MARKET ORIENTATION AND PROFITABILITY OF QUOTED COMPANIES IN NIGERIA

E. P. OSEYOMON (Ph.D)
Business Administration, Faculty of Management Sciences
University of Benin, Benin City, Nigeria

E.C. GBANDI (Ph.D)
Business Administration, Benson Idahosa University
Benin City

Abstract

The objective of the study was to determine the extent to which customers of quoted companies in Nigeria are satisfied with the products (goods and services) of quoted companies. Purposive sampling method was used to select a total sample size of fifty (50) companies. Through the techniques of simple random sampling, a total number of two thousand, two hundred and twenty (2,220) customers were selected from the quoted companies. Index and mean index methods were used to measure the level of customer satisfaction. The results obtained from the analysis revealed a mean index score of 2.3 measured against a scale of 5. This implied that the extent of customer satisfaction was below average. The study recommends that quoted companies in Nigeria should be customer-oriented in order to serve their customers better.

KEY WORDS: Customers, satisfaction, quoted companies, Nigeria

INTRODUCTION

The term market orientation refers to the marketing concept. As such, a market-oriented organization is one whose practices are consistent with the marketing concept (Kohli & Jaworski 1990; Roger, 2004). The focus of such a company includes customer satisfaction, profitability, effective and efficient marketing information system and integrated marketing. Despite the fact that market orientation is a fundamental competitive marketing strategy, many organizations pay lip service to its implementation (Mitchell & Agenmonmen, 1984; Iyasere 2002; Roger, 2004; Kurt, Sonja & Sonja, 2006).

Several reasons have been adduced for the prominence of market orientation in the marketing literature suggesting the need for organizations to be market-oriented. First,
increasing competition in the economy. In recent times, organizations have not just competing locally but globally, following the advent of globalization (Kohli & Jaworski, 1990). This stiff competition in the marketing environment implies that it is the organization that possesses the best competitive strategy that will perform well. Another reason is consumerism. Over the years, consumers have become sophisticated. They know their rights and they insist on their rights. Therefore, organizations must be customer–driven so as to remain in business (Kotler, 2010).

Another reason that may compel organizations to be market-oriented is the changing buying pattern of customers. Customers buy products for reasons best known to them. Market orientation enables organizations to acquire customer intelligence. It is this intelligence that assists them to monitor and provide solutions to the fluctuating buying pattern of customers (Liao, Foreman & Sargeant; 2001). Another reason is mass market and mass affluence (Agbonifoh, Ogwu, Nnolim & Nkamnebe, 2007). The availability of a reasonable population of consumers who are well to do for whose patronage a large number of organizations are competing may compel these organizations to be market-oriented.

Again, another reason that may compel an organization to be customer-driven is the existence of a crop of professional managers (Agbonifoh et al, 2007). The transfer of responsibility and authority from organization owners to a crop of educated and professional managers assume that such professional managers should be willing and capable of adopting market orientation philosophy for the attainment of long term goals for the organization and for themselves of which customer satisfaction forms a major part. Furthermore, another reason is technological changes in production. Advancement in technology makes it possible for organizations to engage in large scale production of goods. These goods produced on large scale need to be sold to customers for the production process to continue. Customer orientation enhances to a reasonable extent the selling function of an organization (Kurt, Sonja & Sonja, 2006).

Also, growth in mass communication media is another reason for the adoption of market orientation. This makes it possible for information to be provided for the availability of products anywhere in the world thereby further making competition very tense (Day, 1994). In the opinion of Bamgboye (2003), decline in sales more often than not; create a compelling need for organizations to adopt market orientation. Closely related to this, is the desire for growth in market shares by organizations (Raju, Lonial & Gupta, 1995). Furthermore, the dire need by organizations to satisfy their customers and hence to make profit are other reasons why it is necessary and compelling for them to adopt market orientation (Kotler, 2010).

However, in strong economies characterized by strong demand, an organization may be able to get along with a maximum level of market orientation (Kurt, Sonja & Sonja, 2006). In contrast, in a weak economy, customers are not likely to be value-conscious and organizations must not necessarily be in tune with and respond to customer needs in order to offer good value for their money (Kurt, Sonja & Sonja, 2006). The stronger the economy, the stronger the relationship between market orientation and organizational performance (Kohli & Jaworski, 1990; Dawes, 2000; Kurt, Sonja & Sonja, 2006).
Although this study suggests that market orientation is related to organizational performance, however, under conditions of limited competition, stable market demand and preferences, technologically turbulent-free industries and booming economies, market orientation may not be related strongly to business performance (Kohli & Jaworski, 1990). Organizations operating under the conditions above should pay close attention to the cost-benefit of implementing market orientation (Gounans & Avolotitis, 2001). Be that as it may indicators in the Nigerian economy reveals that the companies we are studying are operating under conditions of stable market demand and boom which makes it necessary for these companies to adopt market orientation.

STATEMENT OF THE RESEARCH PROBLEM

Marketing management can be seen as the conscious effort to achieve desired objectives using competitive strategies in target markets (Kotler, 2010). However, in some situations before organizations can realize their desired objectives, certain orientation(s) should direct their marketing efforts. For instance, what relative attention should they give to the customers (markets), the community or society and other stakeholders? Very often, many organizations are not so clear-cut on the appropriate orientation to adopt (Kotler and Armstrong, 2006).

There are several philosophies or orientations that drive organizational marketing practices. These orientations or philosophies, include production orientation, product orientation, selling orientation, marketing concept orientation, societal marketing orientation and relationship marketing orientation (Boone & Kurtz, 1995; 2009; Kotler & Keller, 2006). Organizations that are market oriented are able to serve the interest of customers, and are invariably able to achieve selling and profitability objectives (Unruh 1996).

