A Study of Market Orientation and Its Effect on Small to Medium Sized Enterprises of Informatics Industry Located in Tehran

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ABSTRACT: Market orientation is sometimes defined as a Practical Approach to Marketing that could be used as a source of sustainable competitive advantage. The purpose of this recent study is to peruse marketing and its effect on the three dimensional performance of active Small and medium Enterprises (SMEs) in the Informatics industry located in Tehran city. The research method is a descriptive – survey, depending on the practical purpose and nature of the subject. The statistical population consists of the CEOs or the marketing managers of active Small and medium Enterprises (SMEs) in the Informatics industry located in Tehran which are members of high council of informatics and have a license in three fields of production and Supporting Customer Order Management Application, providing and supporting software packages along with the basic software, and providing systems and tools. In addition they all have less than 50 employees and their corporation has been established for at least 3 years. The sample size was calculated through Cochran formula and sampling was done randomly and in accordance to the size. Data gathering tools were questionnaires that its stability was specified using Cronbach alpha 76/0. The Justifiability of the questioners was confirmed through Factor Analysis. 160 questionnaires were distributed among the companies which were in the population and %93 of them were filled and sent back to us for analyzing. In this article the section regarding analysis and statistical tests, in order to determine the Demographic characteristics if the population, was performed through Descriptive statistics. Structural Equation along with AMOS20 and SPSS19 applications were used to test Research hypotheses and the relationship between variables. In the studied model, the value of Fitting indices (RMSEA=0.025 and GFI=0.953) shows the model is acceptable. In the final results, all three hypotheses were confirmed.

Keywords: Market orientation, Financial Performance, Market domination, Marketing effectiveness, and Small and medium Enterprises (SMEs)

INTRODUCTION

Nowadays the speed of development and change in the Technology, software and hardware, market knowledge and even countries' political economy on one hand and initiative along with Speed operation in business on the other hand caused for small and medium enterprises which have a significant role as social and economic developing engines to face vigorous challenges. The most crucial and determining factor for all the companies, especially the ones we mentioned, is how they will be able to pursue their main goals as (Survival, growth and profitability). Like other sectors of the country’s economy, the company’s success requires proper functioning in the current turbulent market. In fact, companies that use the tools and resources at their disposal, especially for embedded devices used in the field of marketing, will provide a good platform to deal with such environment.

Market orientation focuses on the processes and activities related to the implementation of the marketing concept and its philosophy is based on the principle that is in order to achieve organizational goals whileneeds and demands
of the market must be considered. As the result, oriented organizations can achieve a better performance level than other competitors if they could better predict changes and prepare for more appropriate responses to those changes. Market orientation is one aspect of organizational culture in which employees consider the profitability and maintaining the customers as the most important goal. In fact, one can think of market orientation as a behavioral norm which has spread throughout the organization and meet the present and future needs of the market and customers through innovation. Oriented companies have a competitive advantage in rapidly responding to market needs and customers.

Initial efforts of researchers had a significant impact on developing the concept of market orientation. Till now several definitions have been formed for this concept:

1. Market orientation is to provide market information for the current and future needs of customers, Development and transmission of information along with the power of responsiveness at all levels of the organization. (Kohli and Jaworski, 1990)
2. Market orientation is a set of beliefs that in order to ensure company’s long-term profitability, customer is the main focus. Of course this doesn’t mean that other stakeholders such as owners, managers and employees don’t have an important role in it. (Deshpande, 1993)
3. Market orientation is the skill to understand and satisfy the needs and demands of our customers. (Day, 1994)

**Literature Reviews**

Research has shown that the majority of small and medium enterprises, after the first 3 to 5 years of establishment, face bankruptcy. Two main reasons for these failures are "lack of sufficient experience in management" and "insufficient funding". (Institute of Business Studies, Tehran, 2006). Also Anton Fernando (2001) identified four categories for problems in small and medium enterprises: 1) technological problems, 2) market access 3) access to financial resources, and funding 4) poor management.

Figure 1. shows a summary of market orientation perspectives.

