

# Market Orientation, Service Quality and Customer Satisfaction in the Public Utility Companies

Jewel Dela Novixoxo<sup>1</sup> Wisdom Wise Kwabla Pomegbe<sup>2\*</sup> Courage Simon Kofi Dogbe<sup>2</sup>

1. Department of Marketing and Procurement and Supply Chain Management

University College of Management Studies (UCOMS), P. O. Box GP. 482, Accra-Ghana

2. School of Management, Jiangsu University, 301 Xuefu Road Zhenjiang, Jiangsu, P. R. China

## Abstract

The study assessed the practicalisation of the market orientation construct in the public sector particularly the public utility companies and the linkage that exist between customer satisfaction, service delivery and market orientation. Survey design was utilized to gather data from 430 customers of the public utility companies in Ghana. Data analysis was done by means of descriptive statistics, exploratory factor analysis and multiple regression. Results indicate a weak market orientation practiced by the utility companies. Consequently, customer's perception of service quality and satisfaction with the services with regards to the case company was affected. Market orientation concept has enjoyed tremendous review in the private sector compared to the public sector. This study is therefore adding to literature by extending the findings to the public sector where customer complaints abounds. The findings of the study provide deep insights into handling customer issues in the public sector. The empirical evidence from this study provides strategic decisions that can be replicated to improve market orientation in the public sector, improve the way services are rendered and customer expectation of the services of the utility companies.

**Keywords:** Market orientation, Public sector, public utility companies, Service quality, Customer satisfaction, Ghana.

## 1. Introduction

The philosophy - marketing concept whose implementation called market orientation is still regarded as a novel concept when it comes to the public sector in developing economies like Ghana. Even though the market orientation construct since, 1990 has attracted several interests from marketing scholars (Schalk, 2008; Pattanayak, Koilakuntla, & Punyatoya, 2017; Webb *et al.*, 2000; Kholi and Jaworski, 1993) because of its perceived positive relationship with business outcomes such as service quality (Chang & Chen, 1998; Samat, Ramayah, & Mat Saad, 2006; Samat *et al.*, 2006) customer satisfaction (Pattanayak, Koilakuntla, & Punyatoya, 2017; Webb *et al.*, 2000; Kholi and Jaworski, 1993) and firm performance (Mahmoud *et al.*, 2010; Hinson *et al.*, 2008; Osuagwu, 2006; Kuada & Buatsi, 2005). The concept has still not received the needed attention it deserves when it comes to the public sector as compared to the private sector in the developing context and more especially the sub Saharan Africa. This widespread studies in the private sector in developed countries as well as in developing countries (Mahmoud, 2011; Mahmoud *et al.*, 2010; Hinson *et al.*, 2008; Dwairi *et al.*, 2007; Osuagwu, 2006; Kuada & Buatsi, 2005; Appiah-Adu & Ranchhod, 1998; Jaworski & Kohli, 1993; Rueket, 1992) have mostly found a positive relationship with business performance.

Developments in the economy such as privatization of public organization, commercialization and competitive tendering have put pressure on public organizations to provide services that meet the requirements of the citizenry (Day *et al.*, 1998 cited in Mahmoud and Hinson, 2012). Hence, public sector organizations are forced to prioritise the needs of their customers in their strategic planning process. Private sector firms make use of market orientation to achieve higher performance or productivity by creating sustainable competitive advantage (Aaker, 1989) through effective and efficient creation of better service for its customers (Kholi and Jaworski, 1990). Market orientation is therefore one of the tools that public sector firms can make use of in order to achieve the same benefits that private sector firms are enjoying.

Several studies on market orientation since 1990's have focused on the private sector especially in businesses whose core objective is profit and shareholder welfare maximisation (e.g Mahmoud, 2011; Mahmoud *et al.*, 2010; Hinson *et al.*, 2008; Bennet, 2005). Nevertheless, the few studies on the public sector (e.g Cervera *et al.*, 2001) seem to have been founded solely on the conceptualisation of Kholi and Jaworski (1990). There has not been many works developed from the Narver and Slater's, (1990) conceptualization of market orientation even though the literature has indicated that both views of market orientation concept overlap. From a developing economy perspective, this study attempts to contribute to the market orientation literature by focusing on the public sector using the Narver and Slater's (1990) conceptualization since it has received little attention in the sub Saharan Africa in the field of public sector and more importantly the utility services sector from developing country context and also assessing market orientation from the perspective of customers which has been a subject of recommendation for most scholars who conducted studies on market orientation.

The paper first introduced the topic under discussion. The second and third section discusses literature and

the conceptual framework of the study and theoretical background and hypotheses development respectively. The fourth section addresses the methodology and whilst the fifth and sixth discusses the findings of the study and presents the conclusions on the paper. The seventh and the last section presents the limitations and future research directions.