Some works have been done in Nigeria and Africa on the need for business organizations to adopt and implement market orientation. For instance, Baker and El-Haddad (1982), examined the extent of the acceptability of market orientation by business organizations in Egypt. They used customer orientation, profitability of marketing operations and organizational characteristics of the chief marketing officers as bases to evaluate the degree of the implementation and operationalization of market orientation. They found that the practices of Egyptian organizations were at variance with the philosophies of market orientation. Furthermore, Mitchell & Agenmonmen (1984), carried out a study on the attitude of some Nigerian marketers toward the adoption of the marketing concept. They found that most managers only paid lip service to the marketing concept (market orientation) in their organizations. However, they did not evaluate the impact of the adoption of the marketing concept on organizational performance.

Olusoga (1978) proposed that the relevance of the marketing concept is dependent among others on the stage of the economic development of a given nation. Furthermore, Agbonifoh, Ogwo, Nnolim and Nkamnebe (2007), note that the complex and competitive nature of the Nigerian environment would compel business organizations in Nigeria to adopt the marketing
concept. Also, in a study by Iyasere (2002), it was found that some bakery companies in Nigeria adopted the marketing concept.

Dauda & Akingbade (2010), did a research on “Employee’s Market Orientation and Business Performance in Nigeria: An analysis of Small Business Enterprises in Lagos State”. They recommend that employee’s market orientation requires the flattening of the organizational structures, managing processes rather than functional specialization and outsourcing. Similarly, Asikhia (2010), did a study on “Customer Orientation and Firm Performance among Nigerian Small and Medium Scale Businesses”. The result of the study indicated that there was a positive and significant relationship between customer orientation and firm performance in the context of Nigerian small and medium scale businesses. Asikhia (2010), in his study on “Banks Market Orientation and Performance relationship in Nigeria”, found a positive and significant relationship between market orientation and banks performance.

Ofoegbu & Akanbi (2012), did a study on the role of market orientation on the perceived performance of a firm using Nigerian Breweries Lagos, Nigeria as case study. The study found that three dimensions of market orientation namely, market intelligence, intelligence dissemination and responsiveness were predictors of performance in Nigerian Breweries. A single firm in the manufacturing sector is not enough to generalize the outcome of the study for the entire manufacturing sector in Nigeria. Most authors in Nigeria who carried out research on market orientation and performance adopted a piece-meal approach in the selection of industries of industries in the quoted companies in the Nigerian stock exchange market. Therefore, our study takes a holistic survey of firms in the first-tier stock market in Nigeria with the intent of determining the extent of customer satisfaction with the goods and services provided by these companies.

LITERATURE REVIEW

MARKET ORIENTATION CONSTRUCT

Market orientation is a marketing philosophy that is based upon a company-wide acceptance of the need for customer orientation, profit orientation, and recognition of the important role of marketing in communicating the needs of the market (customers) to all major corporate departments in organizations (Kurt, Sonja & Sonja, 2006). The issues that are clear from the above assertion include customer focus, co-ordinated marketing, profitability and customer satisfaction. These are referred to as pillars of the marketing concept (Market Orientation) (Agbonifoh et al, 2007).

Customer Focus: This is the central element of market orientation. It involves obtaining information from customers about their needs and preferences. Furthermore, being customer-focused also involves taking actions based on market intelligence, not just on verbalized customer opinions alone (Kohil & Jaworski, 1990). Market intelligence is a broader concept in that it includes the consideration of exogenous market factors such as competition and regulations that affect customer needs and preferences as well as current and future needs of customers (Kaynak & Arbelaez, 2000).
The generation of market intelligence relies not just on customer surveys, but on a host of formal and informal means. This intelligence gathering mechanisms include meetings and discussions with customers, trade partners, analysis of sales reports, analysis of world-wide customer databases, market research, customer attitude surveys and sales response analysis (Kohli & Jaworski, 1990; Bamgboye, 2003).

Co-ordinated Marketing: Operationalization of market orientation is not the sole responsibility of the marketing department. For example, generation of market intelligence could be carried out by Research and Development Engineers, Senior Managers from other departments could find out world-class practices in trade journals among others. Market intelligence once generated should be disseminated to all departments in the organization (Jaworski & Kohli, 1993). It is the synergy of all departments in the organization that ensures the effective implementation of the market orientation construct.

Profitability: The uniform agreement in the literature is that profitability is a consequence or outcome of market orientation and not a part of the construct, the same is true of customer satisfaction (Jaworski & Kohli, 1993).

IMPLEMENTING A MARKET ORIENTATION

As explained before, some factors can foster or discourage the implementation of market orientation in organizations. Since these factors identified are controllable by senior managers, deliberate installation of a market orientation is possible in organizations (Kohli & Jaworski, 1990). According to Kohli & Jaworski (1990), senior managers must themselves be convinced of the value of market orientation and communicate their commitment to junior employees in the organization. Proclaiming market orientation through annual reports and public interviews is good, however, junior employees need to witness behaviours and resource allocation that reflect a commitment to market orientation implementation by top managers (Webster, 1988).

Furthermore, senior managers must develop positive attitudes toward changes and have the willingness to take calculated risks. A market orientation may lead to a few projects or programmes that may not succeed, however, supportive reaction to failures is critical for engendering a change-oriented philosophy represented by the marketing concept or market orientation (Kohli & Jaworski, 1990).