<table>
<thead>
<tr>
<th>Management approach</th>
<th>Cultural perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kohli &amp; Jaworski</td>
<td>Shapiro</td>
</tr>
<tr>
<td>Customer focus</td>
<td>Create intelligent</td>
</tr>
<tr>
<td>Competition-oriented</td>
<td>Distributed intelligence</td>
</tr>
<tr>
<td>Intersectoral coordination</td>
<td>Account ability</td>
</tr>
<tr>
<td>Rükert</td>
<td>Narver and Slater</td>
</tr>
<tr>
<td>Create customer preference information for</td>
<td>Tactical decisions of Intersectoral</td>
</tr>
<tr>
<td>Narver and Slater</td>
<td>Deshpande et al</td>
</tr>
<tr>
<td>Create customer database</td>
<td>Implementation decisions</td>
</tr>
<tr>
<td></td>
<td>Implementation of the strategy</td>
</tr>
</tbody>
</table>

Figure 1. Market Orientation and Prospects of Its Main Theorists

Market orientation is known as a source of sustainable competitive advantage. It enables for organizations to think of their customers as someone with value. So there is no surprise to expect an increase in the performance of the company after Market orientation was handled properly. In fact, in many researches we have found a positive
relationship between market orientation and company performance. (Fahi et al., 2000), (Hunt and Morgan ,1995)
and kohli and Jaworski, 1990), (Narver and Slater ,1990); Rukert(1992); Jaworski and Kohli(1993), (Slater and Narver
,1994), (Slater and Narver ,2000 and Kotler ,1984), (Levitt ,1960), (Webster ,1988)also believe if a company develops
its orientation, in return market performance will also improve, (Ngansathil 2001:45). Moreover, a market-oriented
culture will lead to clarity of purpose and vision. As a result the employees will start to feel worthy of being a part of
the company and because of that they will more than ever engage themselves in the responsibilities assigned for
them, (Kohli and Jaworski ,1993;Rukert ,1992).
(Rahab ,2012) in a study “an innovative model of SMEs based on Marketorientation and training” tries to focus
on investigating the interaction between market orientation, learning orientation and innovation. In this study, the
impact of business operations and innovation has also been measured. The questionnaire was distributed among
149 small and medium sized organizations within Banyumas spread. Results show that innovation has a positive
effect on the performance of the company.
(Sidik ,2012) in a research “Conceptual Framework of Factors Affecting SME Development” tried to focus on
investigating neglected and affecting factors which cause distances between performance and development of small
and medium enterprises. He attempted to introduce a framework in this study to describe this relation. In this project,
Sidik focuses on performing an analytical review of previous studies and the result shows that there are strong links
between performance and development in Small and medium enterprises.
(Bahri et al., 2010) in a research “Economic value added (EVA): Useful tools for managing the performance of
small and medium organizations” focused on designing a measurement system and performance management for
small and medium-sized organizations. The data for this study was collected by analyzing the results of previous
researches regarding the performance and market orientation of these organizations. Statistical population in this
research was 108 small and medium sized organizations in Canada. The results showed that EVA can be a useful
tool for performance management in SMEs.
Due to results of studies on the effect of market orientation on various factors constituting the performance in
developed countries, one can analyze the impact of market orientation on performance factors for SMEs in Iran
that consists of financial performance, effectiveness and market dominance in SMEs and the software industry in Tehran.

The Importance and Necessity of the Research

The theoretical results of research conducted on the relationship between market orientation and performance in
different environments and countries are not harmonious, and not everywhere there is a positive relationship
between market orientation and performance. While in developed countries like America, the results show market
orientation has a positive impact of on organizational performance (Ghosh et al., 1994; Greenley, 1995; Matsuno et
al., 2000). Some studies rejected this hypothesis (Han et al., 1998), this results were mostly rejected in developing
countries.

The formation and development of small and medium enterprises plays an essential role in the community. Like
its effects on poverty alleviation, creating jobs, creating innovative atmosphere and new products, equitable
distribution of values in society, encouraging private sector participation, entrepreneurship, improving living
standards, provide specialized skills for the industry and allowing flexibility to adapt to global changing conditions
(Beri, 2003). (Fernando ,2001) Stated that environment and market identification (Strengths and weaknesses, threats
and chances), Engineering and consultations services along with support for researches, marketing and Product
Development services, Technological and organizational services, software and hardwarer, and entrepreneurship
development capabilities are parts of what small and medium enterprises need. One of the challenges of small and medium enterprises is to succeed in marketing; most of the time they fail only because of the
lack of adequate market research. These companies don’t have the resources to review their markets and are a lot
depended on their business partners for marketing. The low investment in research, development and marketing will
reduce rapid development capabilities, sophisticated innovation, development of products, and customized services
to small and medium enterprises.

