



The Impact of Internal Determinants and Environment on Market Orientation of Businesses from Slovak Foodstuff Industry

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ABSTRACT

In the context of highly competitive global markets, changing customer needs, increasing dynamics of business environment, growing quality of products and the other factors managers try to identify and apply the most suitable and effective theories whose enforcement will lead to superior performance. Market orientation is a concept that has appeared as a significant predictor of business performance and has presumed to ensure competitive advantage. The degree of market orientation differs from one business to another. In fact, the extent of market-oriented behaviour in business is affected by internal determinants and environment. Therefore, we focus our attention on studying various factors forming market-oriented behaviour. The aim of this article is to examine the impact of internal determinants and environment on market orientation of businesses from foodstuff industry in Slovakia. This study is a part of complex research which was focused on investigating the relationship between market orientation and business performance. Results presented in this paper may help businesses to identify crucial determinants that form market-oriented behaviour and finally contribute to improvement of business performance.

Keywords: Market Orientation, Business Performance, Market-oriented Behaviour, Foodstuff Industry, Determinants of Market Orientation

JEL Classifications: L110, L250, L660

1. INTRODUCTION

Marketing is an integral part of business. In each business unit, more or less, entrepreneurs or managers make decisions about crucial marketing issues, such as products, prices, customers, competitors and so on. In other words, they make decisions about their marketing strategy. Processing of marketing strategy is important for several reasons. First of all, businesses do not handle products and services for themselves but offer them to customers on the market. In order to sell products and services those must correspond with customers' needs and wants. Also, businesses compete with other businesses in order to reach a bigger market share. Technological changes and innovations shape and modify both customers' expectations and business strategies. All these fundamental business conditions are connected with market and only market-oriented behaviour takes into consideration these characteristics. Market orientation originates from the marketing concept which assumes that to achieve sustainable success business should be able to identify and satisfy

needs of the customers more effectively than competitors. The extent to which is business market-oriented is affected by many determinants. Considering this, we focus our attention on examining the impact of internal determinants and environment on market orientation of businesses from foodstuff industry in Slovakia. At the beginning of the article, we introduce theoretical background of market orientation, determinants influencing the market-oriented behaviour and consequences of market orientation and then we present the outcomes of primary research conducted on businesses from Slovak foodstuff industry¹.

1.1. Theoretical Background of Market Orientation

Market orientation became a centre of attention for many years. Implementation of marketing activities such as identification and

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satisfaction of consumer needs, marketing research for segmentation and positioning, product development and differentiation and market orientation should lead to the achievement of organisational objectives like competitive advantage and improved performance. Authors have occupied with this topic for several decades, but there are some discrepancies in usage of terms market orientation and marketing orientation. According to secondary research of scientific literature focused on the studied issue we can conclude that the majority of authors (Narver and Slater, 1990; Jaworski and Kohli, 1993; Pitt et al. 1996; Morgan and Strong, 1998; Ngai and Ellis, 1998; Matsuno et al., 2002; Varela and Río, 2003; Kirca et al., 2005; Hammond et al., 2006; O'Sullivan and Butler, 2009; Vieira, 2010; Alizadeh et al., 2013; Kajalo and Lindblom, 2015) during the past decades prefer the term market orientation instead of marketing orientation. Contrary, there are several authors (Golden et al., 1994; Avlonitis and Gounaris, 1997; Panayides, 2004; Schwamm et al., 2009) who utilize the term marketing orientation. However, the essence of the word "marketing" misdirect us to perceive this concept as an application of specific marketing activities by marketing department. This interpretation was also expressed in work of Pitt et al. (1996). Avlonitis and Gounaris (1999) in their study considered terms marketing orientation and market orientation as synonyms. However, they preferred the term marketing orientation, because it linguistically correspond to marketing concept (Schwamm et al., 2009. P. 260). After realizing a literature review of available scientific sources we incline to statement of Wrenn (1997) who conclude that both "marketing" orientation and "market" orientation have been used for describing the implementation of the marketing concept in scientific literature. Essentially, these terms describe the same philosophy, but the intensity of using and interpretation may differ. In the following text we will use these terms in the same form like they were used by cited authors, because all of them describe the same nature. Marketing literature (Narver and Slater, 1990; Ruekert, 1992; Day and Nedungadi, 1994; Ngai and Ellis, 1998) describes the importance of market orientation in affecting business profitability (Šályová et al., 2015). Several authors (McCarthy and Perreault, 1990; Caruana, 1999) agree that market orientation depends on the degree of the implementation of marketing concept in business.

