



## **THE IMPACT OF MARKET ORIENTATION ON CUSTOMER SATISFACTION OF CELLULAR COMMUNICATION COMPANIES IN SAUDI ARABIA**

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### **ABSTRACT**

*The study investigates the impact of market orientation in terms of customer orientation, competitor orientation. Inter-functional coordination on commercial customers' satisfaction of cellular communication companies operating in Saudi Arabia. In addition, the importance of this study is tightly bounded to enriching the marketing knowledge of the concerned parties, by emphasizing the impact of market orientation on customers' satisfaction. The study population consists of managers of different levels in cellular communication companies operating in Saudi Arabia in order to measure market orientation variable which appears to be 256 managers over all the companies. The survey instrument is composed of questions relating to the following two factors that include Market orientation, and customer orientation. Descriptive analysis indicated that there is a strong positive tendency towards market orientation. This study concluded that competitor orientation has the highest degree of impact on customer satisfaction ( $\beta=0.345$ ), followed by inter-functional coordination ( $\beta=0.144$ ), Customer orientation has ( $\beta=0.135$ ).*

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**Key Words:** *Customer satisfaction, Market Orientation, Cellular communication, Quality*

### **1. Introduction**

In the last few decades, Interest in the Telecom Sector has been significantly increased, especially in the Arab world, due to its great impact on the economic progress and thus, the national reproduction. Therefore, activities in all aspects: Telecom, financial, banking, tourism, education and health have been developed to support the national economy. This variation in such activities has participated in increasing the demand on the communication

services, which resulted in quality and quantity development in the level of presenting these services.

The previous types of development have participated in increasing the role of marketing in terms of marketing activities and theories. customers' choices have become the focus of interest for many organizations. The importance of the customers' prospects and interests made the way through into a marketing concept so as to become a widely acceptable key job in organizations. Hence, the marketing concept has been restructured and the marketing job has become one of the crucial jobs in any organization, as their main objective is the customers' satisfaction. In addition, marketing literature has emphasized the importance of the marketing concept as the base of the marketing system, as well as a philosophy added to the organizational structure. Whereas, market orientation is considered as a concept related to the acceptance of the marketing concept by the organization. Therefore, it reflects a special vision of the organization, its products and customers. The market orientation devotes itself to provide the organization with the steps required to develop its own philosophy, taking into consideration the time factor, which has become a considerable variable in the customer's preferred list. The fast technological progress and raised competition have created the obligatory to develop a mechanism through which organizations can enhance and analyze marketing data, and work accordingly in developing a set of activities to monitor, analyze, and comply with the rapid market movements; i.e. market orientation, in terms of marketing literature.

Managers' imperative need to be so close to their customers, has motivated them to adapt the marketing concept, which has made the academic researchers in the marketing field to provide guidance in form of practical steps that can be adapted by the managers in order to implement such concept in their organizations. But, despite developing behavior standards to market orientation, academic researchers are still unable to provide full and practical assistance to the managers to allow them to develop in that respect. On the other hand, as a result of the competitive environment, production markets have become customers markets, and the supplier has become the base of competition between the organizations. As customers' expectations regarding a product or a service affect their satisfaction, organizations can work on improving the level of service they present, which would certainly increase their number of customers. The tri-relation between market orientation and customers' satisfaction performs a complex triangle. The importance of this study was brought to attention the impact of market orientation on cellular communication customers'

satisfaction. on one hand; and being related to a sensitive sector that directly affects the national economy, on the other hand. Also, the importance of this study is tightly bounded to enriching the marketing knowledge of the concerned parties, by emphasizing the impact of market orientation on customers' satisfaction. Taking into consideration that we live an InfoTech life time, information has become a competitive advantage and a center point that drives its holder forward. It can be said, whatever results and recommendations arose based on this study may be used as an affirmative and comprehensive tool. Thus, the study came with an objective to investigate the impact of market orientation in terms of customer orientation, competitor orientation. Inter-functional coordination on commercial customers' satisfaction of cellular communication companies operating in Saudi Arabia.

