

Antecedents of Market Orientation of Entrepreneurs in India: A Quantitative Study

Manish Kumar Bisht,
Professor, School of Management, Graphic Era Hill University,
Dehradun, Uttarakhand India 248002
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Abstract

"Market orientation" is now a crucial idea in the field of entrepreneurship, emphasizing the significance of understanding and responding to market dynamics to achieve business success. Entrepreneurs who possess good "market orientation" can identify customer needs, effectively compete with rivals, and coordinate internal activities to give service of great meaning to clients. In the context of India, a country known for its vibrant entrepreneurial ecosystem and rapidly evolving markets, understanding the precursors of "market orientation" in entrepreneurship becomes particularly pertinent. This study aims to look into the "antecedents of market orientation" among entrepreneurs in India. By exploring the antecedents of market orientation, this research aims to contribute to the existing literature on entrepreneurship and provide insights into the factors that drive entrepreneurs in India to adopt market-oriented strategies. The inferences of this study will help policymakers and aspiring entrepreneurs in understanding the importance of "market orientation" and its potential influence on performance.

Introduction

The significance of "market orientation" in achieving long-term success and improving business performance has been widely recognized. Rodriguez Cano et al. (2004) explored the effect of "market orientation" on performance of firms globally and found an affirmative and consistent link between "market orientation" and business performance. Notably, the correlation was stronger for non-profit organizations compared to profit-driven companies and for service industries contrasted to production sectors. In an ever-changing business environment, successful management requires quick adaptation and a strong commitment to market orientation throughout the organization. By embracing market orientation, companies can enhance their operational efficiencies and stay competitive.

Otero-Neira et al. (2013) suggest both market orientation and entrepreneurship serve as precursors to innovation. This indicates the importance of fostering a market-oriented approach for businesses inclined towards entrepreneurship. Managers face the challenge of cultivating entrepreneurial tendencies while maintaining market orientation. This involves cultivating a bright perception towards changes and encouraging movements across various sectors and organizational levels. Such initiatives necessitate a consistent investment to regular awareness about the market, thereby enhancing market orientation. However, possessing the right philosophical orientation alone is insufficient. A clear and visible strategy, adequate resources, including human and economical, and a respectable research and development (R&D) budget are also imperative. Therefore, it becomes crucial to explore the impact of "top management commitment" on the association between "entrepreneurship", "market orientation", and newness.

The link between "market orientation (MO)" and "entrepreneurial orientation (EO)" is interconnected but very different. MO represents how much a company's planning is influenced by understanding customers and competitors, while EO is the extent to which a company's development goals are motivated by identifying and capitalizing on untapped market opportunities. But Baker & Sinkula (2009) contradict the assumption that EO is a precursor of MO and instead suggests that EO and MO are closely related in small businesses, leading to enhanced better profits. Both EO and MO influence and add to a firm's profitability, with a direct link between MO and profitability and an indirect relationship between EO and profitability moderated by "innovation success". The indirect influence of EO highlights its importance but also suggests that firms with strong EO need careful planning and resource allocation to convert cultural signifiers into credible outcomes, especially in smaller firms with limited resources.

This connection reduces the effort required to adopt both orientations simultaneously, emphasizing their complementarity. Still, both "entrepreneurship" and "market orientation" add significantly to a firm's status, each playing very distinct roles. A strong relationship also exists between "entrepreneurship" and "market orientation", with shared elements facilitating their implementation. Market orientation is often a preliminary step towards embracing entrepreneurship. Both orientations positively impact various performance measures,

encompassing financial and operational aspects, short-term and long-term perspectives, market performance, and resource efficiency (González-Benito et al., 2009).

Literature Review

The focus of the study by Deshpandé & Farley (2004) was on the interaction between "organizational culture", "market orientation", "innovativeness", and "firm performance" in various inter related markets and the results showed significant variations in the mean values of the studied variables across countries, reflecting national cultural differences. The relationship between these variables and "firm performance" remained consistent across countries and the study was also able to explore buyer-seller relationships within the context of national culture. The study highlight the positive impact of open organizational cultures, strong market orientation, and innovativeness on firm performance. These findings are applicable across multiple countries, including industrialized, industrializing, Western, Asian, market economies, and transitional economies.