## 2. Literature Review

### 2.1 Market Orientation

The actual meaning of Market orientation is still a debate among scholars and professionals (Webb *et al.*, 2000). An assessment of the present literature finds significant differences in the constructs that are used to describe 'market orientation' (Kholi and Jaworski, 1990). To Kholi and Jaworski (1990), market orientation is about how market intelligence is gathered by the entire organization regarding present and future needs of customers, making sure all functional areas of the organization have access to the intelligence gathered and the responsiveness to the market intelligence gathered across all levels of the organization. Narver and Slater (1990) on the other hand seemed to agree with Kholi and Jaworski's (1990) assertion and also went further to describe the behavioural components of market orientation as customer-centered, competitor-centered and the coordination of various departments within the organisation. Market orientation if handled properly is very crucial for the organisations survival since it helps in evaluating the challenges that confront the organization and opportunities presented by the environment (Kumar *et al.*, 2011). Scholars have also refer to market orientation as 'market-led' (Piercy, 1997); 'integrated marketing' (Felton, 1959); customer – centered (Kelley, 1992); 'market centered culture' (Harris, 1998); 'marketing centered (Gummesson, 1991). Nevertheless, most scholars according to Shapiro (1988) agree that there are more than enough differences between these terms. Kholi and Jaworski (1990) in particular has emphasized the preference for 'market orientation' construct signifying the responsibility of all departments in the organization rather than the sole function of the marketing department.

Market orientation was originally regarded and measured as occurrence perceived by management and value proposition is seen as a vital organizational aim (Narver and Slater, 1990). The other or final aspect of the three which is the responsiveness to the intelligence gathered about customer's value involves coordination of the activities of the functional areas in the organizations towards delivering value to the customer. This dimension also overlaps with the idea of Narver and Slater (1990).

Due to strong customer emphasis on the market orientation construct, many companies that practice some form of market orientation pride themselves to be market oriented. However, latest intellectual discourse suggests that firms can only enjoy that market oriented tag if and only if their customers see them as market oriented companies. Desphandé *et al.* (1993) affirm the statement by saying customers should be the ones attesting the market orientation culture of companies and not managers who are implementing the concept. Hence, customers instead of managers who are the implementing agencies of the concept, should be made to assess the firm's level of market orientation. Consequently, Steinman *et al.*, (2000), in their work also agree that the question regarding the extent of market orientation of a firm should be directed to the customers and it is only customers who can give better answers to the question regarding to the level of market orientation a firm practices. It was based on this that Webb *et al.*, (2000) conducted a research to assess market orientation of a bank from the customers' point of view. Narver and Slater's (1990) conceptualization of the market orientation as used in many studies such as agricultural value chain (Ho, Nguyen, Adhikari, Miles, & Bonney, 2017) has been adopted by this study. Due to the earlier assertion that customers should be made to assess firms on their market orientation implementation, the study therefore seeks to assess market orientation of the public utility companies from the customers' perspectives.

### 2.2 Customer Satisfaction

Anderson *et al.* (1994) defined customer satisfaction as the overall assessment of total acquisition and consumption experience of a product or service over a period of time. To some companies, customer loyalty can only mean customer satisfaction leading to reduction; in turn-over of customers, price sensitivity of customers, unsuccessful marketing cost and new customer acquisitions cost and the enhancement of business reputation (Fornell, 1992). It is again said that when customers are satisfied, they are able to make future purchase intention and involve themselves in positive word of mouth advertising (Jamal and Naser, 2002) and become more accommodating when it comes to increment in prices (Anderson *et al.*, 1994). In relating customer satisfaction to market orientation, the customer satisfaction literature indicates the significance of value creation in satisfying customers (Woodruff *et al.*, 1993). Scholars such as Heskett *et al.*, (1994), suggested that for an organization to ensure strong customer satisfaction, it is important for that organization to be responsive to customers' needs and take the customer delivery strategies seriously. The reason being that, market orientation must lead to the delivery of better customer value (e.g. Narver and Slater 1990), which must in the long term reflect in the customers' assessment of value and testimony.

### 2.3 Service Quality

Parasuraman *et al.* (1988) and Lewis and Booms, (1983) refer to service quality as customers' expectation of service compared to the customers' perception of service received. In an organisations attempt to deliver quality service, it is crucial for the organization to properly consider a quality service that is based on the customers expectation. Failure of organisations to produce quality service to meet customers' anticipations are some of the root causes of their poor performances in the service sphere (Ziethaml *et al.*, 1990). The mismatch of organisation's perception and the customer's expectation of service quality can have serious consequences on the customer satisfaction experience. This is because what the organization perceived as quality which directly influence its design and service delivery, on one hand may not be the customer's evaluation of the service experience he or she has received (Brown and Swartz, 1989). It is therefore appropriate to differentiate market orientation as a form of organizational culture from its outcomes. Thus, the degree of service quality delivered by a firm must correspond with the fundamental culture of the firm that is providing the service. Hence, service delivered must be as result of the market orientation.

To conclude, the quality of service and the satisfaction of customers are not just consequences of organisation's market orientation but also act in the larger organization performance framework as mediator construct. When customers are provided with quality service and they are satisfied, that implies that they are being offered value and that is what market orientation is about. The nexus of market orientation, service quality and customer satisfaction come from the idea that market orientation would translate into the ability of firm's delivery of quality service which would yield a feedback of better customer response and hence customer satisfaction and eventual firm performance.

