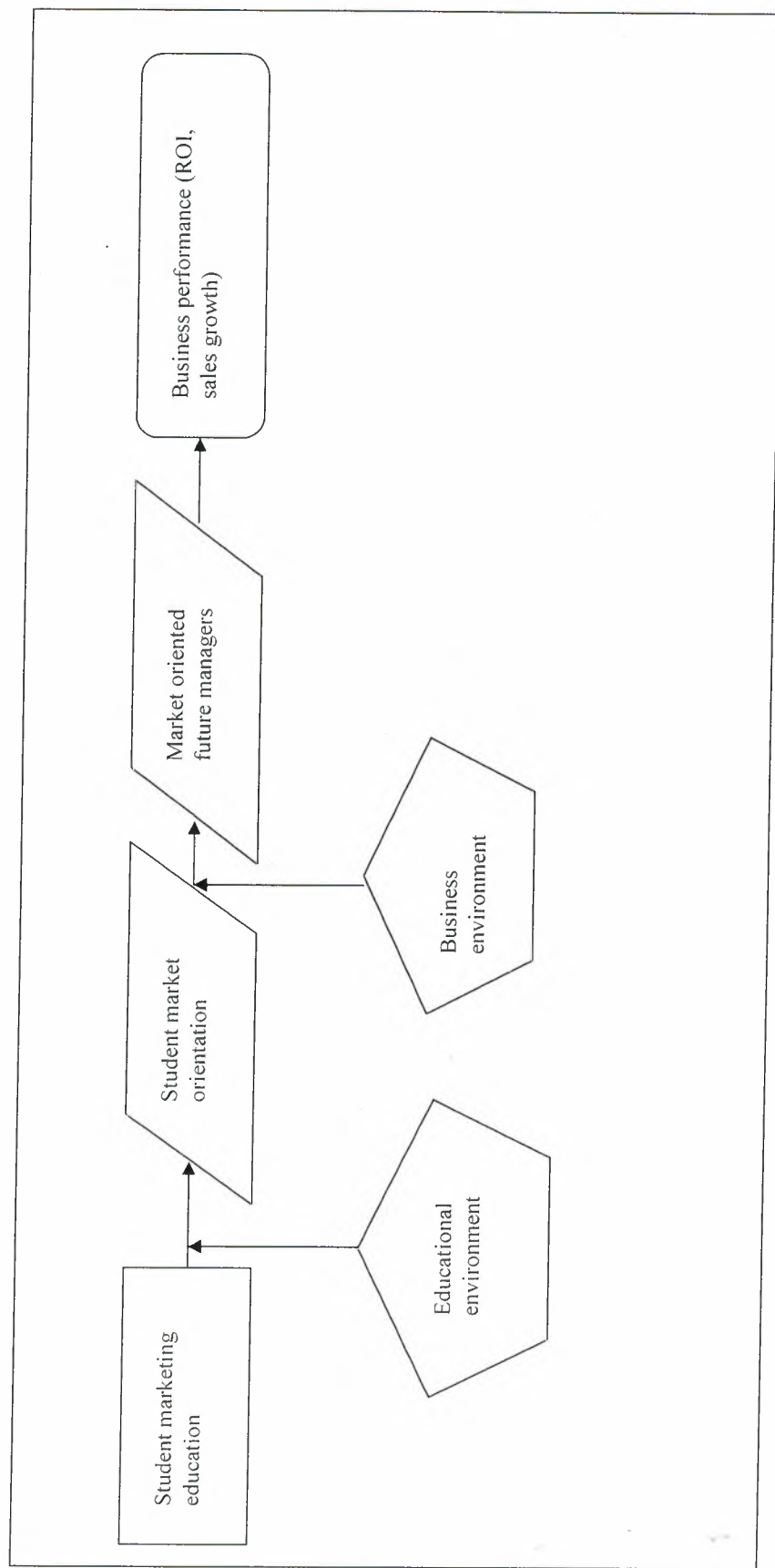
4.4 The student market orientation and business performance model

The Market Orientation framework designed by Jaworski and Kohli was chosen by this study since it has been used extensively in other research studies. This study investigated the relationship between marketing education and the degree of market orientation among the next generation of managers (students of marketing). The relationship was tested using the following framework model on a case study of undergraduate and graduate business students at the Near East University.