## **2. Theoretical framework and hypotheses development**

### **2.1 Telecom Sector of Saudi Arabia**

The Telecom Sector of Saudi Arabia is undergoing radical changes owing to the liberalization and privatization efforts of the telecom sector by the Government. With the development of large telecommunication networks by the private sector and easy access of telecom facility by the public in Saudi Kingdom. Saudi Arabia's telecommunications sector is growing at a remarkable rate. Facilities and services are constantly being expanded to accommodate the Kingdom's growing market. The Ministry of Telecommunications and Information Technology oversees all modern communications technologies in the Kingdom. The major provider in Saudi Arabia is the partially privatized Saudi Telecommunications Company (STC), one of the largest telecom services operators in the world. A second company, Mobily, also provides mobile phone service. Zain KSA is the third provider. Finally, Mobile Telecommunications Company Saudi Arabia, Mobile phones, and Zain KSA are extremely popular in Saudi Arabia. There were about 53 million mobile subscriptions at the end of 2014, representing a population penetration rate of 171.4%. Prepaid subscriptions constitute the majority (over 87%) of all mobile subscriptions. Toward the end of 2014, CITC awarded MVNO licenses, which should contribute to improving customer care and increasing the variety of services offered, as well as to growth of the telecommunications market and greater choice for subscribers will be made available (Source: CITC). Saudi Arabia also sends satellites into space. Saudi Telecom Company is the official agency to provide high quality telecom services to its customer needs, contributing successes to their lives and business. Its service showcases a wide variety of

services with the most advanced customer service qualities and standards. The services are mainly categorized as Mobile Services, Landline Services, Data Services and Internet Services, all of them contain value added packages to satisfy every class of customers. Saudi Telecom provides ample career opportunities to those who look for innovative and stimulating environment. Mobily is the second largest GSM Mobile phone operating company in Saudi Arabia. Mobily has fast enlarged its base by giving good services to its customers to achieve the market leader status in Saudi Arabia. Mobily is looking for determined people who share the vision of Mobily to provide the customers with friendly and leading edge mobile communication services. Saudi Mobile Telecommunications Co. (ZAIN.TASI), which obtained the third mobile phone operating license in Saudi Arabia, aims to provide the following services: classic and value-added voice messaging and data services, as well as multimedia applications such as video calling and content services, for instance ring tones, sports and general news updates, games and other related facilities.

### **Communications and Information Technology Commission (CITC):**

Communications and Information Technology Commission was established under the name of (Saudi Communications Commission) pursuant to the Council of Ministers Decision No. (74) dated 5/3/1422H. The name was changed after the Commission was entrusted with new tasks related to information technology to become (Communications and Information Technology Commission) under the Council of Ministers Decision No. (123) dated 21/5/1424H.

Due to the importance of the role of the Information Technology and its adherence with the successive developments in the telecommunications world, the Commission was entrusted with new tasks related to information technology whereas the Council of Ministers Decision No. (133) dated 21/5/1424H was issued changing the name of the Saudi Communications Commission to become (Communications and Information Technology Commission) and amending the Commission Ordinance to be consistent with the new name and to be added to its tasks stipulated in the Ordinance. (CITC website).

### **CITC Roles and Responsibilities**

Within its mandate, CITC regulates the ICT sector according to the principles of clarity and transparency in order to achieve a fair competitive environment providing high-quality services at affordable prices throughout the Kingdom. CITC strives for balance among all stakeholders: service providers, investors, government, and individual and institutional users.

CITC also implements the strategy and sector policy adopted by the Ministry of Communications and Information Technology (MCIT).

The CITC Ordinance specifies the duties and responsibilities of CITC, as the ICT regulator and catalyst for the development of the ICT sector. The main duties include:

1. Implementing the policies, plans and programs adopted for development of the ICT sector.
2. Issuing the necessary licenses for the provision of ICT services.
3. Protecting the interests of users of ICT services including the Internet.
4. Ensuring that service providers and users fulfill their roles, while taking into account the public interest.
5. Establishing the basis for telecom services tariff regulation as appropriate for the level of competition.
6. Establishing policies related to universal access/universal service.
7. Encouraging reliance on market forces for the provision of ICT services.
8. Attracting investment and promoting the provision of high-quality services at affordable prices in all regions of the Kingdom.
9. Effectively managing the frequency spectrum and striving to achieve optimal use of this limited resource.
10. Developing, managing and maintaining the National Frequency Plan.
11. Developing, managing and maintaining the National Numbering Plan.
12. Encouraging modernization of networks and services and promoting research and development, technology transfer and local enterprises.
13. Coordinating and participating in e-government and ecommerce programs and related projects.
14. Encouraging investment in ICT services and manufacturing.

The Communications and Information Technology Commission (CITC) is responsible for regulating the ICT sector in the Kingdom. The Telecom Act, enacted in 2001, and its Bylaws, issued in 2002, provide the basis for the regulatory framework. The Act lists a number of objectives for CITC including: to provide advanced and adequate telecommunications services at affordable prices; to ensure creation of a favorable atmosphere to promote and encourage fair competition; to ensure effective usage of frequencies; to ensure transfer and migration of telecommunications technology to keep pace with its development; to ensure clarity and transparency of procedures; to ensure the principles of equality and non-discrimination; and to safeguard the public interest and the interests of users and investors.