 Territory of Research Subject

The subject of this research relates to the field of marketing management. The population consists of the CEOs
or the marketing managers of active Small and medium Enterprises (SMEs) in the Informatics industry located in
Tehran which are members of high council of informatics and have a license in three fields of production and
Supporting Customer Order Management Application, providing and supporting software packages along with the
basic software, and providing systems and tools. In addition they all have less than 50 employees and have at least
3 years of experience in this field.
Research Hypotheses
a. Market orientation affects the performance of small and medium enterprises.
b. Market orientation affects the financial performance of small and medium enterprises.
c. Market orientation affects the domination of small and medium sized enterprises.
d. Market orientation contributes to the effectiveness of SMEs on the market.

Table 1. Source of Main Variables Dimensions

<table>
<thead>
<tr>
<th>Factors</th>
<th>Dimensions</th>
<th>Components</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Orientation</td>
<td>Intelligence Generation</td>
<td>Kohli and Jaworski(1990)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Intelligence Distribution</td>
<td>Kohli and Jaworski(1990)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Responsiveness</td>
<td>Kohli and Jaworski(1990)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Liquidity</td>
<td>Albert and Nora(2008), Alan Tse and Leo Sin(2003)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New Product Success</td>
<td>Alfred (1997)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attracting Customers</td>
<td>Chieko (2002), Alfred (1997)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Product Quality</td>
<td>Alfred (1997)</td>
<td></td>
</tr>
</tbody>
</table>

To assess the performance components, due to the companies’ carefulness in sharing financial and non-financial records, we used a Subjective approach. 10 questions will be asked from the executives to assess their own performance in the last three years. These questions will measure the overall performance of the company.

Figure 3. Shows the Graph of Theoretical Model
In this research after selecting the population, the data was collected through a cross-sectional method. After choosing the sample, questionnaires regarding market orientation analysis and organization performance was received and then, as it will be clarified later on, all the data were analyzed.

The population in this research consists of the CEOs or the marketing managers of active Small and medium Enterprises (SMEs) in the Informatics industry located in Tehran which are members of high council of informatics and have a license in three fields of production and Supporting Customer Order Management Application, providing and supporting software packages along with the basic software, and providing systems and tools. In addition they all have less than 50 employees and have at least 3 years of experience in this field. According to the official site of the Supreme Council of Informatics, there are a total of 28 corporations with these attributes.

We used the random sampling method for this research. To calculate the sample size we used the Cochran formula as you can see below:

\[
n = \frac{N \sigma^2}{d^2(N-1) + \frac{z^2}{2} \sigma^2}
\]

In this formula, \( n \) represents the sample size and \( N \) shows the size of Population.

\( \sigma^2 \): Population Variance

\( d \): Permissible error

In order to obtain population variance(\( \sigma^2 \)), 30 questionnaires were distributed randomly among these corporations and after they were filled and sent back, we used SPSS19 application to calculate the sample variance. One can estimate the sample variance as a population variance and use it to calculate the sample size (HaiderAli Hooman (2007)).

In the mentioned formula we have:

Population size: \( N = 248 \)

Coefficient determining Critical Level \( \frac{Z}{2} \alpha = 1/96 \)

Permissible error \( d = 0/05 \)

Variance \( \sigma^2 = 0/277 \)

\[
n = \frac{248 \times 1/96^2 \times 0/277}{(247 \times 0/05^2) + 1/96^2 \times 0/277} = 156/9 \approx 157
\]

The calculation shows that the sample size equals 157 people so 160 questionnaires were distributed among the corporations. Each corporation received one questionnaire and the CEO or marketing manager filled it out.

In this research, questionnaires were used as tools in order to collect the data regarding the variables like market orientation and organizational performance. In the questionnaire, the market orientation and organizational performance consist of three dimensions (Figure 4 & 5). All the Indexes had Response Spectrum ranging from 1 to 5, (1= totally disagree and 5= totally agree), and the participants were asked to write down their comments regarding each choice in a column which was located in the front.