The model assumes that student market orientation arrives from good education in marketing dependent of the educational environment and circumstances which in return market oriented future managers who depending on the business environment produces good results in business performance.

Based on this and the Jaworski and Kohli (1993) model this study has developed a measuring instrument to assess the efficacy of the marketing education at the Near East University. The measuring instrument is discussed and defined in the next section on methodology.

Figure 4.3 Student Market orientation and business performance model



4.5 Conclusion

This section has depicted the model which this study is based for fulfilling its objectives.

SECTION V

METHODOLOGY

5.1 Introduction

This section depicts the methods adapted toward reaching the objectives of this study that is testing the degree of market orientation among the undergraduate and graduate business/economics students at the Near East University.

5.2 Research design

A case study, descriptive research design was used to investigate the degree of market orientation among the undergraduate and graduate business/economics students at the Near East University. Descriptive design is useful to describe the characteristics of relevant groups (i.e. consumer, market area, organizations), to estimate the percentage of units in a specified population that exhibit a particular behaviour, and to determine the group's characteristics (Malhotra, 1993).

Survey method was used to collect data. Survey research is descriptive research because it helps to identify characteristics of a particular group, measures attitudes, and describes behavioural patterns. Other advantages of the survey method include a degree of researcher and sample bias. Malhotra (1993) also stated that the survey method is a good tool to use for obtaining information regarding the respondent's intentions, awareness,

demographics, and lifestyle characteristics, and to determine the interrelations among variables.

The researcher's interference was at a minimum since this was a case study conducted at the work/study environment of the sample population (students). The unit of measurement was the individual and finally, the time horizon of the study was "one-shot".

5.3 Sampling

The sample population included 26 undergraduate business/economics students who never studied marketing and 22 graduate students who already studied marketing. There is an average of 30 business/economics graduates twice at every academic year so the sample population can be said to be representative of the whole population.

5.4 Secondary data

A scan of the past literature on market orientation and how to measure it in case of companies was carried out. The results of the literature review are reported in sections II and IV of this paper. The major secondary data findings are listed in the final section of this study report.

5.5 Primary data

5.5.1 Instrument selection and analysis

For the purposes of this study, a modified market orientation instrument consisting of 15 Likert-type, five-point, marketing attitude statements was utilized to collect student market orientation data. Collectively the statements are designed to measure three components (dimensions) of individual market orientation. These dimensions of individual market orientation are (1) intelligence generation (2) intelligence dissemination and (3) responsiveness. Two other sections of the instrument included demographic questions and open-ended questions on market orientation and its definition.

Market orientation data were collected from 26 undergraduate and 22 graduate students enrolled in business and economics courses during the summer 2006 semester at the Near East University.

5.5.2 Instrument validity and reliability

SPSS software package was used to collect and analyse data. Instrument reliability was evaluated by using Cronbach's coefficient alpha. The overall coefficient of alpha for the undergraduate students was 0.605 and the graduate students it was 0.761. Both figures are depicted as reliable in social research (see below).

Instrument Reliability (undergraduate students)

Case Processing Summary

		N	%
Cases	Valid	26	100.0
	Excluded ^a	0	.0
	Total	26	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.605	21

Instrument Reliability (graduate students)

Case Processing Summary

		N	%
Cases	Valid	22	100.0
	Excluded ^a	0	.0
	Total	22	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.761	21

The modified instrument was also pre-tested on targeted students and opinions from lecturers in marketing were taken before finalising the instrument as valid in content.

