The Impact of Market Orientation as a Capacity Building Strategy on Firms Performance: A Study of Selected Fast Food Restaurants in Lagos State Metropolis

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Abstract
This paper examines market orientation practices of foreign fast food restaurants vis-à-vis Nigerian restaurants in Lagos State and the impact on their performance. The study employed survey research design using quantitative approach. The collected data were analyzed using mean, paired sample test and regression analysis. It was found that fast food restaurants in Nigeria practice all dimensions of market orientation and when foreign restaurants were compared with those of Nigerians, it was discovered that foreign restaurants practice more of inter-departmental dynamics while local restaurants are better off in organizational system, environmental factors and management factors. It was also found that only environmental factors in market orientation and inter-departmental dynamics have significant impact on their performance. On the basis of the findings of the study, the researchers conclude that market orientation is important to enhance business performance. On this note, fast food restaurants operators must adopt market orientation strategies to enhance their growth and competitiveness.

Keywords: Fast Food Restaurants, Market Orientation, Capacity Building, Firm Performance.

JEL Classification Codes: M30.

Pazara Yönelik Kapasite Arttırıcı Stratejilerin Firmaların Performanslarına Etkisi: Lagos State Metropolis’te Seçilmiş Fast Food Restoranlarına İlişkin Bir Çalışma*

Öz
Bu çalışma, Lagos’dakarışı karşıya faaliyet gösteren yabancı fast food restoranları ile Nijerya restoranlarının pazara yönelik stratejilerini analiz etmeyi amaçlamaktadır. Çalışmada yararlanılan anketlerde niceliksel yöntem kullanılmıştır. Elde edilen verilere eşleştirilmiş t-testi ve regresyon analizi uygulanmıştır. Çalışmadan elde edilen sonuçlara göre çevresel ve yönetim faktörler göz önüne alındığında Nijerya’da faaliyet gösteren yabancı fast food restoranları Nijerya restoranlarına oranla birimler arasının çok daha organize olduğu bir yapıdadır. Çalışmadan elde edilen bir diğer sonucu ise faaliyetlerin çevresel ve yönetim stratejileri birimler arası dinamikler bağlamında sadece çevresel faktörler belirleyici durumdadır. Çalışmadan elde edilen temel bulgularдан bir tanesi de pazara yönelik gelişirilen stratejiler iş performansını arttırmaktadır. Bu durumda fast food restoranları büyümeye ve rekabet önemi için pajara yönelik stratejiler geliştirilmelidir.

Anahtar Kelimeler: Fast Food Restoranları, Pazar Yönelimi, Kapasite Geliştirme, Firma Performansi.

JEL Sınıflandırma Kodları: M30.

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1. Introduction

Attempts by firms to meet the challenges of globalization, competition and customer satisfaction have placed increasing demands on capacity building strategies for sustainability and improved performance. In a rapidly changing business environment, it is imperative for business organizations to develop proactive strategies that will generate relevant market information, analyze information and respond to emerging competitive environment in order to remain in business. One of the notable mechanisms adopted by business organizations to screen, evaluate and react to the dynamics of business environment is referred to in the marketing literature as market orientation (Kohli & Jaworski, 1990). A firm is described as being ‘market oriented’ when it has the abilities to collect market intelligence across units and use the intelligence to create distinctive value for its customers. In addition, becoming a market oriented organization involves several interrelated activities (Narver & Slater, 1990). Kamalesh, Ram & Charles (1998) alluded to Narver & Slater (1990) states that market orientation extend beyond information gathering and dissemination because the information collected must be properly coordinated and passed across the firm’s units to provide value for customers. Defined this way, market orientation can be described as a continuous exercise. Kamalesh et al. (1998) further argued that, business entity may vary in their degree of adopting market orientation or adopting different approaches of market orientation due to the attitude of managers and employees to the dimensions of market orientation.

Fast food business is of special interest from a market orientation perspective due to emerging competitive trend in the industry. Fast foods has been defined by Bender & Bender (1993) as the term used for a limited menu of instant food items that lend themselves to unique production-line techniques. Park (2004) noted that fast food restaurant is one typical form of global business that is transforming from a product-centric approach to a customer-centric approach and therefore the need to strengthen their organizational capacity cannot be ignored. According to Bender & Bender (1993) the fast food restaurant is an emerging and growing blue chip business brought about by civilization, growing urbanization and industrialization and so it cannot be exempted from changing consumer expectations regarding the quality of foods and services, which has hitherto changed the conventional catering standards to a more sophisticated style of operation and services (Chu, Kunag & Chung, 2000).

