

**EFFECT OF STRATEGIC MARKET ORIENTATION ON PERFORMANCE OF TOUR
FIRMS IN NAIROBI, KENYA**

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DECLARATION

This research project is my original work and has not been presented for the award of degree in any other university or institution for any other purpose.

Signature

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D61/79257/2015

This research project has been submitted for examination with my approval as University supervisor.

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DEDICATION

This piece of work is dedicated to my parents for their support. Also to my dear brothers and sister for the encouragement in pursuing the degree.

ACKNOWLEDGEMENT

The process of this master's project writing has been a wonderful learning experience in my academic life. It was filled with challenges and rewards. The completion of my present study leads to a new beginning and a step forward in my endeavors.

First and foremost I am grateful to God almighty the one above all, who has always been there in my endeavors in life including this study.

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ABSTRACT

Firms seeking to remain competitive and achieve superior firm performance have to anticipate what their customers want and at the same time determine if they are satisfied with the firm's products and services. Given the complexities of the market place, increased competition, globalization, changing customer needs and wants, firms require a strong market orientation and innovative marketing practices to remain competitive. They should therefore manage their target markets more efficiently and effectively than their competitors. This requires them to be market oriented. This means that business entities adjust their operations continuously so as to capture the opportunities that arise as well as vend of any business challenges that will affect the business strategies. Therefore, the capacity of a firm to re-orientation has a strong and positive impact on performance. The objective of the study was to determine the effect of strategic market orientation on performance of tour firms in Nairobi, Kenya. The research design used was descriptive cross sectional survey design. The population of the study consisted of all the 267 tour firms operating in Nairobi. The study adopted stratified sampling and simple random sampling techniques in selection of respondents for the study. The study used primary data that was collected through self-administered questionnaires containing both open ended and closed questions. The data was analyzed by the use of descriptive statistics. The regression analysis was used to assess the effect of strategic market orientation on performance of tour firms in Nairobi, Kenya. The study found out that customer orientation enabled the tour firms to have strong commitment to their customers, be better off if the market department worked a bit harder, evaluate the customer needs and ensure customer satisfaction in order t create value for customers. The tour firms were found to be using competitor orientation to collect data on their competitors in order to enable the firms to come up with strategies that would counter competitors' actions in order to achieve competitive advantage over competitors. Inter-functional coordination was being used by tour firms throughout the departments in order to increase customer value and build business plans to meet the needs of prospective and current customers. The performance of the tour firm is affected by strategic marketing orientation as they play a key role in the firms' profits, employee and customer satisfaction, market share and financial viability. The regression analysis showed that customer orientation, competitor orientation and inter-functional coordination jointly influence performance of tour firms in Nairobi. The study recommends that the management of the tour firms has to ensure that the strategic market orientation was being taken seriously as they play a critical role in determining firm performance. The study further recommends that there is need for strategic and operational government interventions as the country endeavours to be a globally competitive and prosperous nation.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Today marketplace has been identified through improving consumer feelings as well choices, fast technological improvements and a difficult rival business factors. In addition the capability of the organization forecast business chances and risk establishment is important to them. (Vorhies and Morgan, 2013). Additionally, for a firm to be eventually successful in this business situation and been in a position for high performance and productivity they actually require more enforcement on the desire to participate for customer satisfaction so as to retain the competitiveness in the market. In the today market more advances of market trends, competitions strategies and changes in their products and service has actually lead to the organization to utilize it inner materials so as to regain the competitive advantages like others. Therefore, firms are in a position to attain their competitiveness through deployment of market orientation concept which assists in the future aspiration to the customer satisfaction by delivering the actual demand and maximizing the profit of the organization well (McDonald and Wilson, 2012). In other hand Jayachandran and Bearden (2005) acknowledged presentation in the market gives the actual dimension of the strategic and the knowledge of the market background because it ensures proper delivery of provides the better acknowledge of the satisfy the customer demand for a better design. However the organization utilizing the strategic market orientation which enables the impact on better performance of the organization.

This study is berthed to the resource-based to the organization. This indicates that it is recommended that performance is actually directed through the profile of the resources and acts as a contributor of good performance. In addition, the establishment of valuable resources to the

organization enables them not to duplicate or imitate due to the uniqueness of the organizational valuable resources (Wernerfelt, 1984). The theory recommends that firms to retain competitiveness, it must have specific relevant material and adequately utilize them in order to aim the business environment (Barney, 1991).

The tourism sector in Kenya is usually identified as the most important contributor of the economics pillar of Vision 2030. In Kenya, the development has expanded due to the aim of transformation of the newly industrialization. The tourism industry is bumbershoots industry with various kinds and sizes of companies like catering as well as entertainment, accommodation and transportation facilitator fir instance the tour firms with the traveling firm. The Tour companies initially have lead to the improvement of the tourism sector in term of distribution channel and influences the industry in development. The tour operator company has testified advances in their operational framework that have emerged from the dynamic business environment. The development of the traditional markets of Western Europe and the changing of the center to the Far East and also the eastern countries has meant that the operation of the industry has been improved. However, the number of the tour firms operating in the nation, and while this progress is encouraged, it has at the same time resulted in increased competition in the same industry. It also indicates that joined with the growing desires of the customer. There has been the need for the tour operators to shift their traditional strategies. Every organization, therefore, needs to come up with proper strategic marketing orientation to counter the changes in the business environment.

1.1.1 Strategic Marketing Orientation

Strategic market orientation is the organization's planned and present resource interactions that indicate how a perceived will obtain its goals or desired level of performance. It reflects the main areas of quality in leadership, good and services differentiation, marketing, manufacturing management and cost leadership (Ormrod and Henneberg, 2010). This orientation concentrates mostly to the ideal taken by the firm in adopting and interaction with the outside situation in order to achieve their main objectives (Zhou & Li 2010). In need the strategic orientation is commonly known as strategic fitness, thrust, choices and predisposition. Also, the strategic direction is explained as the method an organization responds to modifiable to answer to the market changes promptly

Customer orientation's is valuable to companies and customers, the purpose of companies about being customer oriented and their perfect and in period practices will bring great achievements for companies. Market orientation does not have a indirect influenced the business productivity, but it has impact on customer relations and customer data management. However, the data management assists the organization management in concentrating on customer data and establishing new products. Therefore it also increases business performance (Erdem et al., 2013). Company adopting strategic market orientation initially aims high due to the knowledge gain in maintaining their customer, competitors and the means of transacting the business (Hult&Ketchen, 2011). They further claim that strategic market orientation and market ability usually work together to establish the company performance is well maintained and upgraded for competitors in the market. In addition, strategic market orientation has contributed to the more positive effect on customer relationship which results to the advancement of productivity in terms of good sales, growth as well as profit. In addition, strategic orientation is actually

considered to be given the first priority in firms to fulfill the organization goal. In a business set up, market inclinations is identified in different stages which many firm have the abilities to function differently.

1.1.2 Organizational Performance

This indicate that there is relation to the capability of the firm to achieve the main objective and gain more relevant features like profit, market share, good production of quality in good and service. The sustainability of the firm through the use of strategy means has enabled the success of the firm (Koontz and Donnell, 2003). The firm performance presents actual effort in the organizational ability to access the progress of the functioning of activities. In addition, the organization main objective is identified through the strength and weakness on the future goal on improving initiate performance (Vanweele, 2006).

Organizational performances comprise the indicators of the non-financial and financial indicators of productivity (performance) (Venkatraman & Ramanujam, 2009). Organization performance requires selection and measuring major variables which generally enables firm to detect and manage its competitiveness in the field of business. The performance of the organization is a function to managerial and controllable. Organization performance can be explained in three dimensions of performance: the return on investment, the perimeter on sales, customer comfort potential utilization and product quality variety (Green, 2007). However, performance measurement is the important factor for effective management in enhancing the organizational performance to identify and measure the influence of value in it. Venkatraman and Ramanujam (2009) suggested that organizational performance initially measures the level of performance in terms of purely economic indicators and the market share which enhances development in the organization. According to Ruekert and Walker (2007), firm performance is based on three

dimensions; effectiveness (success of procedures like changes of sales growth rate and market) and efficiency (ratio of input to output such as investment return and pre-tax profit). It is also based on adaptability (responsiveness to opportunities afforded by changes in the business situation, for example, the number of new products that succeed during a particular time).