5.6 Methods employed on data analysis

The individual components of market orientation provided the framework for analyzing the extent of student market orientation. For each market orientation component, the mean value of all scale items comprising the component was computed and utilized as the component's "score." Potential mean values (scores) range from one (strongly not market oriented) to five (strongly market oriented). A mean value of three corresponds to the scale neutral point. Slightly not market oriented and slightly market oriented correspond to mean values of two and four respectively.

5.7 Conclusion

This section described the methods and the design of the investigations conducted for this study.

SECTION VI

FINDINGS

6.1 Introduction

This section depicts the results obtained from the questionnaire carried out on the subjects of the sample population as described in Section V.

6.2 Realisation rate

The measuring instrument designed as a questionnaire and as explained in Section V was carried out on 48 respondents of which 26 constituted undergraduate business students who had not yet taken marketing classes and 22 were business graduate students who had taken marketing classes. The realisation rate and corresponding results are as in Table 6.1 below:

Table 6.1 Realisation rate of questionnaires carried out

	No of Respondents
Undergraduate	26
Graduate	22
Total	48

6.3 Demographic findings

Out of the 48 respondents 29 (60.42%) were males and 19 (39.58%) were females. The male/female proportions varied from the total proportions as in those who never took marketing classes before (80.76% Male and 19.23%) and those who took marketing classes (36.36% Male and 63.63% Female).

The age of the respondents showed a higher frequency between the ages of 18-22 (81.85%) with those who never took marketing classes and however, differently as between the ages of 18-22 (45.46%) and between the ages of 23-27 (40.90%). Naturally, graduates students are older and these results are not surprising except the fact that almost half of the graduate students are younger than the other half of the graduate students.

On the question of the country of origin there was a significant finding in the proportion of the TRNC students who never took marketing classes before (23.08%) and those graduate TRNC students who took marketing classes (50%). The proportion of the students from other countries, Turkey and "Third countries" was as expected with students from Turkey being higher in number. The significant finding here is that the proportion of the students taking business courses is falling in relation to students of other nationals.

The major finding: the respondents reflected a typical picture of the NEU Business students as observed and that there is a relative fall in the proportion of the TRNC students.

6.4 Future career in management

About 90% of the respondents from both the undergraduate and graduate groups said that they were thinking a career in management.

Major finding: A great majority of business students are seeking a career in management.

6.5 Respondent's definition of market orientation

Graduate students were asked to define market orientation in an open question. The Table 6.2 below summarises and categorises typical responses. Undergraduate students were not asked to respond to this question.

Table 6.2

No of graduate respondents	Typical response
14	Satisfying customer needs and expectations
1	Being innovative towards demand conditions
1	There is a good market orientation in TRNC
2	Having a marketing department
2	Quality in satisfying customer needs
1	Low price, good product quality, and advertising are elements of successful business
1	Having a large market share

Over half the respondents related market orientation with satisfying customer needs (64%=14/22). The others seem to have related market orientation with quality, price, advertising or having a marketing department. One respondent was confused and gave his opinion on marketing in the TRNC.

Major finding: Over half the respondents relate market orientation with satisfying customer needs.

6.6 Data analysis and results on student marketing orientation

The individual components of market orientation provide the framework for analysing the extent of student market orientation. For the purposes of this study, a modified market orientation instrument consisting of 15 Likert-type, five-point, marketing attitude statements was utilized to collect student market orientation data. Collectively the statements were designed to measure three components (dimensions) of individual market orientation. These dimensions of individual market orientation are (1) intelligence generation (2) intelligence dissemination and (3) responsiveness. Two other sections of the instrument included demographic questions and open-ended questions on market orientation and its definition.

Market orientation data were collected from 26 undergraduate and 22 graduate students enrolled in business and economics courses during the summer 2006 semester at the Near East University.