The choice of fast foods restaurants as the context of this study was considered suitable for two reasons. Firstly, it has been documented that they make significant contribution to the nation’s Gross Domestic Product (GDP) and employ a large portion of skilled and unskilled labour. In this way, fast food restaurants are avenues for national capacity building that can foster sustainable development and poverty alleviation in an economy. Secondly, in recent years,
they have gone through a “quantum of changes” due to the influx of foreign restaurants into the Nigeria market (i.e. KFC, Double four, Chinese restaurants etc.), which resulted in a shift in the market orientation of the firms from production orientation to a marketing orientation (Ogunde, 2012). Similarly, these changes may of course have significant impact on firms’ performance. Thus, given this industry’s environment and dynamism, one would presume to see wavering degrees of market oriented behaviors among the operators in the industry, which provide the right research setting for evaluating the market orientation-performance relationship. Thus, the basic impetus for this study is the quest to investigate factors that may offer firms with some economic advantage and hence, drive firms’ performance in the industry.

2. Statement of Research Problem

Rivalry among firms in the Fast Food industry is increasing, thus necessitating the need for mechanisms through which the firms can create value for customers and enhance their competitive position (Ogunde, 2012). As such, the extent of firm’s market orientation toward the customer, channel members, and competitors is becoming increasingly important, thus, more research attention is needed in this area (Deshpande & Farley, 1998). In spite of major changes in the fast foods business, there are indications that some of the firms have not yet successfully embraced the marketing philosophy or achieved the level of its implementation consistent with the doctrine of customer satisfaction. Marketing activities of some of these operators are generally on the low ebb and most of the firms tend to be less marketing oriented (Osuagwu, 2006). In the contemporary Nigerian business environment, customers prefers companies that can deliver coordinated long-lasting satisfaction through the products and services they offer and available evidence reveal that multinational companies in various sectors of the Nigerian economy are doing quite very well. Indigenous firms on the other hand, have resorted to various forms of marketing strategies, promotion and price wars etc. to convince customers to buy their products, which is only beneficial in the short run (Osuagwu, 2006).

Moreover, the practice and implementation of marketing philosophy in developing countries has attracted some criticisms with veneration to such constraining factors such as lax government control, high degree of poverty, underdeveloped marketing infrastructure, large rural population, high level of illiteracy, and general behaviour towards marketing knowledge and activities (Osuagwu, 2006). According to Achumba (2000), it is a bit tasking to lay claim on a specific marketing revolution stage in Nigeria, as those factors enumerated above have rub-off the competitiveness to successfully implement market orientation. Therefore, there is need to study the practice of market orientation in the context of a developing economy.
3. Objectives of the Study

The primary objective of this study is to investigate the relationship between market orientation as a capacity building strategy and performance of fast food restaurants with in Lagos metropolis, Nigeria. The specific objectives of the study are to:

i. examine the degree of commitment of fast food restaurants to market orientation practice in Lagos State.
ii. determine the practice of market orientation of foreign fast food restaurants vis-à-vis Nigerian restaurants in Lagos State.
iii. ascertain the impact of market orientation dimensions on the performance of fast food restaurants in Lagos State.

4. Literature Review

4.1. Market Orientation as a Capacity Building Strategy

In contemporary business world, capacity building is a means to gain competitive advantage and to enhance performance. Generally, capacity building is a broad concept which embraces a multitude of activities that will enable business organizations, groups and individuals to improve their performance and achieve their development objectives (UNEP/ETB, 2005). It also an approach for initiating and supporting a process of individual and organizational change so as to enhance cooperation between different units in an organization (UNEP/ETB, 2005). OECD cited by (Koning et al., 2006) defined capacity building as the framework through which individuals, groups, organizations, institutions and societies enhance their capabilities and prowess to carry out their responsibilities, proffer solution to problems and to comprehend critical issue(s) through sustainable approaches.