1.2. Antecedents and Consequences of Market Orientation

Many authors in their researches focus on examination of antecedents of market orientation (Jaworski and Kohli, 1993; Avlonitis and Gounaris, 1999; Cervera et al., 2001; Matsuno et al., 2002; Kirca et al., 2005; Kirca and Hult, 2009; Vieira, 2010). Knowledge of antecedents of market orientation leads to better understanding of essence of market-oriented behaviour and allows businesses to implement processes which contribute to the increasing of market orientation. The other researchers focus their attention on investigating of relationships between market orientation and business performance (Ngai and Ellis, 1998; Keelson, 2012; Gadimi et al., 2013; Tournois, 2013; Eslahnia, 2014; Yadav and Tripathi, 2014). In other words, they examine market orientation's consequences. Market orientation does not exist separately, but it is influenced by several determinants and also it manifest in affection of business performance. Therefore, we consider necessary to understand these relationships. Jaworski

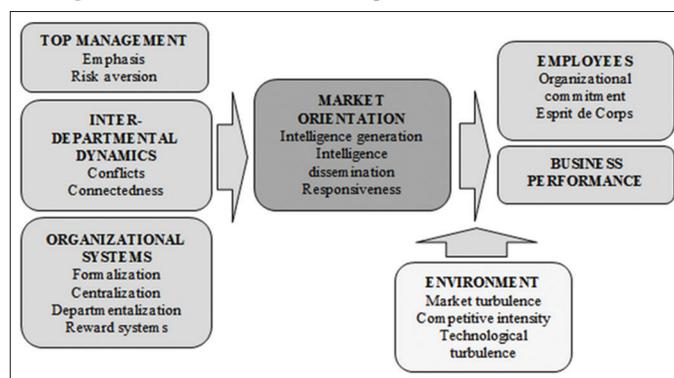
and Kohli, (1993) in their study processed a construct identifying key antecedents and consequences of market orientation. Construct is presented in Figure 1.

The first set of antecedents refers to the top management. Top managers shape the values and orientation of business. Jaworski and Kohli, (1993) characterize both antecedents - emphasis and risk aversion. Emphasis of market orientation importance is likely to encourage employees to gain information about changes in market, distribute market information with their colleagues and react to needs of customer and market. Changing customer needs necessitate introducing new products and services to accomplish customers' expectations. However, new product or service development often runs a high risk of failure and therefore, top managers' risk posture is crucial. If top management evidence an inclination to take a risk and they accept occasional failures, also junior managers are stimulated to propose new ideas in order to improve products that satisfy customers' changing expectations. Contrary, employees are less likely to react to changes in customers' needs when top managers do not tolerate potential failures (Kohli and Jaworski, 1990). Lorincová et al. (2016) stated that top management also plays an important role in creating the corporate culture.

The second set of antecedents is characterized by Kirca et al. (2005) who state that interdepartmental factors consist of interdepartmental connectedness (INCNC) and interdepartmental conflicts (INCNF). They use explanation of Kennedy et al. (2003) who understand INCNC as extent of formal and informal contacts among employees from various departments what clearly influence level of dissemination and responsiveness to market information. Conflicts among departments arises from their different goals and results in reducing of responses to market information and thus weaken market orientation (Jaworski and Kohli, 1993).

The third set of antecedents represents organizational systems. Avlonitis and Gounaris (1999) devote their study to centralization (CNTR), which refers to the degree of delegation of decision-making authority in business and participation of organizational members in decision making process. Because of the information monitoring and collecting systems and processes given by CNTR for business is more complicated to acquire market information and share information throughout organization.

Figure 1: Antecedents and consequences of market orientation



Source: Jaworski and Kohli, 1993. P. 55

Formalization (FRML) is defined as “the emphasis placed within the organization on following specific rules and procedures in performing one’s job” (Zaltman et al., 1973. P. 138; In: Matsuno et al., 2002. P. 19). Degree of FRML influences ability of achieving market information, its disseminating and using in the same way like CNTR. It means the more formalized organizational structure business has, the less market-oriented business can be. Departmentalization (DPRT) is defined as the number of departments into which organizational tasks are divided. However, more indicative is departmental interaction through the formal and informal contacts among employees. Thus, in this context is more likely to define it as “the extent to which members of department are isolated from interdepartmental interactions” (Matsuno et al., 2002. P. 20). The last antecedent of organizational characteristics is reward system (RS). Jaworski and Kohli, (1993) consider RS as a key to the development of market-oriented business. Kirca and Hult (2009) argue that market-based RS refer to the manner of rewarding of managers and employees in organization. They can be primarily rewarded based on short-term profitability and sales figures, or based on long-term and market-based indicators, such as customer satisfaction and retention. Logically, market-based RS supports market orientation because it motivates managers and employees to realize market-oriented actions.