The CITC Ordinance, issued in 2001, was amended in 2003 and defines the mandate, functions, governance, and administrative and financial independence of CITC. The Rules of Procedures detail the steps which operators and CITC must follow for timely resolution of issues that fall within the framework of the relationship among the various parties.

In fulfilling its objectives, the current agenda of CITC includes the enhancement of a fair and equitable competitive environment such that the ICT sector can be further liberalized. This encourages licensed service providers to roll out advanced network infrastructures including broadband, offer new services, provide network redundancy in case of malfunctions and emergencies, and ensure universal availability of ICT services throughout the Kingdom.

## **2.2 Market Orientation**

Market orientation is concerned with the processes and activities associated with creating and satisfying customers by continually assessing their needs and wants, and doing so in a way that there is a demonstrable and measurable impact on business performance (Uncles, 1988). Prior to the 1950's, marketing was seen as a departmental function focused on products, rather than on customers, and on convincing "prospects that they needed what the firm was producing" (Webster, 1988). Despite the obvious wisdom and importance of the marketing concept, it had to struggle for continued acceptance, even in those firms that embraced it (Webster, 1988). According to that Firm's embracing the marketing concept – generally defined as being synonymous with a customer focus (Houston, 1986; McLeish, 1995; McCarthy & Perreault, 1984), in other words and as a central tenet of modern marketing science, the marketing concept is meant to be an essential philosophy of business, an ideal or a policy statement, which prescribes that the key to business success is understanding and meeting customers' needs more effectively and efficiently than competitors (Barksdale, 1971; McNamara, 1972; Kotler, 1977).

Researchers in marketing concluded that market orientation is a foundation for marketing decisions (Shapiro, 1988); organizational culture or climate, which inspires personnel to be more effective in their behavior (Deshpande, 1989), the actions and marketing strategies of the organization (Kohli & Jaworski, 1990), superior skills (Day, 1994), crucial success factor in companies (Hunt & Morgan, 1995), a feature of organizational culture (Narvar & Slater, 1994), a set of behaviors and processes (Gatignon & Xuereb, 1997), a competitive strategy that involves all functional areas and levels of the organization and embraces the different market participants (Lado et al, 1998). According to that, researchers concluded and emphasized on adopting the major idea of market orientation which is customer satisfaction. So you find that market orientation has

been characterized as a culture of the organization that requires customer satisfaction be put at the center of business operations (Liu et al, 2001).

However Kohli and Jaworski (1990) see that market orientation consists of organizations wide generation of market intelligence which is strongly connected to customers current and future needs, dissemination of market intelligence through various dimensions of the organization and finally organization responsiveness. It is a matter to consider that both of them do not admit market orientation as an aspect of organizational culture. On the other hand, Slater and Narver (1990) defined market orientation as "An essential element of business culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers (customers) and, thus, continuous superior performance for the business. So the post term (Market orientation) comes in three main parts: (competitor orientation, customer orientation and inter-functional coordination).

Another idea at the same track was that " a market driven culture supports the value of thorough market intelligence and the necessity of functionally coordinated action directed at gaining a competitive advantage" (Day, 1994), this identification is consistent with Slater and Narver, since this definition considers market orientation as an aspect of organizational culture and indicates that market orientation and learning. together will reinforce performance (Hurley & Hult, 1998). Table (1) presents further of market orientation definitions in literature.

**Table (1) Market Orientation Definitions in Literature**

<b>Market orientation definitions</b>	<b>Authors</b>
"the culture that most effectively and efficiently creates the behaviors for the creation of superior value for buyers", "market orientation consists of three behavioral components- customer	Narver and Slater(1990)
"the organization wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence horizontally and vertically	Kohli & Jaworski(1993)
"superior skills in understanding and satisfying customers"	Day (1994)

"a set of beliefs that puts the customers interest first, while not excluding those of all other stakeholders such as owners, managers	Deshpande et al.(1993)
"(1)the systematic gathering of information on customers and competitors, both present and potential, (2)the systematic analysis of the information for the purpose of developing market knowledge, (3)the	Hunt and Morgan (1995)
"organization – wide generation of market intelligence pertaining to customers, competitors, and forces affecting them,	Jaworski and Kohli (1993)
"a set of behaviors and processes related to continuous assessment and serving customer	Deshpande and Farley(1998)

"While there are at least five views on market orientation in the literature" (Lafferty & Hult, 2001), the first two are the most widely discussed and used, which are the behavioral perspective and the cultural perspective (Kohli & Jaworski, 1990). The first perspective which was studied by Kohli and Jaworski (1990) is the behavioral view which was measured using the Markor scale which was developed by the two of them helped by Kumar et al. (1998). Markor scale is that method which measures the three elements of the behavioral view of market orientation which are 1) Intelligence generation 2) intelligence dissemination 3) responsiveness using 32 items, these items are grouped into three sub-scales, including 10 items for Intelligence generation, 8 items for intelligence dissemination ,and 14 items for responsiveness.

