An Empirical Evidence of the Market Orientation –
Market Performance Relationship in Ghanaian Small Businesses

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ABSTRACT

Even though small businesses play important role in the Ghanaian economy much has not been done in terms of studying how their market performances are influenced by their market orientation. The paper therefore seeks to explore the influence of market orientation on market performance of small businesses. The results showed that there was a positive relation between market orientation, its constituents and market performance of small businesses. Recommendation was made to owners/managers to adopt the culture of market orientation. It was also recommended that policymakers and business development service providers emphasise on market orientation in their strategies and advisory services.

Keywords: market orientation, market performance, small business

INTRODUCTION

The economic growth of developed economies has been attributed to the contribution of small, micro and medium enterprises. Similarly, small businesses have been found to provide jobs and reduce poverty in most developing countries (Kuffuor, 2008; Wolfensen, 2001); they are cradle for indigenous entrepreneurship and generate all the many small investments (Aryeetey and Ahene, 2005). In addition, small businesses have provided employment and livelihood for most women in Ghana. They make up the largest portion of the employment base and are the bedrock of the local private sector (Kuffour, 2008) and are responsible for providing employment to about 65% of the urban labour force in Ghana (Aryeetey and Fosu, 2005). These businesses, according to Abor and Quartey (2010) provide about 85% of employment in the manufacturing sector and are believed to contribute about 75% and 92% of Ghana's GDP and total number of businesses respectively.

Traditionally Ghana established and controlled public enterprises; however, the economic crises of the 1980s made it difficult for her to support the huge labour force it employed. Consequently, most workers in the public sector were laid off. These unemployed people found themselves in the informal sector (Aryeetey et. al., 2005).

Over two decades of realisation of the role of small businesses to the development of the economy, several challenges such as appropriate technology (UNIDO, 2002), access to raw materials (Meads and Liedholms, 1998), competition (Murphy, 2007) and market access (Meads and Liedholms, 1998) have been identified. From these, it is clear that research focus has been on structures rather than strategy. A missing link in empirical study is the issue of customer relationship and retention analyses within the context of marketing orientation. The import of the earlier findings as reviewed above, centred on the fact that small businesses are not able to acquire the right technology, compete or have access to raw materials due to financial constraints (Arthur, 2003, Mensah, 2004). Hence, the problem of the abysmal performance of small businesses may not be due to finance or any of the issues mentioned.

Meanwhile, an important area which has often been ignored by research into factors affecting small business performance in the region is the area of marketing orientation (Blankson, Motwani and Levenburg, 2006; Keskin, 2006). The paper therefore sought to fill the empirical research gap by performing a micro level analysis of the relationship between market orientation and market performance of small businesses.

LITERATURE REVIEW

The relationship between marketing orientation and small business performance are rooted in strategic management theories. The profit-maximizing and competition-based theory postulates that business organization main objective is to maximize long term profit and develop sustainable competitive advantage over competitive rivals in the external market place. This theory has evolved from industrial-organization perspective as it views the organization's external market positioning as the critical factor for attaining and sustaining competitive advantage (Raduan et al., 2009). This implies that an organisation's strategy would enable it compete favourably at the market place. Marketing orientation as a strategy enables the firm to stay in tune with its competitors as well as develop ways to serving its customers better than competitors do so as to improve upon its performance.

Secondly, the resource-based theory links marketing orientation to small business performance through competitive advantage. Such competitive advantage lies in their internal resources – unique resources and capabilities that a firm possesses (Barney, 1995). This theory predicts that certain types of resources owned and controlled by firms have the potential and promise to generate competitive advantage and eventually superior firm performance (Ainuddin et al., 2007). Among such key resources is culture. It must be emphasised that marketing orientation is a culture that gives the small business a competitive advantage and ultimately improves its performance. The survival-based theory centres on the concept that organization need to continuously adapt to its competitive environment in order to survive (Ainuddin et al., 2007).