Also, interdepartmental dynamics can be managed through appropriate in-house efforts. Some inexpensive ways to manage this situation include interdepartmental lunches, sports leagues that require mixed-department teams and newsletters that elicits fun and friendship at various interdepartmental relations (Jaworski & Kohli, 1993). Kohli & Jaworski (1990), added further that more advanced efforts include exchange of employees across departments, cross-departmental training programmes and senior department managers spending a day with executives in other departments. Such efforts appear to foster an understanding of the personalities of managers in other departments, their culture and their particular perspectives.
Another set of variables that senior managers might alter to foster a market orientation philosophy pertains to organization-wide systems. The impact of structural factors such as formalization and centralization is unclear because, though they appear to inhibit the generation and dissemination of market intelligence, these factors are likely to help an organization implement its response to market intelligence effectively (Kohli & Jaworski, 1990).

How an organization should structure itself appears to depend on the activity involved. Clearly, however, senior managers can help foster a market orientation philosophy by changing rewards from being completely financed-based to being at least partly market-based such as customer satisfaction intelligence obtained or generated, etc. Simultaneously, informal norms such as the acceptability of political behaviour in the organization should be changed to facilitate concerted response by the departments to market developments (Kohli & Jaworski, 1990; Lukas & Ferrell, 2000).

Furthermore, the balance of power across departments must be changed carefully in an effort to become more market-oriented. Though market orientation involves the efforts of virtually all departments in an organization, the marketing department typically has a larger role to play by virtue of its contact with customers and the marketplace. Individuals in the marketing department may try to relegate staff members of other departments to the background. This attitude will not foster the effective implementation of market orientation therefore, it should be discouraged (Kotler, 2010).

In general, organizations that develop market intelligence and respond to it, are likely to perform better and have more satisfied customers and employees than the organizations that do not do so (Kohli & Jaworski, 1990). Simply engaging in market-oriented activities does not ensure the quality of those activities with respect to customer satisfaction. The quality of market intelligence itself may be suspect or the quality of execution of marketing programmes designed in response to the intelligence may be poor. In such instances, market orientation may not produce the desired functional consequences. For example, to meet a customer’s need, one industrial product company went to extreme length to customize small batches of products for the customer, which resulted to poor financial performance of the company (Kohli & Jaworski, 1990). Similarly, one executive noted that a company’s efforts to raise customer expectations about product quality, response time, and other factors eventually resulted in uneconomical operations and dissatisfied customers. These difficulties parallels the problem posed by over promising in service settings discussed by Zeithaml, Berry & Parasuraman (1988). Variables in the quality of market intelligence, its dissemination and organizational response are very crucial in the implementation of market orientation and warrant consideration by both managers and researchers.

BUSINESS ORGANIZATIONS’ ORIENTATIONS OR PHILOSOPHIES TOWARD THE MARKETPLACE

The essence of orientation or philosophy in marketing is exchange (selling) in which two or more parties give something of value to each other to satisfy felt needs (Boone & Kurtz, 2007).
In the earliest times, exchange took the form of exchange of goods for goods (barter system). However, as the society develops, the barter system metamorphosed into money economy where goods or services now exchange for money (Unugbro, 2010). Although, the exchange process in the earliest times was crude, it was simple and less challenging, unlike it is now in a complex industrialized society where exchange has become very sophisticated and competitive. It is this sophistication in competition of the exchange process that resulted in the series of orientations or philosophies in marketing (Cannon, 2003; Kurt, Sonja & Sonja, 2006).

Marketing scholars are unanimous on the marketing orientations that are available in the literature which business organizations can use to approach a target market. The orientations are: production orientation, product orientation, selling orientation, marketing concept (Market) orientation societal marketing orientation and relationship marketing orientation (Churhill, 1979; Day, 1994; Kotler, 2004; Agbonifoh, Ogwo, Nnolim and Nkamnebe, 2007).

**Production Orientation:** This orientation or philosophy holds that consumers will prefer products that are widely available and inexpensive. This orientation started following the industrial revolution in Europe and America when goods were produced in abundance due to the discovery of industrial machines Organizations that are production-driven concentrate on achieving high production efficiency, low costs and mass distribution. Such organizations assume that consumers are primarily interested in product availability and low prices (Kaynak & Arbelaez, 2000; Gainer & Paulette, 2002; Kotler & Keller, 2006). Production orientation is very important in developing countries such as Nigeria where consumers are more interested in obtaining products than in its’ features. This orientation is also useful and relevant when an organization wants to expand its’ market (Kotler, 2010).

**Product Orientation:** This orientation holds that consumers will prefer products that offer the best quality, performance or innovative features (Kotler & Armstrong, 2006). Organizations that are product-driven focus on making superior products and improving on them over time. Such organizations assume that product buyers admire and accept well-made products and can evaluate quality and performance. Product-oriented organizations are sometimes caught up in love affair with their products that they commit the “better mouse trap” fallacy by believing that a good product will sell itself (Kotler, 2010).

Product-driven organizations often trust that their product engineers can design exceptional products to the extent that they get little or no customer input, and very often, may not even examine competitors’ products. Indeed, product-oriented companies are looking into a mirror inside when they should be looking out of the window (Kotler, 2004).

**Selling Orientation:** This orientation believes that consumers and organizations if left alone, will not ordinarily buy enough of products. Therefore, organizations must embark on aggressive selling and promotion drive (Kotler & Keller, 2006; Perreault & McCarthy, 2008). The assumptions underlying the selling orientation are that consumers typically show buying inertia or resistance, as such, must be coaxed into buying. Second, it assumes that business
organizations have the battery of effective selling and promotion tools to stimulate more product buying (Kotler, 2010).

The selling orientation is practiced most aggressively with unsought goods, that is, goods that buyers do not normally think of buying, for instance, insurance. Secondly, organizations resort to the selling orientation when they face over capacity. The aim is to sell what they make rather than make what the market or consumer wants (Kotler, 2004).

