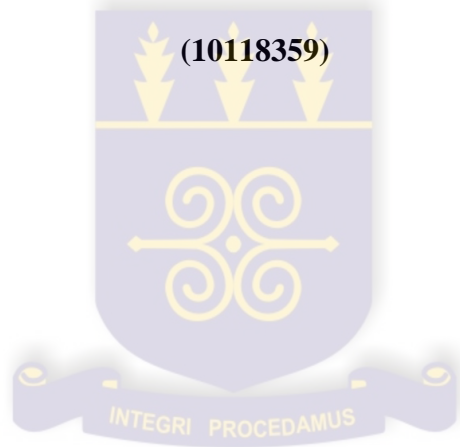


UNIVERSITY OF GHANA

**MARKET ORIENTATION PRACTICES AND CUSTOMER SATISFACTION IN
THE GHANANIAN BANKING SECTOR**

BY

DUUT, DICKSON MUUMOB



**THIS THESIS/DISSERTATION IS SUBMITTED TO THE UNIVERSITY OF
GHANA, LEGON IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR
THE AWARD OF MPhil MARKETING DEGREE**

JUNE, 2016

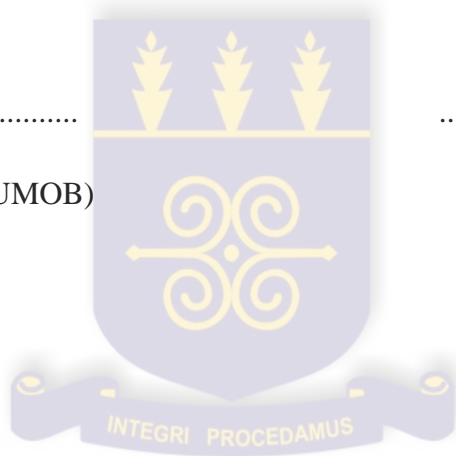
DECLARATION

I hereby declare that this study is the result of my own research and has not been presented by anyone for any academic award in this or other university. All references used in the work have been fully acknowledged.

I bear sole responsibility for any shortcomings

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(DUUT, DICKSON MUUMOB)
(10118359)

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DATE



CERTIFICATION

I hereby certify that this thesis supervised in accordance with procedures laid down by the University.

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DR. MAHMOUD A. MAHMOUD

(PRINCIPAL SUPERVISOR)

DATE

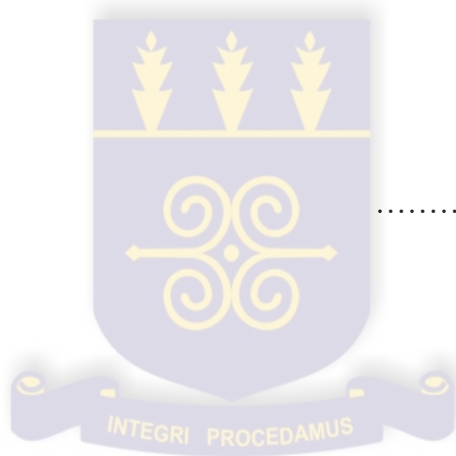
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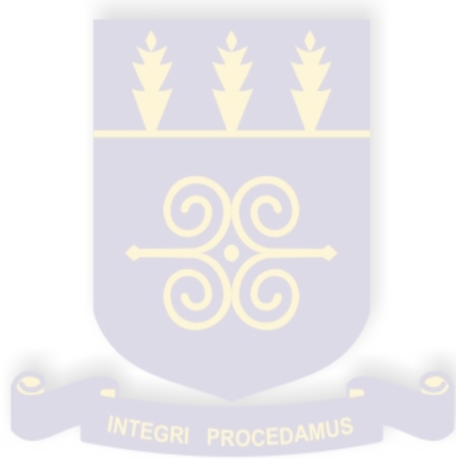
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DEDICATION

This work is dedicated to my parents Mr and Mrs Kombiok Duut for their love, guidance and support.



ACKNOWLEDGEMENT

My first and foremost acknowledgement goes to the almighty God for his Divine protection, guidance and amazing grace done me throughout my pursuance of the programme. My profound gratitude goes to my lecturer and supervisor Dr. Mahmoud A. Mahmoud also to my co-supervisor Dr. Dan Quaye of University of Ghana Business School (UGBS), for availing their expertise, suggestions, advice, comment and constructive criticism to the completion of this write-up. My final thanks go to the Management and Staff of the Ecobank Ghana Limited and GCB bank Limited for their help and cooperation into making this work a reality. Finally I would like to say a big thanks to Mr. Adomako Kankam William for his wonderful support and criticism.