To summarize theoretical knowledge about effects of antecedents on market orientation we show an overview in Table 1. In the first column are written individual antecedents. Second and third column refers to the tendency of antecedents’ effects on market orientation. Each antecedent is marked by specific symbol according to its effect on market orientation, whether it increases or decreases the degree of market orientation. As results from Table 1, emphasis of top management, INCNC, and market-based RS positively affect the degree of market orientation of business. On the other hand, risk aversion of top management (TMRA), INCNF, FRML, CNTR, and DPRT decrease the degree of market orientation. As mentioned Elexa et al. (2016), factors of internal environment can be handled by the management, because they are created within the business itself.

As we can see in the Figure 1, market-oriented behaviour positively influences business outcomes. Market orientation

Table 1: The effect of antecedents on market orientation

Antecedent	Increases, market orientation	Decreases market orientation
Top management Emphasis	✓	✓
Risk aversion		✓
Interdepartmental dynamics		✓
Conflicts		✓
Connectedness	✓	
Organizational systems		✓
Formalization		✓
Centralization		✓
Departmentalization		✓
Reward systems	✓	

Source: Own elaboration according to Jaworski and Kohli, 1993.

has a positive impact on employees. Especially, it increases organizational commitment and esprit de corps. Organizational commitment lies in loyalty of employees to the business and their willingness to stay work for it. Accordingly, committed employees used to spend more time, efforts and talent to their organization (Parasuraman, 1987). According to Boyt et al. (1997) esprit de corps “consists of a set of enthusiastically shared feelings, beliefs, and values about group membership and performance, and manifests itself as a strong desire to achieve a common goal even in the face of hostility. At the work group level, esprit de corps exists when individuals in the same department or team enthusiastically share values and goals.” Jaworski and Kohli, (1993) conclude that both organizational commitment and esprit de corps are outcomes of market-oriented behaviour of business. However, there are the other motivational factors which contribute to the satisfaction of employees, such as base salary, job security, and the use of a fair appraisal system (Lorincová et al., 2016). Market orientation influences also business performance. Many authors (Ngai and Ellis, 1998; Gaur et al., 2009; Gadimi et al., 2013; Eslahnia, 2014; Yadav and Tripathi, 2014) investigated the relationship between these variables. Businesses performance as a consequence of market orientation is mainly expressed by the level of customer satisfaction as a non-financial indicator and several financial indicators, including profitability, sales or overall performance. Vieira (2010) argue that market orientation is a source of differentiation on market and investments to marketing concept implementation should lead to superior business performance.

Relationship between market orientation and business performance is influenced by environment. Jaworski and Kohli, (1993) appointed these external factors as market turbulence (MTUR), competitive intensity (CINT), and technological turbulence (TTUR). MTUR represents customers’ preferences rate of change. Businesses operating in markets where customers often change their preferences are likely to have a greater need to be market-oriented. CINT is the second moderator of market orientation and business performance relationship. In conditions of higher competition, customers have many alternatives how to satisfy their needs. Therefore, in such environment is more necessary to be market-oriented because there is a higher risk of losing customers. At last, TTUR is presented by rate of technological change in business environment. In environment characterized by high rate of technological change businesses can reach competitive advantage through the technological innovations. In the contrast, businesses operating in stable markets have to rely on market orientation. The overview of the effects of external factors is presented in Table 2.

Against these explanations of Kohli and Jaworski argued Narver and Slater (1996) with statement that in the long-term all markets are characterized by low growth, high competitiveness and changes in customer preferences, therefore market orientation will never be negative in spite of the negative effects acting in short time. Siguaw et al. (1998) add that market-oriented behaviour should be adopted under any circumstances, and results should be expected in long-term, while any short-term costs will be compensated (In: Cervera et al., 2000).