1.1.3 Tour Firms in Nairobi

The tour operators are regulated in their operations by the government through the Ministry of Tourism which requires the operators to acquire operating licenses. The main accrediting body of the tour operators are KATO (Kenya Association of Tour Operators), whose mandate is to support the good outcome of Kenya which is actually a tourist target through making the Kenyan maintain their highest standard of service as well as value of the company (www.katokenya.org). The recent past has seen the number of tour operators in Nairobi steadily increase, to an estimated number of about 200 operating within Nairobi alone. The products and services offered by these firms include Air travels, Incentive travel groups, Custom safaris in the personal travelers and Camping safaris. In another hand the Indian ocean and coast holidays, Cultural and community safaris, Golf and Agro core, Special interest safaris (mountaineering, deep sea fishing, horse riding), Corporate team building, Car hire as well as Conference bookings among others (www.katokenya.org).

The firms operate in a highly competitive environment. The competition between different tour firms operating from the same environment is intense in the costing of services and products as well as in the various ways of delivering the goods and services, leading to minimal profit margins. Other challenges include the high capital required to set up a firm, with most of the costs going to sales and marketing, operational costs, purchase of assets like vehicles. Penetrating the marketing is also difficult for new entrants with customers mostly preferring

already established companies. Other challenges include the reduced arrivals from the traditional source markets i.e. Europe and the Americas due to the economic crisis in the West, over-exploitation of the tourism products like the traditional safari is no longer as attractive to the clientele. Also, the political instability in the region that has sometimes led to travel advisories against traveling to the country to the west, increased operational costs that result in reduced profitability among other challenges (Mwangi,2010).

Despite the challenges in the industry, the opportunities there exist many opportunities that include: a growing middle class in Kenya who are to afford the available products and services hence a ready market, new source markets in the far east like China, Japan, Russia. Therefore, the government has also intensified its marketing strategies through the Kenya Tourism Board which has gradually had a important to the effect to the number on tourists arriving in the nation, developing updated goods and services e.g. the opening up of new tourist circuits like Samburu, Laikipia mostly for cultural tourism which were previously unexploited. Conference tourism has also gradually developed, given the strategic position of the country in the region as the hub of business. The growth of infrastructure-roads, airports/airstrips as well the development of technology has lead to increased growth in the industry.

1.2 Research Problem

Firms seeking to survive competitive and achieve high firm performance have to expect what their customers need and at the same time determine if they are satisfied with the firm's goods (Homburg, Krohmer and Workman, 2012). Additionally, there are difficulties in the marketplace which includes the increase in competition, updating the customer requirement. However the company needs stronger market presentation which comprises of innovation on marketing practices which enables in the survival of competitiveness. Therefore organisation needs to

manage their main areas of markets through establishment of better efficiently and effectively than their competitors. This indicates that business entities adjust their operations continuously so as to catch the opportunities that appear as well as vend of any business difficulties that will affect the business strategies. Therefore, the capacity of a firm to re-structure has positive effect on performance. However, in doing so, organization need to consider the addressed firm capabilities to the procedure of implementing the market orientation into destination market (Daneels, 2007).

The studies that have been done on strategic market orientation include Gachanja (2008) who studied strategic market orientation and sales growth of large manufacturing firms at the food industry of Nairobi. The research study established to the firms that had adopted more strategic marketing orientation programs resulted in a better trade's maturity than those that had low programs. On the other hand, Njeru (2013) undertook a study on strategic market orientation, organization features, surface situation and the act on tour companies of Kenya and discovered that firm features excellent market orientation and purchasing methods. Oduyo (2014) researched the togetherness among the market presentation and productivity in commercial bank of Kenya. The study established that there were the significant effective corresponded among the banks in terms of performance, customer and finally the competitors through the inter-functional cooperation.

In the current study investigated on the effect of strategic market presentation and performance relationship under differing market circumstances in Kenya. In addition, released the difference in conclusions among the last research carried out, there is a necessary to stabilize the impact of strategic market presentation on business productivity in tour firms in Nairobi Kenya.

Additionally, study will; therefore, attempt the answer the question, what is the impact of strategic market orientation on business productivity of tour firms in Nairobi Kenya?

1.3 Research Objective

To determine the effect of strategic market orientation on the performance of tour firms in Nairobi, Kenya.

1.4 Value of the Study

The project actually helps firms understand the components and importance of strategic market orientation in order to achieve superior firm performance. The study will equip firm owners and managers and other policy-makers with strategic marketing knowledge and its applicability in organization strategies. The discussion of strategies in market presentation and productivity relates to a specific situation using tour firms, the study will extend the generalizability of research findings and provide evidence on the importance of strategic market presentation and performance to the tour company in Kenya. This significance of strategic market presentation to superior firm performance has been under limited to the field of strategic management as well as marketing, thus ascertain in its applicability to tour firms will provide critical performance indicators as firms try to make their firms more efficient, effective and profitable.

This study will assist other profit, non-profit organizations and government ministries, departments and agents to develop and implement strategic marketing orientation policies that can enhance firm and organizational performance. Further, the findings of this study will be of importance to government and other tourism stakeholders in policy formulation and implementation. However, the tourism industry has been established as one of the important

section of the economic in Kenya Vision 2030 which actually assist the nation to develop a international market and develop the country revenue by the year 2030.

The findings of this study are expected to contribute to research and practice, by elaborating the strategies that are pursued by the companies to respond to competition in the industry. Additionally, it will add the value of the body in which the skill of the new fields for further indication of research by either indicating or recommendation. However, to the policy makers it enables the learner in identify the gap through establishing the marketing strategies. Additionally, the study also helps researchers in the provision of information as secondary data for future use in the academic arena.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The part presents theoretical which is actually structured on the research project objectives. The study is initially important to researcher for literature purposes and use of the theoretical framework, strategic market orientation, strategic market performance and empirical review of the study.

2.2 Theoretical Review

The managerial perception of the environment in which firms operate can affect the choice of the firm's strategies confirmation and marketing strategies that drive to higher firm enforcement (O'Cass 2004). Various theories support the market orientation and performance relationship among them the resource-based which is the dynamic capabilities.

2.2.1 Resource Based View

The theories actually recommends on the productivity have a contributor of the organization resource and profile development. In addition, the organization is able to develop high and better performance which enables them employs the unique product which lacks copyright in the market (Wernerfelt, 1984). The resources based actually discuss about the firm resources that integrates. Therefore, stocks in firms are inadequate for achieving a continued competitiveness and receiving more performance (Newbert, 2007). Therefore, the firms should be able to transact it materials into resource with add value to the organization and create high performance. Organization need actual obtaining a high productivity, due to the only have more and better

resources, however, it's because of their distinctive competencies which generally gives opportunity for them to utilize.

In addition, the resource-based view argues that organization need to competitiveness if they have resources which is effectively deploying to the chosen marketing environment (Barney, 1991). In other hand, O'cass, (2004) noted that organization has particular or specific characteristics which are used in the production of unique resources, thus the firm has potential capability in the estimation of competitiveness in the market. However, the theory initially gives the major sources and contributes towards the development of firms' from the competitor's victory. Therefore, the firm is in a high performance during the process of competition by use of resources in utilization which makes the firm have capacity to perform in good perspective. However, the theory still lies on the firm performance by establishment of desired and specific resources and capabilities (Baker and Sinkula, 2005). Grant (1991) puts forth that the step of sustainability, transparency and durability is the major reason for the determination of the resources based view. Further, Amit and Schoemaker (2009) noted that durability, few, traceability, complementarily, limited resources, together with the development of effective factors which comprises on the important on the organization resources. Day (2011) argued that that intangible asset such as market orientation, knowledge management and organizational learning allow firms to develop abilities that enhance competitive advantage leading to enhanced market performance.