Data pertaining to the mean values of overall student market orientation of undergraduate/graduate students and the individual components of student market orientation are represented in Table 6.3 below (also see appendix):

Table 6.3 Student market orientation mean values

Component	Undergraduate (N26)	Graduate (N22)
Intelligence generation	3.83846	3.77272
Intelligence dissemination	3.66154	4.04546
Responsiveness	3.63078	3.84546

A modified before-after format was used for data collection and analysis purpose. Responses to 15 attitude statements from undergraduate students enrolled in business/economics courses provide the before market orientation measurement. Similarly responses to the 15 attitude statements from graduate students enrolled in business/economics courses provide the after market orientation measurement.

Intelligence generation:

The mean value of undergraduate students is 3.83846; graduate students mean value is 3.77272. The difference between mean values is statistically ($p=000$). These mean values lie in the neutral to slightly market-oriented interval. With respect to intelligence generation graduate students are slightly less marketing oriented.

Major finding: With respect to intelligence generation graduate students are slightly less marketing oriented.

Intelligence dissemination:

The mean value of undergraduate students is 3.66154; graduate students mean value is 4.04546. The difference between mean values is statistically ($p=000$). These mean values lie in the neutral to slightly market-oriented interval. With respect to intelligence dissemination graduate students are slightly marketing oriented.

Major finding: With respect to intelligence dissemination graduate students are slightly marketing oriented.

Responsiveness:

The mean value of undergraduate students is 3.63078; graduate students mean value is 3.84546. The difference between mean values is statistically ($p=000$). These mean values lie in the neutral to slightly market-oriented interval. With respect to responsiveness graduate students are slightly marketing oriented.

Major finding: With respect to responsiveness graduate students are slightly marketing oriented.

Overall student market orientation

Mean values for overall market orientation for undergraduate and graduate market orientation are given in Table 6.4 below:

Table 6.4 Student market orientation overall mean values

Component	Undergraduate (N26)	Graduate (N22)
Student market orientation	3.71026	3.88788

Mean values for overall market orientation for undergraduate students and graduate students are 3.71026 and 3.88788 respectively and lie in the neural to slightly market oriented interval. The difference between the means is statistically significant ($p=0.001$). In terms of overall market orientation graduate students are considered to be slightly market oriented.

Major finding: With respect to overall market orientation graduate students are slightly marketing oriented.

6.7 Students views on the link between market orientation with that of business performance and profitability

Out of the 22 responding graduates 20 said yes to a link between market orientation and business performance. Out of the 26 responding undergraduate students 25 said yes to a link between market orientation and business performance.

Major finding: An overwhelming majority of both graduate and undergraduate students sees a link between market orientation and business performance including profitability.

6.8 Respondents' definition of the success of a company

The definitions given by the respondents to the open-ended question: "How would you define the success of a company? How would you measure it?" are classified as in Table 6.5 below:

Table 6.5

No of undergraduate respondents (N16)*	No of graduate respondents (N20)*	Typical response
6	6	Market share and profitability
2	2	Increase in sales of company products
3	4	Satisfied customers and being able to apply good customer service and marketing principles
1	2	Being able to reach company objectives
1	1	Being competitive through knowing your customers and innovation
1	1	Increasing financial income
1	1	In relation to competition

1	-	Lowering risks
	2	Good advertising and marketing
	1	Being cost effective

* 16 out of 26 undergraduates and 20 out of 22 graduates responded to this question

Most responding students (both undergraduate and graduate), linked success in increasing market share and sales. Some linked success with being innovative, cost effective, and as being better than competition. A majority also talked about understanding customers and applying marketing principles. However, there was confusion on how to “measure” success.

Major finding: Both undergraduate and graduate business/economics students tend to link business success with an increase in market share and sales. Some are confused on how to measure business success.

6.9 Conclusion

This section has revealed the findings from the empirical investigations of this report. The next section will be the concluding part that will include a summary of the theoretical and the empirical findings, answers to the objectives/questions set at the beginning of the project and limitations and suggestions for further research and final concluding remarks.

SECTION VII

CONCLUSIONS

7.1 Introduction

This section finalises this study report through reporting major theoretical and empirical findings. Study objectives/questions are answered with general conclusions. Study' limitations and recommendations for further research are also discussed.