The empirical work of Jaworski and Kohli (1990) reignited the concept of market orientation and the behaviours that implement the marketing concept. They provided a theoretical foundation for the expectations that this orientation should lead to a higher performance. In 1990, for the very first time, Narver and Slater provided empirical evidence on the direct link in market orientation and firm profitability in large firms. In this same context, Jaworski and Kohli (1993) also documented empirical evidence that there is a positive relationship between performance and market orientation; once again the study was done in large firms. Narver and Slater (1994) also found a positive direct relationship between market orientation and sales growth. Amirkhani and Fard (2009) found a positive relationship between market orientation and firm performance. Pelham and Wilson (1996) found a positive link between market orientation and performance.

An examination of previous empirical findings indicates that they were all mainly undertaken on lager firms. One hardly finds extensive empirical evidence of this relationship on small or medium size firms. Meanwhile, one of the previous few studies (Mahmoud, 2011) predicted the possibility of a relationship between market orientation and firm performance, although the degree of such relationship is yet to be tested. The following hypotheses were thus developed and tested:

CONCEPTUAL MODEL AND HYPOTHESES

The conceptual model for this study was based on Naver and Slater (1990; 1996) seminal work with some modification to suit the study environment. The model, thus, posits that the various constructs of market orientation (ie. Customer orientation, Competitor orientation and

Interfunctional coordination) are positively related to market performance (H1, H2, H3). Market performance of firms has been shown to be influenced directly by market orientation (H4). *(See Figure 1for an overview of the conceptual model and hypothesis).*

Customer Orientation – Market Performance Link

Customer orientation calls for a company to understand and satisfy the customer's needs and it is assumed that by doing so the firm will reap rewards in the form of profits. Customer orientation as a component of market orientation has its fundamental thrust in pursuit of putting customers at the centre of strategic focus (McEachem and Warnaby. 2005). A customer-oriented culture involves excellence in customer interactions, market and customer familiarity and an emphasis on cooperation (Deshpande, Farley and Webster, 1993; Noble, Sinha and Kumar, 2002). It has been purported for a firm to achieve continuous above-average performance; it must create a sustainable superior value for its customers (Porter, 1985). This drive enables a firm to develop a customer orientation culture, which enables it to acquire the behaviours required for providing superior value to customers and, ultimately, sustainable superior performance in the market.

In their investigation into customer orientation and firm performance in the market, Kennedy, Lassk and Goolsby (2002) recommended that the development and implementation of customer orientation is an impetus for organisational positioning in the market. More so, Lui et al. (2003) concluded that customer orientation was significantly important in enabling firms to understand the market and develop appropriate product and service strategies to meet customer needs and requirements. Finally, in his study conducted in Nigeria, Asikhia (2010) found a positive relationship between customer orientation and performance of the firm in the market.

Form the findings of the empirical studies discussed above; it is possible to suggest that customer orientation positively influences firm's market performance. Thus the first hypothesis tested in this study among small businesses was:

H_1: Customer orientation positively influences market performance of small businesses.

Competitor Orientation - Market Performance Link

Competitors play an important role in the strategy of organisations and in their performance (Gatignon & Robertson, 1993). Being competitor-focused can enable firms to respond to the market and satisfy needs of the customers better than competitors and this can be the basis for value creation, customer loyalty and increased profitability (Martin & Grbac, 2003).

Empirical literature suggests a relationship between competitor orientation and firm performance in the market. For instance, Narver and Slater (1996) in their study found that competitor orientation which is a variable of market orientation was positively related to performance. Thus it is probable to posit that customer orientation has positive influence on firm performance in the market. The second hypothesis tested in this study was stated as:

 H_2: Competitor orientation is positively related to market performance of small businesses.