2.2.2 Dynamic Capability Theory

The dynamic capacity theory indicates that the organization is eventually developing new strategies parting the capabilities and performance. In addition, the business environment is increasing in competition and many businesses are improving their tactics which makes the

market difficult to enter as a new business because of competition (Awwad and Agti, 2011). The theory actually emphasis organization to utilize their inner resources, process and strategies as resistance factor to the capacity. However, the management of the firm should take part in the coordinating, and planning for better internal competencies to assist in the productivity or performance. According to Brockman, Jones and Becherer (2012) organization abilities eventually depend on the cooperation due to its difficulty in the skills, knowledge and functioning are deeply embedded within the organizations' fabric. Hence, organization should emphasis on better strategic mechanism which will coordinate with the market circumstances and actually anticipate innovation for future competition and high performance

The dynamic capabilities actually review that the top management of the organization in believe of development and capability of the resources with it (Helfat and Peteraf, 2009). According to Ambrosini, Bowman and Collier (2009) acknowledged that the theory is made up of four main processes which are reconfiguration, transformation and recombination of resources. In addition, leveraging is involved with the replication of an organization system which is involved in the operation of one section into other areas. It also the process of postponing the resources which is getting into a new domain, although learning indicates effective and efficient performance of tasks and finally, integration which is the capability of the organization to coordinate and analyze it realizable assets and resources which resources that result in the future development of new base of resources. Chen and Quester (2010) discussed organization capabilities are difficult to coordinate the pattern used by the expert and knowledgeable during the process of embedding the practices which enable proper performance as compared competitors. They further argue that since marketplaces are dynamic, the abilities of the organization to utilize it resources are required and estimated accordance market circumstances which usually explain the inter-firm

performance for future gain. Based on these views, strategic market orientation can be considered as one of the firms' internal factors that enable firms to perform more efficiently and effectively their day-to-day activities about the competition.

2.3 Strategic Market Orientation

The present research studies follow the aspects of Narver and Slater (1990) which uses the element in the market presentation that is comprises of customer and competitor in the inter-functional cooperation. These dimensions are discussed as follow:

2.3.1 Customer Orientation

The customer orientation signifies that firm must establish a corporate culture through the client-driven strategies. In addition, the customer presentation results to the constituted by collection of hopes which the intended customer need approval of opportunity to firm (Deshpande, Farley, and Webster, 2013). In addition, organization strategies require the real expanded in a method which will produce high value to the customers. There is adequate acknowledgement to the aimed retailers according to (Narver & Slater, 1990). The knowledge makes the organization to establish higher value to the clients (Awwad & Agti, 2011). Additionally, the customer orientation usually acknowledges that knowledge on the main aim the clients sufficiently in order to develop a higher value for them to continuously participate in the market effectively. The issue of the clients is becoming a necessary to the innovation developing in the industry therefore they need to establish a customer orientation for a clear skill on cost and return or revenues of the clients in future. The issue of outside factors like gathering, interpreting as well as distributing data concerning clients, however, the firm using the customer-oriented faces challenges like the customer development on the demand and react on continuous customers reform immediately (Han, 2008). In addition the organization that acknowledge the usually big

gap between the customers requirement or need and the market offerings, there is a possibility of direct resources investment in making sure the gap is fully filled by involving the development of innovation in the firm (Slater & Narver, 1998).

Market-oriented companies have the competitive advantage in quickly responding to market demand and customers. Also, in response to market opportunities and threats act effectively. The value-centered in the market orientation that the organization is preparing to deal with new business conditions and could obtain the relevant information to prepare the market to analyze the demand in market. This type of culture in time market orientation for the organization culture as a competitive advantage is inimitable, rare and valuable (Slater, 2001). A customer orientation is valuable key for the accomplishment of the organization learning about the market situation and forms the sustainable goods which initially target the customer's satisfaction equally (Liu, Luo, & Shi, 2013). On other hand, it eventually makes the organization be in a position to have competitiveness in the market due to the differentiation of product. The knowledge of client expectation or desire is very important because it will assist the firm to use the ideal as a strategy which is more applicable in the market and effectively to the marketing mix analyses (Zhou, Brown, & Dev, 2009). The main aim of customer orientation in a firm is to acquire future customer satisfaction, this ensure the firm is merely advanced in term of motivation and contributes given by the management in order to satisfy the customer need effectively and target the market for more competition with the unique strategies (Slater & Narver, 1998). Therefore the firm or organization are retained or attracted with the development of the unique ideals which makes effective on the organization in marketing mix strategies.

Customer orientation has become more vital due to the advances of innovation taking place in the market situation. Additionally, the firm is in a position to sense the market shift in due time

which enables them to take a quick reaction towards the changes in the market (Zhou, Brown, & Dev, 2009). The customer orientation directs the firm in the estimation of good marketing mix strategies which assist in the notification of the changes in the market and assist in the construction of plans for the organization to attract customer through delivering their need effectively. This actually indicates that fulfillment of client requirements initially improves the (productivity) or performance of the firm (Aziz & Yassin, 2010). The organization improves as a result of mechanism and resources used usually aims at developing a high value of goods to the clients or customers. The client's presentation is actually based on the component of the market (Saini & Mokolobate, 2011). Organization needs to venture into customer strategy because it possesses very important benefits for the future in terms of performances. In addition, organization needs to center on the clients' demands, particularly when negotiating the power of the client is definitely lower (Awwad & Agti, 2011).

2.3.2 Competitor Orientation

The term means the ability to establish and acknowledge on the examination and the actual outcomes from the business section of the market. It usually indicates the process of classification as well as development which will assist the organization in overcoming competitors by applying the process of good quality of product and unique strategies which make them have potential in the market. The presentation makes conceivable to the about the during of the strength and weakness in terms of potential capacities of the organization on the current situation in the market (Narver & Slater 1990). Additionally, the competitor presentation in market is actually active for example for instance, when an organization is focusing on the intended aim of attraction in the market and is deactivate when it comes to the tight competitors in the field. The competitor presentation highlights the knowledge of the strong areas as well as

weak point for the capable competitors to venture in to the role of managing the behaviour for the prospective aim to hit the market and satisfy the customers well (Narver & Slater, 1990). According to Shin (2012) argued for firm to have the knowledge of the present market and enables to locate the best competitors it usually requires to have good access through establishment of suitable strategies which will react faster to the competitors action with quick specific movement in the during of short term and adjust the trading arrangement for the future term.

In addition, Lukas and Ferrell (2010) indicate the competitor represented in the market tries to address the organization on the nature of the current situation due to the improvement of innovation. On other hand, the adverse impact of competitor presentation to the development of the new product may actually result to negatives impact on the relationship between competitors and the change occurrence in the market. The competitor aim at improving the needed objectives and enables the organization to be competitive in the market which balances the capabilities and potential services as those for the competitors (Hult & Ketchen, 2011). Most of the firm actually look at the competitor's intention and aims to practices the same ideal for real interest and competition. However, organization using the incompatible strategies as well as behaviors will result to poor product offering in the market which lowers the capability of the firm. Moreover, real a competitive organization usually uses the assumption role when it comes to the market situation with the aim of overcoming the competitor. Thus it leads to the risk on the product and services which are not fitting to the market situation (Ormrod & Henneberg, 2010). The competitor presented in the market have hard in the establishment of market different advantageous.

In addition, the customer presentation looks on the skills and innovation behavior of the present and long-term to the customers (Narver & Slater, 1990). Additionally, the competitor perspective emphasizes on the knowledge which innovates the occurring of the actual conduct action and policies of the present and long latent competitors in the market situation (Erdem et al., 2013). The competitor gives the firm a chance to be keen always on the market situation and use proper strategies to employ in order to generate the customer's satisfaction. This indicates that the element of the marketing segmentation shows that most of the firm need to put more effort on the comparison with the competitors in the market (Ellis, 2006). The organizations acknowledge that the strong and weak of competitors to the market areas need the orientation for better management on behavior of them and develop good strategies to cope with the innovation in the market and satisfy the customer need effectively(Homburg, Krohmer &Workman, 2012). Organization needs to find a better solution in the market by establishing good product and utilizing the guaranteed strategies to enable them has competitive advantages. The main aim of the organization is too been the king in the market by establishing a better method which are faster adjustment of the commodity in term of promotion and pricing level. Competitor presentation result to the establishment of the new technologies and innovation of the organizations on the basis on the security in the market (Vorhies & Morgan, 2013).

Sinha, and Kumar (2012) noted that competitor presentation in organization develop and maintain the performance in the market environment. In addition, Zhou and Li (2010) indicated that the value of the competitor orientation does not employ any impact to the ability of the firm in respect to the market development gradually. Organisation have the potential to adopt the capacity of the market development as well remain the king of the market due to the duke of competition orientation effectively. The act of acknowledging the real situation of the market

changing need a vital practice in determining firm productivity and achieving the recommended aim of competitiveness in the market (Han, Kim, & Srivastava, 2008). However, firms need to develop a strong mechanism in the resources for effective caring of the competition in the market environment. In addition, the deficiencies in organization usually have better result which is hindrances in method to attain the competitiveness through the assistance from the competitors programs and orientation. The organization research procedure enables them to attain the process effectively and apply the recommended strategies carefully. The main advantages related to the competitor orientation indicate that it facilitated to the development of good transaction of information with the consumers, appropriate changes in market price and mean of promoting it product to the regarded programs, time establishes the addition of new product to the business environment and better maximization of the resources. The main comparison on these determinants improves performance of the firm in the future (Shin, 2012).

