

The effect of strategic orientations on the marketing performance
A case study on the Industrial and Commercial Complex,
AGRODIV, M'sila, Algeria

اثر التوجهات الإستراتيجية على الأداء التسويقي
دراسة حالة بالمركب التجاري والصناعي "الروديف" بالمسيلة

Ahmed Mir, University of M'sila-Algeria, ahmed.mir@univ-msila.dz.

Sara Berrehouma University of M'sila-Algeria, berrehouma.s@univ-msila.dz

Received: 19/11/2019

Accepted: 26/01/2020

Published:31/01/2020

Abstract:

This study aims to measure the effect of strategic orientations on the marketing performance of the AGRODIV Complex, through a survey of 50 senior managers using a set of statistical tools, especially Spss-V22 program to measure the degree of correlation between the variables of the study.

The study concluded that there is a meaningful relationship between the strategic orientations and the marketing performance in the Complex, but the degree of correlation was somewhat weak for several reasons mentioned in the conclusion.

Keywords: Strategic orientations, leadership orientation, technological orientation, market orientation, marketing performance.

JEL:M.M31.C12.D11.D18.I11.

ملخص تهدف هذه الدراسة إلى قياس أثر التوجهات الإستراتيجية على الأداء التسويقي للمركب AGRODIV، من خلال دراسة استقصائية لـ 50 من كبار المسؤولين باستخدام مجموعة من الأدوات الإحصائية، مع الاستعانة ببرمجية SPSS-V22 في قياس العلاقة بين متغيرات الدراسة. وخلصت الدراسة إلى وجود علاقة ذات دلالة احصائية بين التوجهات الإستراتيجية والأداء التسويقي في المركب، لكن درجة الارتباط كانت ضعيفة إلى حد ما لعدة أسباب مذكورة في خلاصة هذه الدراسة.

الكلمات المفتاحية: التوجهات الإستراتيجية، التوجه القيادي، التوجه التكنولوجي، توجه السوق، الأداء التسويقي.

تصنيفات JEL: M.M31.C12.D11.D18.I11

1. Introduction:

The strategic orientation is the cornerstone of the success of any company, as it is the path that guides the organizations towards the desired future, and through the orientations they set their strategic objectives. Moreover, the strategic orientations make the managers fully aware of what their goals are and what the appropriate areas of activity are.

Furthermore, the strategic orientations are also considered as the crucial variables that affect and measure the marketing performance in the organization because they affect the thinking and the work of marketing managers.

Therefore, and based on the above analysis, it is possible to express the problem of the study by asking the following questions:

- How does the leadership orientation influence the marketing performance of AGRODIV?.
- What is the impact of the technological orientation on the marketing performance of AGRODIV?.
- How strongly is the market orientation on the marketing performance of AGRODIV?.

1.1 The hypotheses of the study:

The research is based on the following hypotheses:

- There is a strong influence of leadership orientation on the marketing performance of the AGRODIV.
- There is significant impact of the technological orientation on the marketing performance of the AGRODIV.
- The market orientation has a strong influence the marketing performance of AGRODIV.

1.2 The objectives of the study:

The current study draws on the importance of strategic orientations in achieving the effective marketing performance of AGRODIV Complex compared with other competitors operating in the same sector, and this requires identifying the needs and desires of its customers and the movements of competitors in the market.

Therefore, the research must achieve the following objectives:

- Identify the importance of both the strategic orientations and the marketing performance among the AGRODIV Complex staffs.
- Highlighting the strategic orientations and their role in improving the marketing performance of the complex.

1.3 The Methodology of the Study

In order to achieve and test the relevance of the research hypotheses, it is useful to pursue the descriptive approach that enables to describe the main variables and analyze properly the results of study. A quantitative investigation will take place to help analyze the data collected by questionnaire forms distributed on a sample of AGRODIV Complex staffs. The statistical processing of data using Spss V-22 program will lead to a meaningful interpretation to the obtained statistical results of testing.