2. AIMS, MATERIALS AND METHODOLOGY

The aim of this article is to examine the impact of internal determinants and environment on market orientation of businesses from foodstuff industry in Slovakia. In order to find out the impact of individual determinants on market orientation we realized a primary research. Our research sample consists of companies of all sizes whose main business activity is manufacturing or trading in foodstuff industry. In our research we addressed 1115 businesses for answering the questions. After completion of data we received 62 questionnaires. The rate of return was 6.19%. The structure of our sample is presented in Table 3. Respondents were employees at the relevant positions who were able to answer the questions competently, for example owners of businesses, marketing managers, heads of departments and so on. Businesses in our sample are from different district of Slovakia and there is only Slovak ownership in majority of businesses.

The method chosen for primary data collecting was questioning and data collecting tool was structured online questionnaire. We contacted our respondents through the email. Database of emails was created from publicly available sources, especially websites. For measuring market orientation we decided to use a MARKOR scale developed by Jaworski and Kohli, (1993) because it reflects the market-oriented behaviour in business. However, as resulted from pilot questioning and feedback from respondents we have decided to reduce original 32-item MARKOR scale. We used the 7-degree Likert scale for the expression of the degree of agreement (1 = absolutely disagree, 7 = absolutely agree) with individual statements. We have decided to use this scale because of retaining the same length of the items for all statements what lead to better ability to compare and interpret individual questions like several authors in their studies (Narver and Slater, 1990; Pitt et al., 1996; Pulendran et al., 2003; Hooley et al., 2003).

Table 2: The effect of environment on market-oriented behavior

External determinant	Supports market-oriented behavior	Does not support market-oriented behavior
Environment		
Market turbulence	✓	
Competitive intensity	✓	
Technological turbulence		✓

Source: Own elaboration according to Jaworski and Kohli, 1993

Table 3: Structure of research sample

Type of business	Number of businesses	Number of employees	Number of businesses
Manufacturers	33	1-9 employees	14
Wholesalers	16	10-49 employees	18
Retailers	13	50-249 employees	18
		More than 250 employees	12
Total	62	Total	62

Source: Own elaboration

In order to accomplish the aim of this article we set main hypothesis H:

H: There is relationship between internal and external determinants, and market orientation.

We also formulated ten partial hypotheses which complement the main hypothesis. First two partial hypotheses refer to the internal determinant top management. As results from the theory, top management emphasis (TME) increases the degree of market orientation and contrary, TMRA has a negative effect on market orientation. So, we set following hypotheses:

H₁: The greater the top management emphasis, the higher the market orientation.

H₂: The greater the risk aversion of top management, the lower the market orientation.

Next two partial hypotheses examine the interdepartmental dynamics of business. This category is divided into INCNF and INCNC. Attendance of INCNF decreases the degree of market orientation. On the other hand, INCNC increases the degree of market orientation. Following hypotheses have been formulated:

H₃: The greater the interdepartmental conflicts, the lower the market orientation.

H₄: The greater the interdepartmental connectedness, the higher the market orientation.

Next four partial hypotheses refer to the internal determinants connected with organizational systems. From the theory results that FRML, CNTR and DPRT decrease the degree of market orientation. In our research we did not examine DPRT, because we have not information about number of departments. The emphasis on market-based factors in RS while evaluating and rewarding managers increases the degree of market orientation. Thus, we set following hypotheses:

H₅: The greater the formalization, the lower the market orientation.

H₆: The greater the centralization, the lower the market orientation.

H₇: The greater importance of market-based factors in reward systems, the greater the market orientation.

Business environment can influence both market orientation and business performance. In our research we examine the impact of determinants on market orientation, so we decided to research the impact of environment only on market orientation. We formulated three partial hypotheses, while each of them corresponds to one determinant of environment. We know from the theory that greater MTUR and CINT should have positive impact on market orientation. Contrary, TTUR tends to decrease market orientation. These relationships were transformed to following hypotheses:

H₈: The greater the market turbulence, the higher the market orientation.

H₉: The greater the competitive intensity, the higher the market orientation.

H₁₀: The greater the technological turbulence, the lower the market orientation.