Inter-functional Coordination - Market Performance Link

Through inter-functional coordination, organisations ensure communication between functional areas that help to create market conditions to effectively create superior customer value and serve both internal and external customer. A study undertaken by Im and Workman (2004) found organizational connectedness to contribute to market-driven value. More so, Kirca, Jayachandran and Bearden, (2005) posit that interdepartmental relationships are essential for optimal value creation that enhances customer satisfaction and subsequently

business performance. Finally, Lin (2007), Galbun (2008) all found a positive relationship between inter-functional coordination and small business financial performance. The hypothesis which was put forward to be tested in this study was:

H_3: Inter-functional coordination positively influences market performance of small businesses.

Influence of Market Orientation on Market Performance

Market orientation if implemented in an organisation leads to an increase in the performance of the organisation, both financial and nonfinancial. Quite a number of studies have found relationship between market orientation and firm performance in the market. Jaworski and Kohli (1993) documented empirical evidence that there is a positive relationship between performance and market orientation. Naver and Slater also found a positive direct relationship between market orientation and sales growth. More so, Amirkhani and Fard (2009) found a positive relationship between market orientation and firm performance in a study conducted in Iran. Finally, Pelham (2000) studied the effect of market orientation on firm performance in small and medium size firms and reported a positive relationship. The hypothesis below was stated and tested in this study:

H_4: Overall marketing orientation positively influence small businesses market performance
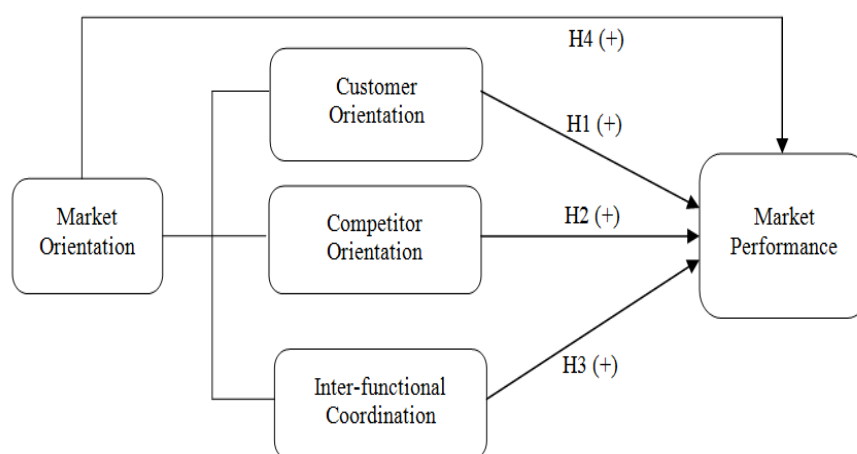

Figure 1. Conceptual Model and Hypotheses

METHODOLOGY

The quantitative approach was mainly used for the study because most of the analysis of the study was quantitative and mostly hypotheses were tested. The descriptive research design was chosen mainly because it comprises a cross-sectional design in relation to which data are collected predominantly by questionnaire or by structured interview. The inferential study design was also employed because it consists of correlation and regression which helps in ascertaining relationship and the strength of relationship between variables.

Population and Sampling Procedure

The study was conducted in the Sekondi-Takoradi Metropolis, the third largest metropolis in the country (Ghana statistical service, 2010), an industrial and commercial centre. The target population consisted of all small businesses in the Metropolis that has been in existence for the past two years and has at least one employee. Information on these firms (totalling about 2000) was obtained from National Board for Small Scale Businesses (NBSSI) and Business

Advisory Centre (BAC). A sample size of 322 from the general population of small businesses was obtained by using the formula below as used by Krejcie and Morgan (1970):

$$n = \frac{X^2 NP(1-P)}{(ME^2 N - 1) + (X^2 P(1-P))}$$

Where:

n = the sample size (322)

X^2 = Chi-square (3.841 for 95% confidence level at 1 degree of freedom)

N = population size (2000)

P = population proportion (set at 0.50)

ME = desired margin of error (0.05 set as a proportion).

Simple random sampling method was to form the sample size of 322 for the study; this helped to ensure that each small business has an equal chance of being selected. The simple random sampling was made easier by using the lottery method.

