
**Market Orientation And It's Impact On Business Performance Of Financial Institutions. A Case Study Of
Barclays Bank Mbale Branch**

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Abstract

The study aimed at investigating the effect of market orientation strategy on the business performance of financial institutions, using Barclays Bank Mbale branch as a case study. The study aimed at ascertaining the relationship between market orientation and business performance of Barclays Bank; examining the merits and demerits of market orientation concept in achieving better business performance of Barclays Bank; and examining the other marketing strategies that can be used to achieve better business performance of Barclays bank. Using a sample size of 40 marketing staff and managers of Barclays Bank Mbale Branch, the study revealed that market orientation leads to customer satisfaction, loyalty and meets the customers' individuals needs more effectively thus leading to greater market share growth. From the findings, 23 (57%) strongly agreed to the assertion that the product marketing strategy where the organization focuses on making products of superior quality would help improve the organization's business performance, 13 (33%) agreed and 4 (10%) disagreed. Neither of the respondents were not sure nor strongly disagreed. It can therefore be stated that an organization can implement the product marketing concept to capture clients who are much mindful of the quality of the product. The study also revealed that market orientation leads to more focused production, concentrated strategy, provides marketing advantage over its competitors and leads to long term profitability. The study also highlighted other marketing strategies like production strategy, product strategy, selling strategy, societal marketing and holistic marketing strategy. The study recommended that banks should adopt the market orientation strategy so that they may remain competitive in the market place and also to better meet the customer needs. The study also recommended that blending the different marketing strategies gives the best results in marketing. The study concluded that although marketing strategy is highly efficient, a company would be more effective if it combines the different market concepts so as to out compete its competitors who are rigid with simply one marketing concept.

Keywords: Market Orientation, Business, Performance and Financial Institutions

Background to the study

In Uganda, banking was not a luxury sector for investors. The last bank to suffer this demise was a global trust bank that was taken over by DFCU bank in 2014 (Bank of Uganda Annual Report 2014) Barclays bank is a commercial bank of British origin (Winny, Ariyo et al., 2023) . The bank originally used a product-oriented marketing strategy, where it focused on designing a superior product regardless of the needs of customers at the time. As a result, several Ugandans were attracted to banking because the banking sector was not interested in addressing the real needs of customers (Gracious, 2023). The bank sped up banking products from its colonial masters and wanted to implement them in the poor Ugandan market. This resulted in poor financial performance of the bank. Barclays Bank was one of the worst performing commercial banks in the country (Moses et al., 2023). For example, they

Received: 17.05.2024

Accepted: 22.05.2024

Published on: 30.05.2024

recorded losses for five consecutive years until 2012 when they adopted market orientation practices (Development of Financial Institutions Bank of Uganda in Uganda, 2014). However, this trend of poor performance changed drastically when Barclays Bank, like other commercial banks, adopted the use of market orientation (Ivan et al., 2023). The bank directs all its activities to provide high customer value to its customers, thereby cultivating high customer loyalty and commitment (N. Faridah et al., 2023). The outstanding performance of banks including Barclays Bank should be examined in the context of the underperformance of other sectors of the economy, such as manufacturing, which saw growth decline by 15% in the last quarter of 2013. Unlike the manufacturing sector, banks earn huge profits (Polycarp et al., 2023). The progress of the banking sector in Uganda has been attributed to their adoption of modern market orientation strategies (Polycarp et al., 2023). Barclays Bank of Uganda Ltd reported a dramatic 134.13 percent jump in pre-tax profit for 2013, closing the year with 25.197 billion shillings, a radical increase from 10.76 billion the previous year, the bank said (Barclays sees radical jump in profits for 2013 according to the bank's News gate bulletin accessed on 11 January 2014). This boom is not unique to Barclays. Five other commercial banks in Uganda that adopted a market orientation strategy showed similar trends in their profitability (Ramadhan et al., 2023). These include DFCU, Orient Bank, Stanbic, Diamond trust and Centenary Bank. However, it has not all been a rollercoaster for all banks that have adopted a market orientation strategy, some like the African Development Bank are still struggling with their profitability even after implementing a market orientation strategy (Bank of Uganda Financial Report 2014), others like the former Crane bank have totally collapsed, although they used a market orientation strategy (Paul & Kazaara, 2023). Therefore, this research seeks to examine the relationship between market orientation and the performance of banking institutions.