2.3.3 Inter-functional Coordination

It actually describes the measure of cooperation among the various functioning areas in the organization. Also, it includes the cooperation in the organization material which increase the value of the customer by utilizing knowledge examination in determining the perfect competitor. The Inter-functional cooperation aims in the advancement of the material maximization which enables the organization have created the real value of achieving and attracting the customers in the market (Liu, Luo & Shi, 2013). In the current situation organization have developed the inter-functional cooperation which makes them have the knowledge to support the value of the customers (Alhakimi & Baharun, 2009). On other hand Gatignon, Anderson and Helsen(2011) who declared that each, branch office and faculty in the firm actually are well-outlined and clearly established for the staff to understand the main agenda when it comes to competition

situation. Inter-functional cooperation and the expansion on the market programs may assist the organization to gather better customer value and improve the standard of the performance. Inter-functional coordination enables proper utilization of communication among the organization department with the aim of achieving the objective and they use the three main presentation of strategic (Monaert et al. 2014). In addition Inter-functional coordination has result to the new development in product process and made easier transaction between them and the customer in the market. Therefore, Inter-functional coordination is the best method which makes the organization to achieve goal well and develop the strategic orientation for performance in daily works.

The intercommunication among the staff from various department of the organization need a learning procedure for effective group training of other employees which improves the learning from each other (Bharadwaj, Waradarajan, & Fahy, 2011). In addition, firm targeting on the outside situation of customers and competitors will lead to failure in recognizes of their strong on material generated to success. The interior determinants result to more valuable in the business. This indicates that the element of market presentation which is a critical to develop a high value to the customers (Kircaet. al. 2005). In addition the holistic procedure actually is more necessary when implementation has taken place in the market situation and it requires the utilization of programs. Therefore, market orientation is not intended for improvement of the measures in provocations developing from the outside situation; but it should be a well competence and strong system handling the outer and inner problem accordingly(O'Sullivan, Abela, & Hutchinson, 2012).

The organizations now days are expected to develop method which improves the inner resources like motivation of employees. The methods are usually associated in the organization because

they assist in achievement of the organization goal like customer satisfaction. The actual ideal for the achievement of organization goal is established through the gathering of information from the outside and inside of the environment (Zhou, Brown, & Dev, 2009). Zhou, Brown, and Dev (2009) noted that staff is also regarded as customers in the internal section of the firm and are generally given the equal chances like the external. However, to the inside situation the aspect is considered by the market presentation through the relationship with the functioning of the department effectively. The organization practices are normally established through the consideration of the generation, dissemination and processing of market communication. It also enables the daily events that are found in the internal functioning need to be determined as the key value addition to the activities. The cooperation of these program and procedures are very important to the development of value creating in the organization.

The inside customers actually need to give the proper step to the establishment of the addition of value to the back office by increasing more technique and measures on the delivery of valued product and services (Saini & Mokolobate, 2011). Many studies have manifested the significant to the inside consumer like employees in development of success in the process of implementation in the market to the organization. According to Brockman et al., (2012), noted that individual implementation of market situation is important in the achievement to the victory in organization. However, best employees in the organization are recommended for good performance (Reynolds & Beatty, 2009). They are well regarded by the firm and attributes more top the interaction of customers in the external environment. Therefore, customer satisfaction is eventually gained by an efficient interaction of staff and the customers in the market area.

2.4 Strategic Market Orientation and Performance

Strategic market is initially recommended as best indicator which is responds to market need and gives a key basis for the achievement of the competitiveness in the organization (Gatignon, 2011). Liu et al support this view. (2013) indicated that strategic market orientation makes the organization to aim on the daily gathering of information concerning the customer's requirement and competitor abilities their stronghold as well as weakness which is further used in the modification of higher consumer value in the market. Narver and Slater (1990) contend that the organization to have future sustainability in the today's competition, it need to explore and perform more benefit for its customers. The future targets the process of implementation of the marketing programs which initially assist the organization in explore of more programs in the additional value of its destination consumers. Strategic market orientation assists firms in the development of lifestyle which involves the consumer with high level of objective in the background of the firm activities (Homburg et al., 2012). This indicates that the culture enables the firm in establishment of the developing choices in the market promptly. This indicates that the firm is developing consumer commitment that, in turn, improves the trading portion and the actual performance of the organization. In addition, strategic market situation is largely affected by the productivity of the organization. This indicate that the concentration of customer reaming in organization and the requirement of customers (Kumar, Jones, Venkatesan, and Leone, 2011).

Strategic Market orientation also has positive implications for the employees (Zhou & Li, 2010). Since strategic market orientation makes the movement of information within the organization and employee engagement in building value for the organization creates spirit and faith in the staff. When employees in an organization with the aim of serving customers happy of their work. Job in a market-oriented environment and a positive perspective towards work in the

organization can drive to increased fulfillment and employee engagement. Ruckert(2011) strategic market presentation has the impact to the work satisfaction, trust in leadership and firm commitment confirmed. Liu et al., (2013) acknowledged that the organization has an excellent market presentation would establish the workers with prominent job satisfaction and organizational engagement as compared to other organization with a fewer market orientation. Hult and Ketchen (2011) noted that measures of performance, and they are crucial to profitability; real performance situation that give the bond to productivity in the company. Furthermore, Ormrod and Henneberg (2010) noted that performance comprises of two principles which include the judgmental performance tests like the customer practice of integrity and goal performance indicators like return on assets.

Strategic market orientation makes the firm to accomplish survive in competitiveness in the marketplace by establishment of effective use in the firm material. In addition, it usually assists in the development of the abilities of the organization in different to market. It also assists to developing the abilities of the organization in various products for the ready. The different in the factor assist in the achievement of the customer satisfaction which results to a high productivity and profit maximization in the organization (Saini & Mokolobate, 2011). The competitiveness in the organization is ensuring to the future development when the market presentation is utilized in the firm through knowledge structure. However, the knowledge assists the firm in ensuring the survival of the competitiveness for future period. The different in the information acts as the principal elements of market presentation policies (McDonald & Wilson, 2012). Strategic market presentation indicates the actual consumer focus point which is same to the marketing concept (Kumar et al., 2011). Therefore, when the market breadth is increasing it increases the competition. In addition, market orientation, is initially made as an assumption which that

organization has used in the market as the method to overcome competition. However the procedures are managed to result to strategic adjustment in the organization to the outside situation (Vorhies & Morgan, 2013).

Zhou and Li (2010) noted that the establishment of the market theory is reviewed as a complexity to the individual interdisciplinary approach which lies to the conclusion of the strategic market orientation. In addition, marketing orientation is regarded as a multi-dimension and still considers strategic orientation as a business philosophy. This indicate that the gathering of information concerning the customers and competitors which usually assist in the development of inter-functional cooperation. In addition according to the researchers and practitioners have been targeting the on the outside situation which contributes to the strategic market. Therefore, the two key influencer component of the outside situation involves the consumers and competitors in the industry(Kumar., 2011). Most of the firm actually remains back in gathering and dissemination is important in the customers as well as competitors. The researchers and practitioners have not given the internal environment proper attention. In addition the inner factor is also considered as a success to the implementing process of the strategic market presentation. Therefore, organisation with the aim of proper handling of services to the clients needs to develop strong and effective method in the inner areas which assist in the control and managing the coordination in the organization (Erdem et al., 2013).

2.5 Empirical Review

The extant empirical market literature indicates several studies on the market orientation and the actual influence on various factors including market consequences, customer consequences and firm performance in different industries and countries. Narver and Slater's (1990) researched using the maktor instrument constructed around customer orientation, inter-functional

cooperation competitor and subjective performance measures such as return on investment to investigate the market orientation and performance relationship among 140 strategic business units (SBUs) in the product and non-commodity US companies. The finding in the research study indicated that market information has effect on the determinant of profitability in the organization.