Small businesses in the metropolis operating in manufacturing, arts, entertainment, recreation, accommodation, food service activities; wholesalers and retailers were selected. The classification was done using the International Standard Industrial Classification (ISIC) (Masakure, Henson and Cranfield, 2009). The classification is also in line with Ghana Investment Promotion Council's (GIPC) Industry Classification (Abor, 2007).

Measurement of Variables

Measures of market orientation – The measurement of market orientation (MO) followed that of MKTOR scales (Narver and Slater, 1990).

Market performance – the market performance was measured using items such as customer satisfaction, delivering value to customers and overall marketing effectiveness.

Customer orientation – this was operationalized by using customer satisfaction objective, commitment to serving customer needs, value creation objectives, customer experience, measure of customer satisfaction and after sales service.

Competitor orientation – measurement covered competitor strength and strategy, competitive advantage and competitor information and action.

Inter-functional coordination – had four items used in measuring it. These are: customer feedback, free communication, serving customer needs and creating customer value.

Research Instrument

Primary data was collected mainly by questionnaire, which was designed to elicit information from small business owners. The questionnaire consisted of 31 items grouped into two main parts. The first part of the questionnaire was sub-divided into two main sections. Section A collected data on market orientation (MO) and was subdivided into four parts (I, II, III, and IV) containing 19 items. The first part (I) collected data on customer orientation and was made up of six (6) items, the second part (II) collected data on competitor orientation and was made up of four (4) items, the third part (III) collected data on inter-functional coordination and also contained four (4) items, and the last part (IV) collected data on firm performance and was made up of five (5) items. However, the measurement points used for small business performance were: Very Good = 5; Good = 4; Satisfactory = 3; Poor = 2 and Very Poor = 1.

Data Collection and Analysis Procedure

The collection of data was from both primary and secondary sources. The questionnaire formed the main source of primary data whilst related published literature particularly from the internet, journals, text books and reports provided secondary data for the study. In this research SPSS 17.0 for Microsoft Windows, is used for data recording and analysis. Only 12 out of 322 responses received were rejected due to incompleteness.

An exploratory factor analysis was also carried out to test the relationship between the observed variables and the underlying construct variables. Following this, statistical test of data was carried out to check for normality and linearity of data. Once the data was found to be normal, the mean was employed to determine the level of market orientation by employing the following scale: 1 − 2.5 = low; 2.51 − 3.50 = average; and 3.51 − 5 = high. Finally, correlation analysis and simple regression analysis were performed to test the strength of relationships between variables.

RESULTS AND DISCUSSIONS

Various statistical test, including reliability tests and validity tests were undertaken to ensure the steadiness of the variables used in the study. A Cronbach's Alpha cut-off point of 0.5 was used to test for the reliability of the research instrument. The results from the reliability test showed that market orientation had a coefficient of 0.916 and market performance had an alpha value of 0.876. Both constructs had coefficients that exceeded the original alpha value of 0.7 proposed by Naver and Slater (1994) and also above the cut-off point of 0.5. These indicate that the instrument is reliable and can be used in other studies in Ghana.

Table 1. Computed Reliability Co-efficient for Pre-Test Data Collected

Questionnaire Category	No. of Items	Sample Size	Cronbach's Alpha
Section B –Market Orientation	14	3535	0.916
Section B –Performance			
Part IV: Marketing Performance	3	35	0.797

Source: Field data

Factor analysis was used in testing for categories of construct validity. The appropriateness of using factor analysis was confirmed by both the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett test of sphericity. A three factor solution (KMO of 0.89 and significant level ($p<0.001$)) was produced with clean loadings for market orientation construct. This confirms the theory that market orientation should be disintegrated into its components and not be used as a uni-dimensional construct. Performance construct had all five items converged on one common construct with loadings ranging from 0.691 to 0.888.

