

# Marketing Orientation: Empirical Analysis on the performance of Women Owned Enterprises in North East India

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**Abstract-** The basic objective of this research is to establish a relationship between market orientation and the performance of business in women owned enterprises. The study has been conducted on women entrepreneurs of two north eastern state's capital i.e., Guwahati and Itanagar. The capital cities usually accounts for highest number of enterprises. A convenience sampling technique has been used to select the respondents for the study. A sample of 30 women entrepreneurs have been interviewed and examined with the help of structured schedule for each category of enterprises. The primary data has been analyzed in SPSS software with statistical tools like percentage, correlation and regression. The study examined the magnitude of independent variables toward firm performance. The study found that the firm performance has a weak positive relationship with the market orientation.

**Keywords —** Enterprises, Market Orientation, Performance, Women Entrepreneurs

## I. INTRODUCTION

Good marketing brings better profit. The most sought problem after finance is marketing for most of the entrepreneurs. Marketing approach of female entrepreneurs are not much different from the male counterparts. However the marketing orientations of women entrepreneurs are slight different as women entrepreneurs generally have micro or small business units. Market orientation refers to an organisation's capacity to gather customers' needs and distribute the obtained customers and market information within the organisation in order to react to the market timely (Narver & Slater, 1990). The market volatility can be adjusted with the proper marketing approach. Marketing orientation has been explained by different marketing studies. It is defined as generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, responsiveness to it (Kohli & Jaworski, 1990).

The marketing orientation helps in implementation of the marketing concept for the business performance (Linus, 2015). The customer satisfaction in marketing approach can be placed as a centre of business (Liu et al., 2003). Market orientation considers a number of activities for making business profitable (Kamalesh et al., 1998). In case of women entrepreneurs, the MO appears as new and also lack of managerial/functional knowledge hampers the marketing skills to operate their enterprise. The women entrepreneurs of North East India need to keep themselves

updated and aware about the market related approach. Considering those, the present study is an attempt to analyse the marketing practices adopted by the women entrepreneurs in North East India. The paper attempts to understand whether the Marketing Orientation tool can be applied in the enterprises of north eastern states. In addition the paper tries to establish a relationship between MO and performance of women owned enterprises.

## II. OBJECTIVES OF THE STUDY

Most of the women in North East India are participating equally in economic activities along with men. Some of the women are involved in various business activities. During the course of business they come across several problems. The problem of marketing is one of those, which need to be understood properly. Hence, the main objective of this paper is to study the relationship between marketing orientation and performance of women owned enterprises in north east India.

## III. HYPOTHESIS

$H_0$ : There is a strong relationship between market orientation and performance of women owned enterprises in north east India.

## IV. REVIEW OF RELATED STUDIES

Studies on women entrepreneurship and marketing is not a new area, a number of studies has been conducted by

many scholars. Hence, the literatures are being reviewed with a view to cover the marketing aspects of women entrepreneurship. According to Shikare (2015) the social status of women is changing and there is greater participation of women in workforce however, marketing still remain as a problem due to lack of managerial ability and entrepreneurial ability. Dhiwayo's (2014) worked revealed that most of the micro fashion boutiques of Zimbabwe have not adopted the use of marketing and their promotional activities were not constant and unplanned and that it is basically done on the reaction of other businesses action.

Ramswamy (2013) had observed that micro entrepreneurs in Thenzawl handloom cluster of Mizoram market their products primarily at local markets. However, according to Danabakyam and Kurian (2012) good relationship shows between marketing elements and success of women entrepreneurs. Quadir and Jahur (2011) study had also identified market orientation an important factor for success of SMEs in Bangladesh. Meghrajani and Asthana's (2013) study conducted in Mehsana district of Gujarat observes that with regard to Snacks, the consumers are mostly the children who are attracted by the packet look and low prices compare to national brand. Farrell (2012) made analysis on the development of alternative measures of market orientation based on the combination of MARKOR and MKTOR. The study becomes relevant, as new measure showed better result in market orientation approach which was lacking in case of MARKOR and MKTOR in business performance. Oudan (2012) examined the role of market orientation on business performance. The study found that market orientation is related to performance of the business and improve production.

The study of Baker and Sinkula (2009) had advocated that in order to improve profitability, the entrepreneurial orientation and marketing orientation have to complement each other in small scale businesses. Hurley and Hult (1998) had found that innovation must be included in the market orientation tool. Day (1994) had also placed that the unique features of market oriented organizations such as customer creation and market sensing for better direction of the organization. Jaworski and Kholi (1993) in their study found that market orientation is related to business performance. Slater and Nerver (1998) advocated that a customer-led philosophy of marketing primarily concerned with satisfying short term customers' expressed needs.