To find out the impact of internal determinants and environment on market orientation we used regression and correlation analysis via statistical software IBM SPSS Statistics 19. Regression analysis is a summary of statistical methods and procedures for detecting interactions between two or more variables (Pacáková et al., 2009). Specifically, we used sum of squares. According to Hendl (2004) correlation indicates the extent of association of two variables. Two variables are correlated when a certain value of one variable tends to occur together with certain values of another variable. To determine the intensity of the relationship between the variables, we used Pearson correlation coefficient. We used also the arithmetical mean like the other authors in their researches (Narver and Slater, 1990; Jaworski and Kohli, 1993) for expressing the mean value of answers on items which refer to individual determinants. Next, we proceeded to the statistical verification of hypotheses. We set the significance level at $\alpha = 0.05$.

3. RESULTS

Firstly, we verified the statistical significance of regression model by using ANOVA. The results are shown in Table 4. P value is 0.000 what is less than $\alpha = 0.05$. It means that regression model is statistically significant. Thus, we confirmed the main hypothesis H there is relationship between internal and external determinants, and market orientation.

Next, we looked at the individual items of regression model. Table 5 presents the results. In last column are P values for each independent variable. The first determinant TME with P value 0.011 is statistically significant. However, the top management risk aversion is not statistically significant determinant in regression model, because P value is 0.412 what is more than $\alpha = 0.05$. Thus, the hypothesis H₂ the greater the TMRA, the lower the market orientation was not confirmed. So, there is no significant dependence between top management risk aversion and marketing orientation. Following group of determinants refers to interdepartmental dynamics. The third determinant which is INCNF is statistically significant determinant, because P value is 0.000. The next hypothesis H₄ the greater the INCNC, the higher the market orientation was not confirmed, because P value was 0.806 what is more than $\alpha = 0.05$. So, there is no significant dependence between INCNC and market orientation.

The third group of internal determinants includes FRML, CNTR and RS. As results from Table 5, P value for FRML is 0.359 what is more than $\alpha = 0.05$. It means that there is no significant dependence between FRML and market orientation. We did not confirm the hypothesis H₅ the greater the FRML, the lower the market orientation. The next determinant is CNTR. P value is 0.681 what means that we did not confirm the hypothesis H₆ the greater the CNTR, the lower the market orientation, because p-value is greater than $\alpha = 0.05$. Thus, there is no significant

Table 4: ANOVA

ANOVA ^b					
Model	Sum of squares	df	Mean square	F	Sig.
1					
Regression	28.275	10	2.828	8.064	0.000 ^a
Residual	17.883	51	0.351		
Total	46.159	61			

^aPredictors: (Constant), TECHTUR, INTCONF, COMPINT, CENTR, REWSYS, FORM, MARTUR, TMRA, TME, INTCONN. ^bDependent Variable: MO. Source: SPSS output. ANOVA: Analysis of variance, TME: Top management emphasis, TMRA: Risk aversion of top management

Table 5: Regression analysis

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Standard error	Beta		
1					
(Constant)	2.664	0.759		3.511	0.001
TME	0.212	0.080	0.303	2.652	0.011*
TMRA	-0.054	0.065	-0.080	-0.828	0.412
INCNF	0.377	0.098	0.568	30.832	0.000*
INCNC	-0.019	0.079	-0.034	-0.247	0.806
FRML	-0.093	0.100	-0.093	-0.926	0.359
CNTR	0.021	0.050	0.039	0.414	0.681
RS	0.134	0.078	0.160	1.728	0.090
MTUR	-0.041	0.065	-0.061	-0.637	0.527
CINT	-0.129	0.079	-0.150	-1.630	0.109
TTUR	0.007	0.048	0.016	0.154	0.878

^aDependent variable: MO. Source: SPSS output. TME: Top management emphasis, TMRA: Risk aversion of top management, INCNF: Interdepartmental conflicts, INCNC: Interdepartmental connectedness, FRML: Formalization, CNTR: Centralization, MTUR: Market turbulence, TTUR: Technological turbulence, CINT: Competitive intensity, RS: Reward system

dependence between CNTR and market orientation. The last internal determinant is business RS. Hypothesis H₇ the greater importance of market-based factors in RS, the greater the market orientation was also not confirmed because P value is 0.090 what is more than $\alpha = 0.05$. This means that there is not a significant dependence between RS and market orientation.