ABSTRACT

As competition intensifies in the Ghanaian banking industry, understanding the concept of market orientation is critical for effective design and implementation of customers' satisfaction. Staying top always demand that organisations must be market-oriented to be able to deliver superior customer services. Market orientation as a strategies focuses on discovering and meeting the express and latent needs of customers. The objective of this study was to determine the relationship between market orientation and customer satisfaction of Ecobank and GCB bank in Ghana. The study adopted the cross sectional research design to ascertain whether there exist any association between market orientation and customer satisfaction of the banks. The study population comprised the managers and employees' of the two banks in Greater Accra region. A sample size of 150 were targeted out of which 120 were contacted for the data collection. A structured, and self-administered questionnaire were designed in collecting the data. The data collected from the study respondents were analyzed with the aid of the (SPSS). Descriptive statistics were used and the relationships between market orientation strategies and customer satisfaction were explored using regression analysis and exploratory factor analysis. The study established that there was a significant positive relationship between market orientation practice and customer satisfaction in the Ghanaian banking sector. The study also revealed strong relationship between the components of MO and CS. The study recommended that banks should make conscious effort to recognize and take into consideration their customers' needs as well as competitors moves and actions. Banks in Ghana should effectively analyze their competitor strengths and weaknesses and make efforts to counter the actions by providing superior products and services to their customers. The bank managers and employees also need to identify what their institutions would do well if they develop inter-functional coordination capabilities, which will support the competitive behavior of service quality and innovation.

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LIST OF ARCONMYMS

BOG.....	Bank of Ghana
CS.....	Customer Satisfaction
CSS.....	Customer Satisfaction Survey
EGH.....	Ecobank Ghana Limited
FINSAP.....	Financial Sector Adjustment Programme
FINSSIP	Financial Sector Strategic Plan
GDP	Gross Domestic Product
IFSC.....	International Financial Services Centre
KMO.....	Kaiser-Meyer-Olkin
MO.....	Market Orientation
ROAA.....	Return On Average Assets
ROAE.....	Return On Average Equity
SPSS.....	Statistical Package for Social Scientists

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Scholars in marketing, practitioners and researchers have dedicated amount of time and interest in the study of market orientation and how it affect organisation performance. For many years research on market orientation has shaped academic thinking (Akomea & Yeboah, 2011; Desphande & Farley, 1998). It appears that highly competitive conditions will continue as new era rolls out. Subsequently, practitioners and academics continue to forward the concept of market orientation as a possible rescuer for stressed organizations (Foreman, 1997; Harris & Piercy, 1997; Hurley & Hult, 1998). Enough evidence exists to suggest that market oriented organization experiences superior performance and improved levels of employee satisfaction, team spirit and commitment (Ruekert, 1992; Jaworski & Kohli, 1993; Slater & Narver, 1994).

Further research findings in the last three decades suggested that market orientation is positively related to profitability (Narver & Slater 1990; Ruekert, 1992; Slater & Narver, 1994), customer service and retention (Narver& Slater, 1993), sales growth (Slater & Narver, 1994; Greenley, 1995a), new product success (Slater & Narver, 1994), growth in sales revenue, employee satisfaction, commitment and trust (Ruekert, 1992), overall business performance and employees' and organisational commitment (Jaworski & Kohli, 1993).Years of research have furthered concluded that market oriented companies perform better than companies that are less market oriented (Akomea & Yeboah, 2011; Hinson & Mahmoud, 2011). They focus on adapting their products and services to the needs and expectations of their customers instead of those who are product oriented and focus on

developing a product or service that is then marketed and hopefully sold (Grönroos, 2006). To achieve this customer focus, a firm with a high degree of market orientation cultivates a set of shared values and beliefs about putting the customer first and reaps results in form of a defensible competitive advantage, decreased costs and increased profits (Desphandé, 1999). Extant literatures posit that market orientation captures the essence of market sensing and that being market-oriented enhances customer satisfaction (Jaworski & Kohli, 1993; Slater & Narver, 1994; Kirca, Jayachandran, & Bearden, 2005).