Data was screened for the violation of the regression assumptions of normality, multi-collinearity, linearity and outliers. Results from the various tests showed that there was no violation in any of the assumption underlying regression.

Bivariate Correlation of Variables

Prior to testing the hypotheses, relationship between the variables measuring market orientation and the variables measuring market performance were assessed. The bivariate procedure of SPSS 17.0 was used and it was subject to two-tailed test of statistical significance. Correlation is considered significant at $p<0.05$ probability level.

The result indicated that customer orientation has moderately positive and significant relationship with market performance (r = 0.696, p<0.05). The relationship was also moderately positive and significant between competitor orientation and market performance (r = 0.679, p<0.05). Inter-functional coordination, showed a moderate positive relationship with market performance (r = 0.46, p<0.05).

Level of Market Orientation of Small Businesses

In order to find out the level of market orientation of small businesses in the metropolis, the data was analysed into means and ranked in decreasing order for each of the construct measuring market orientation. The results are discussed in the ensuing sections.

Level of Customer Orientation

The customer orientation element requires a sufficient understanding of the customers in order to create products or services of superior value for them. This creation of value is accomplished by increasing benefits to the buyers or customers while decreasing their costs. To develop this level of understanding necessitates acquiring information about the customers or buyers and comprehending the nature of the economic and political constraints that face them. This helps to ensure that the company will be aware of the needs of its present and future buyers and can work to satisfy those needs.

Table 2. Level of customer orientation in small businesses (N = 310)

Customer Orientation	*Mean*
Our business objectives are driven primarily by customer satisfaction	4.6323
We constantly monitor our level of commitment to serving customers' needs	4.4645
Our business strategies are driven by our beliefs about how we can create greater value for customers	4.4065
We measure customer satisfaction systematically and frequently	4.3484
We give close attention to after sales services	4.3258
Our strategy for competitive advantage is based on our successful experience across all business activities	4.1548
Overall Mean	*4.3887*

*Scale (Mean): 1 – 2.5 = low; 2.51 – 3.50 = average; and 3.51 – 5 = high.
Source: Field Data

The result shows that the respondents regarded customer information as very important. All the respondents 310 (100%) agreed that their business objective was driven primarily by customer satisfaction ($\overline{X}$ = 4.632). Much importance was also given to monitoring the level of commitment to serving customer needs ($\overline{X}$ = 4.464) and also the fact that the firm's business strategies are driven by the belief about how to create greater value for customers ($\overline{X}$ = 4.406). These can only be made possible if the firms were involved in generating and gathering information about their existing and prospective customers and incorporate this information in developing marketing and production strategies. The respondent firms also appear to give due consideration to measuring customer satisfaction frequently ($\overline{X}$ = 4.348) and also to attending to customer complaints ($\overline{X}$ = 4.326). This shows that the respondent firms have the culture which focuses on customer orientation. The overall mean score (4.39)

further suggests that every individual in the firm put in great effort to collect, generate and study customer information which later supports in developing effective customer based strategies. This finding supports the view of Schneider et al (2006) that customer orientation requires a continuous positive disposition towards meeting customer's exigencies and therefore a high degree of concern for these customers.

Level of Competitor Orientation

Competitor orientation is seen as the firms understanding of the strengths and weaknesses of its current and possible future competitors as well as their long term capabilities and strategies. Competitor orientation moves hand in hand with customer orientation in information gathering. The current business environment does not only demand customer satisfaction but also the firm's ability to sustain competitive advantage.

With respect to competitor orientation, the study revealed small businesses were competitor oriented ($\overline{X}$ = 3.9975). Aspects such targeting customers where the business had an opportunity for competitive advantage ($\overline{X}$ = 4.142) and sharing information about competitors within the firm ($\overline{X}$ = 4.074) scored high means as compared to discussing competitors strategies ($\overline{X}$ = 3.948) and responding to competitors threatening actions ($\overline{X}$ = 3.832). The results suggest that, though owners/managers are particular about their competitors, they are however not much interested in certain actions and strategies of these competitors. Again managers/owners could be made aware that in other to survive and improve on performance, knowing how competitors operate and being able to pre-empt their moves and strategies is very important. However, the overall mean of 3.997 suggest high levels of competitor orientation within the small businesses.