On the other hand the second perspective for market orientation is the cultural view which was studied and measured by Narver and Slater (1990) using a whole different measurement scale called Mktor scale. This Mktor scale aims to study the three elements of cultural perspective of market orientation which are known as 1) customer orientation 2) competitor orientation 3) inter-functional coordination by a three categorized groups consist of 15 questions the first one is about customer orientation which includes 6 items while the second one is about competitor orientation including 4 items and the last group of questions consists of 5 items which measures the inter-functional coordination. In this study the researcher aims to clarify the cultural perspective of market orientation which was studied and considered by Narver and Slater (1990) and measured according to them by using



MKtor scale, which leads us to say that this measurement scale is the one to be used by the researcher in this study.

### **2.3 Customer satisfaction:**

In today's competitive world, the market has changed from a manufacturer-based market to a consumer-based market. Customers have become the most valuable resource that businesses compete for. Customers' expectations on products and services directly influence their satisfaction. Knowledge of customer satisfaction can help a business improve their service to those customers (Chen, 2004). The concept of customer satisfaction is one of the phenomena that most extensively studied within marketing and consumer research. Customer satisfaction, according to Fornell et al (1996), lies at the core of a sequence of relationships, including the antecedents of customer satisfaction as well as the consequence of customer satisfaction.

Eventually satisfaction has to be considered as one of the important concepts in marketing which has been generally dealt by consumer behavior perspective as consumer satisfaction. According to Solomon, consumer satisfaction is determined by overall feelings, or attitude, a person has about a product after it has purchased, and consumers engage in a constant process of evaluating the things they buy as they integrate these products into their daily consumption activities (Solomon et. al, 2006). So the satisfaction is highly related with the expectations and meeting these expectations and satisfied people generally go on relation with product, brand, purchase point etc., and according to Yang, satisfaction is most commonly studied as relational features and is as “from a social exchange perspective, a satisfying relationship is one in which the distribution of rewards is equitable and the relational rewards outweigh the cost” (Yang, 2007).

However, the emphasis to comprehend what truly creates satisfied customers has lead to an ever increasing body of literature surrounding satisfaction, how service providers create satisfied customers and the effects that satisfaction has on businesses today (Oliver, 1997; Barsky & Nash, 2002). McKenna (1991) suggested that in order to achieve satisfied customers, organizations must forget about market surveys, advertisements, and promotions and focus on developing the right infrastructure that offers the right products and services that meet the customer's expectations. Throughout the 1980s and the 1990s, Oliver's research and definitions of satisfaction revolved primarily around transaction-specific satisfaction. As one of the most widely accepted definitions, Oliver (1981) defined satisfaction as an evaluation of the surprise inherent in a product acquisition and/or consumption experience. On the other hand, Customer satisfaction was defined as the evaluation output of a customer's comparison of expected performance with perceived actual

performance (Churchhill & Surprenant, 1982), the benefit that customers get from purchasing products or services (Ostrom & Iacobuci, 1995), the customer's perception that compare their pre-purchase expectations with post-purchase perception (Kotler & Gary, 1999), a personal experience and mentality related the nitration between personal expectation and actual receive (Baker & Crompton, 2000).

After the 1990s, many researchers viewed satisfaction as customers' cumulative, after purchase, and overall judgment about purchasing behavior (Johnson et al, 1995; Engle & Blackwell, 1982; Hunt, 1977; Oliver, 1997), also presented various theories, models and definitions to explain and justify the importance of satisfaction. Opposed to a transaction-specific approach to satisfaction, Fornell (1992) described satisfaction as the cumulative overall evaluation of a customer's purchase and consumption experience based on numerous interactions between the customer and the service provider. According to Oliver (1997), satisfaction is defined from the mixture of both affection (emotion) and cognition approach as "the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over-fulfillment". However, most of researches concluded that satisfaction can be separated into two approaches either as a transaction-specific satisfaction (Rosen & Suprenant, 1998; Olsen & Johnson, 2003) or as a cumulative satisfaction/post-consumption satisfaction (Oliver, 1997). To support the importance of cumulative satisfaction, Olsen and Johnson (2003) found that customer loyalty and repurchase intentions are based on a broader consumption history and are able to explain more variation in loyalty; therefore, service providers must focus on satisfaction over the course of the service provider-customer relationship.