![Market Orientation Diagram](image-url)
In assessing market orientation, optimism questionnaire of (Huseman, 2010) was used. In his research, "Market orientation and MARKOR scale: the study of Low-grade market orientation", Huseman tries to analyze and revise the MARKOR questionnaire (Kohli and Jaworski, 1990).

In the present study with previous literature review and considering the type of research population, ten components were illustrated for trading performance evaluation which was categorized into 3 groups:
- Financial performance: includes profit, liquidity and ROI components.
- Market dominance: including the sales volume, sales growth and market share components.
- Company effectiveness in the market: including new product's success, customer retention, attracting customers and product quality factors.

We used Factor Analysis in order to confirm and study the formal validity and correlation. In basic model of the study, the reliability of all the items in the questionnaire to the variables needs to be measured. When the KMO is greater than 0/5, each questionnaire item has adequate reliability. As you can see in Figure 2, all the items' KMOs are greater than 0/5 and are meaningful at the level of (0/05). This survey shows that the questions in the forms of questionnaires very well examine the variables under study.

<table>
<thead>
<tr>
<th>Variable under analysis</th>
<th>KMO</th>
<th>Bartlett test</th>
<th>load factor mean</th>
<th>Level of significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intelligence Generation</td>
<td>0.625</td>
<td>214</td>
<td>0.814</td>
<td>0.05&lt; P</td>
</tr>
<tr>
<td>Intelligence distribution</td>
<td>0.746</td>
<td>240</td>
<td>0.525</td>
<td>0.05&lt; P</td>
</tr>
<tr>
<td>responsiveness</td>
<td>0.755</td>
<td>124</td>
<td>0.676</td>
<td>0.05&lt; P</td>
</tr>
<tr>
<td>Financial performance</td>
<td>0.649</td>
<td>183</td>
<td>0.849</td>
<td>0.05&lt; P</td>
</tr>
<tr>
<td>Market dominance</td>
<td>0.686</td>
<td>221</td>
<td>0.881</td>
<td>0.05&lt; P</td>
</tr>
<tr>
<td>Marketing effectiveness</td>
<td>0.707</td>
<td>113</td>
<td>0.731</td>
<td>0.05&lt; P</td>
</tr>
</tbody>
</table>

According to the table 3, the value of each of the dimensions and total coefficient in this questionnaire were greater than 0/7, which shows there is great reliability in this research.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Number of questions</th>
<th>Cronbach's Alpha Coefficient</th>
<th>Total Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intelligence Generation</td>
<td>6</td>
<td>0.715</td>
<td>0.765</td>
</tr>
<tr>
<td>Intelligence distribution</td>
<td>9</td>
<td>0.707</td>
<td></td>
</tr>
<tr>
<td>responsiveness</td>
<td>5</td>
<td>0.707</td>
<td></td>
</tr>
<tr>
<td>Market orientation</td>
<td>20</td>
<td>0.765</td>
<td></td>
</tr>
<tr>
<td>Financial performance</td>
<td>3</td>
<td>0.730</td>
<td></td>
</tr>
<tr>
<td>Market dominance</td>
<td>3</td>
<td>0.855</td>
<td></td>
</tr>
<tr>
<td>Marketing effectiveness</td>
<td>4</td>
<td>0.712</td>
<td></td>
</tr>
<tr>
<td>performance</td>
<td>10</td>
<td>0.829</td>
<td></td>
</tr>
</tbody>
</table>

The data in Table (4) shows most of CEOs, 68%, have a bachelor's degree and all the participants in this research, who have the position of the marketing manager, have doctorates.
Table 4. Comparative Table of Positions and Education

<table>
<thead>
<tr>
<th>position</th>
<th>BA</th>
<th>MA</th>
<th>PhD</th>
<th>total</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO</td>
<td>60</td>
<td>28</td>
<td>0</td>
<td>88</td>
</tr>
<tr>
<td>Marketing manager</td>
<td>21</td>
<td>36</td>
<td>5</td>
<td>62</td>
</tr>
<tr>
<td>total</td>
<td>81</td>
<td>64</td>
<td>5</td>
<td>150</td>
</tr>
</tbody>
</table>

In this section, a descriptive analysis of questions is presented in the following table. In table 5, the number of questions and Descriptive Statistics of each question such as frequency, mean and standard deviation is presented.