## V. METHODOLOGY

For the purpose of the study, women owned enterprises operating in two north eastern states of India are considered. The present research is based on quantitative data and the research is empirical in nature. Data is collected from both primary and secondary sources. The primary data is collected from the small women entrepreneurs. The units

were selected from capital cities of Assam and Arunachal Pradesh. The reason for choosing capital cities is that the no. of women owned enterprises are higher in the capital complexes. The secondary data is collected from books and journals. The enterprises are chosen which are operational for the last five years and above. Only those enterprises which featured in the DIC's Entrepreneur Memorandum (EM) list are chosen. All together 30 numbers of women entrepreneurs were selected on convenience sampling.

The collected data has been analysed with the help of statistical tool like percentage, cronbach alpha, correlation and regression analysis. SPSS application has been used to do calculate the statistical result.

## VI. RESEARCH FRAMEWORK

The research is based on the marketing approach of women entrepreneurs. Hence, Marketing Orientation (MARKOR) tool developed by Kohli and Jaworski (1990) is taken for conducting research. The tool stress on the behavioural aspect of organisation with the components of Intelligence generation, Intelligence dissemination and Responsiveness. For the purpose of computing women owned firm performance, a five point Likert type scale where "1" as Strongly Disagree, "2" as Disagree, "3" as Neutral "4" as Agree and "5" as Strongly Agree..

## VII. FINDINGS AND DISCUSSION

In order to fulfil the objective the acceptability of variable was tested with Cronbach alpha values. It was found in the study that the Cronbach Coefficient  $\alpha$  was found to be acceptable for all 20 questions of the MARKOR scale. Hence all the questions with acceptable  $\alpha$  used for the purpose of women enterprises in North east India. With regards to the objective, first a correlation analysis is made with the sub components of MO. To test the strength of the relationship with business performance a regression model is designed keeping in view that MO is the independent variable while enterprise performance is the dependent variable. The purpose of the model is to determine to what extent MO of women owned enterprises impact the business performance.

Table 1 represents some information about the profile of the women owned enterprises in north east India. It is pertinent to note that there is a conspicuous absence of large scale industries in the region. Most of the enterprises are SMEs which are concentrated on primarily agro based, forest based, demand based and service based industries. Forest based firm accounts for only 13.33 percent of the total sample .Sole proprietorship accounts for the highest ownership pattern standing at 93.33 percent of the SMEs. It is also observed that 63.33 per cent of women entrepreneurs belonged to '31 to 40 years' of age at the time of starting

the enterprise. It is also observed that most of the women entrepreneurs are educated.

To fulfil the objective as to whether MARKOR can be a valid instrument for women run enterprises of north east India, the study used the Cronbach Alpha values. It was found that all questions corresponding to the three different sub components of the MARKOR test had standard  $\alpha$  values and showed the internal consistency. The reliability score for measurement of internal consistency finally stood at a range from .770 to .833 showing a high reliability value. Table 2 shows the Cronbach Alpha values for the MARKOR test instrument.

Table 3 shows the  $\alpha$  coefficient for the components of MARKOR. The study found a highly internally consistent measure for 30 enterprises. Furthermore it is also observed that reliability exists for firm performance as its  $\alpha$  coefficient at .812.

Hence, from the table 4 it is observed that there is weak correlation between individual components and sub components of MO. To elaborate Intelligence Generation and Business Performance correlation coefficient stands at 0.33. Similarly Intelligence Dissemination when correlated with Business Performance gives a coefficient of 0.205 while Responsiveness is correlated only at 0.311. This shows that even though there exists correlation between individual MO subcomponents and Business performance the nature of the relationship is weak. Following this the hypothesis is rejected. Hence we can state that MO and business performance are related but the relation is very weak as composite MO and Business performance also stands at 0.213.

To measure the strength of the relationship, a regression analysis has been conducted. The results shows that the relationship between market orientation and business performance is very low as  $R = 0.213$ . Only 4.5% of the variance in the business performance can be explained by market orientation ( $R$  Square = 0.045). However, the  $F$  Value is 1.327 which is significant at 0.046 level (less than 0.05 sig. level). This indicates that the model is acceptable and market orientation somewhat explains the business performance. Moreover, the  $T$  value equals to 1.152 and is significant at 0.046, which means the market orientation can predict business performance. However, we can say that market orientation is not strongest factor which decides the performance of business, as it only explains 4.5 percent of the performance. That means there are other factors/variables which may explain the business performance in the context of women owned enterprises in north east India.