Table 3. Level of competitor orientation in small businesses (N = 310)

Competitor Orientation	Mean
We always target customers where we have an opportunity for competitive advantage	4.1419
Our sales persons and other employees regularly share information within our business concerning competitors	4.0742
The owner/manager of the firm regularly discusses competitor strength and strategies	3.9484
We respond to competitive actions that threatens us	3.8323
Overall Mean	*3.9975*

Scale (Mean): 1 – 2.5 =low; 2.51 – 3.50=average; and 3.51 and above=high
Source: Field Data

Level of Inter-Functional Coordination

Results from the study reveal that there were high coordination within employees and owners/managers in small businesses with a high mean of 4.4145. All aspects of inter-functional coordination scored high means thereby contributing to the overall high mean score. This result is mainly due to the fact that most of these businesses do not have department or sections and also most of them have very few employees and therefore communication is very effective. This is an advantage to this kind of businesses and therefore should be sustained and encouraged. More can also be done to improve on the communication skills and levels within these businesses through seminars and other forms of education by the appropriate authorities.

Table 4. Level of Inter-functional Coordination (N = 310)

Inter-functional Coordination	*Mean*
Owner(s) and employees in the firm communicate freely about our successful and unsuccessful customer experience across all business functions	4.4806
All sales personnel and other employees in the firm regularly share information about customers in terms of their feedback to product/services we offer them	4.4419
Owner(s) and employees in the firm are all involved in serving the needs of our target customers	4.3774
All managers/owners and employees understand how everyone in our business can contribute to creating customer value	4.3581
Overall Mean	*4.4145*

Scale (Mean): 1 – 2.5 =low; 2.51 – 3.50=average; and 3.51 and above=high

Source: Field Data

The results of the mean of the three constructs of market orientation indicate that small businesses in the Sekondi-Takoradi Metropolis are market oriented. Though market orientation might not be practiced formally, the level of market orientation of small businesses in the metropolis is encouraging and would even improve if measures are put in place to ensure that market orientation practice is formalised. This would go a long way to improve on performance.

Hypotheses Testing

Table 5. Regression Analysis of Market Orientation Constructs and the Firm Performance constructs

Predictor	*R*	*R square*	*Beta*	*t*	*sig*
CUSOR	0.696	0.483	0.696	17.006	0.000
COMOR	0.679	0.460	0.679	16.249	0.000
INCOOR	0.461	0.210	0.461	9.105	0.000`

Dependent Variable: Marketing performance

Source: Field data, 2011

Hypothesis One

The first hypothesis was formulated to establish the relationship between customer orientation and small business market performance. The hypothesis was as follows:

H_1: Customer orientation is positively related to market performance of small businesses.

The regression equation used was:

$$MKTP = a + \beta CUSOR + E$$

It was observed from the result in table four that there was a significant and positive relationship between customer orientation and small business market performance ($\beta = 0.696$, $p<0.05$). The beta coefficient was in the right direction as hypothesized and the regression explained 48.3% of the variations in the market performance. Thus, the hypothesis that was stated as *"customer orientation is positively related to market performance of small*

businesses. This means that if customer orientation is stepped up in the small businesses, then there would be high performance in the market.

Hypothesis Two

The second hypothesis which was formulated to determine whether there was a relationship between competitor orientation and small business market performance was stated as follows:

H_2: Competitor orientation is positively related to market performance of small businesses

The following regression was used:

$$MKTP = a + \beta COMOR + E$$

The result indicates that there was a positive and significant relationship between competitor orientation and small business market performance ($\beta = 0.679$, $p<0.05$). The relationship was moderate and the regression explained 46% of the variations in market performance. However, the beta coefficient was in the same direction as hypothesised and for that matter the hypothesis stated as *"competitor orientation is positively related to market performance of small businesses"* is supported.