7.2 Summary of theoretical findings

The theoretical findings carried out in Section II and IV of this report revealed that:

- 7.2.1 In the study by Nielsen, et al, (2003) the researchers suggest that "organizational size was positively associated with market orientation."
- 7.2.2 Research studies found positive relationship between market orientation and performance (Jaworski and Kohli, 1993; Narver and Slater, 1994; Fritz, 1996; Pitt et al, 1996; Selnes et al, 1996).
- 7.2.3 Results of the research by Nielsen et al, provided support for the hypothesis related market orientation and its impact on organizational performance in Nordic banks.
- 7.2.4 The study by Appiah-Adu, (1998) which found that market orientation was the only variable tested which had a significant and positive influence on three performance measures; new product success, sales growth and profitability levels (ROI) of small firms. His findings agree with the results of most of the research studies on the market orientation-performance.

7.2.5 Management should realize that the positive effects of market orientation on business performance do not accrue immediately, because a change in the market oriented efforts take place slowly and is costly.

7.2.6 Marketing education, as influenced by moderating variables (such as the teaching environment), is the foundation of student market orientation. Student market orientation, as influenced by organizational culture, is the foundation of individual employee market orientation. Individual employee market orientation drives overall organization market orientation, which drives organizational strategy formulation and implementation. Strategy formulation and implementation drives customer/employee satisfaction and retention, which drives organizational performance.

7.3 Summary of the empirical findings

The major findings resulting from the empirical investigations of this study are given below:

7.3.1 Targeted business/economics students reflected a typical picture of the NEU business/economics students and that the number of TRNC students is falling.

7.3.2 A great majority of business students are seeking a career in management.

7.3.3 Over half the respondents relate market orientation with satisfying customer needs.

7.3.4 With respect to intelligence generation graduate students are slightly less marketing oriented.

- 7.3.5 With respect to intelligence dissemination graduate students are slightly marketing oriented.
- 7.3.6 With respect to responsiveness graduate students are slightly marketing oriented.
- 7.3.7 With respect to overall market orientation graduate students are slightly marketing oriented.
- 7.3.8 An overwhelming majority of both graduate and undergraduate students sees a link between market orientation and business performance including profitability.
- 7.3.9 Both undergraduate and graduate business/economics students tend to link business success with an increase in market share and sales. Some are confused on how to measure business success.

7.4 Answers to questions formulated for the project

- 7.4.1 Develop a measuring instrument to measure the effectiveness of marketing classes on creating market oriented future managers.

This study has developed a valid and reliable instrument (see Section V) to measure the extent of student market orientation. This is justified in the following:

Instrument reliability was evaluated by using Cronbach's coefficient alpha. The overall coefficient of alpha for the undergraduate students was 0.605 and the graduate students it was 0.761. Both figures are depicted as reliable in social research as in general, reliabilities less than .60 are considered to be poor, those in the 0.70 range, acceptable, and those over 0.80 good (Sekaran, 2003).

The modified instrument was also pre-tested on targeted students and opinions from lecturers in marketing were taken before finalising the instrument as valid in content.

In the light of the above and the consistency of the empirical results obtained, the researcher is confident that a valid and reliable instrument is developed to measure the extent of students' market orientation.

7.4.2 Be able to advise educators at the Near East University on how to enhance the marketing classes toward training more effective future managers

This study has produced essential advice to be given to educators in marketing at the Near East University.

The fact that majority of the students seeking careers in management can be considered as the characteristic of those studying for a degree in business and economics. However, their success in business management will, in future, be measured through performances of the businesses they would be running. Unfortunately, most are confused on how to measure business success.

Although, most were regarded as slightly market oriented, both the undergraduate and graduate students at the Near East University are still not confident in defining market

orientation. This may indicate for a need to improve theoretical learning and appreciation of marketing principles.