2. The theoretical aspect of the study

2.1 Strategic Orientations

Many definitions to the strategic orientations are presented by authors and the most notably are:

- Strategic orientation is a long-term positioning of the organization in a competitive environment by focusing on allocating its resources. It provides a picture for the managers for better understanding the available organizational resources and

their impact on organizational performance, (Strong and Morgan, 2003, p163).

- The strategic approach is defined as the orientation of the organization to create good behaviors to achieve excellent score in performance, and the market orientation and innovation orientation are among the most important strategic orientation of the organization to achieve long-term success, (Zhou & Yang Gao, 2005).

- Lu, YeungYiu and Lau, 2008 considered the strategic orientation as the business and goals orientation that the top managers seek to achieve within the organization, and the strategic orientation is a key determinant for the success of the organization.

- Okumus, Avci and Madanoglu, 2011, considered that the strategic orientation and strategic content have the same meaning, and reflect the overall strategic orientation of the organization, and the need to design new initiatives.

- According to Sainio, Ritala, Hurmelinna and Laukkanen, 2012, the strategic orientation of the organization reflects the strategies that are implemented to achieve high level and continuous performance and makes it easier to reconcile between the strategy and available resources that help adapt to the market conditions.

In addition to the above definitions, it can be said that strategic orientation is the implementation of all available resources in the organization to generate appropriate behaviors and achieving high performance levels compared to competitors.

Furthermore, there are several factors that have increased the interest of recent studies in strategic orientations and strategic relationships with organizational design and performance, and

they all agreed that the following reasons emphasize the importance of strategic orientation in the organization:

- The strategic orientation is based on the understanding and interpretation of the external environment and internal resources, as it is a priority to allocate resources for the long-term growth and increase the shareholders' wealth;
- The evolution of strategic thinking, including the various investments, the distribution of financial resources as well as intellectual capital;
- The strategic orientation reflects how the organization will progressively seek competition in the market, and thus how to prepare for the discovery and development of competencies, products and markets;
- The strategic orientation includes timely investments, financial resources and human capital, and on this basis the managers regulate and interpret information about business environment and the level of resources that the organization must possess.

2.2 Leadership orientation

The leadership orientation reflects the organization's tendency to adopt new ideas and transform them into new products, services, processes, systems or procedures, and prepare to take risks associated with them, as well as proactive knowledge of changes in the external environment to enable creating value added for the organization and its customers.

The leading thought is the dream of any successful manager, but its embodiment is very difficult, and this is why many researchers devote their research to this topic, (Huang and al., 2011, pp30-49).

Therefore, the leadership orientation is at the heart of the formulation of the pilot strategy and its benefits can be summarized in the followings points (Sciascia and al., 2009,p 32):

- Increasing the level of commitment within the organization;
- Enhancing the organization profitability;
- It contributes in creating the job satisfaction.

2.3 Technological orientation

Many definitions were presented by the researchers for the concept of technological orientation, and the most important are:

- It is the focus of organizations on new technology, and it reflects the philosophy of technological push based on the idea that customers prefer advanced technology products, (Zhou and al, 2005, p 45).

- It is a real investment in R & D, the use of advanced technology and pre-surveying (access to different types of new technologies from and outside the field of industry), (Kim and al., 2013p 141).

Moreover, the technological orientation can be considered as the focus on new technology, which reflects the philosophy of technological payment based on the idea that customers prefer advanced technology products. Today, technology is the indirect competitor of emerging organizations as it is experiencing a rapid and complex development that makes them needs to own and renew the technology based on the demands of market forces.

2.4 Market orientation

The emergence of the concept of strategic orientation towards the market comes back to the thinkers Drucker, 1954 and Levitt, 1960, when they put forward the trade exchange concept of marketing has a deeper meaning than the marketing concept where the orientation of the market is operational and the concept of marketing takes the theoretical character (Lewrick and al., 2011, p 49).