In support, Jaworski and Kohli (1993) gave an example of sample of 222 business units and the second sample of 230 managers drawn from US corporations across industries to test the market orientation using the mark or measurement scale constructed around intelligence generation, dissemination and responsiveness. The performance was measured regarding overall performance of the business units and performance about competitions in the previous years. The results of the study showed a positive relation with subjective in the performance measures but not for market share. Pelham and Wilson (2006) complement the above findings in their study of 68 US small firms. The results revealed has it is important in the relationship in the market orientation, market growth, share, product quality and profitability. Similarly, Appiah-Adu and Singh (1998) research on manufacturing and Service Company in the United Kingdom found an active and important relationship among the customer and organization productivity.

Deshpande and Farley's (2008) study of 82 managers in European and US companies revealed a positive market orientation as well subjective performance evaluation of growth in sales, customer retention, investment on return, and sales return. Kara et al.(2011) studied the market orientation and firm performance association of 148 non-profit service supplier using the Kohli and Jaworski (1990) found a statistically important and there is a relation among market presentation and performance of non-profit service supplier. This view was supported by Narver and Slater (2000) who used performance measures estimates the market presentation and

performance by using a sample of 53 businesses operating in several of sector and found a robust relationship across industries.

Kara et al. (2011) noted important of market presentation to productivity in relationship in the study on small and medium size service providers in the US using the MARKOR scale. Similarly, Sin, Tse, Heung and Yin (2012) research on investigated the market presentation and performance is related to 81 hotels in Hong Kong. The results showed a positive and valuable relation between markets oriented and performance in the company. The analysis indicated a strong linkage between markets oriented and firm productivity. In support, Rojas-Mendez et al.(2006) also research on the relationship among market oriented and performance among Chilean small businesses across six cities. The study used Kohli and Jaworski's(1990) MARKOR measurement scales in the market orientation develop and selected subjective performance indicators like success, customer retention and relative price-product quality. They actually supported the asserted relation in market oriented as well as in company performance.

The study was augmented by Martin-Consuegra and Estebon's (2007) who researched on the relationship between orientation in the market and productivity of 234international airlines using the MARKOR instrument. The results of the study found a positive and important relationship among market with performance. Consequently, Mamat and Ismail (2011) noted the independent influence of orientation on the performance of Bumiputera furniture entrepreneurs in Kelantan, Malaysia. The findings showed a valuable on customer, competitor and inter-functional coordination to performance indicators measured in terms of profitability, growth rate and customer retention. The empirical study by Bhuian (2007) indicates that banks in Saudi Arabia are market-oriented which is not related on assets, equity and volume of sales in organization. In addition, firm executives should measure the outside situation which affect the organization

performs while adopting a market-oriented due to the market might not be a selected oriented at the situations.

Bodlaj and Rojsek (2010) studied 325 manufacturing and selected services industries companies in Slovenia and concluded that firms should raise their step of market orientation by the timely recognition of changes in the customer needs and wants and buying behaviour of their existing and ability customers in order to enhance knowledge about their clients. This can only be achieved by effective adoption of the marketing mix to selected target markets, taking corrective steps in the case of customer complaints as soon as the possible and quick response to competitor activities. In support, Shin's (2012) study on 285 Korean organizations showed that the market oriented and performance link is an indirect one. Their findings indicated that without the marketing mix capabilities, orientation measured by customer, competitor or inter-functional coordination dimension did not directly attribute to better firm performance. Specifically, competitor orientation had a direct negative impact on customer satisfaction. They concluded that as critical mediators, the product and marketing communication capabilities adequately link to the three sub-constructs of market (customer, competitor and inter-functional coordination) with business performance.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter discussed the methodology, was used in the study in order to achieve the research objectives. The areas covered include research design, the population of the study, data collection procedures and data analysis.

3.2 Research Design

The research design adopted was descriptive cross-sectional survey design. Cooper and Schindler (2000), stated that descriptive research design is involved with finding out the; who, what, where, when and how much. However, a research design is structured, has investigative questions and part of formal studies. The design was appropriate because the main interest was to explore the viable relationship and describe how the factors support matters under investigation.

A cross-sectional study looks at data collected across a whole population to give a picture of that population at a single point in the present. The design used enabled the researcher to have an insight on the effect of strategic market orientation on business performance of tour firms in Nairobi Kenya. Descriptive design method provided quantitative data from the cross section of the chosen population. This design produced further insight into research problem by describing the variables of interest.

3.3 Target Population

The population is defined as an entire group of individuals, objects having common characteristics that can be observed and measured (Yin, 2003).

A research study's target population should be clearly defined and the unit of analysis should be identified, which is not easy sometimes. The population of the research comprises of all the tour firms operating in Nairobi. According to the Kenya Association of Tour Operators (2016), 267 tour firms are operating in Nairobi which includes CBD with 83, Mombasa Road with 69, Westland with 65, Ngong Road with 50 and Thika Road with 24 tour firms. The selections of the tour operators were necessitated by changes in the environment that required strategic orientation. Besides all the organizations have their headquarters in Nairobi and thus it was easy to collect adequate data by the researcher.

Table 3. 1 : Target Population

Areas of operations	Number of firms
Central business District (CBD)	83
Mombasa Road	69
Westland	65
Ngong Road	50
Total	267

3.4 Sample Selection

The study adopted stratified sampling and simple random sampling techniques in selection of respondents for the study. First, the existing five areas in Nairobi were treated as strata upon which the respondents selected. Stratification was used because the population was heterogeneous hence the need to cater for characteristics of each stratum. Secondly, a sample of 20% was drawn from each stratum through simple random sampling. According to Kothari

(2008), a representative sample is one which is at least 20% of the population. The sample selected was indicted in the table below.

Table 3. 2 Sample size

Areas of operations	Number of firms	Sample size
Central business District (CBD)	83	17
Mombasa Road	69	14
Westland	65	13
Ngong Road	50	10
Total	267	54

3.5 Data Collection

The study used primary data that was collected through self-administered questionnaires containing both open-ended and closed questions. A questionnaire, as the data collection instrument of choice is, easy to formulate and administer and also provides a relatively simple and straightforward approach to the study of attitudes, values, beliefs and motives (Robson, 2002). The questionnaire applied in the study was self-administrative questionnaire which comprised of the demographic question to collect the data on employee characteristic and five-point Likert scale questions to collect data on strategic orientation.

3.6 Data Analysis

The data collected was examined using descriptive statistics (measures of central tendency and measures of variations). Then the data was collected, the questionnaires were updated for accuracy, consistency and completeness. However, before final analysis was performed, data

was cleaned to eliminate discrepancies and after that, classified from similarity and then tabulated.

Data was explained by using statistical package for social sciences based on the questionnaires. In particular mean scores, standard deviations, percentages and frequency distribution was used to summarize the responses and to show the magnitude of similarities and differences. Results were presented in tables and charts. Descriptive analyses were conducted to provide the mean and standard deviation. Regression analysis was used to test the relationship between the variables of the study. The regression equation assumed the following form

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \alpha$$

Where:

Y is organizational performance;

β_i - are the regression coefficients

X_1 - Customer Orientation

X_2 - Competitor Orientation

X_3 - Inter-functional Coordination

β_0 = y- intercept

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The research objective was to determine the effect of marketing orientation on performance of mobile phone companies in Kenya. This chapter presents the analysis, findings and discussion. The findings were presented in percentages and frequency distributions, mean and standard deviations.

4.2 Response Rate

A total of 59 questionnaires were issued out and only 46 were returned. This represented a response rate of 78%. This response rate was adequate for data analysis and conforms to Mugenda and Mugenda (2003) stipulation that a response rate of 70% and over was adequate.

4.3 Demographic Profile

The demographic information considered in the study was respondents' highest level of education, period that the tour firms have been operating in Nairobi, length of service with tour firms, position and the number of employees in the tour firms.

4.3.1 Length of Service with the Tour Firms

The respondents were requested to indicate the length of service with the tour firms. Length of service with the firms was important in order to determine the respondents' level of understanding of internal information pertinent to the firms. The results were presented in Table 4.1.