Statement of the problem

Over the past one decade (Annet et al., 2023), there have been drastic changes in Uganda's banking sector. The sector has witnessed the rise and fall of a number of commercial banks, while some have shifted drastically from losses to abnormal profits amid dynamic economic conditions in the country (Polycarp et al., 2023). Leaders of this sector believe that the main reason for their success is the adaptation of a market orientation that focuses on customer needs, instead of focusing on the development of superior products (product orientation) that was inherited from the colonial period. masters. Banks such as Barclays, Centenary, DFCU, Stanbic and Equity, among others, have successfully implemented a market orientation strategy and therefore successfully met the needs of individual clients (Wegulo et al., 2023). Although Barclays bank and most commercial banks that introduced market orientation saw success in their profit margins, others such as Crane bank and Global Trust Bank failed and eventually collapsed (Faith et al., 2023). Available research does not clearly reveal how closely market orientation is related to the performance of financial institutions (Ivan et al., 2023). Therefore, the researcher is interested in examining the influence of market orientation on the business performance of financial institutions.

Objectives of the study

1. To ascertain the relationship between market orientation and business performance of Barclays Bank

2. To examine the merits of market orientation concept in achieving better business performance of Barclays Bank.
3. To examine other marketing strategies that can be used to achieve better business performance of Barclays Bank.

Methodology

As they put it, case studies have the potential, when applied successfully, to retain more of the “noise” of real life than many other types of research’ (Nafiu & Ph, 2012). The study population constituted mainly the employees of Barclays bank. These included managerial and operational staff. This population was chosen because it was assumed to have adequate knowledge of the subject under investigation and the research variables under investigation. A purposive sampling was employed in selecting the bank staff (Jallow et al., 2021). The researcher also used cluster sampling to group the respondents in different clusters; that is to say managerial staff and operational staff. Convenience sampling was used to identify the managerial banking staff so as to save time. The sample was 40 respondents comprising of 10 managerial staff and 30 operational staff. This is obtained from the sample size determination table as developed by Kreijic and Morgan 1970. This table is hereby attached in the appendices (Jallow et al., 2021).

Table 1: Sample Size and Selection of Respondents

Category	Population	Simple Size	Percentage of the sample
Managerial staff	18	10	25%
Operational staff	52	30	75%
Totals	70	40	100%

This study used self-administered questionnaires for the respondents. These was distributed among the respondents. The justification for using this instrument was that questionnaires were easy to quantify and analyze (Nafiu et al., 2012). In addition, the questionnaires were used because the study focused on opinions, attitudes, feelings and perceptions of respondents. Copies of the questionnaire vis-a-vis the objectives of the study were given to the research supervisor to find out whether the instruments would measure what they are meant to measure and check on the phrasing, understand-ability and wording of the statements (Aslam et al., 2022). Content validity index (C.V.I) was used to establish whether the questionnaire would measure what it is intended to measure (Nafiu et al., 2013). The content validity index (C.V.I) was found by considering the number of items which was declared relevant divided by total number of items presented. According to Amin (2005), a research instrument with a content validity index of 0.70 and above is considered valid (Rasheed et al., 2022). Quantitative data was analyzed using mean, standard deviation and correlation to analyze the relationship between the two variables and this was presented and interpreted by the use of tables, graphs, pie charts. Quantitative data was analyzed with the aid of the SPSS (Statistical Package for Social Sciences in Research) (Nelson et al., 2022). SPSS statistics is a software package used for interactive, or batched, statistical analysis.

RESULTS**Received: 17.05.2024****Accepted: 22.05.2024****Published on: 30.05.2024**

Correlation analysis**Table 1: Shows the relationship between market orientation strategy and business performance in Barclays Bank.**

		Market orientation strategy	Business performance
Market orientation strategy	Pearson Correlation	1.000	.823**
	Sig. (2-tailed)		.000
	N	63	63
Business Performance	Pear Correlation	.823**	1.000
	Sig. (2-tailed)	.000	
	N	63	63

Source: Statistical Package for Social Scientists (SPSS)

The testing of the relationship between the variables was tested using Pearson correlation coefficient. This was used because the market orientation strategy and organizational business performance were assigned numerical values. From the table above, it is clearly indicated that there is a strong relationship between market orientation and business performance of Barclays Bank. This is indicated by positive results of Pearson Correlation, where $r = 0.823$, $p < .01$ (Nelson et al., 2023). It therefore implies that market orientation strategy strongly affects business performance in an organisation. The management of Barclays Bank should therefore continue implementing the market orientation strategy so as to improve the business performance of the bank.

Regression Analysis**Table 2: Model Summary (b)**

Model	R	R Square	Adjusted R Square	Std. error of the Estimate
1	.816(a)	.666	.334	4.107

a Predictors: (Constant), Market Orientation Strategy

b Dependent Variable: Customer Loyalty (CL), Market Share (MA), Competitive Advantage (CA) and Customer Satisfaction (CS).