### VIII. SUGGESTIONS

The performance of business is dependent upon several factors, and the marketing related factors play a pivotal role

in defining business success. However in the present study relationship between market factors to business performance found to be weak. Hence, the entrepreneurs must consider the other factors such as financial, technological, human resource and environmental factors to improve the performance. The entrepreneurs can also improve the strong marketing base for their product/services in order to improve their overall growth.

### IX. CONCLUSION

The success of enterprises depends on several factors. The marketing orientation becomes very important as it helps to expand the business horizon. In the present research it is found that relationship between Marketing Orientation and Business Performance is very weak among women owned enterprises. The present study found that the better performing women owned firms are not generally marketing oriented rather depends largely on other core factors. In addition to this, the study reflects the situation of women owned enterprises in north east India, a region which is one of the least industrially developed zone of the country. The results therefore reflect that MO and business performance though having a relationship, have a weak correlation and therefore cannot explain fully the business performance of women owned enterprise of North East India.

### APPENDIX

**Table 1: Profile of women owned enterprises in North East India**

Business Type	Characteristics	Frequency	Percentage (%)
	Agro Based	6	20.00
	Forest Based	4	13.33
	Demand Based	9	30.00
	Service Based	11	36.67
	Total	30	100.00
Ownership	Sole Proprietorship	28	93.33
	Partnership	2	6.67
	Total	30	100.00
Age Group	Upto 30 Years	4	13.33
	31 to 40 Years	19	63.33
	More Than 40 Years	7	23.33
	Total	30	100.00
Educational Qualification	Illiterate	6	20.00
	Upto Class VIII	11	36.67
	Matriculate	5	16.67
	Senior School Passed	6	20.00
	Graduation & Above	2	6.67
	Total	30	100.00

Source: Field Data

**Table 2: Cronbach Alpha Value for Constructs related to Market Orientation**

Item No.	Questions	Cronbach Alpha
1	In this business unit, we meet with customers at least once a year to find out what products or services they will need in the future.	.801
2	In this business unit, we do a lot of in-house market research.	.770
3	We are slow to detect changes in our customers' product preferences. (R)*	.784
4	We poll end users at least once a year to assess the quality of our products and services.	.807
5	We are slow to detect fundamental shifts in our industry (e.g., competition, technology, regulation). (R)*	.784
6	We periodically review the likely effect of changes in our business environment (e.g., regulation) on customers.	.783
7	We have interdepartmental meetings at least once a quarter to discuss market trends and developments.	.779
8	Marketing personnel in our business unit spend time discussing customers' future needs with other functional departments.	.784
9	When something important happens to a major customer of market, the whole business unit knows about it within a short period.	.774
10	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	.778
11	When one department finds out something important about competitors, it is slow to alert other departments. (R)*	.784
12	It takes us forever to decide how to respond to our competitor's price changes. (R)*	.779
13	For one reason or another we tend to ignore changes in our customer's product or service needs. (R)*	.770
14	We periodically review our product development efforts to ensure that they are in line with what customers want.	.786
15	Several departments get together	.799

	periodically to plan a response to changes taking place in our business environment.	
16	If a major competitor were to launch an intensive campaign targeted at our customers, we would implement a response immediately.	.816
17	The activities of the different departments in this business unit are well coordinated.	.833
18	Customer complaints fall on deaf ears in this business unit. (R)*	.784
19	Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion. (R)*	.807
20	When we find that customers would like us to modify a product of service, the departments involved make concerted efforts to do so.	.812

Source: Field Data

**Table 3: Reliability Test on the basis of Cronbach's Alpha**

Sl. No.	Variables	Cronbach's Alpha
1	Intelligence Generation (IG)	.740
2	Intelligence Dissemination (ID)	.745
3	Responsiveness (R)	.716
4	Business Performance (BP)	.812

Source: Field Data

**Table 4: Correlation Analysis between market orientation and business performance (Pearson correlation coefficient)**

	IG	ID	R	BP	MO
IG	1	.650	.390	.033	.802
IsD	.650	1	.766	.205	.939
R	.390	.766	1	.311	.827
BP	.033	.205	.311	1	.213
Market Orientation (MO)	.802	.939	.827	.213	1

Source: Field Data (\*Correlation is significant at the 0.05 level)

**Table 5: Regression Analysis**

M O D E L	R	R Square	Adjusted R Square	Std. Error of the Estimate	F Value	
					F	Sig.
1	.213	.045	.011	.966	1.327	.046
<b>Dependent Variable: Business Performance</b>						
M O D E L		Unstandardized Coefficients		Standardize d Coefficient s	t	Sig.
		B	Std. Error			
1	(Constant)	2.797	.691		4.047	.000
	Market Orientation	.237	.206	.213	1.152	.046

Source: Field Data

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