Consumer satisfaction (CS) is a central concept in marketing thought and practice (Yi, 1993). The marketing philosophy emphasizes delivering satisfaction to customers and obtaining profits in return. To this end, overall quality of life is expected to be enhanced. Customer satisfaction therefore is crucial to meeting various needs of business, and society at large. These have led to an explosion of research on consumer satisfaction over the past several decades. Attempts to make significant contributions toward understanding this important concept have been made, including numerous studies on customer satisfaction/dissatisfaction and complaining behavior (Hunt & Day, 1982, 1985; Oliver, 1980; Yi, 1990).

According to the customer satisfaction model, customers judge satisfaction with a product or service in comparison with their expectations about its performance. If the performance is above the expectations, there is a positive confirmation. If the performance is below expectations, there is a negative disconfirmation. Disconfirmation is thus expected to affect customer satisfaction (Churchill Jr & Surprenant, 1982). The concept has been variously defined by many authors. “Satisfaction is a person’s feeling of pleasure or

disappointment resulting from comparing a product's performance outcome in relation to his or her expectation'' (Kotler & Keller, 2006 p. 144). Also, Giese & Cote (2000) posits that consumer satisfaction comprises three basic components including the type of response cognitive, affective or conative; the centre of interest on which the response is focused; and the moment in time at which the evaluation is made.

The financial sector in recent time has witnessed crisis which resulted in prominent banks suddenly declaring large losses with some of them folding up. It could be said that the causes of this phenomena in these sector can be attributed to an inadequate market orientation practices and customer satisfaction delivery. However, the Ghanaian banking sector has witnessed an unprecedented growth over the last decade due to a stable political economy (Mahmoud et al., 2011). The sector has undergone many changes over years with the advancement of technology and changing characteristics of consumers. Consumers' needs are constantly changing and so there is a need for the banking industry to continuously study their consumers and identify their needs and satisfy them. As a result of innovative technology and other global challenges in recent times, banking sector are now go-getting tough to offer better services to their customers. Vigorous competition among themselves and non banks due to the similar products and services they offer (Mahmoud et al., 2011). This is therefore the need for the sector to focus on delivering superior service quality to achieve high levels of customer satisfaction. This pinpoints the impact of market orientation and customer satisfaction in the banking sector in harnessing customer activities. To be able to achieve this, banks must know what market orientation and customer satisfaction is and how it is played in customer satisfaction. This is why the

study seeks to assess the extent to which the banks apply the concept and components of market orientation and how it improves on customer satisfaction.

1.2 Statement of the Problem

The Ghanaian banking industry has changed from a state regulated sector in the 1950s through to the 70s to the current liberalised state from the 1980s (Mahmoud et al., 2011). This could be attributed to a number of reasons including; intense competition, technological advancement, introduction of new banks in the country sophistication of customers and deregulation policy by government.

Stanch competition in the banking sector has become order of the day. Customers can switch or willing to have more than just one bank in order to meet their needs. These have therefore led to the decline of customer retention and loyalty to the banks (Mahmoud et al., 2011). Though several studies have been conducted on the market orientation construct in the extant literature (Kohli & Jaworski, 1990; Narver & Slater, 1990; Jaworski & Kohli, 1993; Osuagwu & Obaji, 2009; Mahmoud, Kastner, & Yeboah, 2010; Akomea & Yeboah, 2011; Hinson & Mahmoud, 2011; Opoku & Essien, 2011), the studies were mostly concentrated in the market orientation and firm performance, employees' performance on large firms which cut across various sectors. However, there has been a limited study on the practice of market orientation and customer satisfaction in the banking sector (Mahmoud, 2014; Dalbooh, 2014). Also there is a limited and inadequate empirical and conceptual study of market orientation and customer satisfaction in the Ghanaian banking industry. The study therefore seeks to examine the relationship between market orientation and customer satisfaction in the context of Ghanaian banking industry.

1.3 Objective of the Study

The main objective of the study is to assess market orientation practices and customer satisfaction in banking industry in Ghana. In pursuing the above general objective, the research will be guided by the following specific objectives;

- 1.3.1 To test the market orientation practices and its relationship with customer satisfaction in Ecobank and GCB bank in Ghana.
- 1.3.2 To test the components of market orientation and customer satisfaction in Ecobank and GCB bank.

1.4 Research Questions

- 1.4.1 What type of market orientation practices has a relationship with customer satisfaction in Ghanaian banking sector?
- 1.4.2 What components of market orientation practice lead to customer satisfaction?