Lastly, we examined the impact of environmental determinants on market orientation. Hypothesis H₈ the greater the MTUR, the higher the market orientation was not confirmed because P value is 0.527 what is more than $\alpha = 0.05$. Hypothesis H₉ the greater the CINT, the higher the market orientation was not confirmed because P value is 0.109 what is more than $\alpha = 0.05$. Finally, we did not confirm hypothesis H₁₀ the greater the TTUR, the lower the market orientation because P value is 0.878 what is more than $\alpha = 0.05$. There is not significant dependence between environment and market orientation.

In the next step, we removed those variables, which are not statistically significant from the regression model and realized regression analysis for two significant variables (TME and INCNF). We verified the statistical significance of regression model by using ANOVA. The results are shown in Table 6. P value is 0.000 what is less than $\alpha = 0.05$. It means that regression model is statistically significant.

Next, we looked at the individual items of regression model. In last column of Table 7 are presented P values. Firstly, P value for TME is 0.009, what is less than $\alpha = 0.05$. Thus, there is significant relationship between TME and market orientation. It means that hypothesis H_1 the greater the TME, the higher the market orientation was confirmed. As results from Table 7, the increase of one point in mean value of TME causes the increase of 0.205 point in mean value of market orientation in the case of stable value of another determinant, which is mean value of INCNF. Table 7 shows that P value is for INCNF is 0.000 what is less than $\alpha = 0.05$. Value of unstandardized B coefficient is 0.349 what means, that if there is increase by one point in mean value of INCNF, it causes the increase by 0.349 point in mean value of market orientation in the case of stable value of TME. It is important to emphasize that the increase of mean value of INCNF does not mean intensifying the INCNF. The values were recalculated. The higher mean value company achieves in competent items, the less INCNF are between departments. Thus, the hypothesis H_3 the greater the INCNF, the lower the market orientation was confirmed.

We decided to illustrate dependence of variables through the scatter plot which has been processed through a Microsoft Excel. Linear regression curve is shown in the Graph 1. The horizontal axis represents the mean values of the independent variable TME and the vertical axis shows the mean values of the dependent variable market orientation.

The slope of the linear curve expresses the strength of dependence between independent and dependent variable. As we can see from Graph 2, the slope of this linear curve is sharper than linear curve in the Graph 1. It expresses that dependence between INCNF and market orientation is stronger than dependence between TME and market orientation.

We also provided correlation analysis to examine the intensity of relationship between each determinant and market orientation

Table 6: Analysis of variance

ANOVA ^b					
Model	Sum of squares	df	Mean square	F	Sig.
1					
Regression	25.050	2	12.525	35.007	0.000 ^a
Residual	21.109	59	0.358		
Total	46.159	61			

^aPredictors: (Constant), INCNF, TME, ^bDependent variable: MO. Source: SPSS output. ANOVA: Analysis of variance, TME: Top management emphasis

Table 7: Regression analysis (hypotheses H_1 and H_3)

Model	Unstandardized coefficients		Standardized coefficients	t	Sig.
	B	Standard error	Beta		
1					
(Constant)	2.123	0.396		5.367	0.000
TME	0.205	0.076	0.293	2.693	0.009*
INCNF	0.349	0.072	0.526	4.832	0.000*

^aDependent variable: MO. Source: SPSS output. TME: Top management emphasis, INCNF: Interdepartmental conflicts

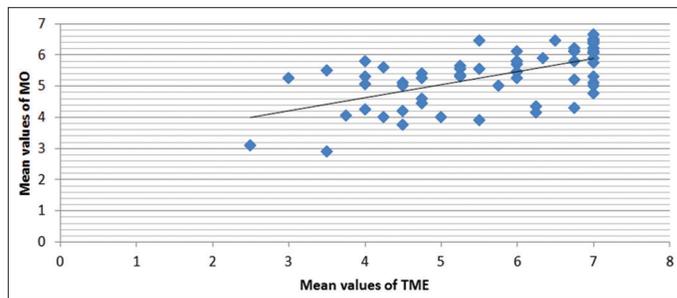
separately. As is shown in Table 8, P value for determinant TME and market orientation is 0.000, which means that there is a significant dependence between this determinant and market orientation. The value of correlation coefficient is 0.601 what means, that there is a moderately strong dependence between TME and market orientation. Dependence between INCNF and market orientation is statistically significant because P value is 0.000. There is moderately strong dependence between these variables, because the value of correlation coefficient is 0.697. Lastly, Pearson correlation coefficient showed that there is a significant, but weak dependence between INCNF and market orientation. From the view of statistical significance, the other determinants and market orientation are not correlated.