Table 4. 1: Length of Service with the Tour Firms

Year	Frequency	Percent	Cumulative Percent
Less than 1	8	18.5	18.5
1 – 5	13	27.8	46.3
5 – 10	14	29.6	75.9
More than 10	11	24.1	100.0
Total	46	100.0	

The results show that 29.6% of the respondents have worked in the tour firms for a period of between 5 and 10 years; 27.8% of the respondents indicated that they have worked in their respective tour firms for a period of between 1 and 5 years while another 24.1% of the respondents indicated that they have worked in the tour firms for over 10 years. The respondents further noted that 18.5% of them have worked in the tour firms for less than a year. The results indicate that majority of the respondents have worked in the tour firms for a long time and therefore they understand the effect of strategic market orientation on performance of tour firms and what needs to be done in order to get it right.

4.3.2 Duration of Tour Firms Operation in Nairobi

The respondents were asked to establish the duration that the tour firms have been operating in Nairobi. The results were presented in table 4.2.

Table 4. 2: Duration of Tour Firms Operation in Nairobi

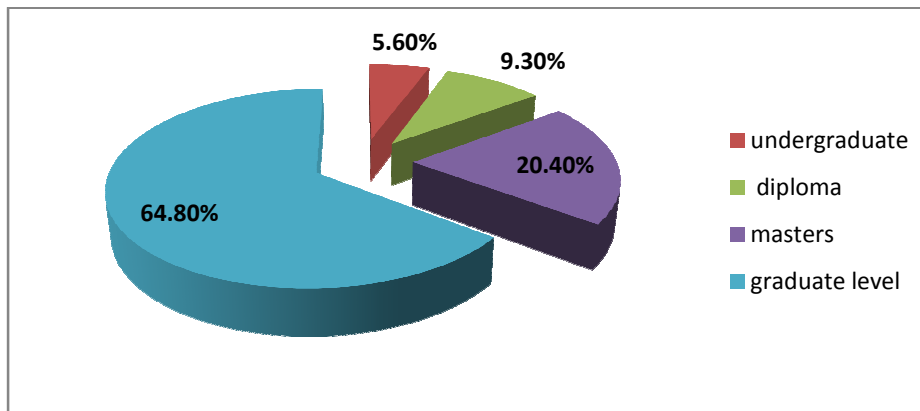
Year	Percent	Cumulative Percent
Less than 5	9.1	9.1
5 – 10	22.7	31.8
10 – 15	13.6	45.4
More than 15	54.6	100.0
Total	100.0	

The results show that 54.6% of the respondents said that the tour firms have been in existence for more than 15 years, 22.7% of the respondents said that the tour firms have been in operation for a period of between 5 and 10 years, 13.6% of the respondents said that the tour firms have been in operation for a period of between 10 and 15 years while 9.1% of the respondents indicated that the tour firms have been in operation for a less than 5 years. The results show that majority of the tour firms have been in operation for more than 5 years and therefore they understand the competitive nature of the industry and the role that strategic market orientation has played in their performance.

4.3.3 Level of your education

The respondents were requested to indicate the highest level of education they have attained. The level of education was important in order for the respondents to give a description of the effect of strategic market orientation on performance of the tour firms. The results were presented in figure 4.1.

Figure 4. 1: Level of your education



The findings above show that 64.80% of the respondents have attained graduate level, 20.40% of the respondents said that they have attained masters' level while 9.30% indicated the level of education as being diploma. In addition 5.60% had attained undergraduate. The results indicate that majority of the respondents have attained graduate level and above and therefore they understand the effect of market orientation on the performance of the tour firms. The level of education has been cited as a critical success factor in helping firms survive and manage in difficult conditions and to improve business profitability and thus the firms have the employees who are knowledgeable to drive the firm business objective.

4.3.4 Respondents Position in Tour Firms

This section of the questionnaire sought to establish the cadre of staff in the institution. The results are presented in table 4.3 below.

Figure 4. 2: Respondents Position in Tour Firms

Respondents Position	Frequency	Percent	Cumulative Percent
Top level manager	7	15.3	15.3
Middle level manager	17	36.9	52.2
Lower level employee	22	47.8	100.0
Total	46	100.0	

The results indicate that 47.8% of the respondents were lower level cadre employees;36.9% of the respondents were middle level managers while15.3% of the respondents said that they were top level managers. The results indicate that majority of the respondents were from different cadres in the tour firms and therefore the results of the study represents different views on the effect of strategic market orientation on performance of the tour firms.

4.3.5 Number of Employees in Tour Firms

The respondents were asked to indicate the number of employees in the tour firms. This was important for the study as the number of employees indicate the size of the firm. The results are presented in Table 4.4.

Table 4. 3: Number of Employees in Tour Firms

Number of Employees	Frequency	Percent	Cumulative Percent
Less than 50	32	69.6	69.6
50 – 99	9	19.6	89.2
Above 100	5	10.8	100.0
Total	46	100.0	

The results on the number of employees show that 69.6% of the tour firms have less than 50 employees; 19.6% of the respondent indicated that the tour firms have between 50 and 99 employees while 10.8% of the respondents said that the tour firms have over 100 employees. The results indicate that the number of employees in the tour firms varies and this can be attributed to the size and the number of branches the firms operates in the country and therefore the role being played by strategic marketing orientation differs in the firms.

4.4 Strategic Market Orientation

Market orientation is a source of competitive advantage for firms as it enables them to perform better through better understanding of customers, rivals and channels. The respondents were requested to indicate the effect of strategic market orientation on business performance of tour firms in Nairobi in a five point Likert scale. The range was ‘strongly disagree’ (1) to ‘strongly agree’ (5). The range was ‘strongly disagree (1)’ to ‘strongly agree (5)’. The scores of respondents’ low level of practice usage represent a variable which had a mean score of below 3.0 while the scores of above 3.0 represent respondents’ agreement with the usage of marketing practice.

4.4.1 Customer orientation

The respondents were requested to indicate the need of the tour firm to understand customer orientation and its effect on performance of the tour firm. The results were presented in table 4.5.

Table 4. 4: Customer orientation

Customer orientation	Mean	Std. Deviation
We have a strong commitment to our customers	4.0185	.9005
We define quality as the extent to which our customers are satisfied with our services	3.8148	.9919
We encourage customer comment and complaints because they help us do a better job	3.7593	.9303
Our firm would be better off if the market department worked a bit harder	3.7222	1.1396
We measure customer satisfaction on a regular basis	3.6111	1.0536
Customer satisfaction is assessed at least once every three months.	3.4444	1.0931
We are always looking at ways to create customer value in our services	3.4074	1.1413

The results indicate that customer orientation has enabled the tour firms to have strong commitment to their customers (M= 4.0185); enable customers to be satisfied with services (M=3.8148) and encourage customer comment and complaints because they help the tour firms do a better job (M= 3.7593). The study further established that customer orientation enables the firms to be better off if the market department worked a bit harder (M=3.7222); enable the firms to assess customer satisfaction at least once every three months (M=3.4444) and tour firms are always looking at ways to create customer value in our services (M=3.4074). The results indicate

that customer orientation was very important to the tour firm because it enabled the firms to evaluate the customer needs and ensure customer satisfaction was well achieved in order to compete effectively in the highly competitive tourism sector.

4.4.2 Competitor orientation

The respondents were requested to indicate the effect of competitor orientation on the tour firms. This was important for the study in order to determine the strengths of the firm while using the weaknesses of competitors to meet the latent and potential needs of the target customer.

Table 4. 5: Competitor Orientation

Competitor orientation	Mean	Std. Deviation
We regularly collect marketing data on our competitors to help direct our marketing plans.	4.1667	1.0595
Our top managers often discuss competitors' actions	3.9630	.9103
We consider opportunities based on competitive advantage.	3.9630	1.0454
Our marketing departments are instructed to monitor and report on competitors' activities.	3.8519	.8987
We regularly monitor our competitor's marketing efforts	3.6296	.9961
We respond rapidly to competitors' actions	3.5926	.9420

The results on the use of competitor orientation by the tour firms was that the firms regularly collect marketing data on their competitors to help direct their marketing plans (M=4.1667); top managers often discuss competitors' actions and consider opportunities based on competitive advantage (M=3.9630) and that tour firm marketing departments are instructed to monitor and

report on competitors' activities (M=3.8519). The respondent further indicated that tour firms regularly monitor their competitor's marketing efforts (M=3.6296) and respond rapidly to competitors' actions (M=3.5926). From the results, the tour firms was using competitor orientation to collect data on their competitors in order to enable the firms to come up with strategies that would counter competitors' actions in order to achieve competitive advantage over competitors.