Narver & Slater (1990) view market orientation as the choice of competitive strategy that efficiently generates adequate marketing behaviour and activities that create value for the customer and enhance firm competitive position and it requires continuous and systematic coordination of activities and responsiveness to changing market need. Lado, Maydeu-Olivares & Rivera (1998) share similar view with Narver & Slater (1990) and defined market orientation as a competitive strategy that encompasses all the functional units of the organization as well as different market participants such as customers, distributors, competitors and environmental factors. Market orientation, according to Kohli & Jaworski (1990) is based on three elements: generation and analysis of all relevant information about the market; dissemination of this information across the units within the organization for coordination and strategic planning purposes and implementation of chosen strategy to create customer satisfaction.
Narver & Slater (1990) identified three components that determine the degree to which a company is market-orientated: customer orientation, competitor orientation and inter-functional co-ordination. According to them, customer orientation is the degree to which the organization understands its customers. They further categorized market orientation antecedents into three: senior management factors, interdepartmental dynamics and organizational systems. Market orientation is thus very useful in helping firm’s to understand the market place and to develop appropriate strategies to meet customers’ expectations; which provide basis in addressing evolving development objectives (Liu, Luo & Shi, 2002). In addition, it a continuous activities that require adequate follow-up, appraisal and needs assessments.

Most importantly, capacity building process should not be established in isolation. Rather, they should be developed with a clear understanding of how it will support and complement other capacity building activities and advance long-term sustainability of organizational objectives (UNEP/ETB, 2005).

4.2. Firm’s Performance

Firm’s performance is the evaluation of company’s performance relative to competitors using some key performance criteria. Organizational performance is a multifaceted construct and it is influenced by numerous internal and external factors surrounding the organization (Narasimhaiah, Toni & Betty, 2010). Key factors that influence firm’s performance are: organizational vision, culture and structure, leadership style, government policy, and technological developments among others (Lytle & Timmerman, 2006). Performance measurement depicts the framework for transforming an organization’s strategy into desired behaviours (Kaplan & Norton, 2001).

The motivation for appraising firm performance is the motivation to scrutinize those factors that are key to firm performance and competitive advantage. In measuring firm performance, different methods are used (Sirrile, 1987; Wood, 2006). Most of the times, the performance measures include: sales per employee, export per employee, growth rates of sales, distribution growth, patronage level, total assets, total employment, operation profit ratio and return on investment (Franco-Santo et al., 2007; Alasadi & Abdelrahim, 2008). Thomas & Eden (2004) suggested financial parameters such as: return on assets, return on equity, excess market value and average market value, etc. in evaluating firm performance. Correspondingly, some scholars have also advocated the need to adopt subjective measures in assessing business performance due to difficulties in obtaining objective financial data (Wall et al., 2004; Kim, 2006).
4.3. Previous Empirical Studies on Market Orientation and Performance

The relationship between market orientation and firm performance has generated a flurry of empirical research. A large body of this research suggests that market orientation activities provide a unifying direction for firm’s efforts and activities of individuals within the organization, leading to sustainable competitive advantage (Jaworski & Kohli, 1993; Slater & Narver, 2000; Silva, Moutinho, Coelho & Marques, 2009). A number of scholars have also acknowledged consistent positive relationship between business organizations degree of market orientation and their economic performance in a variety of industries (Pitt, Caruana & Berthon 1996; Slater & Narver, 2000; Olalekan, 2011; Udegbe & Udegbe, 2013). In contrast, Greenly (1995), opines that market orientation might not necessarily be an appropriate organizational strategy in a turbulent market, where technology is rapidly changing and with limited customers’ power. Other researchers such as Hamel & Prahlad (1994) also opines that there are also reasons to believe that market orientation may not be a source of competitive advantage to firm’s that practice it. They eluded two major reasons to substantiate their position. Firstly, market orientation may lead to a narrow focus of firm’s efforts on current customers and their stated needs. The implication of this is that, the firms may not adequately anticipate threats from non-traditional sources, thus limiting market orientation’s capability to achieve sustainable competitive advantage. Secondly, and most important, market orientation can provide long-term performance advantages only if it is difficult to imitate by competitors (Hamel & Prahlad, 1994) and provide firms with tacit knowledge that enables them to better discern customers’ latent needs. Therefore, a market oriented firm must possess the strategic flexibility to earn competitive advantage.