**Marketing Concept:** Market orientation popularly known in the literature as the marketing concept first came to the fore in the mid 1950s to replace the product-driven orientation of many marketing organizations. Instead of the “make and sell” philosophy, there was a paradigm shift to customer-centred “sense and respond” philosophy (Keith, 1960).

Furthermore, in the opinion of Kotler (2004; 2010), the marketing concept holds “that the key to achieving organizational goals consists of the company being more effective than competitors in creating, delivering and communicating superior customer value to its chosen target markets”. He went further to add that the marketing concept rests on four pillars namely target market, customer needs, corporate marketing and profitability. These four pillars are also referred to as benefits of the marketing concept (Agbonifoh et al, 2007, p. 45).

The four pillars of the marketing concept (market orientation), represent the foundation of the concept which in turn determines its working mechanism. They explain how the concept works and the end-product of the concept.

**The Target Market:** It is pretty difficult for a marketer to satisfy everyone in a total market. What is done is for the marketer to divide the total market into segments taking into consideration demographic, psychographic and behavioural differences among buyers (Bangboye, 2003; Kotler, 2008). The marketer then decides which segment present the greatest opportunity. It is the selected segment(s) that represent the target market of the marketer in question (Vignali and Vignali, 2002; Griggs, 2002; Cannon, 2008).

Furthermore, the marketer through his marketing mix or programmes develops market offerings meant to satisfy the relatively homogeneous needs of the target markets (Gounaris and Avlonitis, 2001). The product offerings will be said to be successful if it delivers value and satisfaction to the target markets (Kotler and Keller, 2006). Usually, consumers choose between different offerings on the basis of what is perceived by them to deliver the most value (Kotler, 2008).

Value reflects the perceived tangible and intangible benefits and costs to customers. On the other hand, value is primarily a combination of quality, service and price (QSP), referred to as consumer value triad (Kotler & Keller 2006). Value increases with quality and service, and decreases with price, although other factors can also play an important role (Kotler, 2008). Value-laden products are very critical to the success of a target market. Since no single marketer operates all alone in a target market, the concept of value should not be taken for granted (Benz,
Value-laden products result in consumer satisfaction. On the other hand, satisfaction reflects a consumer’s comparative judgment resulting from a product’s perceived performance in relation to his/her expectations. If the performance falls short of expectations, the consumer is dissatisfied and disappointed. If the performance matches the expectations, the consumer is satisfied, if the performance exceeds expectations, the consumer is highly satisfied or delighted (Kotler and Keller 2006). Marketers have the responsibility to delight their customers in a target market.

**Customer Needs:** Consumers buy products to satisfy perceived needs. The marketers must try to understand the target markets’ needs, wants and demands. Need are the basic human requirements without which life becomes threatened. Such life-sustaining needs include food, air, water, clothing and shelter. People also have need for recreation, education and entertainment. These needs become wants when they are directed to specific objects that might satisfy the need (Kotler & Keller, 2006). On the other hand, demands are wants for specific products backed by an ability to pay. Marketers must measure not only how many people want their products but also how many would be willing and able to buy the products (Kotler, 2004).

Understanding consumer needs and wants are not always simple or easy. Some consumers have needs that they are not fully conscious of, or cannot articulate. On this premise, Kotler & Keller (2006) distinguished between five types of need viz:

- Stated needs, the product is specified.
- Real needs, for instance, the consumer need a car whose operating cost is low.
- Unstated needs, for instance, the consumer expect good service from the car dealer.
- Delight needs, for instance, the consumer would want the car dealer to make supply with an additional supply of extra facility.
- Secret needs, for instance, the consumer wants to be seen by friends as a savvy consumer.

Kotler & Keller (2006), went further to say that responding only to the stated needs may amount to shortchanging the consumers. The fact is that many consumers may not know what they want in a product.

In the past, responding to customer needs meant studying consumer needs and making a product that fitted these needs on the average, but some of today’s marketers rather respond to each customer’s individual needs. This is a paradigm shift from “make-and-sell” philosophy to “sense-and-respond” orientation (Greenly, 1995; Brown & Carlton, 2003; Kotler & Armstrong, 2006).

**Corporate Marketing:** Corporate marketing is a process where all the departments in an organization synergize to serve the interests of the customers. Customers occupy the centre stage of the organizations, therefore, all hands must be on deck to serve their interests. The reasons for
this are very obvious. The satisfaction of the customers results in the success of the organization. All employees in the organization should be trained to serve the consumers.

Integrated marketing takes place at two levels namely at the various marketing functions (sales force, advertising, customer service, product management and marketing research). All the employees in these functional areas should work together so as to serve the customers better (Kotler, 2008). The second level are other departments in the organization, David Packard of Hewlett-Packard was once quoted in Kotler (2004) as saying that marketing is far too important to be left only to the marketing department. Other departments in the organization must “think customer” (Kotler, 2004).

Furthermore, to foster teamwork among the other departments in the organization, such organization should carry out regular internal and external marketing. By internal marketing, we mean the task of hiring, training and motivating able employees who want to serve customers well. On the other hand, external marketing is the marketing activities directed at stakeholders outside the organization (Boone & Kurtz, 2002; Kotler & Armstrong, 2006).

Profitability: The ultimate purpose of market orientation (marketing concept) is to help organizations achieve their objectives of which profit making is one. However, organizations can only make profit by satisfying customer needs better than competitors (Day, 1994; Dawes, 2000). Several scholars have found that organizations that embrace the marketing concept achieve superior performance especially growth in sales and market share (Harrison & Shaw, 2004).

Societal Marketing Orientation: This is an enlargement of the marketing concept (market orientation), and it lays emphasis on societal well-being while satisfying customers. For instance, oil companies in Nigeria are expected to imbibe the societal marketing orientation in the course of their operations so as to safeguard the health of the people in the communities where they are doing business. This orientation is necessary for the survival of the organizations and the people within the communities where their businesses are located (Boone & Kurtz, 2009).