Table 5. Descriptive Analysis Of the Questionnaire

<table>
<thead>
<tr>
<th>Factor</th>
<th>Question</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intelligence Generation</td>
<td>1 to 6</td>
<td>3.58</td>
<td>3.64</td>
<td>3.61</td>
<td>0.02</td>
</tr>
<tr>
<td>Intelligence Distribution</td>
<td>7 to 15</td>
<td>3.61</td>
<td>3.70</td>
<td>3.67</td>
<td>0.03</td>
</tr>
<tr>
<td>Responsiveness</td>
<td>16 to 20</td>
<td>3.79</td>
<td>3.88</td>
<td>3.83</td>
<td>0.03</td>
</tr>
<tr>
<td>Financial Performance</td>
<td>21 to 23</td>
<td>2.76</td>
<td>3.87</td>
<td>3.49</td>
<td>0.63</td>
</tr>
<tr>
<td>Market Dominance</td>
<td>24 to 26</td>
<td>3.33</td>
<td>3.76</td>
<td>3.49</td>
<td>0.23</td>
</tr>
<tr>
<td>Marketing effectiveness</td>
<td>27 to 30</td>
<td>3.31</td>
<td>3.62</td>
<td>3.47</td>
<td>0.13</td>
</tr>
</tbody>
</table>

**Descriptive analysis of variables**

In this section, descriptive analyses of the variables of the model are presented in table 6. In this table, the variables, the number of questions for each of the variables and descriptive statistics for each variable such as mean and SD are presented.

According to the top table, most of the means of variables, refers to responsiveness variable, one of the dimensions of market orientation (3/832), second place belongs to performance variable (3/873).

Table 6. Descriptive analysis of variables

<table>
<thead>
<tr>
<th>Factors</th>
<th>Question</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
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<td>0.23</td>
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<tr>
<td>Marketing effectiveness</td>
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<td>3.31</td>
<td>3.62</td>
<td>3.47</td>
<td>0.13</td>
</tr>
</tbody>
</table>

Correlation matrix was used in order to investigate the linear relationship between independent variables. The results of Pearson correlation coefficient showed that there is a linear relationship between market orientation, market dominance, and the market effectiveness factors; because the obtained significance level in all the variables was less than (0/01).
One of the most powerful and suitable methods of analysis in behavioral science and social science’s research is, multivariate analysis. Because the nature of such subjects are multivariate and cannot be studied using two variables (that each time there are only one independent and one dependent variable). Multivariate analysis refers to a set of methods that their main task is to analyze the independent variable (K) and the dependent variable (N). Analyses of covariance structures, causal modeling or structural equation modeling are the main methods for analyzing complex data structures. AMOS software was used to test the research model. in accordance to what (Muller, 1996) stated that there are five stepsto setup a model:

1. Model detection
2. Determining the model
3. Estimation
4. Fit measurement
5. Redetect

**Confirmed structural equation modeling of the research and its fit indexes**

Figure 6. show the confirmed structural equation model of the research

According to (Uoreskog and Sorbom, 2002) when through the process of creating a model, one fit model is produced, among all the fitstatistics, the GFI, AGFL, and chi-square indexes are more important. This section reviews some of these indexes.

The chi-square index ($x^2$) is the most important fitting model. This statistic measures the difference between the observed and estimated matrix. According to the table, this statistic is equal to 6/25 that shows data of Table 52.6 shows the index model fits with the data.

<table>
<thead>
<tr>
<th>Minimum Chi square fit function</th>
<th>52.6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Root Mean Square Error Approximation (RMSEA)</td>
<td>0.025</td>
</tr>
<tr>
<td>Normed Fit Index(NFI)</td>
<td>0.945</td>
</tr>
<tr>
<td>Comparative Fit Index(CFI)</td>
<td>0.995</td>
</tr>
<tr>
<td>Incremental Fit Index(IFRI)</td>
<td>0.995</td>
</tr>
<tr>
<td>Relative Fit Index(RFI)</td>
<td>0.911</td>
</tr>
<tr>
<td>Goodness-of-Fit Index(GFI)</td>
<td>0.953</td>
</tr>
<tr>
<td>Adjusted Goodness of Fit Index( AGFI)</td>
<td>0.910</td>
</tr>
</tbody>
</table>
The GFI index is equal to 0.953. This number is greater than the benchmark which is 0.9; according to this index it was concluded that the index is a good fit.