The R-square measures the goodness of fit. Therefore, the R-square 0.666 shows that 66.6% of the variations in Organizational Business Performance can be explained by CL, MA and CA and CS while only 33.4% can be explained by other factors. Therefore, since $R\text{-square } 0.666 > 0.5$, hence a good fit (Nelson et al., 2023).

Table 3: Coefficients (a)

	Unstandardized Coefficients	Standardized	T	Sig.
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Received: 17.05.2024

Accepted: 22.05.2024

Published on: 30.05.2024

Mode 1			Coefficients		
	B	Std. Error	Beta	B	Std. Error
1 (Constant)	2.439	3.343		730	.468
Customer Loyalty	6.875	.637	.815	10.790	.000
Market Share	1.049	.882	-.089	4.189	.001
Competitive Advantage	.252	.462	.041	2.545	.018
Customer Satisfaction	4.875	.437	.615	8.790	.234

a. Dependent Variable: Organizational Business Performance

The constant 2.439, shows that keeping all other factors constant, Organizational Business Performance will on average increase by 2.439. The coefficient 6.875 shows that a unit increase in the use of the marketing orientation strategy would lead on average 6.875 increases in Business Performance of Barclays Bank (K. Faridah et al., 2023). The p-value (0.00) <0.05 (is statistically significant at 95% confidence level); this implies that; Market Orientation has a significant impact on Business Performance expressed competitive advantage edge, customer satisfaction, customer loyalty, and market share growth. The coefficient 1.049 shows that a unit increase in Market Orientation would lead on average 1.049 increases in Market Share. The p-value (0.00) <0.05 (is statistically significant at 95% confidence level) (Turyatamba et al., 2022); this implies that; Market Orientation has a significant positive relationship with Market Share. The coefficient 0.252 shows that a unit increase in Marketing Orientation would lead on average 0.252 increases in Competitive Advantage. The p-value (0.00) <0.05 (is statistically significant at 95% confidence level); this implies that; Market Orientation has a significant positive relationship with Competitive Advantage (Jallow et al., 2022). The coefficient 4.875 shows that a unit increase in Market Orientation would lead on average 4.875 increases in Customer Satisfaction. The p-value (0.00) <0.05 (is statistically significant at 95% confidence level); this implies that; Market Orientation has a significant positive relationship with Customer Satisfaction.

Table 4: Showing the Market orientation in achieving better performance of Barclays Bank

The key; (1) for strongly agree, (2) for disagree, (3) for Not sure, (4) for disagree and (5) for strongly disagree.

Merits of market orientation	Response											
	(SA)1		(A)2		(N) 3		(D) 4		(SD) 5		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
Leads to more focused	15	37	17	43	3	8	2	4	3	8	40	100

production												
Leads to a concentrated strategy	26	65	14	35	-	-	-	-	-	-	40	100
Provides marketing advantages over its competitors	23	57	13	33	-	-	4	10	-	-	40	100
Leads to long term profitability	15	37	20	51	2	4	-	-	3	8	40	100

Source: Primary data 2018

From table 4 above, it can be observed that 15 (37%) of the respondents strongly agreed to the assertion that market orientation strategy leads to more focused production. 17 (43%) agreed, 3 (8%) were not sure, 2 (4%) disagreed while 3 (8%) strongly disagreed. This implies that market orientation strategy has an advantage that it enables the organization to have a more focused type of production. This is because market research is first conducted to ascertain the specific needs of the clients before a product or service launched. Therefore, customer needs provide direction to the product development in the organization (Oscar et al., 2023).

Respondents were also asked whether market orientation strategy leads to a concentrated strategy. 26 (65%) strongly agreed, 14 (35%) agreed, and none neither disagreed nor strongly disagreed nor were not sure. Since all of the respondents strongly agreed and agreed to the assertion, it can therefore be stated that market orientation strategy leads to a concentrated strategy in the operations of the business. This is because staff is equipped with modern skills in their work and they therefore become more creative and innovative in product engineering and design since the core motive in production and every other operation of the business is to meet customer needs (Damasus et al., 2023).

Further still, 23 (57%) strongly agreed to the assertion that market orientation provides marketing advantages over the organization's competitors, 13 (33%) agreed and 4 (10%) disagreed. Neither of the respondents were not sure nor strongly disagreed. This vividly implies that proper implementation of the market orientation strategy provides an organization with a marketing advantage over its competitors since the organization has a better understanding of the needs of the customers (Gracious, 2023).