Relationship Marketing Orientation: This orientation is a sub-set of the marketing concept. Its’ focus and emphasis is on individual customer needs and wants. It is a concept based on one-to-one marketing integration and value chain. Whereas companies practicing the marketing concept work at the level of customer segment(s), a growing number of today’s companies are now shaping separate offers and services to individual customers (Kotler, 2008).

These companies collect information on each customer’s past transactions, demographics, psychographics, media and distribution preferences. The idea is to achieve profitable growth through capturing a large share of each customer’s expenditure by building high customer loyalty and retention, keeping customers for life by focusing on each customer life time value. It is greatly important to satisfy target customers and individual customers specifically because a company’s profits come from two broad groups of customers namely new customers and old customers (Iyasere, 2002; Kotler, 2010).
The emphasis of relationship marketing is retention of old customers because highly satisfied customers exhibit the following qualities:

a. Stay longer and loyal.
b. Buy more as the company introduces new products and upgrades existing products.
c. Talk favourably about the company and its’ products. Indeed, they become the company’s advocate.
d. Pay less attention to competing brands and advertising, and they are less sensitive to price.
e. They are costless to serve than new customers because transactions are routinized (Kotler, 2003).

MARKET ORIENTATION AND CONSUMER SATISFACTION

The business of present day marketers involves satisfying consumers’ needs and wants. Kotler & Keller (2006: 34) puts it this way:

The task of any business is to deliver customer value at a profit. In a hyper-competitive economy, with increasingly rational buyers faced with abundant choices, a company can win only by fine-turning the value delivery process and choosing, providing and communicating superior value.

Understanding customers’ needs is very crucial to the success of any business. It involves learning not only what customers currently value, but what new values are been created by competitors (Unruh, 1996; Davidow & Uttal, 1998; Uncles, 2000). The techniques for uncovering values have also become more numerous and time-consuming to analyze and implement (Unruh, 1996). The first step in understanding customers is to listen to them. An organization needs to hear what customers are saying about its people, products, services and vision (Unruh 1996; Foxall, 1989). Such information assists the organization to develop meaningful products (Walsh, 1994). Contents of the information from customers include complaints, satisfaction rating, competitive experiences, product and service history, suggestions among others (Unruh, 1996).

No doubt, information is a useful impetus in effective service delivery to customers (Burns, 1992). Once information are secured from customers, organizations are expected to harness them in serving the best interest of customers. Consumers are rational, they have expectations and they are surrounded by myriads of competing products. Therefore, organizations that want to succeed must be prepared to meet customers’ needs (Davidow & Uttal, 1998).

Listening to customers and studying the output provide organizations with a step to set strategies for aligning themselves with customers’ values. One way to ensure that an organization’s strategy is actually customer-oriented is to involve customers and employees in its development. When this is done, the strategy will provide the impetus to meet customer needs.
and at the same time assist employees in its implementation (Davidow & Uttal, 1998; Kotler & Kotler, 2006).

In addition to customers’ and employees’ input, organizations examine what their competitors or other best practice organizations are doing. Competitive analysis gives insight into competitors’ strategies, capabilities, strengths and weaknesses, culture and personality. It further provides a thorough understanding of what competitors are trying to accomplish, how they will do it, how likely they are to be successful, and how they will respond to changes in the marketplace and their own competitors’ moves (Unruh, 1996; Kasper, 2002). Some organizations evaluate their competitors firsthand by having their employees use competitors’ products.

Another strategy for innovating customer-friendly products is benchmarking. These assist organizations to rigorously measure their performance against first class organizations within a given functional or process area (Ignacio, Gonzalez & Vijande, 2002). Benchmarking measures not only how much an organization can improve, but also how it can improve by identifying best practices and key success drivers. It is also about improving competitive positioning and using best practices to stimulate radical innovation rather than just seeking minor incremental improvement in performance (Unruh, 1996).

Unruh (1996), adds further that because of the external focus of benchmarking, it seems to aid most in establishing realistic measures of productivity and customer satisfaction and in strategies that have an outward perspective. There are three types of benchmarking. Organizations can benchmark against the top competitors in their industry, against industry competitors who are best at a particular practice, and against the world-class company that is recognized as the best at a particular practice regardless of industry (Unruh, 1996; Davidow & Uttal, 1998; Cheung, 1999).

Another customer-focused strategies worth mentioning in this study are service quality standards, seminars and award criteria. However, the caveat is that standards should be applied selectively, only those most relevant to organization’s customers should be used.

For customer-focused strategies to be successful, it is recommended that it should be part of the organizational culture, that is, it should be second-nature for organizational members to serve the best interest of the customers because it is the satisfaction of the customers that determines the success of organizations (Hofstede, 1986; Hofstede, Neuijen & Ohayv, 1990). Organizational culture should not be merely written on a piece of paper, it has to become second nature to all employees, who will then improve upon it by learning from each other, customers, competitors and the general business environment (Unruh, 1996).

Furthermore, employee teaming seems to play an important role in helping organizations implement a customer-driven strategy. The teams can break down organizational boundaries and solve problems faster and they can speed up the process of building a new customer culture in the organizations.
Having examined some of the most critical customer-driven strategies, the next thing to do is for organizations to learn more thoroughly about customer values (Burns, 1992). Technology is playing an increasingly important role in the process of learning about customer values. In the same vein, some organizations give employees training to enhance their customer listening skills. This will enable them to have proper insight into what they think customers are saying and what the organizations should be doing (Davidow & Uttal, 1998; Paul, 1990; Paswan & Lisa CTroy, 2004).