While the undergraduate students showed a tendency to be more market oriented in intelligence generation, the graduate students or those who took marketing classes were relatively more market oriented in the overall score. However, despite of a great majority of students linked business performance and profitability with increases in sales and market share only. Further more, in open ended questions they consistently advised for more advertising and sales effort for business success. This may indicate a tendency for sales orientation rather than market orientation.

In general, marketing educators need to closely examine what is being taught in the classroom as well as how it is being taught.

7.5 Main conclusions and overall implications

This study provides significant implications for marketing education and educators. The issue of measuring student market orientation needs to be addressed and very serious consideration given to including such measurements in output assessment procedures for colleges of business administration. Measurement of student orientation should also included in measuring teaching effectiveness for individual marketing courses.

The relatively low levels of overall student market orientation indicate the need for marketing educators to closely examine what is being taught in the classroom, as well as

how it is being taught. The magnitude of the change in before and after measurements of student market orientation indicates that market orientation is not the cornerstone of marketing education.

Although improvement in each individual component of market orientation is needed, this need is particularly important in terms of intelligence dissemination. From a marketing educator's viewpoint, producing graduate who are slightly market oriented may not be disturbing, however, there is a room for improvement. From a revenue and profit perspective, students tended to see the price and advertising as the only marketing mix variables directly producing revenue. Clearly attention must be devoted to the manner in which pricing concepts and theory is being taught.

7.6 Limitations and recommendations for further research

This study was limited by its case study nature. The instrument developed should be applied at other universities where educators may see comparisons in marketing education and student market orientation.

7.7 Conclusion

This final section has depicted the theoretical results, answered to study's questions and discussed the implications of the findings. Recommendations for further research were also made.

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APPENDIX A

MEASURING INSTRUMENT:

QUESTIONNAIRE DEVELOPED IN MEASURING THE EXTENT OF STUDENT
MARKET ORIENTATION

(TURKISH AND ENGLISH COPIES)

Summer 2004

Thank you for your kind co-operation.

Master's Student of Business Administration
Near East University

Your gender Male ☐ Female ☐

Your age Country of origin

--

Are you seeking a career in management? Yes ☐ No ☐

Have you ever studied marketing? Yes ☐ No ☐

If yes, how would you define market/customer orientation?

[illegible]

Section 2 – Market orientation

Please think about the manner in which the firm that you could be managing in the future should conduct its business practices in relation to the attitude statements below.

Please read each attitude statement carefully and then respond to each of them selecting the appropriate box. It is important that you answer all the statements.

Please use the following table to rank your responses to situations 1 to 15.

Strongly not market oriented	Slightly not marketing oriented	Neither market oriented nor not market oriented	Slightly market oriented	Strongly market oriented
1	2	3	4	5

Intelligence generation		1	2	3	4	5
1.	Meeting customers at least once a year to find out products and services that they will need in the future					
2.	Being slow to detect changes in customers' product preferences					
3.	Questioning end-users at least once a year to assess the quality of products and services					
4.	Being slow to detect fundamental shifts in the industry (e.g. competition, technology)					
5.	Periodically reviewing the likely effect of changes in the business environment (e.g. regulation) on customers					

Intelligence dissemination		1	2	3	4	5
6.	Having inter-departmental meetings at least once a quarter to discuss market trends and developments					
7.	Having marketing personnel to spend time discussing customers' future needs with other functional departments					
8.	Informing the whole business unit within a short period when something happens to our major customer market					

9.	Being slow to alert other departments when one department finds out something important about competitors					
10.	Having minimal communication between marketing and manufacturing department concerning market developments					

Responsiveness		1	2	3	4	5
11.	Being quick to respond to significant changes in our competitors pricing structures					
12.	For one reason or another tending to ignore changes in our customers' product/service needs					
13.	Having new product development efforts driven by principles of market segmentation					
14.	The product/service lines marketed depending more on internal politics than real market needs					
15.	Periodically reviewing product development efforts to ensure that they are in line with customers' wants					

Section 3 – Market orientation defined

16. Do you see a link between market orientation with that of business performance and profitability?

Yes ☐ No ☐

17. How would you define the success of a company? How would you measure it?

Once more, thank you for your kind co-operation.