Some researchers stated that customer satisfaction can be measured. For example: Czepiel et al (1994) suggested using overall measurement to record customers' response to different attributes of products and services. Day (1977) suggested studying the individual parts of service to learn customer real feelings and then add them together to get the overall evaluation. Recent researchers found that when customer expectation equals service quality, they are satisfied, and vice versa. However, Kuo (1999) recognized seven factors that measure customer satisfaction: service, content, price, convenience, corporate image, equipment, staff and procedure. Huang (1998) also suggested five factors used to evaluate customer satisfaction: product, service, staff, overall performance of products, and closeness to expectation. Customer satisfaction is the reflection of the customers' attitude. It is not a quantified and objective measure.

## 2.4 Market orientation and customer satisfaction:

According to progress from talking about the impact of market orientation on customer satisfaction and through previous studies that the research in that effect, have been linked one way or another between the interest and orientation of organizations to their services provided to customers and its quality related to the satisfaction of these customer from those organizations (Harris and Ogbonna, 2001), has had to organizations and as a result of the intensity of competitive intensify study their customers and their needs in order to gain access to their expectations and meet the image that was painted from them to those organizations, and therefore we can say that the connection point is between the concept of market orientation and satisfaction with customers. As a result of the above literature review, the research hypothesis is:

H1. Market orientation directly influences customer satisfaction of cellular communication companies operating in Saudi Arabia More specifically

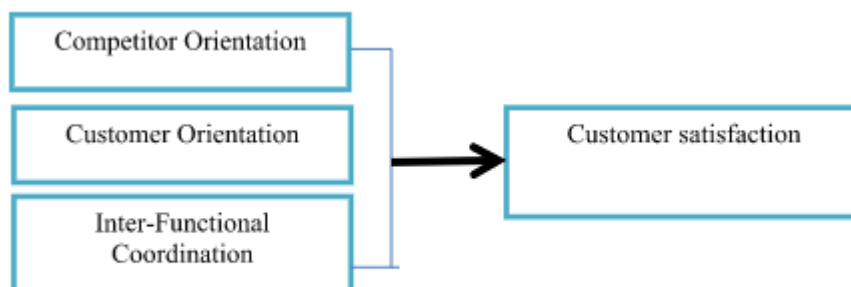
H1a. Competitor orientation directly influences customer satisfaction of cellular communication companies operating in Saudi Arabia

H1b. Customer orientation directly influences customer satisfaction of cellular communication companies operating in Saudi Arabia

H1c. Inter-functional coordination directly influences customer satisfaction of cellular communication companies operating in Saudi Arabia.

## 3. Research Framework

Based on literature review and research hypotheses as illustrated in the last section, this study develop the conceptual framework of this research as shown in Figure 1.



**Figure 1: The Research Framework**

The proposed research framework present the relationship between three construct of market orientation and customer satisfaction.

## 4.0 Methodology

In this section we discuss sample, and operational measures of variables used in the study as well as the statistical tests used to examine the impact of market orientation on customer satisfaction of cellular communication companies operating in Saudi Arabia.

### 4.1 Sample

The study population consists of managers of different levels in cellular communication companies operating in Saudi Arabia in order to measure market orientation variable which appears to be 256 managers over all the companies. This study was deliberately completed in the months (Feb- Sep) in 2015. Participants were told that the study was designed to collect information on the market orientation provided by cellular communication companies operating in Saudi Arabia and the level of their customers satisfaction. They were given confidentially assurances and told that participation was voluntary. The questionnaires were collected immediately. A total of 200 subjects participated in this study. Incomplete questionnaires reduced the sample size to 158 subjects. One hundred and fifty eight usable surveys were returned with a response rate of 79 %. There were 23 (14.6%) were below 25 years old, (49.4%) were between 25 and 35 years old, another (27.8%) were between 35 and 45 years old, and (8.2 per cent) were 45 years old and more. Finally, regarding, education, (8.2 percent) did hold a High school degree and below, (13.3%) did hold a diploma degree, (68.4 per cent) were bachelor degree, and (10.1%) were higher education degree, the summary of the sample characteristics shown in table (2).

**Table 2: Sample characteristics**

Variable		N	%
Age	< 25	23	14.6
	25 - < 35	78	49.4
	35 - < 45	44	27.8
	≥ 45	13	8.2
Education	High School and below	13	8.2
	Diploma	21	13.3
	Bachelor	108	68.4
	Higher Education	16	10.1

## 4.2 Measures

The survey instrument is composed of questions relating to the following two factors that include Market orientation, and customer orientation.