Employees who have regular contact with customers are to be reminded to make time to listen to customers. It is very easy for salespeople to assume that they know what their customers want, and to forget to ask them about their expectations from time to time (Smith & Saker, 1992). In the same direction, organizations should educate their employees to empathize with customers. They are to identify with individual circumstances of the customers, be flexible and demonstrate their care. Empathy makes working with customers easier for employees and much more gratifying for customers (Unruh, 1996; Raju, Lonial & Gupta, 1995).

Furthermore organizations must give employees the tools (knowledge, ability and authority) to serve customers. Employees’ empowerment is a two-way street. If organizations are to give employees freedom and tools, employees should be willing to take responsibility (Unruh, 1996).

The departure point for creating unique services is to understand what customers value. Regrettably, many organizations add layers of services to their offerings without considering customers’ individual needs. They usually offer more services than customers really want and at prices that reflect neither the value to the customers nor the cost of providing them. Many organizations do not know which services customers with similar needs really want nor do they understand which services should be part of a standard package which can be offered as options (Unruh, 1996). Salespeople, many times give away services to win a deal, even if there is a reduction in profit. This approach to providing customer service can be very expensive.

Furthermore, many organizations are realizing that they can provide customer services at a low cost that meet customers’ needs more effectively, gain more business and generate profit. Such organizations build flexibility into their customer services offerings (Davidow & Uttal, 1998). They take off by defining the minimum level of services that all customers in a market segment uniformly value and then sell these services at the lowest price that will yield profit. Options are also added to meet the needs of individual customers within the segment. By so doing, the organization can more easily retain and expand business with the most valuable customers (Unruh, 1996; Kaplan & Norton, 1996; Kasper, 2002).

Nevertheless, no matter how well an organization designs its products, consumers will complain about them. Frankly, it is only very few dissatisfied customers that truly make their complaints known (Dunstone, 1993). For this reason, many organizations have no idea why their customers leave them. To further aggravate the situation, Kotler (2004), observes that such
dissatisfied customers tell their friends and relatives about their dissatisfaction. Some organizations that are smart recognize the relevance of customer complaints, they create the opportunity for customers to make their complaints (Unruh, 1996).

Davidow & Uttal (1998); Unruh (1996), adds further that complaints are excellent performance measure, their frequency and content indicates that an organization has lost touch with its customers, and what it needs to do to get back on track. Complaints can be a goldmine of information on how to improve business performance (Day & Wensley, 1988).

Like customers, all complaints are not treated equally. Most organizations prioritize which customer complaints to respond to by their frequency. But the most frequent complaints are not necessarily the ones that point to the greatest problems. From the perspective of customers, the speed of response to complaints counts for almost as much as the content of the response (Unruh, 1996). In today’s fast-moving world, rapid response time is becoming a cornerstone of customer care (Foreman, 1997).

However, advances in technology have enhanced the speed and responsiveness of customer complaints resolution. For instance, computer systems that record customer complaints and route them for resolution assume that appropriate action will be taken on them (Unruh, 1996; Dimaggio & Powell, 1991). Systems that enable customers to lodge complaints directly into the database of an organization saves time on customer complaints management. Responsiveness to customer complaints is further enhanced when customer service representatives have easy access to company products and other information (Knauft, Berger & Gray, 1991; Unruh, 1996).

Research evidence reveals that effective customer complaints’ handling process include listen, apologize, express concern, make amends and record the events. Depending on the situation and the nature of the complaint, employees should learn to use their good sense of judgment to determine how best to respond to the customer concerned (Locander, Hamitton, Ladik & Stuart, 2002, Unruh, 1996). Furthermore, customers prefer to have their complaints attended to, not only quickly but by one person (Unruh, 1996). More importantly, one method organizations can use to make customer complaints-resolution process easier is to offer service guarantees to customers (Davidow & Uttal, 1998). By this method, customers know what to expect and employees on the other hand know what will satisfy them (Unruh, 1996). However, such guarantees work only if employees are capable of carrying out the service, if not, it can be very expensive (Unruh, 1996, Kotler, 1999).

Furthermore, whether customers are satisfied after product purchase depends on the product performance in relation to the consumers’ expectations. Generally speaking, customer satisfaction is a feeling of pleasure or disappointment resulting from comparing a product’s perceived performance in relation to expectations (Kotler, 2008; Kotler & Keller, 2006). If the performance falls short of expectations, the customer is dissatisfied, on the other hand, if the performance matches expectations, the customer is satisfied, and if the performance exceeds expectations the customer is highly satisfied or delighted (Kotler, 2004).
Consumers derive their expectations from past buying experiences, friends’ and associations’ advice, marketers’ and competitors’ information and promises. Marketers are not to set their expectations too high because consumers might be disappointed when such expectations are not met. On the other hand, expectations should not be too low because it will not attract enough patronage though, those who buy the product would be satisfied (Kotler & Keller, 2006). The point of customer satisfaction is the equilibrium of expectation and performance (Magrath, 1990).

Organizations are systematically measuring customer satisfaction because of its critical role in customer retention. A highly satisfied customer stays loyal, buys more as the organization introduces new products and upgrades existing ones, talks favourably about the company and its products, pays less attention to competing brands and is less sensitive to price, and offers product ideas to the organization. Indeed, it is costless to serve satisfied customers than new ones because transactions are routinized (Kotler & Keller, 2006). However, the link between customer satisfaction and customer loyalty is not proportional. For instance, if customer satisfaction is rated on a scale from one to five, at a very low level of customer satisfaction (level one), customers are likely to abandon the company and even bad-mouth it. On the other hand, at levels two to four, customers are fairly satisfied, but finds it easy to defect or switch when a better product come on board (Slater & Narver, 1994; 2000; Kotler & Keller, 2006). But at level five, the customer is very likely to make a repeat purchase and in addition, spread good tidings about the product and the organization (Kotler, 2004).