AGFI index equals 0.910, the result is greater than the benchmark (0.9), so the model is a good fit.

Bentler-Bonett Index or Normed Fit Index (NFI) defines a Null model as a model where all correlations are zero (Hooman, 2008). The index value equals 0.945, because this value is greater than benchmark (0.9), shows it’s a good and acceptable model for the data.

The Goodness-of-Fit Index (GFI): the value of this index for the data equals 0.995. According to an agreement, the CFI has to be greater than the benchmark (0.9); so the model is a good fit.

Incremental Fit Index (IFI): IFI was equal to 0.995, because the value is greater than the benchmark; this model is a good fit to evaluate the model.

Root Mean Square Error Approximation (RMSEA): This measurement is based on decentralized parameter and because the RMSEA is equal to 0.025 and is greater than the benchmark value (0/1), the fit is good and acceptable.

According to the values of fit indexes, they all are considered good enough to represent the data so the research model is verified.

RESULTS AND DISCUSSION

Hypothesis test results showed a significant and positive effect of market orientation on financial performance (0.36), a positive and significant impact on the dominance of the market (0.93), a positive and significant impact on the effectiveness of the market (0.98) and thus all hypotheses are confirmed.

CONCLUSION

Demographic study of the random sample of respondents to the questionnaire indicated that in terms of age, workers aged 30 to 50 made up 51.3% of the sample. In terms of gender, 129 of them were male that is equal to 86% of the whole sample. In terms of education, the data in table 4 shows in the sample, 54% or 81 of the employees were undergraduates or less. 42.7% or 64 of them had Masters and 3.3% which is equal to 5 people has PhDs. In terms of positions, 58% or 87 people of the sample size were CEOs.

Test results showed that market orientation has a positive impact on financial performance, effectiveness and market dominance. These factors are discussed in the following interpretation:

The impact of market orientation on financial performance

Hypothesis test results showed that market orientation has a positive and significant impact on financial performance.

As it’s mentioned in the above table the estimated coefficient impact of market orientation on financial performance is 0.33. The results of this study and studies that were conducted in developed and developing countries are alike; because other researchers such as (Kohli and Jaworski, 1990, Kanu and et al., 2004, Albert and Nora, 2008, Zao and et al., 2011), and (Malekzadeh and Kazemi, 2010) all reached the same conclusion. There is no compatibility between the findings of this research and Ghanavati and Samadi’s research in (2012) which argues market orientation does not affect financial performance.

The impact of market orientation on market dominance

The hypothesis test results showed that market orientation has a positive and significant impact on the market dominance thus the hypothesis is confirmed. As it’s mentioned in the above table the estimated coefficient impact of market orientation on dominance of the market is equal to 0.93. This research finding is congruent with other national and international studies; because researchers like (Pakdel et al., 2010), (Mazidabadi Farahani, 2009), (Kohli and Jaworski, 1990) and (Sin et al., 2005) reached the same conclusion. The findings of this research does not confirm the research that (Alan Tse and Leo Sin, 2003) conducted that argued market orientation has no effect on market share and sales volume.

The impact of market orientation on the effectiveness of market

Hypothesis test results showed that the effect of market orientation has a positive and significant impact on the market and therefore the hypothesis is confirmed. As it’s mentioned in the above table the estimated coefficient impact of market orientation on effectiveness of market is equal to 0.98. This research finding is congruent with other national
and international studies; because researches such as (Javanmard and Taheri, 2009, Sidik, 2012, Chico, 2003 and Alfred, 1997) reached the same conclusion.

To achieve this important fact we offer the following proposals:

- Changes in regulations of Ranking in High Council of Informatics and reserving concessions related to corporate marketing in order to encourage the companies to engage in marketing field.
- Encourage firms to take a more serious approach to marketing, market orientation, and academic issues through marketing related courses with the Supreme Head of Informatics supervision, conducting studies to inform Managers and owners of SMEs about the marketing concepts and market orientation.

In most of these organizations there is no position for Marketing and because of this it does not follow the scientific basis of marketing and Using Marketing experts can solve this problem

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