### 2.4 Conceptual Framework

Following the background of market orientation from the customers' perspective, this study adapts a conceptual framework designed by Webb *et al.*, (2000) with a modification based on literature gathered to suit the case of public utility companies. This study therefore seeks to determine how the market orientation construct conceptualized by Narver and Slater (1990) will maintain its validity and reliability when examined from the customers' viewpoint in the public utility sector. The relationship among the variables is illustrated in figure 1;



**Figure 1: Conceptual Framework for Market Orientation in the public sector**

## 3.0 Theoretical Background and Hypotheses Development

### 3.1 Market Orientation and Service Quality

The study assumes that the three behavioral dimensions (customer orientation, competitor orientation and inter-functional coordination) of market orientation propounded by Narver and Slater (1990) are perfect for the conceptualization of market orientation in the public utility companies. Webb *et al.* (2000) has shown that this theoretical approach can be used to conceptualize market orientation from the customers' perspective. The research also conjectures that market orientation leads to the delivery of service quality and hence customer satisfaction. Service quality and customer satisfaction are therefore outcomes of the market orientation of a firm as established by other scholars (Kholi and Jaworski, 1990; Webb *et al.*, 2000).

The attitude towards customer satisfaction and placing the customer first is still relevant to the marketing concept and also a vital components of market orientation (e.g McNamara, 1972) and in doing that the firm will be providing quality service. The outcomes of market orientation refer to the benefits that firms expect to receive when they adopt and practice market orientation. The benefits include providing customers with quality of service, creating customer satisfaction, and ultimately reaping profits through quality and satisfaction (Narver and Slater, 1990; Kholi and Jaworski, 1990, Webb *et al.*, 2000). The study therefore posits that market orientation has a significant association with service quality. The study hypothesises that;

*H<sub>1</sub>: Market orientation has a positive statistically significant association with service quality.*

### 3.2 Market Orientation and Customer Satisfaction

Scholars (Singh, & Ranchhod, 2004; Oliver & Swan, 1989; Wilkie, 1990) believe that customer satisfaction is when customers achieve their purchase expectation. This therefore means that if companies want to satisfy their customers' needs and purchase expectations then there is the need for them to focus on being customer and competitor oriented. According to Kotler (2000), organisations or people that adopt the customer-centered approach in doing business are well-placed to detect new prospects, come out with better strategies, and better serve the target customers. This therefore indicates that the betterment and profitability of a firm rest on the firm's ability and capacity to satisfy customer needs. Webb *et al.* (2000) assert that the larger market orientation performance framework is mediated by customer satisfaction. This study is of the view that a successful market orientation practice will lead to customer satisfaction. The study therefore hypothesises that market orientation is significantly related to customer satisfaction as customer satisfaction determines whether a customer is retained or not.

*H<sub>2</sub>: Market orientation has a strong positive statistically significant association with customer satisfaction.*

### 3.3 Service quality and customer satisfaction

Samen *et al.* (2013) defined service quality as an antecedent to customer satisfaction, hence the strong causal association with customer satisfaction. Wang & Shieh's (2006) work, revealed that five elements of the SERVQUAL model have a significant effect on customer satisfaction while responsiveness did not. Meanwhile, Fah and Kandasamy (2011) also established significant association between all the five dimensions of SERVQUAL however, tangibility seems the most significant element related to satisfaction among Malaysia hotel guests. Other scholars have also found mixed result when it comes to the service quality-customer satisfaction relationship. No relationship was identified with regards to customer satisfaction and service environment tangibles (Jamal & Naser, 2003; Baumann *et al.*, 2007). This studies were in contradiction with Blodgett and Wakefield's (1999) study. This therefore tell us that customers will only be satisfied if they perceive the service offered is a quality service (Bamfo *et al.*, 2018). Service organisations must ensure they offer high quality service if they want their customers to be satisfied (Bamfo *et al.*, 2018). That is to say that, the most customers that the firm's services can attract are the satisfied ones than the ones that are not satisfied (Izogo & Ogba, 2015). As a result of this, we hypothesise that:

*H<sub>3</sub>: Service quality has statistically significant association with customer satisfaction*

### 3.4 Market Orientation, Service Quality and Customer Satisfaction

Market orientation implementation by a firm is likely to result in customer satisfaction via better service quality which in a long run will result in the customer being loyal to the firm. (Zeithaml *et al.*, 1990). Market orientation is about being customer and competitor oriented. This therefore means that organisations that employed the concept must be aware of what their customers' need and requirements are and how their competitors are trying to fulfilled those requirements and then take appropriate decision based on that information by producing goods and services that meet customers' requirements or perceived service quality (Chang, & Chen, 1998). Based on the three construct, a model has been developed to form relationships in which MO influences customer satisfaction directly and indirectly via service quality.

## 4.0 Methodology

Quantitative approach and exploratory design to research was adopted to ensure the generalization of the result and due to the fact that the study tries to determine the associations and causality among constructs in the framework as stated as a prerequisite to adopting the quantitative approach by (Stromgren, 2007) and exploratory because the study seeks new insights into market orientation (Robson, 2002). In order to make the study more consistent with other market orientation studies on customers, Webb *et al.* (2000) adopted a survey strategy that further enhances the study's consistency.