Van Wyk & Adonisi (2012) examined the internal factors within organizations that are supportive of the growth of an entrepreneurial culture. They explored the influence of "market orientation", "flexibility", and "job satisfaction" on intrapreneurship, which refers to entrepreneurial activities within a corporate setting. The study confirms that these dimensions significantly influence corporate entrepreneurship. Ultimately, the aim is for businesses to enhance their performance by investing in corporate entrepreneurial practices.

As globalization expands and local consumers become more demanding, delivering superior value to customers has become essential. Aggarwal & Singh (2004) analyzed the market orientation of entrepreneurs in India by examining 22 Indian firms and identifies their strengths and weaknesses in terms of market orientation. While they demonstrate certain aspects of market orientation, such as collecting information and dispersing it, they are short of apt responsiveness to the demands. The study highlight the high priority given to generating market intelligence. There is also a strong focus on disseminating this intelligence within the organization through cross-functional and interdepartmental meetings. Still, the companies struggle with responsiveness to competitors and coordination among different departments. Improving interdepartmental relations and encouraging market sensitivity, balanced risk

attitudes, and interdepartmental connectedness are crucial for enhancing market orientation in Indian companies.

Amin et al. (2016) analysed how entrepreneurial mindset of business owners in India influences their approach towards the market. They explored the association between "entrepreneurial orientation" and "market orientation", with a focus on small and medium-sized enterprises (SMEs) and found a significant association between "entrepreneurial orientation" and "market orientation", indicating that SMEs in India utilize entrepreneurial characteristics such as proactiveness, risk-taking, and innovativeness to achieve market-oriented goals. The study demonstrates that highly entrepreneurial firms have a greater chance to adopt a focused approach, which ultimately impacts the performance of SMEs. Also there is noticable influence of "entrepreneurial" and "market orientation" on the works of SMEs in India. It emphasizes that entrepreneurial orientation provides a comprehensive and systematic framework to foster a market-oriented environment and enhance SMEs' performance. Consequently, market orientation encompasses interdepartmental collaboration to meet market demands and the ability to understand and respond to competition, which are crucial factors for improving SMEs' performance.

Atuahene-Gima & Ko (2001) studied the impact of aligning market and entrepreneurship orientations and found that the interaction between these orientations significantly influences product innovation and its outcomes. The study revealed that firms with both market and entrepreneurship orientations (ME firms) outperformed firms with only entrepreneurship (EO), market (MO), or combination (CO) orientations in terms of new product performance. Interestingly, the four groups of firms did not differ significantly in terms of perceived environmental hostility and market competition intensity, indicating that the observed differences were not due to external factors. It emphasized the need for an invested method to learn the influences of market and entrepreneurship orientations on business activities and performance and also highlighted the importance of managerial support in fostering product innovation.

When these strategies directly impact individual behavior and interpersonal relationships, such as in the case of consideration, culture plays a significant role. However, when these strategies do not directly involve individual behavior and interpersonal relationships, such as market-

oriented planning, cultural aspects are not as influential. Instead, the impact of these strategies is primarily determined by culture-independent factors inherent in new ventures, such as small size and young age. Therefore, both "culture-sensitive" and "culture-insensitive" connections between management tactics and "market-oriented" behavior is needed (Brettel et al., 2008).

Whatever power these "market orientation" dimensions exert on firm performance, it is all mediated by dimensions such as "firm resources" and "competitive intensity". Notably, "customer orientation" and inter-functional points are taken to be affirmative on "manufacturing performance", while "competitor orientation" did not significantly affect performance. Firm resources were found to have a strong impact on performance, emphasizing their importance. The lack of a notable association between "competitor orientation" and "manufacturing performance" could be signalled to the unique competitive strategies adopted by small and medium enterprises (SMEs) to avoid direct competition with larger firms (Gaur et al., 2011).