Finally, respondents were asked whether market orientation strategy leads to long term profitability of the organization. 15 (37%) strongly disagreed, 20 (51%) agreed, 2 (4%) were not sure, none disagreed while 3 (8%) strongly disagreed to the assertion. It can therefore be stated that market orientation strategy leads to long term profitability of the organization. This is because the company retains its current customer base and wins their family

and friends over time to become customers of the organization as well. This ensures continuous increase in the sales of the organization hence long-term profitability.

Table 5: Showing other marketing strategies that can be used to achieve better business performance

Other marketing strategies	Response											
	(SA)1		(A)2		(N) 3		(D) 4		(SD) 5		Total	
	F	%	F	%	F	%	F	%	F	%	F	%
The production strategy philosophy	26	65	14	35	-	-	-	-	-	-	40	100
Product philosophy	23	57	13	33	-	-	4	10	-	-	40	100
Selling philosophy	15	37	16	41	4	19	2	4	4	10	40	100
The societal marketing philosophy	26	65	14	35	-	-	-	-	-	-	40	100
Holistic Marketing Philosophy	23	57	13	33	-	-	4	10	-	-	40	100

Source: Primary data 2018

Table 5 above shows that 26 (65%) strongly agreed to the assertion that the organization can use the production marketing strategy to improve performance, 13 (33%) agreed, and none neither disagreed nor strongly disagreed nor were not sure. Since all of the respondents strongly agreed and agreed to the assertion, it can therefore be stated that the production marketing strategy is one of the ways the organization can market itself by delivering a wide variety of products to the clients at affordable prices (Tasha et al., 2023).

Further still, 23 (57%) strongly agreed to the assertion that the product marketing strategy where the organization focuses on making products of superior quality would help improve the organization's business performance, 13 (33%) agreed and 4 (10%) disagreed. Neither of the respondents were not sure nor strongly disagreed. It can therefore be stated that an organization can implement the product marketing concept to capture clients who are much mindful of the quality of the product. This would help to improve on its business performance through increased loyalty and profitability (Moses et al., 2023).

Further still, respondents were asked whether companies can implement the selling strategy whereby organization embark on sales promotion so as to lure customers to buy their products and or services. 15 (37%) strongly disagreed, 16 (41%) agreed, 4 (10%) were not sure, none disagreed while 4 (10%) strongly disagreed to the assertion. It can therefore be stated that selling marketing strategy can be implemented with care to improve on the business performance of the organization. This is because even though people shall respond to the sales promotion strategy, its effectiveness can be very expensive and unsustainable where the quality of the product and the needs of

the clients are not put into serious consideration. Therefore, in the long run, selling promotion may not be very effective (David et al., 2023).

Respondents were asked to respond as to whether societal marketing concept which focuses on ensuring that societal needs like environmental conservation and green marketing can be implemented to improve on the business performance of the organization. 26 (65%) of the respondents strongly agreed; and 14 (35%) agreed to the assertion. None respondents disagreed nor were unsure. This implies that indeed, for companies to improve their business performance, they must ensure that the needs of the whole society are put into consideration. They should look beyond just being profitable but ensure that even the environment is also protected. This implies that corporate social responsibility is a point which must be emphasized by organizations that seek to improve their performance. Finally, 23 (57%) of the respondents strongly agreed that holistic marketing philosophy can be implemented to improve on the business performance of the organization, 13 (33%) agreed while 4 (10%) were not sure (Winny, Kazaara, et al., 2023). None of the respondents disagreed. This implies that indeed holistic marketing philosophy would improve the business performance of an organization if well implemented.

Conclusions

Findings reveal that market orientation strategy has a positive relationship with the business performance of the organization and the researcher therefore concludes that;

Market orientation strategy enhances the organization's competitive advantage and leads to increased customer satisfaction; it leads to customer loyalty and the organization can be in position to meet the customers' needs more effectively thus leading to greater market share growth. Therefore, market orientation strategy helps to increase the business performance of the organization. The researcher also concludes that market orientation strategy has a number of advantages for example it leads to more focused production and provides direction for a more concentrated strategy. Market orientation provides marketing advantages over its competitors leading to sustainable growth as compared to its competitors and thus leads to long term profitability thus an improved business performance of the business.

Finally, the research re concludes that there other marketing strategies that a company can implement to improve its business performance. These include production strategy which emphasizes mass production at lower prices; the organization can also implement product strategy by developing products of high quality; or a selling strategy whereby the organization invests in sales promotion so as to attract more customers. The organization can also adopt a societal or holistic marketing approach which puts into consideration the overall needs of the society by ensuring environmental protection against industrial vices like pollution and also carry out corporate social responsibility.

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Received: 17.05.2024

Accepted: 22.05.2024

Published on: 30.05.2024

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