Self-administered questionnaires were given out to 450 customers of public utility companies. 430 of those questionnaires were retrieved giving us 95% rate of response and regarded as valid for use. Aside the personal data of respondents, the respondents were given the chance to disagree or agree to 30 items statements. Market orientation was measuring the first eleven (11) item statements, thus 1, being 'strongly disagree' to seven (7), being 'strongly agree'. Though the instrument on market orientation by Narver and Slater (1990) were 15, however, this study only considers eleven (11) items out of the original fifteen (15) items as they were deemed relevant to examine market orientation from customers' perspective based on Webb *et al.*, (2000). To ensure the relevance and the consistency of the questionnaire with the original instrument by Narver and Slater (1990), minor alterations were done to the phrases in the questionnaire. Even though these alterations were made, the three main elements of market orientation according to Narver and Slater (1990) were sufficiently taken care of in terms of both content and structure.

The third part of the questionnaire measured customer satisfaction using a seven point Likert scale and

positive statements put across were in context. To ensure the measures of customer satisfaction are valid, you have to provide an instrument that is measuring the specific context (Breur, 2007). According to Cronin and Taylor (1992) and Oliver (1993), customer satisfaction can be determined by one comprehensive item or several items. Customer satisfaction in this study was measured with respect to affective, cognitive and recommendation using 3-item scale adopted from Oliver's (1980) measure of satisfaction and the three items were examined using a 7-point Likert scale, thus, 1, being 'strongly disagree' to seven (7), being 'strongly agree'.

Lastly, the fourth section examined customers' perception of quality by putting together relevant items from the SERVQUAL's original 22-items instruments developed by Parasuraman *et al.* (1988) which proposed that items to use in measuring service quality should be determined by the objectives of each study and following that advice 16 out of the 22-items were examined using a seven (7) point Likert, thus, 1, being 'strongly disagree' to seven (7), being 'strongly agree'. The appropriateness of the wordings of each item in the questionnaire were pre-tested with 20 management staff of public utility companies before the distribution of the survey instrument to the respondents. The research instrument had closed ended questions.

## 5. Presentation and discussion of findings

### 5.1 Reliability Assessment

Achieving construct reliability is deemed as a necessary condition for any good quantitative analysis. Nunnally (1978) proposes a minimum Cronbach alpha level of 0.70 for any meaningful and reliable construct. Based on that assertion, the study's Cronbach alpha was computed for the three constructs based on their summated scales. This Cronbach alpha value results are depicted in Table 1. From table 1, all the three constructs have alpha levels above the 0.70 level recommended by Nunnally (1978). The highest alpha value of 0.947 is in relation to the service quality construct while market orientation recorded a value of 0.910. Lastly, the customer satisfaction construct yielded a reliability alpha value of 0.889. In total, we can say that our constructs are highly reliable.

**Table 1: Reliability Statistics**

Construct	Number of Items	Cronbach's Alpha
Market Orientation	11	0.910
Customer Satisfaction	3	0.889
Service Quality	16	0.947

An exploratory factor analysis using principal component method was conducted to determine the market orientation dimensions. The KMO measure is 0.904 which is way above the 0.6 sampling adequacy level (Hair *et al.*, 2006). Bartlett's sphericity test is statistically significant (0.000) at 0.01 level of significance. We therefore fail to accept the null hypothesis and conclude that there are enough correlations in our variables and that they don't form an identity matrix.

The three-factor solution (rotated factor) explained 69.88% of the total variance, with Factor 1 elucidating 31.98% of the variance, Factor 2 elucidating 21.56% of the difference, factor 3 elucidating 16.33% of the variance. Out of the total variance explained, issues of customer orientations were the most (31.98%) explained with inter- functional coordination explained 21.57 percent of the total variance and competitor orientation explaining only 16.34 percent. It may, therefore, be concluded, via this research, that customer orientation variables were the most variables that explained the practice of market orientation.

Also exploratory factor analysis was undertaken to ensure that variables are properly grouped in the questionnaire (in terms of market orientation) into meaning clusters with the aid of SPSS using principal component analysis (see Table 2). None of the items were dropped in this study. Webb's *et al.* (2000) items that were extracted from the Narver and Slater's (1990) measure to suit the measurement of market orientation from the customer's perspective had a factor loading above 0.6 which is regarded significant. Since lower values were not deemed acceptable to be representative of their respective factor loading, a cut-off point of 0.5 were employed in the study as Hair *et al.* (2006) suggested. All the factors after the analysis loaded above 0.60 and hence are a representative of their respective factors.

**Table 2: Rotated Component Matrix**

Variables	Component		
	1	2	3
Consistent offering of products and services creates value	.786		
Handle my complaints swiftly	.778		
Use customer information to deliver to meet customer requirements	.756		
Engage in market research to determine customer needs	.669		
Effective utilization of human and product systems	.647		
Employees show commitment in delivering services	.630		
Customer information is shared among staff members		.840	
There is effective coordination between functional areas		.806	
Functional areas of the company work together in creating value		.675	
Quick in responding to competitor activities			.856
Managers demonstrate an understanding of their competition			.798

**Notes:** Extraction Method: Principal Component Analysis

Rotation Method: Varimax with Kaiser Normalization

To ascertain the extent of public utility companies' market orientation implementation, the study utilized descriptive statistics, specifically, the mean and standard deviation score. The minimum mean statistic recorded was 2.2907 the highest mean statistic (2.8419). In a whole, the overall mean score of 2.5704 articulates the views of the customers that in general, customers somewhat disagree more that the company is market oriented. It therefore appears that public utility companis are not market oriented from the perspective of customers. This implies that public utility companies make very minimal effort to understand their target buyers and hence unable to continuously offer customers better value (customer orientation), public utility companies were at lost as to who their competitors' (current and potential) strengths, weaknesses and capabilities are (competitor orientation). In addition, public utility companies makes little effort in coordinating and utilizing the resources of the company by delivering better value for their target audiences (inter-functional coordination) as Narver and Slater (1990) established, which Webb *et al.* (2000) later adopted as the means of practicing market orientation in firms. Hence one can say that customers perceive public utility companies as companies that are not practicing market orientation.