To sum up, we present overview of research results in Table 9. In the first column are determinants, which represent independent variables. In the second column is dependent variable – market orientation. The third column includes the name of hypothesis which was formulated to verify dependence independent and dependent variable. The fourth column contains information about statistical verification of hypothesis. Symbol \checkmark means that hypothesis was confirmed and symbol X means that hypothesis was not confirmed. The last column presents the interpretation of research result. We confirmed two out of 10 hypotheses.

4. DISCUSSION

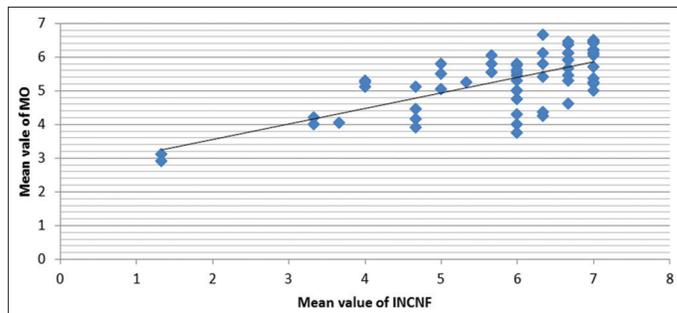
The aim of this article was to examine the impact of internal determinants and environment on market orientation of businesses from foodstuff industry in Slovakia. In our research, we have

Graph 1: Linear regression curve of interdepartmental conflicts and MO dependence



Source: MS Excel output

Graph 2: Linear regression curve of interdepartmental conflicts and MO dependence



Source: MS Excel output

Table 8: Correlation analysis

Correlations	MO	TME	TMRA	INCNF	INCNC	FRML	CNTR	RS	MTUR	CINT	TTUR
MO											
Pearson correlation	1	0.601**	-0.216	0.697**	0.374**	0.049	-0.041	0.089	0.170	-0.208	0.008
Sig. (2-tailed)		0.000**	0.092	0.000**	0.003**	0.705	0.751	0.493	0.188	0.104	0.954
N	62	62	62	62	62	62	62	62	62	62	62

**Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed). TME: Top management emphasis, TMRA: Risk aversion of top management, INCNF: Interdepartmental conflicts, INCNC: Interdepartmental connectedness, FRML: Formalization, CNTR: Centralization, MTUR: Market turbulence, TTUR: Technological turbulence, CINT: Competitive intensity, RS: Reward system

Table 9: Overview of research results

Independent variable	Dependent variable	Hypo-thesis	Con-firmed	Interpretation
Top management				
Top management emphasis	MO	H ₁	✓	There is significant dependence between top management emphasis and market orientation
Top management risk aversion	MO	H ₂	X	There is not significant dependence between top management risk aversion and market orientation
Interdepartmental dynamics				
Interdepartmental conflicts	MO	H ₃	✓	There is significant dependence between interdepartmental conflicts and market orientation
Interdepartmental connectedness	MO	H ₄	X	There is not significant dependence between interdepartmental connectedness and market orientation
Organizational systems				
Formalization	MO	H ₅	X	There is not significant dependence between formalization and market orientation
Centralization	MO	H ₆	X	There is not significant dependence between centralization and market orientation
Reward system	MO	H ₇	X	There is not significant dependence between reward system and market orientation
Environment				
Market turbulence	MO	H ₈	X	There is not significant dependence between market turbulence and market orientation
Competitive intensity	MO	H ₉	X	There is not significant dependence between competitive intensity and market orientation
Technological turbulence	MO	H ₁₀	X	There is not significant dependence between technological turbulence and market orientation

✓ means that hypothesis was confirmed. X means that hypothesis was not confirmed. Source: Own elaboration

confirmed the main hypothesis and two partial hypotheses. We found out that the regression model is statistically significant. We confirmed that there is significant relationship between TME and market orientation, and between INCNF and market orientation. Researches examining antecedents of market orientation present various results. Matsuno et al. (2002) examined the FRML, CNTR and DPRT as antecedents of market orientation. In their research they found out that there is not significant relationship between FRML and market orientation, and between CNTR and market orientation. Only the relationship between DPRT and market orientation was found to be negative and significant. Vieira (2010) investigated the impact of INCNC, interdepartmental environment, and rules for job execution on market orientation in his meta-analysis. All three antecedents of market orientation were significant. These results showed that all investigated antecedents had a significant and positive impact on market orientation. The rules for job execution contain the degree of FRML in company. Surprisingly, also this antecedent had a positive impact on market orientation. Theory suggests negative association between FRML and market-oriented behaviour (Jaworski and Kohli, 1993). However, Vieira (2010) argue that by creating rules employees might feel more secure about their tasks and actions in coordination