4.4.3 Inter-Functional Coordination

The respondents were requested to indicate the effect of inter-functional coordination in the tour firms in order to create value for customer. The results are presented in table 4.6.

Table 4. 6: Inter-Functional Coordination

Inter-functional co-ordination	Mean	Std. Deviation
In our firm the marketing people have a strong input into the development of new products/service	4.2727	.7862
The company business strategies are driven by goal of increasing customer value	4.1818	.4045
Marketing is seen as a guiding light for the entire firm	3.9091	.8312
All departments are involved in preparing business plans and strategies	3.8182	1.0787
The marketing people regularly interact with other departments on a formal basis.	3.7273	.9045
Marketing information is shared with all departments	3.6852	.90750

The finding on the use of inter-functional coordination by the tour firms was that the marketing people have a strong input into the development of new products/service (M=4.2727); tour firms

business strategies are driven by goal of increasing customer value (M=4.1818); marketing is seen as a guiding light for the entire firm (M=3.9091) and that all departments are involved in preparing business plans and strategies (M=3.8182). The respondents further noted that marketing people regularly interact with other departments on a formal basis (M= 3.7273) and that marketing information is shared with all departments (M=3.6852). From the findings, the inter-functional coordination was being used by tour firms throughout the departments in order to increase customer value and build business plans to meet the needs of prospective and current customers.

4.5 Performance Indicators

The respondents were requested to indicate the effect of market orientation on performance of the tour firms. This was important for the study in order to determine whether strategic orientation has an effect on the performance of the companies.

Table 4. 7: Performance Indicators

Performance Indicators	Mean	Std. Deviation
Increase the profits of the firm	4.1058	1.0954
Efficiency in serving customers	3.9091	.8312
Increase employee satisfaction in the firms	3.8182	1.0787
Marketing orientations increases customer satisfaction	3.5196	1.2135
It increases effectiveness of the firms in the market	3.5042	1.2235
Increased firms financial viability	3.4545	1.1281
Helps in increasing the market share of the company	3.3727	1.1037

The results indicate that market orientation affects the performance of the tour firms as it increases the profits of the firm (M=4.1058); enhances efficiency in serving customers(M=3.9091); increase employee satisfaction (M=3.8182); increases customer satisfaction (M=3.5196) and that it increases effectiveness of the firms in the market (M=3.5042). In addition, market orientation also result to increased firms financial viability (M=3.4545) and helps in increasing the market share of the company (M=3.3727). From the results, the performance of the tour firm is affected by marketing orientation as they play a key role in the firms' profits, employee and customer satisfaction, market share and financial viability.

4.6 Relationship between Marketing Orientation and Performance

The relationship between the strategic market orientation strategies (customer orientation, competitor orientation and inter-functional) coordination and tour firm performance was tested by using regression analysis, based on the regression model presented. The results are presented in table 4.8.

Table 4. 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.783 ^a	.569	.426	.88339

a. Predictors: (Constant), customer orientation, competitor orientation and inter-functional

The results show that the three independent variables that were studied, explain only 56.9% of the tour firm performance as represented by the R squared. This therefore means that other factors not studied in this research contribute 43.1% of the tour firm performance. Therefore,

further research should be conducted to investigate the other factors (43.1%) that influence performance of the tour firms.

Table 4. 9: ANOVA Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	36.413	3	9.103	11.671	.000 ^a
	Residual	86.622	43	.780		
	Total	87.034	46			

a. Predictors: (Constant), customer orientation, competitor orientation and inter-functional coordination

b. Dependent Variable: Organizational Performance

From the ANOVA statics, the study established the regression model had a significance level of 0.3% which is an indication that the data was ideal for making a conclusion on the population parameters as the value of significance (p-value) was less than 0.05. The calculated value was greater than the critical value ($11.671 > 1.658$) an indication that customer orientation, competitor orientation and inter-functional coordination significantly influence the performance of tour firms in Nairobi. The significance value was less than 0.05 indicating that the model was significant.

Table 4. 10: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.413	.525		8.404	.000
Customer Orientation	.571	.167	.059	.449	.065
Competitor Orientation	.602	.062	.032	1.335	.004
Inter-Functional Coordination	.367	.113	.012	.790	.001

a. Dependent Variable: Organizational Performance

On the basis of the standardized beta coefficients, the results show that customer orientation ($\beta_1=0.059$) and competitor orientation ($\beta_2=0.32$) have the highest influence on performance of tour firms while inter-functional coordination ($\beta_3=0.12$) had the least influence on performance of tour firms. The results of the study show that performance of tour firms is highly influenced by strategic market orientation. The study found out that the inter-functional coordination (P-Value =001) was highly significant and therefore there is high statistically significant relationship between inter-functional coordination and tour firm performance was therefore supported.

The model has the following form; $Y= 4.413+ 0.571X_1+0.602X_2+ 0.367X_3$

4.7 Discussion of the Finding

In the present day business environment, rivalry and competition among the business firms has reached unprecedented heights and in the process acquiring and sustaining competitive edge has become a key strategy to survival for most of the firms. Tour firms are not an exception to the competition facing the tourism sector that has seen competition reach a high level for the few tourists who still consider visiting the country despite the travel advisories. Thus in order for the firms to be competitive, strategic market orientation has been pursued by the firms in order to gain competitive advantage over its competitors. The study established that customer orientation enabled the firms to have strong commitment towards customers, evaluate the customer needs and ensure customer satisfaction was well achieved in order to compete effectively in the highly competitive tourism sector. The results of the study was found to be in line with Award and Agti (2011) findings that customer orientation emphasizes understanding one's target customers sufficiently so as to continuously create superior value for them. Aziz and Yassin (2010) noted that customer orientation guides the organization to devise right mix of strategies for recognizing the changes and making appropriate plans to fulfill the changing needs of the customers. This timely fulfillment of customers' needs increases the performance of the organization.

Firms should adjust to market dynamics caused by competitors and better understand the changing market needs since the objective of a competitor oriented firm is to keep pace with or remain ahead of competitors. In the case of tour firm, the study established that the firms were using competitor orientation to collect data on their competitors in order to enable the firms to come up with strategies that would counter competitors' actions in order to achieve competitive advantage over competitors. The results were in agreement with Shin (2012) findings that to understand current and potential competitors, a firm can assess its position, develop appropriate

strategies, and respond quickly to competitors' actions with prompt precise actions in the short run and at the same time modify marketing programmes in the long run. Han, Kim, and Srivastava (2008) noted that the key benefits associated with competitor orientation may be in the form of better communication with customers, timely adjustments in pricing and promotional strategies, timely placement of new product in the market and better resource utilization

The inter-functional coordination is based on the existing information regarding the clients and competition and requires the integrated effort of all the departments of the institution and not just the one of marketing to create more value for their consumers. The results of the study was that inter-functional coordination was being used by tour firms throughout the departments in order to increase customer value and build business plans to meet the needs of prospective and current customers. These results were found to be consistent with Alhakimiand Baharun, (2009) findings that firms that seek effective inter-functional coordination do so from the understanding that synergy among company members is required and value for customers is created.

The performance of the tour firms was found to have been affected by customer orientation, competitor orientation and inter-functional coordination. The positive and statistically significant relationship revealed in the study suggested that the tour firms in Kenya are strategic market-oriented. They are therefore in a position to respond to changes in consumer tastes and preferences continuously. Liu et al., (2013) posit that strategic market orientation enables the firm to be more focused by continually collecting information about its target customer needs and competitor capabilities, strength and strategies and by using the acquired information to create superior customer value. Saini and Mokolobate (2011) findings was that strategic market orientation enables an organization to attain sustainable competitive advantage in the market place through the efficient use of the organizational resources. It helps to build up the capabilities

of the firm to differentiate itself in a market. This differentiation is the key factor in achieving customer satisfaction that, in turn, yields high profits for the firm. The regression analysis results show that market orientation influenced performance of tour firms in Nairobi. The results were found to be consistent with Njeru and Munyoki (2014) findings that there is a significant positive correlation between market orientation measured by customer orientation, competitor orientation and inter-functional orientation and tour firm performance. This implies that the performance of the tour firms have been greatly enhanced by their adoption of market orientation.

CHAPTER FIVE: SUMMARY, CONCLUSION, LIMITATIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter summarizes and discusses the findings in relation to the research problem and research objectives. The chapter is thus outlined into summary of the findings, conclusions, recommendations, limitations of the study and suggestions for further research.