Descriptive statistics was used to measure satisfaction of public utility companies' customer satisfaction. The analysis shown that, customers are not satisfied with the services being rendered by public utility companies with a mean value of 2.1093 which topples as the lowest score. It is also clear from the mean statistic of 2.2581 that the clients are not satisfied with the services of the company. As a confirmatory response to the other scores, the customers reiterated that they will not recommend the services of the company to others by disagreeing on the question posed to them with a mean of 2.3651. In its entirety, the overall mean of the three scores (2.2442) also show that consumers were not satisfied with the services that the public utility companies provide. Customers disagreed entirely that their expectations of the services rendered by public utility companies were being met. This is consistent with the literature regarding service management which suggest that the consequence of value received in transaction and relationship based on the customers' perceptions (Blanchard and Galloway, 1994) is customer satisfaction which is different from the vendors' expected value they received from transactions or relationships (Zeithaml *et al.*, 1990).

Service quality was also measured using descriptive statistics. The highest mean value recorded was 3.0884. The implication of this is that, customers have the perception that their dealings with the company are to a large extent, not handled in a confidential way. The study also recorded the least mean score of 2.1698. This gives the impression that service provision by the staff of public utility companies are not meeting customer expectations. This result is not surprising given the earlier indication in earlier analysis where customers unanimously disagreed with the assertion that the utility provider provides swift services which in the long run negatively affect the service quality of the firm. Our overall mean score (2.5493) further adds to the argument that on the whole, the quality of service of public utility companies per the views of the customers, is quite low. This concurs with the argument of Oliver (1980) who posited that a customer will rate the quality of service very low if the performance of the service is less than his expectations and will also rate it high if the performance of the service exceeds his expectation. This is in place considering the fact that customers claimed in the earlier analysis that they were not satisfied with the services provided by public utility companies and since service quality is a dimension as identified by literature to be the prerequisite among other factors to lead to satisfaction (Blanchard and Galloway, 1994).

In achieving other objectives stated in the work and to test the hypotheses, the study employed the simple regression analysis. The main constructs for the analysis covers areas of market orientation, service quality and customer satisfaction. In this regard, the following simple regression models were specified on which the estimations were performed.

$$CS_i = \beta_0 + \beta_1 MKTOR_i + \varepsilon_i \quad (1)$$

Where CS is customer satisfaction; MKTOR represents market orientation of the  $i^{th}$  customer;  $\beta_0$  is the constant term;  $\beta_1$  is the coefficient of the customer satisfaction variable and  $\varepsilon_i$  is the error term.

$$SQ_i = \beta_0 + \beta_1 MKTOR_i + \varepsilon_i \quad (2)$$

SQ represents service quality

Table 3 displays the simple regression results between market orientation and service quality. The result revealed a positively significant relationship between market orientation and service quality with a coefficient of 0.7033 and a  $p$ -value of 0.000. This means that a unit increase in market orientation by public utility companies will lead to a 0.7033 increase in the quality of services rendered to their customers. Per the study's results we fail to reject our ( $H_1$ ) and conclude that the greater the market orientation of the company, the greater the quality of service rendered to customers. The  $R^2$  value (0.5091) implies that 50.91% of the changes in service quality of the firm can be elucidated by market orientation. The final model will now look like;

$$SQ = 0.74 + 0.703MKTOR$$

**Table 3: Simple regression results between MKTOR and SQ**

	Coefficient	Std. Err	t	P-value
<b>MKTOR</b>	0.7033	0.0333	21.07	0.000
<b>Constant</b>	0.7428	0.0949	7.82	0.000
<b>R<sup>2</sup></b>	0.5091			
<b>F-statistic</b>	443.85			0.000

**Notes:** Dependent variable is service quality (SQ).

Service quality as indicated is identified as an outcome of market orientation in the larger market orientation performance framework (Webb *et al.*, 2000; Taylor and Baker, 1994). For this reason a firm that is market oriented will be providing services that meets the expectations of the customer leading to repeat purchases and hence profitability of the firm. Unfortunately from the perspective of majority of the customers of public utility companies, the companies performs abysmally in the practice of market orientation and therefore provides poor quality of service to its customers.