1.5 Hypothesis of the Study

- H1: The greater the practice of market orientation the higher the level of customer satisfaction
- H2: The greater the practice of customer focus the higher the level of customer satisfaction
- H3: The greater the practice of competitor focus the higher the level of customer satisfaction

H4: The greater the practice of inter-functional coordination the higher the level of customer satisfaction.

1.6 Significance of the Study

The study will help banks and other non-banks in Ghana to be more responsive to the practice of market orientation by adopting more proactive and innovative approaches in providing tailor made services to their customers. The empirical results may also guide managerial action to improve market orientation and offer practitioners a structured way to go about the implementation of a market orientation.

The study will also help top management and staff in the Ghanaian banking sector in their quest to improve upon market orientation practices as a prerequisite for customer satisfaction and loyalty. It will assist other banks to adopt effective tools to improve the practice of market orientation.

It is expected that the study will serve as source of information which could be used in academia or in future research in the banking world.

The study will serve as the impetus for practitioners in the banking sector to embrace market orientation in their strategy formulation and implementation process. It will also be valuable to policy makers in the banking sector by providing a clear guide on policy direction to take with respect to market orientation strategies that would create customer value and enhance competitiveness within the banking sector.

Finally, the study will add to the ongoing debate on the applicability of the concept in Ghanaian banking industry.

1.7 Scope and Limitation of the Study

The study is limited to two banks (Ecobank Ghana limited and GCB bank limited), the management and employees within Greater Accra region of Ghana due to limited time and resources constraints. It did not include the other entire financial sector except for these two banks in Ghana. The study findings of the study therefore cannot be representative of the whole banking sector MO practices in Ghana.

1.8 Methodology of the Study

With an adoption of an exploratory approach, the study analyses the relationship between market orientation and customer satisfaction in the banking sector in Ghana. The study extended its findings to investigate the how mediating variables like service quality and innovation also influence market orientation to deliver superior customer value as a prerequisite for customer satisfaction in the banking sector. The study was purely quantitative methods because this method is easy for conversion of information obtained into statistical models for general analyses to be made and the research questions to be answered base on the statistical models. The study population consisted of management and employees of Ecobank Ghana Limited and GCB bank and with a population of the two banks approximately 3,754 employees, questionnaires were designed to ascertain the knowledge of top management and employees on the practice of market orientation based on the Narver and Slater approaches (customer focus, competitor focus and inter-functional coordination). A sample size of one hundred and fifty were targeted however, one and hundred and twenty were contacted to administer the questionnaire which were subsequently analysed through regression using SPSS.

1.9 Disposition of thesis

This is an outline of the thesis. This gives a summary of each chapter of the thesis.

Chapter 1: Introduction

The chapter one introduces the topic to the reader. The need for the study is introduced in order to get a clear idea of the study and what it is focused on. The researcher identifies the research problem and thereby setting the research questions and purpose as the road map of the study. The research questions raised are; what type of market orientation practices has a relationship with customer satisfaction in Ghanaian banking sector? What components of market orientation practice lead to customer satisfaction?

By answering these questions, we will attain our objectives which the study is theoretically trying to find and also identify what dimensions or components of market orientation improves or deliver superior value of customer satisfaction in the banking industry.

Chapter 2: Context of the study

In this chapter, the researcher sheds more light on the banking industry in general, the history behind the industry, how it started in Ghana and where it is now

Chapter 3: Literature review

In this chapter, the researcher presents all the concepts that are important to the study. Concepts such as approaches to Market orientation, customer satisfaction, customer's expectations and perceptions are discussed. The study will try to bring out the relationship

between market orientation and customer satisfaction, determinants of customer satisfaction etc.

Chapter 4: Research methods

This chapter also sheds more light on the methods used for the study. The chapter consisted of mainly discussing how the study were carried out with emphasize on how the measurement of the constructs, the way the study data were coded.

Chapter 5: Empirical results and analysis

This chapter discusses the data collected from the field that enabled the researcher answer the research questions. The data collected were mainly base on respondents' expectations and perceptions of the various items under the market orientation model. Also, demographic description of the respondents are discussed and showed in the tables. A general description of the customers 'expectations and perceptions vis-a-vis management practice of market orientation and customer satisfaction are analysed using descriptive statistics and regression.

Chapter 6: Conclusions

In the final chapter, a summary of the findings are outlined and thereby providing answers to the researchers research questions. The researcher also discussed some theoretical, managerial implications and possible recommendations from the findings. Also some suggestions for further research are outlined in this chapter.