5.2 Summary of Findings

The study found out that the tour firms value their customers as this will ensure that they achieve competitive advantage over their competitors. The study found out that the tour firms were utilizing customer orientation which leads to strong commitment to customers, customer satisfaction with the firm services and collection of marketing data on competitors to help direct the firms marketing plans. In tourism industry it is seen that business companies operates in a customer centric way. Likewise, it is found that customer orientedness assessments of the companies have above-average values. Thus customer orientation, with its detailed analyses of customer needs and wants, helps tour firms satisfy its customers better, and thus is more likely to lead to a differentiation advantage.

Competitor orientation enables the tour firm to understand the its competitors and this was found to have been used by the tour firms as it enabled them to collect marketing data on their competitors to help direct their marketing plans, monitor their competitor's marketing efforts and respond rapidly to competitors' actions. The results suggested that the tour firms need to monitor and adapt to the external environment as changes offer opportunities and at the same time pose threats which can affect the overall performance. Tour firms must focus on the exogenous

market factors such as industry competition, changes in the composition of customers, changes in customer tastes and preferences and government policy factors.

The inter-functional coordination in tour firm enables marketing people with strong input into the development of new products/service. It also established that firm's business strategies are driven by goal of increasing customer value. Inter-functional coordination is aimed at internal environment, however, the effects of inter-functional coordination are connected with internal, external and branch environment as well. Marketing is seen as a guiding light for the entire firm and all departments are involved in preparing business plans and strategies. The inter-functional coordination and the execution of the marketing programmes were found to have helped the tour firms generate better customer value and superior firm performance. The study further noted that market orientation affects the performance of the tour firms, by increasing the profits of the firm, enhances efficiency in serving customers, increasing employee satisfaction and increases customer satisfaction.

5.3 Conclusion

Today's consumers are highly knowledgeable and demanding. For the tour firms to succeed in the competitive environment, they have to be responsive to the needs and wants of their target customers better than competitors. This call for tour firms to be customer focus, competitor-oriented and inter-functional coordination. The results suggest that market orientation is an important strategy for the tour firms. The study found out that customer orientation enables the tour firms with strong commitment to customers and utilizes it to be better off if the market department worked a bit harder. The tour firms were found to have put in place strategies that enable them to know what their customer's needs and wants are, both currently and in the future,

thus enabling them to develop long term strategies that maximize the firm's strengths and minimize its weaknesses enabling the firm to take advantage of existing opportunities and minimize potential and current competitor threats thereby creating superior value for customers and stakeholders alike. Such a strategic process is the means by which firms can achieve a sustainable competitive advantage.

Inter-functional coordination enables tour firm's marketing people with strong input into the development of new products/service. The study concluded that competitor orientation in the tour firms regularly collect marketing data on our competitors to help direct our marketing plans. The study concludes that the three components of strategic market orientation in the context of the tourism sector are interdependent, and interfunctional coordination has an impact on customer and competitor orientations among tour firms. The level of adoption of each of the three components of market-orientation positively influences the level of tour firms' performance.

5.4 Limitations of the Study

The limitations of the study were found in the selection of the study variables which were not exhaustive. Specifically, the conceptualization of strategic market orientation may be some what limited and it is arguable that market orientation may consist of more than customer orientation, competitor orientation and inter-functional coordination and the development and implementation of a market-oriented strategy. This means that other additional factors could provide further insight market orientation and performance relationship.

The study used key informants from four firms which put constraints on the generalizability of the results to other firms and other country contexts. The sample selection may also limit the generalization of results to the overall population. The narrow and specific focus of this study means the results are limited to mobile phone companies only which may not translate to other industry and national contexts. The study relied mainly on the single key informant approach for data collection, which may cause a halo effect or common method variance. Precautions were taken to minimize the possible problems brought by the single informant approach thus using different sources of data for the independent and dependent variables would provide more robust evidence, and therefore deserves more attention.

Lastly, this study did not examine the potential impacts of environment on the market orientation-performance relationship. As an emerging economy, four firms operating in Nairobi shares similar characteristics with other emerging economies where competition is increasingly intensive and market environment is substantially turbulent and dynamic.

5.5 Recommendations for Policy and Practice

The study found out that strategic market orientation enables the four firms to improve their performance, it is recommended that the four firms should adapt and develop their strategic market orientation in line with the conditions in the business environment, and with their internal capabilities of market oriented innovation, as they are able to exploit the full potential of a market orientation and achieve superior financial performance. The findings help the four firms to refine the order of the effects that ultimately results in corporate profitability, thereby providing a strong indication that it may be difficult to track the extent to which market

orientation contributes to the profitability and that effects should be tracked and measured on other dimensions such as rate of innovation and customer satisfaction.

The study found out that market orientation affect tour firms operations and it is recommended that it is important for the firms to develop and sustain a strategic market-oriented organizational culture. In addition to directly affecting firm performance in increasing the profits enhancing efficiency in serving customers and increasing employee satisfaction. The study established that Inter-functional coordination affect the performance of the tour firms. It is therefore recommended that firms need to establish a strong input into the development of new products/service. The study found out that firms would do well to develop interfunctional coordination capabilities, which supported their performance. This combination will help the firm be truly effective in developing greater performance in a highly competitive market place. Therefore, management should develop structures and procedures to promote connections throughout the organization with an eye to innovation.

5.6 Suggestions for further Research

The study was undertaken on tour firms and it is recommended that future studies on strategic market orientation on other sectors in the service industry, the manufacturing sector, nonprofit making organizations, government ministries, departments and agencies or a combination of the industries and organizations can give a more detailed view of the nature of the relationship identified in the study.

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Appendix questionnaires

Please answer all questions in the space provided or tick the appropriate box as required.

SECTION A: Background Information

1. Name of the Organization
2. For how long have you been working in the tour firms?
 - a) Less than a year []
 - b) Between 1 and 5 years []
 - c) Between 6 and 10 years []
 - d) Above 10 years []
3. For how long has this tour operated in Kenya?
 - a) Less than 5 years []
 - b) 6-10years []
 - c) 11-15 years []
 - d) More than 15 years []
4. What is the level of your education?
 - a) Diploma level []
 - b) Undergraduate level []
 - c) Graduate level []
 - d) Masters []
5. What is your position in your tour firms?
 - a) Top level manager []
 - b) Middle level manager []
 - c) Lower level employee []

6. How many employees are there in your tour firms?

a) Less than 50 []

b) 50 – 99 []

c) Above 100 []

SECTION B: STRATEGIC MARKET ORIENTATION

7. This section is concerned with assessing the effect of strategic market orientation on business performance of tour firms in Nairobi Kenya. Please mark (√) in the box which best describes your agreement or disagreement on each of the following statements. The choices given are: Strongly Disagree – 1; Disagree – 2; Neutral – 3; Agree – 4; Strongly Agree – 5

Customer orientation	1	2	3	4	5
We encourage customer comment and complaints because they help us do a better job.					
We have a strong commitment to our customers					
We are always looking at ways to create customer value in our services					
We measure customer satisfaction on a regular basis					
We define quality as the extent to which our customers are satisfied with our services					
Customer satisfaction is assessed at least once every three months					
Our firm would be better off if the market department					

worked a bit harder					
Competitor orientation					
We regularly monitor our competitor's marketing efforts					
We regularly collect marketing data on our competitors to help direct our marketing plans.					
Our marketing department are instructed to monitor and report on competitors' activities					
We respond rapidly to competitors' actions					
Our top managers often discuss competitors' actions					
We consider opportunities based on competitive advantage					
Inter-functional co-ordination					
In our firm the marketing people have a strong input into the development of new products/service					
Marketing information is shared with all departments					
All departments are involved in preparing business plans and strategies					
We do good jobs integrating the activities of other departments					
Marketing is seen as a guiding light for the entire firm					
The marketing people regularly interact with other departments on a formal basis.					

8. To what extent has the adoption of various marketing orientation by the tour firms in Nairobi affected the following performance indicators. Use 1- Very low extent, 2-Low extent, 3-Moderate extent, 4- Great extent, 5- Very great extent.

Performance indicators	1	2	3	4	5
Increase the profits of the firm					
Increased firms financial viability					
Marketing orientations increases customer satisfaction					
It increases effectiveness of the firms in the market					
Efficiency in serving customers					
Increase employee satisfaction in the firms					
Increase in the Customer retention in the firms					