Table 4 presents the simple regression results between market orientation and customer satisfaction. The coefficient found is 0.7679, and is statistically significant at the 0.01 significance level (i.e.  $p < 0.01$ ). The result indicates that, there is a positive and statistically significant relationship between market orientation and customer satisfaction. Thus, a unit increase in market orientation of public utility companies will lead to a 0.7679 increase in customer satisfaction. The study therefore, fails to reject the alternate hypothesis ( $H_2$ ) and say that there is a positive and statistically significant relationship between market orientation and customer satisfaction. The constant of the regression measures the customer satisfaction level when market orientation is assumed to be zero. From the table 4, the constant term recorded a coefficient of 0.2706 and significant at the 0.05 significance level. Meaning that, when MKTOR is zero (0), CS will increase by 0.2706. The overall measure of model fit is the  $R^2$ . This tells us how best the independent variable explains the dependent variable. The  $R^2$  value of 0.4124 means that 41.24% of the variation or distinction in customer satisfaction is being explained by market orientation alone. We can hence write our model as follows:

$$CS = 0.271 + 0.768MKTOR$$

**Table 4: Simple Regression results between MKTOR and CS**

	Coefficient	Std. Err	t	P-value
<b>MKTOR</b>	0.7679	0.0443	17.33	0.000
<b>Constant</b>	0.2706	0.1260	2.15	0.032
<b>R<sup>2</sup></b>	0.4124			
<b>F-statistic</b>	300.35			0.000

**Notes:** Dependent variable is Customer satisfaction; MKTOR represent market orientation.

This resonates with the literature which posits that customer satisfaction is an outcome of market orientation in the larger market orientation and performance framework and that when a firm makes the effort to understand their target buyers and delight them by constantly creating superior value for them, their needs would be met and hence satisfaction would be derived leading to firm performance (Webb *et al.*, 2000; Taylor and Baker, 1994).

## 6.0 Conclusions and Implications to Public Utility Companies' Management

Market orientation is seen as a strategic tool which is very paramount in the performance of a firms due to the competitive nature of the business environment (Narver and Slater, 1990). It is therefore of importance for utility companies and more important public institutions in the developing countries to understand and practice market orientation in order to uplift on the quality of service they offer leading to customer satisfaction and hence improve upon their performance. This research provides empirical evidence to back the significance of market orientation in a public utility companies in a developing country as has already been established by some other scholars (e.g. Mahmoud and Hinson, 2012). Generally, customers' perception of market orientation practice in

public utility companies was very appalling. Customers disagreed that public utility companies were market oriented. The empirical result further indicated that the quality of service rendered by public utility companies was poor and that public utility companies was not providing customers with satisfactory services. This study has therefore revealed that in order for public utility companies to achieve higher business success in the area of customer satisfaction leading to customer loyalty, public utility companies must vigorously pursue the practice market orientation. Furthermore, it is postulated that market orientation has relationship with service quality, and customer satisfaction.

This therefore means that the constant practice of market orientation will result in better service quality and customer expectations being met. Thus, the more the market orientation of a firm the more the satisfaction level of its customers, the more the market orientation of a firm the more the quality of service rendered to customers and the more the service quality of a firm the more the satisfaction received by customers. Thus  $H_1$ ,  $H_2$ , were supported. The implication is that, with market orientation, utility companies can deliver better quality service to their customers, following renewed focus on the expressed and unexpressed needs of customers, competitor's activities and how they can take advantage of the resources they have in order to offer better customer value for their target audiences in a well-coordinated way, leading to increased customer satisfaction (Webb *et al.*, 2000; Narver and Slater, 1990).

### 7.0 Limitations and future research directions

The study is likely to face generalization challenge. The reason being that since the study was limited to only one country's public utility companies, the ability to generalize may be considered a limitation. Nevertheless, a further research which will make use of samples of other utility companies across the Sub-Saharan African region and beyond to enable the generalization of the results for Sub-Saharan African region and beyond would be appropriate. Also further research may concentrate on taking this subject to another level thus, a longitudinal study is recommended to relate the market orientation practice of public utility companies over a period. In addition further studies from the public utility companies' management perspective on their market orientation practice could also be explored to confirm the evidence gathered from the customer's account of the level of market orientation practice of public utility companies.

### References

- Aaker, D. A. (1989). "Managing Assets and Skills: The key to Sustainable Competitive Advantage", *California Management Review*, **31**(2), 91-106.
- Anderson, E. W., Fornell, C. and Lehmann, D. R. (1994). "Customer Satisfaction, Market Share and Profitability: Findings from Sweden", *Journal of Marketing*, **58**, 53-66.
- Appiah-Adu, K., & Ranchhod, A. (1998). Market orientation and performance in the biotechnology industry: An exploratory empirical analysis. In K. Appiah-Adu (Ed.), *Strategic Orientation and Business Performance*, 154-178. Accra, Ghana: Graphic
- Bamfo, B. A., Dogbe, C. S. K. and Osei-Wusu, C. (2018). "The effects of corporate rebranding on customer satisfaction and loyalty: Empirical evidence from the Ghanaian banking industry", *Cogent Business & Management*, **5**: 1413970, 1-11.
- Baumann, C., Burton, S., Elliott, G. and Kehr, H. (2007). "Prediction of attitude and behavioural intentions in retail banking", *The International Journal of Bank Marketing*, **25**(2), 102-16.
- Bennett, R. (2005). "Competitive environment, market orientation, and the use of relational approaches to the marketing of charity beneficiary services", *Journal of Services Marketing*, **19**(7), 453-69.
- Blanchard, R.F. and Galloway, R.L. (1994). "Quality in retail banking", *International Journal of Service Industry Management*, **5**(4), 5-23.
- Blodgett, J. and Wakefield, K. (1999). "Customer response to intangible and tangible service factors", *Psychology and Marketing*, **16**(1), 51 - 68.
- Breur, T. (2007), "Tom's Ten Data Tips - Customer Satisfaction & Loyalty" XLNT Consulting ([www.xlntconsulting.com](http://www.xlntconsulting.com)) downloaded April 13, 2018.
- Brown, S., W. and Swartz, T., A. (1989). "A Gap Analysis of Professional Service Quality." *Journal of Marketing*, **53**, 92-98.
- Cervera, A., Molla, A. and Sanchez, M. (2001). "Antecedents and consequences of market orientation in public organisations", *European Journal of Marketing*, **35**(11/12), 1259-88.
- Chang, T. Z., and Chen, S. J. (1998). "Market orientation, service quality and business profitability: a conceptual model and empirical evidence". *Journal of services marketing*, **12**(4), 246-264.
- Chang, T. Z., & Chen, S. J. (1998). "Market orientation, service quality and business profitability: a conceptual model and empirical evidence". *Journal of services marketing*, **12**(4), 246-264.
- Cronin, J. J., Jr. and Taylor, S. A. (1992). "Measuring Service Quality: A Reexamination and Extension", *Journal of Marketing*, **5**, 55-68.