**4.2.1 Market orientation** a set of organizational activities/behaviors for the creation of superior value for buyers, and, thus, continuous superior performance for the business. This variable was measured based upon Markotz model (Narver & Slater, 1990). They developed a multi-item scale to operationalize the **Market orientation** construct (Narver & Slater, 1990). Market orientation dimension which is composed of: (competitor orientation, customer orientation and inter-functional coordination ). Minor modifications were, however, made to some items in the original scale to adjust for semantic meanings resulting in a 15-item scale that are measured on a five- point Likert scale ranging from “strongly disagree” to “strongly agree”.

- Customer orientation : an organizational culture that encouraging better identification and communication with targeted customers which will lead to enduring creation of customer value (Narver & Slater, 1990). Examples of items include:
  - **Our business objectives are driven primarily by customer satisfaction.**
- Competitor orientation : an organizational culture that emphasizes the full understanding of short term strengths and weaknesses and long term capabilities , abilities and strategies for both current and potential competitors (Deshpande et al, 1993; Narver & Slater, 1990). Examples of items include:
  - Our salespeople regularly collect information concerning competitors' activities (either current or potential competitors).
    - Inter-functional coordination: Coordinated utilization of company's resources in order to create and exploit the learning, and then ultimately creating superior value to customers. That coordinated integration of resources is closely related to the customer and competitor orientations since they are distributing customers experiences among departments (Narver & Slater, 1990). Examples of items include:
      - All of our business functions and departments are responsive to each other's needs and requests.

**4.2. 2 Consumer satisfaction.** derives from the process of comparison (Oliver, 1993).

It was the comparison customers make between their expectations before they receive the service and the perception they form after they receive the service. It was a comprehensive

judgment customers make on the quality of service. It was, a subjective judgment produced in customers' mind after they receive the service. Customer satisfaction dimension which is composed of: (corporate image, attendants, convenience, promotion, and facility) and this model was adopted from prior researches (Huang (1998), Kuo (1999), Fan (1999), Wu (2003) and Chou (2003). Minor modifications were, however, made to some items in the original scale to adjust for semantic meanings resulting in a 10-item scale. Each item related to Customer satisfaction context was rated on a five-point Likert scale ranging from “strongly disagree” to “strongly agree”. Examples of items include:

- Customers never regretted dealing with this company.

## **5. Reliability of research instrument and measurement scales**

After the survey had been completed the reliability of the scales was used to examine the internal consistency of degree of market orientation scale between various factors influencing customer satisfaction for validity by computing their coefficient alpha (Cronbach alpha). After analyzing the total scale and respective, a higher a value indicated a higher internal consistency within the questionnaire as a whole (Wang, 2005). According to Sekaran (2000) mention, it is a low and acceptable standard if the Cronbach Alpha is 0.6. All scales were found to exceed a minimum threshold of 0.6. Convergent validity is also suggested when the individual variable scores are combined into a single scale to give a Cronbach alpha of 0.831.

Factors of market orientation include competitor orientation, customer orientation and inter-functional coordination. Cronbach's  $\alpha$  were .82, .76, .81, respectively. Customer satisfaction. Cronbach alpha was .85. It has shown that the reliability between market orientation, and Customer satisfaction was good and it was in accordance with the internal factors. The actual results of the scale reliability analysis are reported in Tables (3) and (4).

**Table (3) Scale Reliability of the market orientation variables**

<b>Construct and item</b>	<b>Item to total correlation</b>	<b>Scale alpha if item deleted</b>	<b>Reliability</b>
<b>Competitor orientation (CO)</b>			0.82
CO1	0.33	0.38	
CO2	0.30	0.53	
CO3	0.31	0.50	
CO4	0.29	0.48	
CO5	0.41	0.52	
<b>Customer orientation ( CUO)</b>			0.76
CUO1	0.55	0.53	
CUO2	0.49	0.60	
CUO3	0.45	0.68	
CUO4	0.44	0.64	
CUO5	0.42	0.62	
<b>Inter -functional coordination ( IFC)</b>			0.81

<b>Construct and item</b>	<b>Item to total correlation</b>	<b>Scale alpha if item</b>	<b>Reliability</b>
IFC1	0.32	0.53	
IFC2	0.49	0.71	
IFC3	0.50	0.69	
IFC4	0.46	0.62	
IFC5	0.60	0.61	

**Table (4) Scale Reliability of the customer satisfaction**

Construct and item	Item to total correlatio	Scale alpha if item	Reliability
<b>Customer satisfaction (CS)</b>			0.85
CS1	0.30	0.46	
CS2	0.29	0.44	
CS3	0.40	0.53	
CS4	0.52	0.60	
CS5	0.42	0.43	
CS6	0.48	0.39	
CS7	0.47	0.41	
CS8	0.52	0.57	
CS9	0.50	0.61	
CS10	0.43	0.59	

**6. Correlation analysis**

A Pearson’s correlation analysis was carried out to examine the bivariate relationships among the main variables. Table (5) displays the results of the correlation analysis of the study variables.