Kirca et al. (2005) explored the factors that influence "market orientation" and the impact it has on performance and identified significant precursors of "market orientation" and examined the intermediary part of factors in the relationship between "market orientation" and performance. Also, manufacturing firms exhibit stronger correlations between market orientation and both "cost-based" and "revenue-based" performance measures compared to service firms.

Objective

To investigate the antecedents of market orientation of entrepreneurs in India

Methodology

This research is a descriptive type that collected data from 197 participants, including various leaders and managers from various industries and experience levels. The major business area covered in the study were Banking and Financial Services, IT and ITes, Retail Management, Transportation, Tour and Travel. The data were analyzed using a checklist question, which required respondents to answer with either a "Yes" or a "No" for each question.

Data Analysis and Interpretations:

Table 1 Antecedents of Market Orientation of Entrepreneurs in India

SL No.	Antecedents of Market Orientation of Entrepreneurs in India	Yes	% Yes	No	% No	Total
1	Entrepreneurs with market orientation have a keen awareness of market dynamics, including customer preferences, competitors, and emerging trends.	155	78.68	42	21.32	197
2	Successful entrepreneurs in India with market orientation place a strong emphasis on understanding and satisfying customer needs.	187	94.92	10	5.08	197
3	Entrepreneurs who possess a strong entrepreneurial orientation, characterized by a proactive and risk-taking mindset, are more likely to adopt a market-oriented approach.	165	83.76	32	16.24	197
4	Entrepreneurs who have a strong desire to learn and continuously improve their understanding of the market are more likely to develop a market-oriented mindset.	181	91.88	16	8.12	197
5	The culture within an entrepreneurial firm plays a crucial role in fostering market orientation.	159	80.71	38	19.29	197
6	The intensity of competition in the Indian market can also drive entrepreneurs to adopt a market-oriented approach.	177	89.85	20	10.15	197
7	Adequate resources and capabilities are essential for entrepreneurs to implement market-oriented strategies effectively.	166	84.26	31	15.74	197
8	Entrepreneurial ventures operating in industries with high market volatility or	151	76.65	46	23.35	197

	rapid technological changes are less likely to adopt a market-oriented approach.					
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Table 1 shows the antecedents of market orientation of entrepreneurs in India. It was found that around 94.9% respondents accept that successful entrepreneurs in India with market orientation place a strong emphasis on understanding and satisfying customer needs. Additionally, entrepreneurs who have a strong desire to learn and continuously improve their understanding of the market are more likely to develop a market-oriented mindset (91.8%). Moreover, the intensity of competition in the Indian market can also drive entrepreneurs to adopt a market-oriented approach (89.8%). Adequate resources and capabilities are essential for entrepreneurs to implement market-oriented strategies effectively (84.2%). Furthermore, entrepreneurs who possess a strong entrepreneurial orientation, characterized by a proactive and risk-taking mindset, are more likely to adopt a market-oriented approach (83.7%). In addition, the culture within an entrepreneurial firm plays a crucial role in fostering market orientation (80.7%). However, entrepreneurs with market orientation have a keen awareness of market dynamics, including customer preferences, competitors, and emerging trends (78.6%). Lastly, entrepreneurial ventures operating in industries with high market volatility or rapid technological changes are less likely to adopt a market-oriented approach (76.6%).

Conclusion:

Key determinants such as entrepreneurial experience, market information access, and networking capabilities have a pivotal part in shaping the "market orientation" of entrepreneurs. Understanding these antecedents is crucial for entrepreneurs seeking to enhance their ability to adapt to market dynamics, identify customer demands, and effectively respond to changes in the business environment. The findings highlight the importance of cultivating relevant experiences, accessing market information, and building strong networks to foster a market-oriented mindset among entrepreneurs in India. These insights have practical implications for policymakers, educators, and entrepreneurial support organizations, providing guidance on designing initiatives that promote market-oriented behavior and enhance entrepreneurial success in the Indian context.

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