- Day, J., Reynolds, P. and Lancaster, G. (1998). "A marketing strategy for public sector organizations compelled to operate in a compulsory competitive tendering environment", *International Journal of public Sector management*, **11**(7), 583-95.
- Deshpande, R., Farley, J.U. and Webster, F.E. (1993). "Corporate Culture, Customer Orientation, and Innovativeness in Japanese Firms: A Quadrant Analysis", *Journal of Marketing*, **57**(1), 23-37.
- Dwairi, M., Bhuian, S. N., and Jurkus, A. (2007). "Revisiting the pioneering market orientation model in an emerging economy", *European Journal of Marketing*, **1**(7/8), 713-721.
- Fah, L.K. and Kandasamy, S. (2011). "An investigation of service quality and customer satisfaction among hotels in Langkawi", in *2011 Proceedings of the International Conference on Management (ICM)*, 731-749.
- Felton, A.P. (1959). "Making the marketing concept work", *Harvard Business Review*, 55-65.
- Fornell, C. (1992). "A national customer satisfaction barometer: The Swedish experience", *Journal of Marketing*, **56**, 6-21.
- Gummesson, E. (1991). "Marketing-Oriented Revisited: The Crucial Role of the Part Time Marketer", *European Journal of Marketing*, **25**(2), 60-75.
- Hair, J., Black, W., Babin, B., Anderson, R., and Tatham, R. (2006). "*Multivariate Data Analysis*", Upper Saddle River, NJ: Prentice Hall.
- Harris, L.C. and Piercy, N.F. (1998). "Barriers to Marketing Development in the Barristers Profession", *Services Industries Journal*, **18**(2/3), 221-8.
- Heskett, J.L., Jones, T.O., Loveman, G.W., and Schlesinger, L.A. (1994). "Putting the Service Profit Chain to Work". *Harvard Business Review*, **72**, 165-174.
- Hinson, R. E., Ofori, D., Kastner, A., and Mahmoud, M. (2008). "Market orientation and export performance: A Ghanaian study of export firms", *African Journal of Business and Economic Research*, **3**(2&3), 62-90
- Ho, K. L. P., Nguyen, C. N., Adhikari, R., Miles, M. P., & Bonney, L. (2018). "Exploring market orientation, innovation, and financial performance in agricultural value chains in emerging economies", *Journal of Innovation & Knowledge*, **3**(3), 154-163.
- Izogo, E. E., & Ogba, I. E. (2015). "Service quality, customer satisfaction and loyalty in automobile repair services sector", *International Journal of Quality & Reliability Management*, **32**(3), 250-269.
- Jamal, A. and Naser, K. (2002). "Customer satisfaction and retail banking: an assessment of some of the key antecedents of customer satisfaction in retail banking", *International Journal of Bank Marketing*, **20**(4), 146-60.
- Jamal, A. and Naser, K. (2003). "Factors influencing customer satisfaction in the retail banking sector in Pakistan", *International Journal of Commerce and Management*, **13**(2), 29-53.
- Jaworski, B., and Kohli, A. (1993). "Market orientation: Antecedents and consequences", *Journal of Marketing*, **57**, 53-70.
- Kelley, S.W. (1992). "Developing customer orientation among service employees", *Journal of the Academy of Marketing Science*, **20**(1), 27-36.
- Kohli, A. K. and Jaworski, B., (1990). "Market Orientation: The Construct, Research Propositions, and Managerial Implications", *Journal of Marketing*, **54**(4), 1-18.
- Kotler, P. (2000). "*Marketing Management*", The Millennium Edition, (10<sup>th</sup> ed.) New Jersey:
- Kuada, J., and Buatsi, S. (2005). "Market orientation and management practices in Ghanaian firms: Revisiting the Jarworski and Kohli framework", *Journal of International Marketing*, **13**(1), 58-73.
- Kumar, V., Jones, E., Venkatesan, R., & Leone, R. P. (2011). "Is market orientation a source of sustainable competitive advantage or simply the cost of competing?" *Journal of Marketing*, **75**(1), 16-30.
- Lewis, R. C., & Booms, B. H. (1983). "Emerging Aspect of service Quality in Emerging Perspectives on Services Marketing". *Chicago: American Marketing Association En*, 100.
- Mahmoud, M.A. (2011). "Market orientation and Business performance among SME's in Ghana", *International Business Research*, **4**(1), 241- 251.
- Mahmoud, M.A. and Hinson, R.E. (2012). "Market Orientation in a developing economy public institution- Revisiting the Kohli and Jaworski's framework", *International Journal of public Sector Management*, **25**(2), 88-102.
- Mahmoud, M.A., Kastner, A., and Yeboah, J. (2010). Antecedents, environmental moderators and consequences of market orientation: A study of pharmaceutical firms in Ghana. *Journal of Medical Marketing*, **10**(3), 231-244.
- McNamara, C. P. (1972). "The present status of the marketing concept", *The Journal of Marketing*, 50-57.
- Narver, J.C. and Slater, S.F. (1990). "The Effect of a Market Orientation in Business Profitability", *Journal of Marketing*, **54**, 20-35.
- Nunnally, J. C. (1978). "*Psychometric Theory*", (2<sup>nd</sup> ed.), New York: McGraw-Hill.
- Oliver, R. L. (1993). "Cognitive, affective and attribute bases of the satisfaction response", *Journal of Marketing*