One of the notable and most comprehensive review studies on the relationship between market orientation and firm’s performance was conducted by Destipande & Farley (2004), Kirca, Jayachandran & Bearden (2005) and Khansa, Neelum, Asma & Samina (2012). These studies discovered positive relationship between market orientation and organizational performance. The study also highlighted the significant role of top management commitment, interdepartmental linkages and market-based reward system towards effective practice of market orientation. It is also worth noting that review extant literature reveals that research attention on market orientation in small firms is much less in comparison to large business organizations, though, findings of most of the studies in both firms reveal similar results. According to Greenley (1995), some empirical studies on the relationship between market orientation and performance, conducted in 1990s, reported divergent opinions regarding the relationship between market orientation and firms performance. Although, in some recent studies, there were findings indicating that market orientation increases firm’s performance positively (Slater & Narver, 2000; Tse et al., 2004; Aldas-Manzano, Kuster & Vila, 2005).
Similarly, other studies discovered that there was no significant or direct positive relationship between market orientation and business performance (Perry & Shao, 2002; Olavarrieta & Friedmann, 2008). Some scholars went further to posit that despite the divergent positions, market orientation by virtue of some external factors and regulatory impact will enhance business performance (Harris, 2001). Kumar, Subramanian & Yauger (1998) on this note, concluded that the relationship between market orientation and business performance vary in different countries and cultures.

5. Research Methodology and Methods

5.1. Research Design

Evaluation of capacity building strategies can apply both ex-ante and ex-post evaluation. Ex-ante evaluation is closely related to developing intervention logic. Which answers questions such as, the needs to solve a given societal problem and what can be done to solve the problem? For the purpose of this study, we adopted ex-ante evaluation through survey research design using quantitative research approach. The justification for choosing survey method was based on the fact that the study is interested in gaining an understanding of the problem being investigated (Ezeirim, Briggs & Maclayton, 2004), without attempt to manipulate or control the subjects.

5.2. Population and Sample Size Selection

The population of this study consists of all the major fast food operators within Lagos State, Nigeria. For the purpose of this study, two foreign (KFC and Chinese restaurants) and two indigenous (Tantalizers Plc and Sweet Sensation) fast food restaurants operating in Lagos were selected using judgmental sampling technique. Our decision to select two local and foreign fast food restaurants is for strategic reasons. This is to ensure equal balance in terms of capability, sizes and spread of operations of the selected fast food restaurants across Lagos Metropolis. The study encompasses 12 branches of the selected fast food restaurants.

5.3. Measures and Instrumentation

This study adopted measures from previously validated studies. In particular, market orientation was evaluated using three components (customer orientation, competitor orientation and inter-departmental dynamics), these components are the most widely cited in the literature (Narver & Slater, 1990; Kohli & Jaworski, 1990; Tse et al., 2003; Taleghani, Gilaninia, & Talab, 2013; Udegbe & Maurice, 2013). Business performance was measured using perceived performance (which is a subjective measure of firm’s performance) along multiplicity of dimensions rather than single dimension. Subjective measures, according to Song, Droge, Hanvanich & Calantone (2005) have been proven to be effective in examining
business performance, as they permit comparison across firms and contexts. Similarly, Wall et al. (2004) study has provided empirical support for the validity of subjective measures.

The survey instrument used in this study was a self-explanatory questionnaire that respondents could complete by themselves. The choice of a self-administered questionnaire was due to their cost effectiveness and because they offer respondents greater anonymity, which encourage the respondent to disclose feelings and attitudes more readily (Cooper & Schindler 2008). The questionnaire consisted of three sections. Section A collected data concerning staff assessment of market orientation practices as a capacity building strategy. Section B comprised items on performance while Section C collected general demographic information of the respondents and their firm (i.e. gender, age, marital status, educational qualification and years of work experience). Items were formatted using five-point Likert-scale having the ratings of “strongly disagree” (1) and “strongly agree” (5) on how frequently the selected firms practice the dimensions of market orientation and the impact on their business performance. The instrument was validated by a senior academic staff in the Department of Business Administration, University of Lagos. Reliability was determined using Cronbach Alpha. The Cronbach Alpha recorded was (0.712) which is over the acceptable range α ≥ 0.7 (Girden, 2001). Having established the suitability of the instrument for data collection, 100 copies were administered in several branches of the selected restaurants. However, only 96 copies (96%) were retrieved and used for the analysis.