Furthermore, high satisfaction or delight creates an emotional bond with the product and the organization and not just a rational preference. When customers rate their satisfaction with an element of the firm’s performance, for example service delivery, the firm need to recognize that customers vary in how they define good delivery. Good delivery could mean early delivery, on-time delivery, order completeness or delivery accompanied with after-sales services. Organizations must note that two customers may report being highly satisfied for different reasons. One of the customers may be easily satisfied most of the times while the other customer might be very difficult to satisfy, but may be pleased at a particular point in time (Kotler & Keller, 2006).

There are several methods that can be used to measure customer satisfaction. One of the methods is periodic surveys which can track consumer satisfaction directly. Respondent customers can be asked additional questions to measure repurchase intention and the likelihood or willingness to recommend the organization and its products to others (Paul, 1990; Kotler, 2008). Similarly, organizations can monitor the customer loss rate and contact customers who have stopped purchasing or defected to other organizations to find out the reasons for the brand switching. In the same vein, organizations can hire mystery shoppers to pose as potential buyers and report on strong and weak points experienced in purchasing the firm’s and competitors’ products. Marketing managers themselves can enter firm and competitors’ sales situations where they are not known and experience firsthand the treatment they receive or make phone call to their own company with questions and complaints to see how the calls would be handled (Kotler & Keller, 2006).
Furthermore, for customer satisfaction surveys, it is pertinent that organizations ask the appropriate questions. In addition to tracking customer value expectations, and satisfaction, organizations need to monitor their competitors’ performance in the relevant areas.

In sum, for customer-focused organizations, customer satisfaction is both a goal and a marketing tool. Organizations need to be especially concerned with their customer satisfaction because, apart from the positive consequences it has on business organizations, it also have negative side-effects on the growth and stability of the organizational activities. To forestall such negative consequences, Agbonifoh (1982), provides a summary of customer satisfaction management guide to assist marketing managers in enhancing customer satisfaction. This is shown in table 1 below.

<table>
<thead>
<tr>
<th>Sub-goal sought</th>
<th>Rationale</th>
<th>What to do</th>
<th>How to do it</th>
<th>Measuring performance</th>
</tr>
</thead>
</table>
| Consumer satisfaction | Consumer satisfaction ensures continued consumer patronage and helps the organization in its pursuit of growth, profits, survival and other objectives. | Consumer – orientation i.e. take direction from the marketplace (and adjust products to reflect consumer wants, needs, and characteristics) | 1. Identify target market:  
  i. Define consumer needs to be served;  
  ii. Select market Segments to serve.  
  iii. Through market research, identify preferences and other characteristics of customers in your market segments.  
  2. Achieve product market match. Using information from (i) above, determine what product offering meets the specific nature of chosen markets and modify products accordingly.  
  3. Establish feedback/control system. Use your consumer orientation to adjust your marketing mix to reflect market changes. | 1. Check trends in your performance (total sales, market shares, profit, company growth etc).  
  2. Find out whether consumers are satisfied with your product if not, find out why not |

Source: Adapted from Agbonifoh (1982) p. 101

Furthermore, because of the overriding nature of customer satisfaction, it should be the concern of every organizational units and departments. This fact is captured by Kotler (1999) in the table below.
Table 2: Integrated Marketing Efforts

<table>
<thead>
<tr>
<th>Departments</th>
<th>Duties and Responsibilities</th>
</tr>
</thead>
</table>
| Research/development (R&D)         | - They spend time meeting customers and listening to their problems  
- They welcome the involvement of marketing, and other departments in each new project.  
- They benchmark competitors’ products and seek best of class solutions.  
- They solicit customer reactions and suggestions as the project progresses.  
- They continuously improve and refine the product on the basis of market feedback. |
| Purchasing                         | - They proactively search for the best suppliers rather than choose only from those who solicit their business.  
- They build long term relations with fewer but more reliable high quality suppliers.  
- They do not compromise quality for price saving.                                                                                                                                 |
| Marketing                          | - They develop winning offers for each segments.  
- They measure company image and customer satisfaction on a continuous basis.  
- They continuously gather and evaluate ideas for new products, product improvements, and services to meet customer needs.  
- They influence all company departments and employees to be customer-centred in their thinking and practice. |
| Sales                              | - They have specialized knowledge of the customer’s industry.  
- They strive to give the customers the best solution.  
- They feedback customers’ needs and ideas to those in charge of product development.  
- They serve the same customers for a long period of time.                                                                                                                                 |
| Logistics                          | - They set a high standard for service delivery time and meet this |
For organizations to continuously be on the growth path, they need to retain existing customers and attract new ones. New customers may be part of a new market niche or maybe new members of existing markets. In recent time, organizations’ primary efforts in attracting new customers focuses on increasing share of wallet from existing customers (Unruh, 1996). Although sometimes overlooked, the first step in increasing business from existing customers is to make sure that everything is being done to satisfy them. Some organizations cultivate existing customers through building advisory relationships. In an advisory relationship, the customers expects the advisor to make the purchase decision on their behalf, because they feel unable to do so as effectively and they trust that the advisor will act in their best interest (Unruh, 1996; Davidow & Uttal, 1998). Furthermore, some organizations give free support and advice to generate new customers.