**Table (5) Summary of correlations**

Variables	Mean	S.D	CS	CO	CUO	IFC
<b>CS</b>	3.58	1.19	1	0.15**	0.24**	0.36**
<b>CO</b>	3.37	1.06		1	0.43**	0.51**
<b>CUO</b>	3.16	0.95			1	0.32**
<b>IFC</b>	3.10	1.08				

**\*\* Correlation is significant at the 0.01 level (2-tailed).**



As can be seen in Table (5), the correlation coefficients for the variables under investigation were ranging from .15 to .51 . The Inter -functional coordination was highly correlated with customer satisfaction ( $r = .36$  ,  $p < 0.01$ ). It was followed by Customer orientation ( $r = .24$ ,  $p < 0.01$ ), and Competitor orientation ( $r = .15$ ,  $p < 0.01$ ). In general, a majority of the market orientation had significant positive correlations (  $p < 0.01$ ) with customer satisfaction. Out of 6 correlations, all correlation coefficients are smaller than .51. The highest coefficient of correlation in this research, however, is .51, which is below the cut-off of 0.90 for the collinearity problem. Hence, collinearity and multicollinearity do not represent data problems in this research (Hair et al., 1998).

## **7. Descriptive statistics analysis**

Table (5) above has shown the statistical description of market orientation, customer satisfaction. Competitor orientation (with the highest mean scores, i.e.  $M = 3.37$ ,  $SD = 1.06$ ) to be the most dominant of market orientation and evident to a considerable extent, followed by Customer orientation ( $M = 3.16$ ,  $SD = 0.95$ ), and Inter -functional coordination ( $M = 3.10$ ,  $SD = 1.08$ ), with the lowest mean score was perceived on the overall as least dimension of market orientation. The standard deviations were quite high, indicating the dispersion in a widely-spread distribution. This means that the effects of market orientation on customer satisfaction are an approximation to a normal distribution. This also indicates that respondents were in favor of customer satisfaction.

## **8. Multiple regression analysis.**

Multiple regression analysis was employed to examine the impact of market orientation on customer satisfaction. It is a constructive statistical technique that can be used to analyze the association between a single dependent and several independent variables (Hair et al., 1998). Based on this method, the three main independent variables (competitor orientation, customer orientation and inter-functional coordination ) and dependent variable (customer satisfaction) were entered together. The detail of the regression output was shown in Table (6). Each of the variables had a tolerance value of more than 0.10 and a variance inflation factor (VIF) of less than ten. The finding indicated that the model had no serious multicollinearity problem (Hair et al., 1998). From these analyses, it can be concluded that multiple regression model of this study met the assumptions required to ensure validity of

its significance test (Ooi et al., 2006, 2007a). This indicates that there was a statistically significant link between market orientation dimensions and customer satisfaction.

**Table (6) Regression Summary of market orientation to Customer Satisfaction (N=158)**

MODEL		UNSTANDARDIZED COEFFICIENTS		STANDARDIZED COEFFICIENT	T	SIG.	COLLINEARITY STATISTICS	
		B	Std. error	$\beta$			Tolerance	VIF
1	Constant	1.158	0.156		7.437	0.000		
	competitor orientation	0.268	0.035	0.345	7.630	0.000	0.657	1.522
	customer orientation	0.116	0.036	0.135	3.246	0.001	0.775	1.290
	inter-functional	0.125	0.039	0.144	3.178	0.002	0.656	1.525

Notes:  $R^2 = 0.293$ ; Adj.  $R^2 = 0.288$ ; Sig.  $F = 0.000$ ;  $F\text{-value} = 71.666$ ; dependent variable, customer satisfaction  
 $p < 0.01$

The correlation of market orientation and customer satisfaction was 0.541,  $p < .01$ . It was significant enough to show the correlation of the two variables. Because the correlation was positive, market orientation and customer satisfaction is positively related, which means the better market orientation was the higher customer satisfaction. Table 5 shows the regression analysis from market orientation three factors to customer satisfaction. It can be observed that the coefficient of determination ( $R^2$ ) was 0.293, representing that 29.3% of customer satisfaction can be explained by the three dimensions of market orientation. The proposed model was adequate as the  $F\text{-statistic} = 71.666$  were significant at the 1% level ( $p < 0.01$ ). This indicates that the overall model was reasonable fit and there was a statistically significant association between market orientation dimensions and customer satisfaction. The individual model variables revealed that competitor orientation, ( $\beta = 0.268$ ,  $t = 7.630$ ,  $p < 0.01$ ), customer orientation ( $\beta = 0.116$ ,  $t = 3.246$ ,  $p < 0.01$ ), and inter-functional coordination ( $\beta = 0.125$ ,  $t = 3.178$ ,  $p > 0.01$ ) were found to have a significant and positive relationship with customer satisfaction. So that Competitor orientation, customer orientation, and inter-functional coordination have high contributions in the research model.