Many authors have presented meaningful definitions to the market orientation and among them:

- The market orientation is the organizational culture that effectively influences the creation of behaviors that provide worthy value to buyers, leading to a distinct and sustainable performance (Narver & Slater, 1990, p 21).
- The market orientation is a competitive strategy related to obtaining and maintaining a position in which value is exchanged between the organization and the market (Lambin, 1996, p 25).
- It is an organizational culture that orients constantly the organization towards delivering value to its customers, (Raoufi, 2012, p 303).

Hence, the market orientation can be defined as the organizational culture that creates the necessary behaviors, in order to reach the best value offered to customers by the business sector.

2.5 Marketing performance

Marketing performance is a term used by marketing professionals to describe and analyze the efficiency and effectiveness of the marketing process by matching the outputs of activities and marketing strategies with their required objectives and measuring the marketing performance.

This study considers three dimensions to the marketing performance; the market share, profitability, customer's satisfaction and strength of commercial mark of the organization, and this enables us to say that marketing performance appear multidimensional both in terms of the number of measures used and the methods of evaluating those measures.

3. The empirical aspect of the study

3.1 The presentation of the Industrial and Commercial Complex - AGRODIV, M'sila, Algeria.

AGRODIV Complex was established on October 2, 1997 (in accordance with the Directors' Council Report No. 6/27/1997)

as part of the restructuring of Food Industries Corporation from cereals and its derivatives to Riyadh Setif Complex, where it became a shareholding company with a capital of 497 million dinars on 2005/04/30. Its production capacity increased to 3000 kantars per day in 1999.

3.2 The sample of study

The sample of the study consists of the AGRODIV Complex Staffs, and a questionnaire was distributed to 50 of them and all the questionnaire forms were retrieved and become valid for analysis.

The questionnaire also prepared in two-part, the first, includes demographic data for respondents (sex, age, income, etc.), and the second includes the variables of the study, i.e. The strategic orientations as dependent variable includes the leadership orientation, market orientation and technological orientation, whereas, the marketing performance as independent variable includes market share, profitability, customer satisfaction, strength of commercial mark, as shown in Table 01.

Table 01: The axes of the questionnaire

Questionnaire axes	Title of section	Section's axes	
		N°	Title of axis
Section 1	Demographic Information	04	Personal data
Section 2	Axis 1	15	Strategic orientation
	Axis 2	15	Marketing performance
Total		34	

Source: Prepared by the researchers.

3.3 The statistical results of testing

A. Testing for normality

The results of testing for normal distribution shown in Table 02 that the value of Kolmogorov-Smirnov test 0.2 (sig = 0.200) is greater than (0.05) for all the paragraphs of both the strategic orientation and marketing performance variables, and this means that responses of the sample members are normally distributed. This enables to use descriptive statistical tools to analyze the responses of the individuals and test the hypotheses under studied.

Table 02:The results of testing for normal distribution

	Shapiro-Wilk			Kolmogorov-Smirnova		
	Sig.	Df	Statistic	Sig.	Df	Statistic
Data of the sample answers on the total of all the paragraphs of the first axis: Strategic Orientation.	0,106	50	0,962	0,200*	50	0,108
Data of the sample answers on the total of all paragraphs of the second axis: Marketing Performance.	0,244	50	0,971	0,200*	50	0,101

Source: Prepared by the researchers based on SPSS -V22 outputs.

B. Testing for the statistical significance of the general hypothesis

A simple linear regression was used to detect the existence of a correlation between the strategic orientation and its dimensions (leadership orientation, technological orientation, market orientation) and the marketing performance and its dimensions (profitability, customer satisfaction, strength of commercial mark) in AGRODIV Complex, and the results of testing shown in table 03.

Table 03: The results of the main hypothesis test.

