**CHAPTER VI**

**DISCUSSION**

**6.1 Introduction**

This chapter finalises the report of this study by listing the major theoretical and the empirical findings to be able to provide answers to the research questions and the conclusions on the propositions that had been made. It also discusses the limitations of the study before offering recommendations on possible future research.

**6.1 Theoretical findings**

|  |  |
| --- | --- |
| 6.1.1 | Market orientation is a philosophy in organisations that involves all the departments and the employees. It is a culture that motivates behaviour in creating customer value superior to that of the competition. |
|  |  |
| 6.1.2 | The marketing literature widely agrees that there is a link between market orientation and business performance. There is research evidence that market oriented companies benefited from higher rates of return. |
|  |  |
| 6.1.3 | Kohli and Jaworski (1990) described market orientation as the generation of market intelligence on current and future customer needs, dissemination of the intelligence across departments, and responsiveness to market intelligence throughout the organisation. |
|  |  |
| 6.1.4 | Despite the definition provided by Kohli and Javorski (1990) and others, there is no agreed definition of market orientation in literature. The following accounts for some of the reasons behind the disagreements: |
|  |  |
| 6.1.5 | There is no procedure agreed for measuring market orientation:  There are twopopular scales for measuring the degree of market orientation of an organization. Namely, MKTOR (Narver and Slater 1990) and MARKOR (Kohli et al. 1993). However, the validity of these scales was questioned (e.g., Gabel 1995), and new scales are being designed (Deng and Dart 1994;Deshpandé and Farley 1996). |
|  |  |
| 6.1.6 | Although market orientation is regarded as related to superior business performance not all empirical studies supported this proposition (Tuominen and Möller 1996). |
|  |  |
| 6.1.7 | Finally, developing and implementing a market oriented philosophy in an organization is not made clear. Literature offered no empirical support on implementation issues. |

**6.2 Empirical findings**

|  |  |
| --- | --- |
| 6.2.1 | The majority of the employees at the Near East Bank are female. |
| 6.2.2 | A great majority of the employees has only two years of experience working at the Near East Bank. |
| 6.2.3 | Half the employees of the Near East Bank hold a cashier’s position. |
| 6.2.4 | Near East Bank employees agree that the bank is a market-oriented organisation. |
| 6.2.5 | The financial performance of Near East Bank is rising steadily. The return on total Interest and dividend income has doubled over the last four years. |
| 6.2.6 | The market performance of the Bank between the years 2009-2012 looked good as the growing market share and the expansion of income above the market growth rates reflected. |
| 6.2.7 | Near East Bank is a young growing company. It is regarded as successful by its management on the grounds that:   * It has been the fastest growing bank in Northern Cyprus during the period 2011 and 2012. * It was the first Turkish Cypriot commercial bank opening an overseas branch in Turkey. |

**6.3 Research questions and answers**

|  |  |
| --- | --- |
| 6.3.1 | What are the observed characteristics of a market-oriented organisation? |
|  | The observed characteristics of a market-orientated company were observed at the Near East Bank. They included the following:   * Perception of customers is known by the firm. * Interdepartmental co-operation is valued and motivated by the firm. * Regular review of the firm strength, weakness, opportunities, and threats are made relative to competitors. * Assessment and evaluation of marketing activities are done frequently. * Market-driven firm perform better than non-market oriented firm. |
| 6.3.2 | Is there any relationship between market orientation and business performance? |
|  | This case study supported the idea that there is a relationship between market orientation and business performance. Both the managers’ opinions and the empirical investigations carried out by this study confirmed that Near East Bank is a market oriented business. The analysis on the bank’s income statements for financial and market-based performance revealed that the bank is a successful organisation. However, it should be noted that this is a particular situation of a case study. |
| 6.3.3 | What impact can management have on the level of market orientation? |
|  | The suggestion that Management can have a significant impact on the level of market orientation was observed from this case study for Near East Bank managers emphasised better co-operation and inter-departmental connectedness amongst the employees of the bank. The MARKOR results also confirmed that the case organisation employees viewed management policies as market oriented. |
| 6.3.4 | Can market orientation really help companies to understand and deliver customer needs and wants? |
|  | This study discovered that market orientation keeps companies alert to identifying and responding to market needs. It helps companies avoid marketing myopia. It was evident in this case study research that the Near East Bank better understood and servedits customers by carrying out an intelligence survey about their customers in lieu of the firm’s strengths and weakness , disseminating such information among departments and, finally, implementing such information into a better output so as to satisfy their customers. |