Hypothesis Three

The third hypothesis was formulated to test for the relationship between inter-functional coordination and small business market performance. The hypothesis was stated as follows:

H_3: Inter-functional coordination is positively related to market performance of small businesses

The regression equation stated for this relationship was:

$$MKTP = a + \beta_1 INCOOR + E$$

From the result in the Table (16) it can be observed that there was a positive and significant relationship between inter-functional coordination and small business market performance ($\beta = 0.461$, $p<0.05$) with regression explaining 21.1% of the variations in the market performance. The beta coefficient was in the same direction as hypothesised. The hypothesis stated as *"inter-functional coordination is positively related to market performance of small businesses"* was supported. This implies that good coordination within small business would result in high market performance. This can also be seen in the literature as stating that interdepartmental relationships are essential for optimal value creation that enhances customer satisfaction and subsequently business performance

Hypothesis Four

The fourth hypothesis was formulated to determine whether a significant and positive relationship existed between market orientation and small business market performance. The hypothesis to be tested was stated as follows:

H_4: There is a significantly positive relationship between market orientation and small business market performance.

The regression equation used to test the hypothesis was:

$$MKTP = a + \beta_1 CUSOR + \beta_2 COMOR + \beta_3 INCOOR$$

The result from the analysis shows that there was a strong positive and significant relationship between market orientation and small business market performance ($\beta = 0.769$, $p<0.05$; Table 12) with all three constructs; customer orientation ($\beta = 0.378$, $p<0.005$),

competitor orientation (β = 0.351, p<0.005) and inter-functional coordination (β = 0.197, p<0.05) contributing significantly and positively to the overall market orientation. In general market orientation explains 58.8% of the variations in the small business market performance. The beta coefficient was in the same direction as hypothesised and therefore the hypothesis stated as *"there is a significantly positive relationship between market orientation and market performance of small businesses"* was supported.

Table 6. Regression analysis of market orientation and market performance

R	R Square	Adjusted R Square	Std. Error of the Estimate
.769[a]	.592	.588	.37619

Coefficients[a]

Independent Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
CUSOR	.395	.054	.378	7.301	.000
INCOOR	.220	.044	.197	4.947	.000
COMOR	.271	.039	.351	6.898	.000

a.Dependent Variable: MKTP

Source: Field data

The result is not much different from the findings of Lin (2007) who found a positive and significant relationship between market orientation and market performance of small businesses in her study conducted in Australia.

CONCLUSION

From the discussions it is evident that small business would perform well if market orientation is improved and practiced formally. This however can be achieved as the findings show if customers are put first, thus customers need satisfaction are seen as priority. Again if customers information are shared between management and employees. Yet again it is important for small business owners to serve customers where they have competitive advantage and also attend regularly to customer complaints.

A positive relationship between competitor orientation and firm performance indicates that owners of small business would achieve superior performance if the operations of both major and latent competitors in terms of their strengths and weakness are critically considered as matters of importance. Again, coordinated marketing is very important if small businesses are to attain superior performance, this can be ensured if managers/owners and employees work together to ensure provision of quality goods and services to satisfy customers.

A significant relationship between market orientation and firm performance of the small businesses is an indication of the fact that market orientation contributes positively to how well these businesses perform. Thus an improvement in the market orientation practice will lead to an equally high performance thus ensuring the long term survival of the businesses.

RECOMMENDATIONS

The findings of the study have implications for owners and managers and policymakers as well as future research.

Small business owners/mangers need to incorporate marketing orientation as part of its culture and philosophy since it has been found to boost small business performance. Small business competitive strategy should thus be crafted around customer and competitor orientation as well as to integrate marketing orientation as part of their business culture.