The partial significance of regression coefficients				Correlation		The model overall significance	
(SIG)	t	β		R ²	r	(SIG)	F value
0,000	4,889	2,319	Constant	0,087	0,296	0,037	4,600
0,037	2,145	0,294	Strategic orientation with its dimensions.				
Scheduled F value: 4.048 at significance level 0.05 and degree of freedom (1, 48) where the degree of freedom = (number of variables -1) = 2-1 = 1, the sample number (N) - the number of variables = 50 - 2 = 48.							

Source: Prepared by the researchers based on SPSS -V22 outputs.

The results in the above table show that Pearson correlation coefficient between the strategic orientation and marketing performance is: $r = 0.296$ whereas the calculated F value is: 4.600 greater than the planned F value: 4.048 at the significance level 0.05 and the degrees of freedom 1, 48. However, the values of the error probability (Sig = 0.037) for the regression coefficient and of the constant (Sig = 0.00) are less than the significance level 0.05 which mean that the regression model is statically significant. Hence, it can be said that there exists a significant relationship between the strategic orientation and the marketing performance in the AGRODIV Complex, where the strategic orientation in its dimensions (leadership orientation / technological orientation / market orientation) explain and affect 8.70% of the changes in the marketing performance, and 91.50% of changes can be explained by other factors out of the scope of this paper.

Therefore, the results of testing accept the alternative hypothesis (H_1) that there is statistical significant positive effect

of the strategic orientation and its dimensions on the marketing performance in AGRODIV Complex.

C. Testing for the statistical significance of the sub-hypotheses:

To test the effect of each dimension on the marketing performance, a simple linear regression was used to detect the correlation between the variables as well as the extent of the effect of each independent variable on the marketing performance.

- **First sub-hypothesis test**

H₀: There is no statistically significant effect of the leadership orientation on marketing performance in AGRODIV Complex.

H₁: There is no statistically significant effect of the leadership orientation on marketing performance in AGRODIV Complex.

The results of testing are shown in table 04.

Table 04: The results of testing for the first sub-hypothesis

The partial significance of regression coefficients				Correlation		The model overall significance	
(SIG)	t	β		R ²	r	(SIG)	F value
0,000	9,060	2,959	Constant	0,027	0,164	0,254	1,332
0,254	1,154	0,106	Leadership orientation				
Scheduled F value: 4.048 at significance level 0.05 and degree of freedom (1, 48) where the degree of freedom = (number of variables -1) = 2-1 = 1, the sample number (N) - the number of variables = 50 - 2 = 48.							

Source: Prepared by the researchers based on SPSS -V22 outputs.

The results of the above table show that the Pearson correlation coefficient between the leadership orientation and marketing performance is: $r = 0.164$ which is not statistically significant where the calculated F value is: 1,332 less than the planned F value: 4.048 at the significance level 0.05 and the

degrees of freedom 1, 48, which means that there is no statistically significant effect of the leadership orientation on the marketing performance (H_0 accepted) in AGRODIV Complex.

- **Second sub-hypothesis test**

H_0 : There is no statistically significant effect of the technological orientation on marketing performance in AGRODIV Complex.

H_1 : There is a statistically significant effect of the technological orientation on marketing performance in AGRODIV Complex at the level of significance 0.05.

The results of testing are shown in table 05.

Table 05: The results of testing for the second sub-hypothesis

The partial significance of regression coefficients				Correlation		The model overall significance	
(SIG)	t	β		R ²	r	(SIG)	F value
0,000	7,219	2,760	Constant	0,045	0,213	0,138	2,277
0,138	1,509	0,171	Technology orientation				
Scheduled F value: 4.048 at significance level 0.05 and degree of freedom (1, 48) where the degree of freedom = (number of variables -1) = 2-1 = 1, the sample number (N) - the number of variables = 50 - 2 = 48.							

Source: Prepared by the researchers based on SPSS -V22 outputs.

The results of the above table show that the Pearson correlation coefficient between the technological orientation and the dependent variable ($r = 0.213$) is not statistically significant where the calculated F value is: 2.277 less than the planned F value: 4.048 at the significance level 0.05 and the degrees of freedom: 1, 48. Therefore, there is no statistically significant effect of the technological orientation on marketing performance

in AGRODIV Complex at the significance level of 0.05, (H_0 accepted).

