

ROLE OF MARKET ORIENTATION IN PERFORMANCE OF SMALL-SCALE INDUSTRIES- A STUDY ON INKOVY PVT.LTD.

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ABSTRACT: *The study explores the application of market orientation (MO) in Indian context. The purpose of my study was to find out if the companies adopted market orientation whether it's through product innovation or through customer orientation, does it affect its performance, i.e. does the company's sales rise and improves the its performance of the company. The procedure involved is the Markor Scale which enables us to study mainly 3 variables i.e. Intelligence generation, Intelligence Dissemination & Responsiveness. The data collected was on the basis of unstructured questionnaire. Here, the company's sales were studied that which factor raised the business and its performance. This paper concludes that after the study of various firms it shows that the company does get positive results after it has adopted the market orientation.*

KEYWORDS: *market orientation, business performance, product orientation, Intelligence generation, Intelligence dissemination, customer orientation, case study*

INTRODUCTION

Market orientation perspectives include the decision-making perspective (Shapiro, 1988), market intelligence perspective (Kohli and Jaworski, 1990), culturally based behavioral perspective (Narver and Slater, 1990), strategic perspective (Ruekert, 1992) and customer orientation perspective (Deshpande et al., 1993).

The two most prominent conceptualizations of market orientation are those given by Kohli and Jaworski (1990) and Narver and Slater (1990). While Kohli and Jaworski (1990) consider market orientation as the implementation of the marketing concept, Narver and Slater (1990) consider it as an organizational culture.

The study involves the company's employees and the founder of the company as respondents. The need for such a study was to find whether MO influences the performance of the company. The study is structured in the following way. First, the literature review is done, then the case study is done, including their parameters, Intelligence generation, Intelligence Dissemination & Responsiveness. On the basis of the case study, a model was developed and explained. The managerial implications and research implications are also discussed.

LITERATURE REVIEW

Kohli and Jaworski (1990) defined market orientation as "the organization-wide generation of market intelligence, dissemination of the intelligence across departments and organization-wide responsiveness to it". According to them, the marketing concept is a business philosophy, whereas the term market orientation refers to the actual implementation of the marketing concept. They added that "a market orientation appears to provide a unifying focus for the efforts and projects of individuals and departments within the organization".

On the other hand, Narver and Slater (1990) consider market orientation as an organizational culture consisting of three behavioral components, namely, i) customer orientation, ii) competitor orientation and iii) interfunctional coordination. In order to measure market orientation, the two most widely used scales are MARKOR and MKTOR.

An increasing number of empirical studies have demonstrated that an improvement in the level of market orientation will lead to superior organizational performance, (Narver and Slater, 1990; Oczkowski and Farrell, 1998; Slater and Narver, 2000).market orientation literature suggests that organizations should aim to become learning oriented if they are to achieve a sustainable competitive advantage, (Slater and Narver, 1995). For example, Dickson (1996) suggests that learning is pre-eminent over other resources because only it enables firms to maintain longtermcompetitive advantages by continuously improving market information processing. Moreover, argues Dickson, (1996), a strong market orientation can be readily copied but the learning environment that organizes and translates the output of these behaviours into a comparative advantage, cannot (Baker and Sinkula, 1999a, p. 411).

CASE STUDY

Background of the company

If the companies focus more on market-orientation they chance of surviving in the competitive market will be more and the performance of the company will be relatively high. The company Inkovy pvt.ltd started in the year 2012. The founders Mr. Manpreet Singh and Mr. Varun Taneja had immense passion for the clothing's for the young men of India. This passion was escalated when their entered their college. Wanting to look smart and handsome every day. Hence came up with the idea of opening such a

company that could fulfill the needs and desires of the young Indian men. They had done immense research on the cloth used to make Tees and how to design them which suits the taste of the young ones keeping the budget in mind. After all the research work they had their own online site which sold T-shirts and also tied up with big shopping online giants like flipkart, Jabong, Myntra etc. where the price was not more than Rs.600 and minimum of Rs.200.

The site named as “Invoky.com” initially started off with simple colors like black, white and blue with attractive designs and witty printed slogans. Initially, dealing in men’s T-shirt, slowly expanded itself in the categories like Jog-suits, Hoody T-shirts, summer and winter jackets. They have an online portal and promise to deliver the product within the said time. Their constant efforts have made them climb up the ladder of better customer loyalty through customer orientation and market orientation.