For policymakers, the quest of finding solution to the abysmal performance of small businesses should not be restricted to providing financial support, but create avenue for providing business development services which train and equip small business owners with a market oriented culture and attitude.

It is recommended that future research extends beyond one region to nationwide. Also, future investigation into small business market orientation relationship in a mixture of rural businesses and urban businesses within Ghana can be carried out.

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APPENDIX

Appendix 1: Exploratory Factor Analysis (Market Orientation) KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		*.888*
Bartlett's Test of Sphericity	Approx. Chi-Square	3439.424
	Df	91
	Sig.	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	*% of Variance*	*Cum. %*	*Total*	*% of Variance*	*Cum. %*	*Total*	*% of Variance*	*Cum. %*
1	6.968	49.769	49.769	6.968	49.769	49.769	3.897	27.835	27.835
2	2.344	16.744	66.514	2.344	16.744	66.514	3.448	24.632	52.467
3	1.129	8.068	74.581	1.129	8.068	74.581	3.096	22.114	74.581
4	.685	4.895	79.476						
5	.573	4.090	83.566						
6	.482	3.441	87.007						
7	.367	2.621	89.628						
8	.335	2.391	92.019						
9	.285	2.039	94.057						
10	.250	1.783	95.841						
11	.203	1.450	97.291						
12	.153	1.093	98.384						
13	.126	.899	99.284						
14	.100	.716	100.00						

Extraction Method: Principal Component Analysis.

Appendix 1: *(continued)* Market Orientaion Rotated Component Matrix[a]

	Component		
	1	*2*	*3*
Our business objectives are driven primarily by customer satisfaction	.716		
We constantly monitor our level of commitment to serving customers' needs	.789		
Our business strategies are driven by our beliefs about how we can create greater value for customers	.762		
Our strategy for competitive advantage is based on our successful experience across all business activities	.786		
We measure customer satisfaction systematically and frequently	.776		
We give close attention to after sales services	.652		
Our sales persons and other employees regularly share information iwthin our business concerning competitors		.745	
We respond to competitive actions that threatens us		.840	
The owner/manager of the firm regularly discusses competitor strength and strategies		.857	
We always target customers where we have an opportunity for competitive advantage		.812	
All sales personnel and other employees in the firm regularly share information about customers in terms of their feedback to product/services we offer them			.859
Owner(s) and employees in the firm communicate freely about our successful and unsuccessful customer experience across all business functions			.823
Owner(s) and employees in the firm are all involved in serving the needs of our target customers			.841
All managres/owners and employees understand how everyone in our business can contribute to creating customer value			.841

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Appendix 1: *(Continued)* Performance KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy		*.818*
Bartlett's Test of Sphericity	Approx. Chi-Square	872.062
	Df	10
	Sig.	.000

Appendix 2: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.407	68.136	68.136	3.407	68.136	68.136
2	.633	12.664	80.800			
3	.413	8.270	89.069			
4	.371	7.416	96.485			
5	.176	3.515	100.000			

Extraction Method: Principal Component Analysis.

Appendix 3: Component Matrix[a]

		Component
		1
Financial Performance	Sales Growth	.691
	Return-on- Investment (ROI)	.835
	Customer satisfaction	.888
Market Performance	Delivering value to your customers	.879
	Overall marketing effectiveness	.819

Extraction Method: Principal Component Analysis

Appendix 4: Correlation Matrix for market orientation, its components and performance components

	CUSOR	COMOR	INCOOR	FP	MKTP
CUSOR	1				
COMOR	.692[**]	1			
INCOOR	.382[**]	.340[**]	1		
FP	.549[**]	.549[**]	.338[**]	1	
MKTP	.696[**]	.679[**]	.461[**]	.713[**]	1

Note to Table 15

**Correlation is significant at the 0.05 level (2-tailed)

FP = Financial Performance; MKTP = Marketing Performance; CUSOR = Customer Orientation COMOR = Competitor Orientation; INCOOR = Inter-functional coordination; N = 310