- Research*, **20**.
- Oliver, R. L., & Swan, J. E. (1989). "Equity and disconfirmation perceptions as influences on merchant and product satisfaction", *Journal of Consumer Research*, **16**(3), 372 – 383.
- Oliver, R.L. (1980). "A cognitive model of the antecedents and consequences of satisfaction decisions", *Journal of Marketing Research*, **17**, 46-9.
- Osuagwu, L. (2006). "Market orientation in Nigerian companies", *Marketing Intelligence & Planning*, **24**(6), 608-631.
- Parasuraman, A., Zeithamal, V. A., and Berry, L. L. (1988). "SERVQUAL: A multiple-item scale for measuring consumer perceptions of service quality", *Journal of Retailing*, **64**, 12–40.
- Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1985). "A conceptual model of service quality and its implications for future research", *Journal of Marketing*, **49**, 41-50.
- Pattanayak, D., Koilakuntla, M., and Punyatoya, P. (2017). "Investigating the influence of TQM, service quality and market orientation on customer satisfaction and loyalty in the Indian banking sector", *International Journal of Quality & Reliability Management*, **34**(3), 362-377.
- Piercy, N.F. (1997). *"Market- Led Strategic Change"*, (2<sup>nd</sup> ed.), Oxford: Butterworth Heinemann.
- Robson, C. (2002). *"Real World Research"*, (2<sup>nd</sup> ed.), Oxford; Patton: Blackwell Kelly Books.
- Ruekert, R. (1992). "Developing a market orientation: An organizational strategy perspective", *International Journal of Research in Marketing*, **9**(3), 225-245.
- Samat, N., Ramayah, T., and Mat Saad, N. (2006). "TQM practices, service quality, and market orientation: Some empirical evidence from a developing country", *Management Research News*, **29**(11), 713-728.
- Schalk, A. P. (2008). "Effects of Market orientation on business performance: Empirical evidence from Iceland", *Marketing and International business*, <https://notendur.hi.is/th/MSritgerdir/ritgerdir/Artschalk.pdf>  
Downloaded on 12<sup>th</sup> February, 2012.
- Shapiro, B.P. (1988). "What the hell is 'market oriented?'", *Harvard Business Review*, **6**, 119-25.
- Shostack, G., and Upah, G. (Eds.). "Emerging Perspectives on Service Marketing", Chicago, IL: *American Marketing*, 99-107.
- Singh, S., and Ranchhod, A. (2004). "Market orientation and customer satisfaction: Evidence from British machine tool industry", *Industrial Marketing Management*, **33**(2), 135-144.
- Steinman, C., Deshpandé, R. and Farley, R.J. (2000). "Beyond Market Orientation: When Customers and Suppliers Disagree," *Journal of the Academy of Marketing Science*, **28**(1), 109-119.
- Stromgren, O. (2007). "Analyzing service Quality: A Study among Peruvian Resort Hotels", Lulea University of Technology; Department of Business Administration and Social Sciences.
- Taylor, S.A. and Baker, T.L. (1994). "An assessment of the relationship between service quality and customer satisfaction in the formation of consumers' purchase intentions", *Journal of Retailing*, **70**(2), 163-78.
- Wang, I.M. and Shieh, C.J. (2006). "The relationship between service quality and customer satisfaction: the example of CJCU library", *Journal of Information and Optimization Sciences*, **27**(1), 93-209.
- Webb, D., Webster, C. and Krepapa, A. (2000). "An exploration of the meaning and outcomes of a customer-defined market orientation", *Journal of Business Research*, **48**(2), 101-112.
- Wilkie, W. L. (1990). *"Consumer Behaviour"*, New York: Wiley
- Wood, W.R. and Bhuian, S.N. (1993). "Market orientation and nonprofit organizations: performance associations and research propositions", *Journal of Nonprofit and Public Sector Marketing*, **1**(1), 7-32.
- Woodruff, R. B., Schumann, D. W., and Gardial, S. F. (1993). "Understanding Value and Satisfaction from the Customers Point of View", *Survey of Business*, **28**, 33–40.
- Zeithaml, V., Parasuraman, A. and Berry, L.L. (1990). *"Delivering Quality Service"*, New York, NY: The Free Press.