They have a well defined organizational structure where they have various departments to do various functions. The structure consists of the buying of raw material which includes threads, cloth, buttons etc and dyeing of cloth into various colors. The next one is of checking the quality of the color and the quality of the cloth. After the quality check of the cloth it is sent to the tailor to be cut into various sizes and to be stitched accordingly. This process is very tedious and very crucial for the company. As they are left in the blind room where they don’t know who they customers are and how they look. Hence follow the Indian standard sizes. Last but the least comes the printing on the T-shirt. Here the printing is done according to the customer’s order placed on the personal site and on the orders received from the tie-up shopping sites. The printing has to be done very carefully as it requires high skills and experience. After the printing it is sent to the packing section where they are ready with the customers address and orders. Here it is packed and is then dispatched section which is ready to be delivered at the respected addresses within the committed time.

METHODOLOGY

To this company, we apply the SAP_LAP model developed by Sushil (2000). Here, we study the situation of the company where first we deal with the internal and external environments. SAP-LAP stands for S-Situation, A-Actors, P-Process, L-Learning, A-action, P-Performance.

SITUATION

The internal environment faced by the company is of not having enough funds or liquidity to reach out to all the youths of India by spending huge amount in marketing. They have limited themselves to the online marketing and only a chunk of people know about this company existing. The next problem this company faces is of corporate image, though they are trying too hard to tie themselves with big fishes in market yet are not given that corporate image as they have not boomed up their image and have not pumped them to reach out to all the youths of the country irrespective of the gender.

ACTORS

The actors here are the Directors and the managers of the company having immense knowledge of the competition in the business and knowing the scenario of the market. As they are aware that if they have to survive they need to innovate they need to product orientation and hence market orientation which will lead them to the best performers with their tie-up or the collaborations with the big fish and then establish themselves as the best competitors with the large scale competitors.

PROCESS

They have well-understood the process of time and the product quality along with the customer satisfaction. This is the most important factor which is going to make their customers and their partner companies loyal to them. They are now motivated to improve in the market orientation process of supplying the innovative products on time and designs which will please the customers. Here, the designing of the t-shirt is more of a creative job, which totally requires new ideas day by day. Here, is the area where they need to understand the taste and the changing trends of the customer. The company constantly stays in touch with their customers by taking their feedbacks and the suggestions by their loyal customers. The actors here are combining their innovation and technology together and rising up as days pass by.

LEARNING

The stream of research that has developed, following the Narver and Slater (1990) and Jaworski and Kohli (1993) studies, has found that a market orientation is positively related to profitability (Narver and Slater, 1990; Ruekert 1992; Pitt, Caruana, and Berthon, 1996; Kumar, Subramanian and Yauger, 1998; Oczkowski and Farrell, 1998).

This company is making constant efforts to fulfill the needs and wants of the customers and is very keen in following the market orientation which is leading the company to better performance of not only of the company but of the employees also. It is expected to rise and has been successful as it is constantly involving the process of market-orientation along with product innovation. *Market orientation* focuses on providing products that respond to both the needs and wants of a target audience. This company focuses totally in catering to the needs of the customer, involving the process of product innovation which means to change the product according to the comfort of the customers. This they are achieving by adding more colors ranging from like shades to dark to neon, printing of various prints from cartoon characters to slogans to marvel characters or keep them plain and simple. The texture of the cloth is being changed according to the weather conditions from cold to chilly or from midsummer to extreme summers. All the changes leads to some or the other product innovation and hence the managers need to find out ways to make them available to their customers to satisfy their needs and wants, hence making them a more market oriented company.

This is the biggest reason that this company is constantly rising and is expected to compete with big companies. As if now the bigger companies are focusing in giving a push to the sales of the company and increase in profit and generate more and more revenues. But on the other hand, small companies are more market-oriented and in touch with the customer’s needs and want.

ACTION

This company has tie-ups with big shopping online giants so that it can reach to the masses and can come forefront. It believes in delivering more effectively in terms of quality and time. It also campaigns itself in colleges and inquires what do they want and what is their expectations in

terms of product (in this case it is t-shirts). They even take the feedbacks of the customers after serving them. The feedback and the suggestion received from the customers is a very important part in market-orientation as it leads the company to the right path.