• **Third sub-hypothesis test**

H_0 : There is no statistically significant effect of the market orientation on the marketing performance in AGRODIV Complex at the level of significance 0.05.

H_1 : There is a statistically significant effect of the market orientation on the marketing performance in AGRODIV Complex at the level of significance 0.05.

The results of testing are shown in table 06.

Table 06: The results of testing for the second sub-hypothesis

The partial significance of regression coefficients				Correlation		The model overall significance	
(SIG)	t	β		R ²	r	(SIG)	F value
0,000	6,441	2,492	Constant	0,090	0,301	0,034	4,772
0,034	2,184	02.42	Market orientation				
Scheduled F value: 4.048 at significance level 0.05 and degree of freedom (1, 48) where the degree of freedom = (number of variables -1) = 2-1 = 1, the sample number (N) - the number of variables = 50 - 2 = 48.							

Source: Prepared by the researchers based on SPSS -V22 outputs.

The results of the above table show that the Pearson correlation coefficient between the market orientation and marketing performance is: $r = 0.30$ and the calculated F value is: 4.772 greater than the planned F value: 4.048 at the significance level 0.05 and the degrees of freedom 1, 48. Moreover, the values of the error probability (Sig = 0.034) for the regression coefficient and of the constant (Sig = 0.00) are less than the significance level 0.05 which mean that the regression model is statically

significant. This enables us to draw the conclusion that there is a statistically significant positive effect of the market orientation on the marketing performance in AGRODIV Complex at the level of significance 0.05(H_1 accepted).

The results of the overall testing process for all hypotheses of the study are summarized in table 07.

It can be noted from the results shown the table 07 that the general hypothesis has a low explanatory capacity as the strategic orientation and its dimensions affect positively by 8.70% of the changes in improving the marketing performance of the AGRODIV Complex. Furthermore, the results of testing for the first sub-hypothesis show that there is no relationship between leadership orientation and marketing performance, and the results for the second sub-hypothesis also indicate no effect on the marketing performance of the company. However, the third sub-hypothesis has low explanatory capacity, and this means that market orientation explains around 9.00% of the changes in improving the AGRODIV’s marketing performance.

Table 07: Summary of the results of testing hypotheses

Hypothesis	Independent variables	Dependent variable	R ²	Result of the hypothesis	The power of interpretation	
Hypothesis 01	Leadership orientation		0.027	H_0	There is no relationship between leadership orientation	

					and marketing performance in the AGRODIV Company.	
Hypothesis 02	Technological orientation		0.045	H_0	There is no relationship between technological orientation and marketing performance in AGRODIV Company.	
Hypothesis 03	Market orientation		0.090	H_1	Market orientation has accounted for 9.00% of the changes in improving the marketing performance in the AGRODIV Company.	Low explanatory level

Source: Prepared by the researchers based on SPSS -V22 outputs.

4. Conclusion

In this paper we have tried to drop the theoretical aspect of the effect of strategic orientations on the marketing performance of the AGRODIV Complex, and the results of the study were presented after carrying on a statistical testing and analysis of the data collected by a questionnaire distributed on a random sample of AGRODIV staffs.

These results can be summarized as follows:

- The AGRODIV Complex relies slightly on the strategic orientations, especially the market orientation in improving its marketing performance.
- The other strategic orientations (leading and technological orientations) have no significant effects on marketing performance;
- Around 90% of changes in marketing performance can be made by other management factors out of the scope of this paper.

The above results lead us to present the following suggestions for the AGRODIV Company:

- The complex must focus more on the market orientation to improve its marketing performance;
- Encouraging the R&D to seek for other factors that can influence and measure the marketing performance in ARODIV Complex, especially in terms of efficiency, adaptability, effectiveness and customer's satisfaction.

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