5.4. Methods of Data Analysis

The data collected through the copies of the questionnaire were analyzed using Statistical Package for Social Sciences (SPSS-17). The approaches of data analyses in this section were descriptive (mean and standard deviation), paired samples test and regression analysis.

5.5. Results

The demographic analysis showed that 64.6% of the respondents are females while 35.4% are males. 50% of the respondents were young ageing between 18 and 30 years; 25% were between 31 and 40 while the remaining 25% were between 41 and 60 years of age. Majority of them were single (64%) while 29.7% were married and 6.3% indicated others. They were mostly B.Sc holders (51%); 43.8% had NCE/OND and 5.2% had M.Sc/MBA. 45.8% had less than 3 years work experience, 43.8% had between 3 to 6 years while 10.4% had 7 to 10 years work experience.
Table 1: Descriptive Statistics

<table>
<thead>
<tr>
<th>Management factors of market orientation</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inter-departmental dynamics of market orientation</td>
<td>96</td>
<td>1.75</td>
<td>2.25</td>
<td>2.0299</td>
<td>.11143</td>
</tr>
<tr>
<td>Organizational system of market orientation</td>
<td>96</td>
<td>2.14</td>
<td>3.14</td>
<td>2.6577</td>
<td>.21787</td>
</tr>
<tr>
<td>Environmental factors in market orientation</td>
<td>96</td>
<td>2.00</td>
<td>2.71</td>
<td>2.4048</td>
<td>.17425</td>
</tr>
<tr>
<td>Valid N (listwise)</td>
<td>96</td>
<td>1.88</td>
<td>2.88</td>
<td>2.2188</td>
<td>.27205</td>
</tr>
</tbody>
</table>

5.5.1. Commitment of Fast Food Restaurants to Market Orientation Practice

For the purpose of analysis, the strongly disagree and disagree responses were collapsed to form disagree (1) and a similar collapse yielded the agree column (3). The mean of each variable determines the level of practice. A variable with a mean value below 2.0000 is not practiced while a variable with a mean value above 2.0000 is practiced. The mean score for each of the dimensions of market orientation considered are shown in Table 1.

Table 1 indicates that fast food restaurants practice all the dimensions of market orientation but inter-departmental dynamics of market orientation (2.6577) comes first followed by organizational system (2.4048), environmental factors (2.2188) and lastly management factors of market orientation (2.0299).

5.5.2. The Practice of Market Orientation of Foreign Fast Food Restaurants vis-à-vis Nigerian Restaurants

Table 2 shows the comparison of foreign restaurants with that of Nigerians. Although the order of practice by both firms is similar to the general practice in Table 1, the result of the comparison indicates that foreign restaurants practice more of inter-departmental dynamics than local restaurants while local restaurants are better off in organizational system, environmental factors and management factors.
Table 2: Paired Samples Statistics

<table>
<thead>
<tr>
<th>Pair</th>
<th>Description</th>
<th>Mean</th>
<th>N</th>
<th>Std. Deviation</th>
<th>Std. Error of Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Management factors of market orientation (local)</td>
<td>2.0410</td>
<td>64</td>
<td>.11797</td>
<td>.01475</td>
</tr>
<tr>
<td></td>
<td>Management factors of market orientation (foreign)</td>
<td>2.0078</td>
<td>32</td>
<td>.09492</td>
<td>.01678</td>
</tr>
<tr>
<td>2</td>
<td>Inter-departmental dynamics of market orientation (local)</td>
<td>2.6473</td>
<td>64</td>
<td>.22185</td>
<td>.02773</td>
</tr>
<tr>
<td></td>
<td>Inter-departmental dynamics of market orientation (foreign)</td>
<td>2.6786</td>
<td>32</td>
<td>.21158</td>
<td>.03740</td>
</tr>
<tr>
<td>3</td>
<td>Organizational system of market orientation (local)</td>
<td>2.4219</td>
<td>64</td>
<td>.17530</td>
<td>.02191</td>
</tr>
<tr>
<td></td>
<td>Organizational system of market orientation (foreign)</td>
<td>2.3705</td>
<td>32</td>
<td>.16965</td>
<td>.02999</td>
</tr>
<tr>
<td>4</td>
<td>Environmental factors in market orientation (local)</td>
<td>2.2578</td>
<td>64</td>
<td>.29113</td>
<td>.03639</td>
</tr>
<tr>
<td></td>
<td>Environmental factors in market orientation (foreign)</td>
<td>2.1406</td>
<td>32</td>
<td>.21239</td>
<td>.03755</td>
</tr>
</tbody>
</table>