PERFORMANCE

Today, the company employs 120 people, where they are handling the production channel, designing department, quality check, dispatch and order received channels along with the marketing, HR and the Finance department themselves. But, it is expected that the number of employees will add up to 50 more by the end of this year they will have tie-ups with international as well as national companies like, E-bay and Amazon international etc. The target of the company is to include all apparels in the men and women in next coming five years and is expected to serve all of India and overseas countries.

Figure: Conceptual Model of Product Innovation Strategy

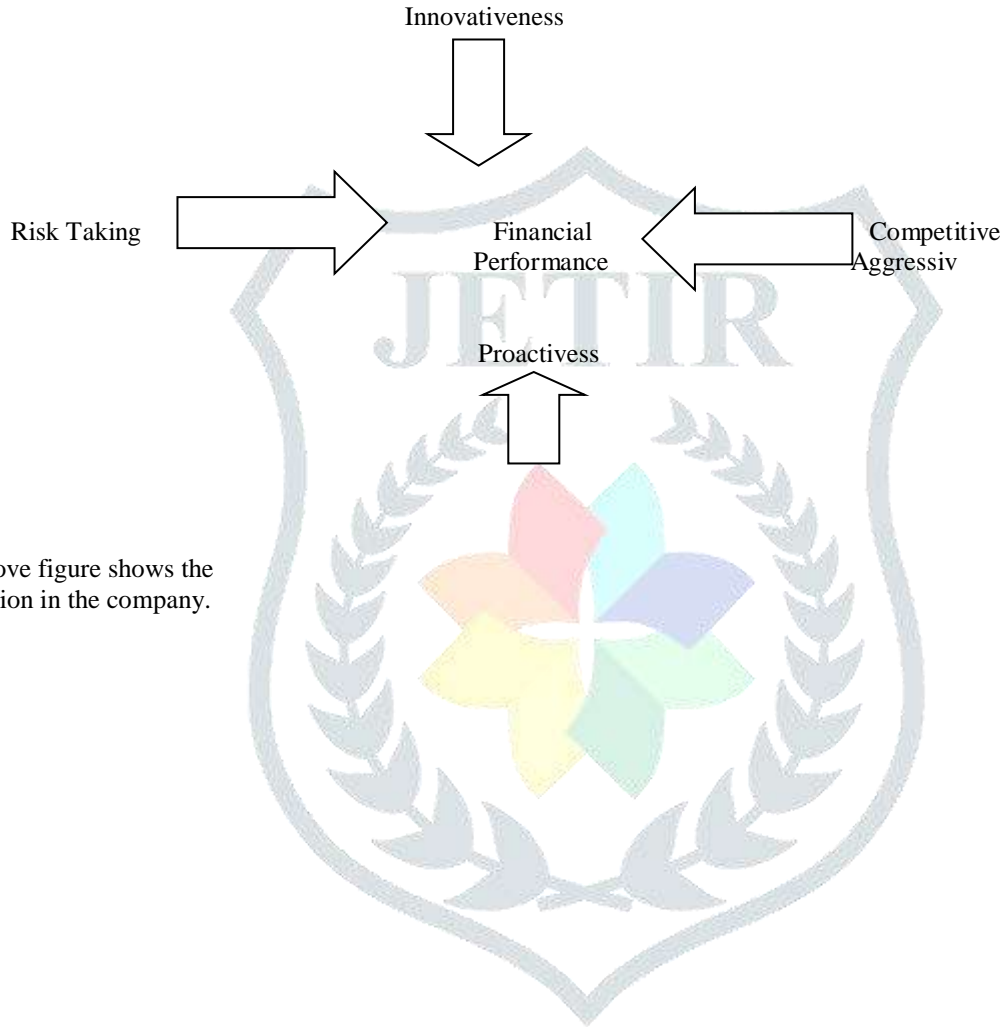


Fig.1.1: The above figure shows the product innovation in the company.

CONCLUSION

From the above, it is concluded that Market-orientation is the need of the hour irrespective of whether small or big companies. The performance of the company and its employees can be increased if a company follows the market orientation and the product orientation. In turn the profits and revenues can also be increased by constantly doing MO. As customer is our king and it is the first priority hence its needs and wants have to be understood before the production of any product and its innovation. Market-orientation has direct influence on the performance. Small companies need to survive and rise in the big sea they ought to build customers and have to deliver to the best of their capabilities. This can be done when they study the customers need and provide them with what they want and have a goal to satisfy them.

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