Whatever method organizations use to win more business from existing customers, they rely heavily on data-base marketing. Developing large databases and capturing detailed customer information assist organizations in predicting who will buy what and when, and which customers to target and for what type of relationship (Unruh, 1996; Chin, Salisbury, Gopal & Newsted, 2003). A database analysis is done to identify which group of customers are purchasing what. After a profile has been created, the database is scanned to identify customers who do not own a particular product but have characteristics similar to the ones who do. These are the customers targeted for the new product (Unruh, 1996; Slater & Narver, 2000.)
Furthermore, organizations also use database marketing to identify events that indicate that a purchase is about to take place. For instance, in the case of a bank, a change in address, a drop in checking account balance, and an increased credit card balance by a customer are good indicators to the bank that such consumer has relocated. This may be the time for a bank to offer a line of credit at an attractive rate (Unruh, 1996; Greenley, 1995).

In addition to identifying and facilitating relationship with most valuable customers, organizations are also using database marketing to determine how much effort they expend to develop and retain potentially profitable customers. This process is known as attrition modeling. This process does not only identify customers who are about to leave, but profiles what those customers are worth to the organization (Davidow & Uttal, 1998; Unruh, 1996). By tracking and measuring past results through understanding where customers are in the life cycle and their responsiveness to past campaigns and by determining their total potentials overtime, the organization can develop a range of retention actions. Database marketing in all its forms is circular. It involves developing a test group, rolling out a campaign, studying the response and redefining the strategy. The process involves learning more and more about customers, and about what makes a successful marketing campaign. The learning never stops, and hopefully, the efforts will produce more and more business from profitable customers (Unruh, 1996; Foreman, 1997).

Furthermore, on attracting new customers, organizations are focusing on prospects selectively because of the huge amount involved especially consumer markets. This approach requires knowing much about potential customers. In new market situation, organizations may rely in part, on their new customers to help commence operations (Boone & Kurtz, 2009). In the same vein, organizations identify potential new customers by buying prospects’ information from other organizations. They then formulate predictive models through analysis of existing customer database with which they identify creditworthy customers who are prepared to make purchase (Davidow & Uttal, 1998).

THE RESEARCH INSTRUMENT

The main research instrument used in this study was the questionnaire as shown in appendix A and Appendix C. The sections of the questionnaires and the relevant information sought are as shown below:

Section A of our research instrument in appendix A requested for the profile of the Organizations. The information sought included the year of establishment of the organizations, nature of business, the type of industry, position of the respondents, years of experience of the respondents in their organizations and the highest level of education of the respondents.

Section B of appendix A was intended to ascertain the extent to which the organizations were customer-oriented. Here, we relied on market orientation measurement scale developed by Kohli & Jaworski (1990), Jaworski & Kohli (1993) respectively. As noted earlier in our literature
review, issues involved in this scale include market intelligence gathering, market intelligence dissemination, intelligence response design and customers’ response implementation. Five-point Likert Scale was used to elicit data from the respondents (See Appendix A for more details).

Furthermore, all the questions in appendix C were used to determine the relationship between the adoption of market orientation and customer satisfaction. The respondents to the questions were customers that formed part of the sample size. Information sought bordered on satisfaction of customers in quoted companies.

**SATISFACTION OF CUSTOMERS**

Out of the 2,220 questionnaires administered to the customers of the fifty (50) companies, 1,469 were returned and properly completed (29 in each company). This represented 98% of the total questionnaires administered. The remaining 31 questionnaires could not be retrieved

**Table 3: Extent of customer satisfaction of quoted companies in Nigeria**

<table>
<thead>
<tr>
<th>Customer satisfaction variables</th>
<th>Very satisfied</th>
<th>Satisfied</th>
<th>Fairly satisfied</th>
<th>Dissatisfied</th>
<th>Very Dissatisfied</th>
<th>Weighted sum</th>
<th>Satisfaction index</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>How do you perceive the company-customer relations of this organization?</td>
<td>9</td>
<td>0.6</td>
<td>39</td>
<td>2.7</td>
<td>207</td>
<td>14.1</td>
<td>806</td>
</tr>
<tr>
<td>Rate the quality of products of this organization?</td>
<td>19</td>
<td>1.3</td>
<td>74</td>
<td>5.0</td>
<td>371</td>
<td>25.3</td>
<td>778</td>
</tr>
<tr>
<td>How satisfied are you with the customer service of this company?</td>
<td>16</td>
<td>1.1</td>
<td>43</td>
<td>2.9</td>
<td>344</td>
<td>23.4</td>
<td>759</td>
</tr>
<tr>
<td>How</td>
<td>23</td>
<td>1.6</td>
<td>49</td>
<td>3.3</td>
<td>398</td>
<td>27.1</td>
<td>847</td>
</tr>
</tbody>
</table>
From table 3, 82.7% of the customers were either dissatisfied or very dissatisfied with the company customer relations of the companies studied. This implies that the companies do not have, good customer relationship with their customers. This is corroborated by the low index of 1.93. On the other hand, 68.5% of the sampled customers were dissatisfied or very dissatisfied with quality of products offered by the companies. This had an index of 2.24. Similarly, 72.1% of the total customers were either dissatisfied or very dissatisfied with the type of services rendered to customers. The index for this question is 2.12. On how satisfied or dissatisfied with the companies products, 68% of the customers said that they were dissatisfied or very dissatisfied with company products.
Furthermore, 74.8% of the customers noted that they were either dissatisfied or very dissatisfied with the way and manner companies handle their complaints. 68% of the customers, do not frequently patronize the companies as an expression of their dissatisfaction. In the same way, 38.7% of the customers sometime buy from competing companies due to dissatisfaction with their companies. On the whole, the mean index for customer satisfaction is 2.30. This is below average when measured with the five point Likert Scale. This implies that the level of satisfaction of customers of the companies is low.

CONCLUSION/RECOMMENDATION
Market orientation is a marketing philosophy that guarantees customer satisfaction. All the issues discussed in the study that borders on market orientation should be carefully considered by companies in order to ensure maximum customer satisfaction. Satisfied customer stays longer, loyal and dependable.

References