Banu Şavkın

1	1. Name of the person
2	2. Date of birth
3	3. Place of birth
4	4. Nationality
5	5. Religion
6	6. Education
7	7. Occupation
8	8. Marital status
9	9. Family members
10	10. Other information

Bölüm 2 – Pazar/müşteri odaklılık

Lütfen kendinizi ileride bir şirketin yöneticisi olarak düşünüp aşağıdaki anlatımları da bu şirketin tutumu olarak var sayınız.

Lütfen her anlatım tümcesini özenle okuyup size uygun yanıt kutusunu işaretleyin. Tüm anlatımlara yanıt vermeniz oldukça önemlidir.

Aşağıdaki değerlendirme çizelgesini kullanarak 1 den 15'e kadar sıralanan anlatımları yanıtlayınız.

Hiç Pazar odaklı değil	Biraz Pazar odaklı	Orta düzeyde Pazar odaklı	Oldukça Pazar odaklı	Tamamen Pazar-odaklı
1	2	3	4	5

Bilgi edinme	1	2	3	4	5
1. Yılda en az birkez müşterilerle buluşup gelecekte gereksinecekleri ürünle hizmetlerin neler olduğunu öğrenmek					
2. Müşterilerin ürün tercihlerindeki değişiklikleri fark etmede yavaş olmak					
3. Ürün ve hizmet kalitesini ölçmek için yılda enaz birkez tüketicilere yönelik araştırma yapmak					
4. Sanayideki temel değişiklikleri fark etmede yavaş olmak (ör. Rekabet ve teknoloji)					
5. İş çevresindeki değişikliklerin müşteriler üzerindeki etkilerini dönemsel olarak gözden geçirmek (ör. Yasal uygulamalar)					

Bilgi paylaşımı	1	2	3	4	5
6. Pazardaki eğilimlerle gelişmeleri tartışmak için şirketin bölümleri arasında en az üç ayda bir toplantı düzenlemek					
7. Pazarlama görevlilerinin diğer görevli bölümlerle müşterilerin gelecekteki gereksinimlerini tartışmalarını sağlamak					
8. En büyük müşteri pazarımızda önemli bir gelişme olursa bu bilgiyi en kısa sürede işletmenin tüm birimleriyle paylaşmak					

9.	Rakiplerle ilgili önemli bir gelişmeyi öğrenen bir bölümün diğer bölümleri uyarmakta yavaş olması					
10.	Pazarlama ve üretim bölümleri arasında pazardaki gelişmelerle ilgili en az seviyede bilgi alış-verişinin olması					

Tepkisellik		1	2	3	4	5
11.	Rakiplerimizin fiyatlarındaki değişikliklere karşı ivedilikle hareket edilmesi					
12.	Müşterilerin ürün/hizmet gereksinimlerindeki değişiklikleri göz ardı etme eğilimi					
13.	Yeni ürün geliştirme çabalarını pazar kesimleme ilkelerine göre yürütmek					
14.	Pazarlanan ürün/hizmet çeşitlerinde gerçek pazar gereksinimlerinden çok iç-politikalara bağlı olunması					
15.	Müşteri istekleriyle uyumlu olabilmek için ürün geliştirme çabalarının dönemsel olarak gözden geçirilmesi					

Bölüm 3 – Pazar/Müşteri odaklılığı tanımı

16. Pazar odaklı olmakla bir işletmenin başarılı ve kazançlı olması arasında bir bağlantı görüyor musunuz?

Evet ☐ Hayır ☐

17. Sizce, işletme başarısı nedir? Nasıl ölçülür?

Gösterdiğiniz yakın işbirliğine yeniden teşekkürlerimi sunarım.

Banu Şavkın