## 9. Discussion

Descriptive analysis indicated that there is a strong positive tendency towards market orientation, it represented a high range of application. This finding confirmed the notion that the cultural perspective is one of the most widely used and discussed for market orientation. Also, it is consistent with the conclusion that: researchers emphasized that dealing with market orientation as a group of behaviors, activities and practices rather than as a feature of organizational culture may benefit the organization though both viewpoints are precious (Hurley & Hult, 1998). After examining the results, it is clear that the highest degree of implementation was for competitor orientation with a mean of 3.37, because creating value and keeping the satisfied customers are the major goals for market oriented firms (Day, 1994), followed by customer orientation with a mean of 3.16, and the lowest degree of implementation was for inter-functional coordination. Furthermore, the results showed a high level of customer satisfaction construct, as its mean was 3.58 with a standard deviation of 1.19. The researcher proposed that the surrounding affects positively and reinforces of cellular communication companies operating in Saudi Arabia to maximize the level of implementation of market orientation leading to customers' satisfaction. The results showed the presence of a statistical significant positive relationship between applying market orientation concept and customer satisfaction. This study concluded that competitor orientation has the highest degree of impact on customer satisfaction (Beta=0.345), followed by inter- functional coordination (Beta= 0.144), Customer orientation has a beta of (Beta=0.135). Marketing researchers have concentrated their efforts upon two orientations which are customer orientation and competitor orientation (Gatignon & Xuereb, 1997; Menguc & Auh, 2005; Narver & Slater, 1990).

## 10. Managerial Implications and directions for future research

The findings of the study have important implications for managers of cellular communication companies operating in Saudi Arabia especially in terms of: the market orientation that could be applied; and it's significant influence on the customers satisfaction . In particular, managers should be aware that, among the various dimensions of market orientation, competitor orientation was especially significant in fostering satisfaction for the customers of cellular communication companies. It is apparent that focusing on implementing high level of market orientation, and improve it effectively is critical for customer satisfaction. In addition, the satisfaction of

customers was significantly influenced by the (Customer orientation, and inter- functional coordination). It is thus apparent that managers of cellular communication companies could make assessing and monitoring market orientation periodically, to be able to identify where improvements are needed, and to place an emphasis on the underlying dimensions of market orientation, especially on competitor orientation. From a managerial perspective, it suggests that managers have to keep adopting market orientation constructs to increase the levels of customer satisfaction.

Among the three components of market orientation, competitor orientation has the greatest impact on customer satisfaction. So that, managers and decision makers of cellular communication companies have to be careful about the actions and activities of their current competitors without neglecting the threat of potential competitors and that process (tracking competitors) must be frequent, periodic, effective, efficient and on timely basis through marketing intelligence and many other formal – informal tools. Managers also should direct more of their capabilities toward benefiting their customers as much as possible, in addition to broaden the area of customer participation to express their needs and wants through several techniques such as: focus groups, efficient websites, activate customer service techniques, encouraging customer to state his- her opinions, suggestions or ideas and many other techniques. Finally , it might be helpful to modify the organizational structure of cellular communication companies operating in Saudi Arabia in order to facilitate inter-functional coordination activities (by enhancing the type and speed of communication), in addition to institute organized databases to perform this task smoothly, in which relevant information is accessible to related parties.

## **11. Limitations and future research**

This study provides useful basis for market orientation of cellular communication companies operating in Saudi Arabia. Like any other research, this study has several acknowledged limitations The first limitation, this study had been implemented in specific type of industry of professional service. Therefore, the findings of this research should be used cautiously in attempting to make generalizations into whole professional service industry. For such generalization needs more supplementary research for other professional services such as banking , insurance, education, and hospital. The second limitation, the sample in this study was small, therefore reliability of some response may be distorted. Future research should be implemented in consideration of this limitation. The

third limitation, the research findings are based on study conducted in one country and hence, they may not necessarily be generalizable for cellular communication companies in other countries. Future researchers can corroborate the research findings by undertaking similar studies in different countries. Also, There are several market orientation models with multiple components, consequently, future research can add or exclude other components of market orientation to test their impact on customers satisfaction based on the research setting.

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