with norms and philosophy of company. Therefore, more FRML (up to specific point) could lead to the higher market orientation. This result could be caused by the character of the country, because author analysed researches and studies conducted in Brazil. Kirca and Hult (2009) in their conceptualization implies that the effectiveness of market orientation' antecedents is context dependent. It means, that cultural context of country determine the intensity of impact of antecedents on market orientation.

Based on research results, we argue that the values of managers and their approach to the other employees significantly influence the overall market orientation of business. As Lorincová et al. (2016) noted in their study, there is an ambition of most executives to perform managerial work which will result in the added value and sustainable competitive advantage. This competitive advantage should be associated with the strategic development of business which could be also supported by high degree of market-oriented behaviour. For increasing the degree of market orientation it is essential to support the philosophy of giving customer to the centre of attention, monitor market trends and competitors' actions by top management. Top management has to lead employees to be ready to meet customer needs. The best way how to do this is to become a

good example. Top management can emphasize the importance of these aspects through the expressing the appreciation to employees who behave in a needed way. This may include implementing competition employee of the month, while the criterion could be customer care or employee creativity. Creativity of employees may be recognized as bringing innovative design and improvement process within the company as a response to current market trends. Contrary, top management risk aversion was not proved to be significant determinant of market orientation. This result can be caused by character of foodstuff industry. Decisions about extensive innovations of food products should be precisely considered. Top management is one of the most significant factors which determine the degree of market orientation in business and one of the best ways how to support market-oriented behaviour is to employ market-oriented top management.

According to regression analysis, INCNC is not statistically significant determinant that influence the market orientation when the other determinants affect market orientation together. However, correlation analysis proved that there is weak correlation between INCNC and market orientation. So, we add some implications of this determinant. Building relationships between employees and creating a positive working atmosphere can be realized in different ways. First of all, this should be the interest of the owners and top management of the company, because only satisfied and motivated employees can fully do their job and contribute to the increase the degree of market orientation of the company. Primarily, it is possible to ensure this via non-financial benefits. Management may choose non-financial benefits, which would contribute to build relationships among employees. Such non-financial benefits may be, for example free tickets for cultural events, theatre or concerts. One possibility is to organize team-building activities. Teambuilding activities formulate relations between employees and support cooperation within the team. Interactions among employees and joint efforts to meet the simple and often entertaining aim leads to consolidation of relations and motivates employees to work together. Employees can contribute to increasing market orientation by forming a good team and cooperating while fulfilling tasks. Improving relations in the workplace also contributes to creating a positive corporate culture.

According to our research, INCNF affect market orientation the most. INCNF clearly undermine relations between employees from different departments, but it is obvious that it is not possible to avoid conflicts in work. Important is the ability of top managers to solve conflicts and minimize them. It requires specific managerial skills. The way of solving the problem depends on the severity of the problem. It is very common that various departments in the company competes each other and do not pursue the same goals. In practice, it often happens that targets of manufacturing and marketing department are in conflict. While the goal of manufacturing department is to produce quality products at optimum costs, the marketing department aims to sell an attractive product to customer. It is necessary to unify departments' goals what is possible to achieve through the mutual communication and negotiation of corporate strategy. Managers of each department should lead their employees to meet the common goals of the company.

5. CONCLUSION

In this paper we examined the impact of internal determinants and environment on market orientation of businesses from foodstuff industry in Slovakia. Research results should help businesses to identify crucial determinants that increase the degree of market orientation of business. We realized quantitative research on the sample of Slovak foodstuff businesses and examined impact of various determinants on market orientation. We found out that significant determinants are TME and INCNF. The other internal and external determinants do not have impact on market orientation of researched businesses. In following text we provide some conclusions according to research.

Our research has several limitations. It was researched quite small sample consisting of 62 businesses from one industry and one country. The rate of return was only 6.19 % what is quite small. In future research would be better to motivate respondents to fulfil the questionnaire to reach higher rate of return. Larger sample can bring more reliable results with better generalizability. Results can differ from one industry to another, so there is possibility to address businesses from various industries.

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