5.5.3. The Impact of Market Orientation on the Performance of Fast Food Restaurants

Table 3: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.593a</td>
<td>.352</td>
<td>.323</td>
<td>.21594</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Environmental factors in market orientation, Inter-departmental dynamics of market orientation, Organizational system of market orientation, Management factors of market orientation.
Table 4: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>Df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>2.301</td>
<td>4</td>
<td>.575</td>
<td>12.336</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>4.243</td>
<td>91</td>
<td>.047</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>6.544</td>
<td>95</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Environmental factors in market orientation, Inter-departmental dynamics of market orientation, Organizational system of market orientation, Management factors of market orientation

b. Dependent Variable: Performance

Table 5: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>2.324</td>
<td>.505</td>
<td>4.607</td>
<td>.000</td>
</tr>
<tr>
<td>Management factors of market orientation</td>
<td>.053</td>
<td>.218</td>
<td>.023</td>
<td>.244</td>
</tr>
<tr>
<td>Inter-departmental dynamics of market orientation</td>
<td>-.248</td>
<td>.112</td>
<td>-.206</td>
<td>-2.214</td>
</tr>
<tr>
<td>Organizational system of market orientation</td>
<td>-.170</td>
<td>.138</td>
<td>-.113</td>
<td>-1.228</td>
</tr>
<tr>
<td>Environmental factors in market orientation</td>
<td>.534</td>
<td>.088</td>
<td>.554</td>
<td>6.056</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Performance

Table 3 which is the model summary shows that the R Square value is 0.352 meaning that the dimensions of market orientation explain 35.2% of the variation in the performance of fast food restaurants. The low R Square value may be attributed to the fact that there are several factors influencing business performance. Table 4 (ANOVA table) shows that the model is significant (0.00) while table 5 which is the regression table shows that only environmental factors in market orientation (0.00) and inter-departmental dynamics of market
orientation (0.029) have significant impact on performance in the fast food industry since the p-values are less than 0.05.

6. Implication and Conclusion

The study examined the degree of commitment of fast food restaurants to market orientation practice and determined the practice of market orientation of foreign fast food restaurants vis-à-vis those owned by Nigerians. It also examined the impact of market orientation on the performance of fast food restaurants in Lagos State. The finding that the inter-departmental dynamics components of market orientation are more practice implies that there is constant communication within the functional units of the selected fast food restaurants. Which by extension ensure provide basis through which all the business functions are well integrated in addressing and meeting customers’ demands.

Foreign restaurants were found to practice more of inter-departmental dynamics than local restaurants while local restaurants practice organizational system, environmental factors and management factors of market orientation than foreign firms. This means that the structure of Nigerian owned fast food restaurants are designed around the customer, their systems are flexible enough to adapt to changing customer needs, they give close attention to after sales services and they periodically review their systems and ensure that they are in line with what customers want. They also periodically examine probable effect of environmental changes on customers’ demands, research and development are conducted regularly to identify opportunities and threats towards maintaining customer satisfaction and they are proactive and fast in responding to legislation and trend that could impede their commitment to customer satisfaction. Moreover, their top management team provides leadership for building and monitoring customer relationships and they adopt an attitude that everything begins and ends with the customer. This finding contradicts the view of Osuagwu (2006) that multinational companies in various sectors of the Nigerian economy are more marketing oriented than Nigerian ones. It supports the view of Kamalesh et al. (1998) that firms may differ in their degree of pursuing different dimensions of market orientation.

The finding that only two of the dimensions of market orientation (environmental factors and inter-departmental dynamics) have significant impact on performance of the selected fast food restaurants necessitate the needs for the operators to improve on these market orientation elements. This will enable them to monitor business and competitive trend that might influence their performance and competitiveness. In summary, despite the divergent views about market orientation, when practiced, it can enhance business performance and survival (Harris, 2001). It is therefore recommended that business capacity building strategies for sustainable development should be tailored towards environmental factors and inter-departmental dynamics.
References