**6.3 Research propositions and Answers**

|  |
| --- |
| **P1. There is a relationship between market orientation and financial performance.** |
| This proposition was supported.  The MARKOR results and interviews with the management agreed that the Near East Bank is a market oriented organisation. Both the objective and the subjective analysis of the Bank’s activities indicated a highly successful, financially performing organisation. However, this support should not be generalised as this is a case study research and it is only valid in the case of the Near East Bank. |
| **P2. There is a relationship between market orientation and market performance.** |
| This proposition is supported.  Similar to the first proposition, The MARKOR results and interviews with the management also agreed that the Near East Bank is a market oriented organisation. Both the objective and the subjective analysis of the Bank’s activities indicated a highly successful, performing organisation on marketing basis. |
|  |
| However, both supports should not be generalised as the evidence is from a case study research and only considered valid in the case of the Near East Bank. |

**6.4 The contribution, limitations and recommendations for future research**

The limitation of this study originates from its nature of being a case study and its results cannot be generalised for science. However, one can consider a valuable contribution to science made by this study ina different way. Most studies on market orientation are carried out in the West and on large organisations. Therefore, the first contributionof this study is that a study of a small organisation of a third world country was conducted. The second, and relatively a more important contribution is the translation and the adaptation of the MARKOR questionnaire for a local culture and in particular to a small bank organisation. The adaptation process of the questionnaire took a lot of time and effort first with its translation, then with its pilot tests with the respondents and then checking its face validity with the academia and the bank managers.

The recommendations for further research of this study stems from its limitations explained as above. A future researcher is recommended to use the MARKOR questionnaire as adapted by this study and apply it to all the organisations working in the banking industry in North Cyprus. The study should concentrate its main objective on researching a link between company performance and market orientation in the area of banking. The performances of the responding banks, however, should be measured more objectively through audited company accounts and the official market figures provided by state services. This way a confident contribution to science will be established and generalised for third world countries. Finally, one can say that a market orientation philosophy should blend with corporate culture and governance. A further study, perhaps, should investigate the two together.

**6.5 Discussion**

The theoretical investigations of this study have established that marketing has become a philosophy for many organizations around the world. The research literature also supported a link between market orientation and business performances. However, not much research work is available on small organizations in the third world countries. Despite its limitations, this study managed a small contribution in adapting and developing a measuring instrument based on MARKOR for a local culture in a small banking organization.

In the light of the findings of this research report, recommendations can be made for Near East Bank, the case study organization.

The bank’s top management should develop the motive of practising what they advocate to their employeesserving as template or blue print to them, and also reminding them continuously of the bank’s business philosophy and orientation about the market, these will gear employees towards greater productivity. Near East Bank top management can help improve market orientation by reducing reward system from financed based (e.g., increase in profits, customers, and sales) to market based (e.g., intelligence obtained, customer satisfaction, trends and technology).Nevertheless, market orientation can be risk taking on the part of the top, middle, and front line managers, so managers should be willing to accept new product and service failures as part of normal business life and, it is empirical to know that the level of the bank market orientation can be influenced by its style of leadership (transactional or transformational leadership style). Ostensibly, it is clear that this study contributes to the literature of market orientation of Near East Bank and her milieu in which it operates.

**6.6 Conclusion**

This chapter listed the major theoretical and the empirical findings and provided answers to the research questions and the conclusions on the propositions that had been made. It also discussed the limitations of the study and offered recommendations on possible future research. In the discussions it reviewed the topic and the contribution of this research to science.