CHAPTER TWO

CONTEXT OF THE STUDY

2.1 Introduction

This chapter reviews magazines, articles, as well as internet publications on the Ghanaian banking industry. It begins with a brief historical background to the banking industry. Subsequent sections include background of banking sector, their services in Ghana, and a brief about Ecobank Ghana Limited and GCB bank Limited.

2.2 Choice of Study

Banking industry serves as an engine for economic development because it is the means through which all daily transactions and activities are undertaken.

The nature of a country's financial industry affects its pace of commercial and domestic activities hence pinpointing the magnitude of banking sector and the role they play in the economies of countries. The banking industries in Ghana have undergone many changes over years with the development of technology and changing characteristics of customers. Customers needs changes constantly and so there is a need for the sector to constantly study their customers and identify their needs and satisfy them. Due to technology and other global challenges in recent times, banking sector are now go-getting tough to offer better services to their customers in a profitable way. The banking industry face intense competition among themselves because of the similar products and services they offer. This is why there is a need for the sector to focus on delivering superior service quality to achieve high levels of customer satisfaction. Competing services and products often become similar in design and, as customers become more aware of service quality dimensions, they also become more prices sensitive and value oriented (Lovelock &

Wirtz, 2007; Bojanic & Rosen, 1994). This shows the impact of market orientation and customer satisfaction in the banking sector in harnessing customer activities very critical. It is therefore imperative to very assess the market orientation practices and its impact on customer satisfaction in the sector.

To be able to overcome this, banks must know what market orientation and customer satisfaction is and how it is measured so that information can be used for quality service and management. This is why the study chose to use the Narver and Slater three dimensions mentioned above also assess the degree to which an organization customer focus, competitor focus, and how it engages in multidepartment market intelligence generation activities to satisfy customers. This model seeks to know the market orientation practices and customer satisfaction in the Ghanaian banking sector.

2.3 Historical Background of Ghanaian Banking Sector

The Ghanaian banking sector started as far back in the colonial era when the Bank of the Gold Coast was set up by the then Government and Alfred Engleston, formerly of the Bank of England. As time goes by, the bank was split into two: the Bank of Ghana, operating as a bank of issue, to be developed into a complete central bank; and the Ghana Commercial Bank, to be developed into the largest commercial bank with a monopoly on the accounts of public corporation (www.bog.com.gh, 16/08/2015).

After Ghana gained independence from the British, Alfred Engleston was appointed as the first Governor of the Bank of Ghana to supersede and steer the affairs of the problem confronted the country at the time, the Bank of Ghana took over the management of the currency and in July 1958 it issued its first National Currency - the Cedi - to replace the

old West African currency notes. This also ushered in Ghana Commercial Bank assuming the role and functions of Government bankers and began to take over the finances of most Government departments and public corporations. New concepts and programmes were adopted and incorporated into legislation, particularly in regards to banking, non-banking institutions and securities. Thus, the Banking Law was enacted in 1989, enabling suitable locally incorporated bodies to file applications for licences to operate as banking institutions. Consequently, a number of corporate entities were licensed to operate as banks, including the then Meridien (BIAO) Trust Bank, CAL Merchant bank, allied and Metropolitan and Ecobank among others. Provisions were also made for the licensing of non-banking financial institutions under the Financial Institutions (Non-Banking) Law 1993 (P.N.D.C.L. 328).

The Bank of Ghana became the main banking institution in the country and oversaw issues of currency, business and personal banking. Further development and economic policies allowed the bank of Ghana to open branches across the country in order to supersede the affairs of the banking operation (http://www.ehow.com/facts_5510268_history-banking-ghana.html)

Ghana suffered economic crisis in the early 1960s, due to some bad policies, including strict exchange control, trade deficits and import/export issues. This crisis continued until 1983 when a shift from economic socialism to a more market economy occurred.

In 1992, Government began to privatize some of the state owned banks and the liberalization of the financial sector led to the entry of a number of foreign banks into the banking industry as well as an increase in the number of domestic banks. This witnessed the start of massive competition in the areas due to structure and the kind of

services and products they offer to the clients which are undifferentiated in a turbulent environment. The liberalization of the banking sector under the Financial Sector Adjustment Programme (FINSAP) and Financial Sector Strategic Plan (FINSSIP) also brought about improved savings and service, enhanced deposit mobilization, financial deepening, and competition in the banking industry (www.citifmonline.com/12/07/2015).

Moreover, lending rates were high with wider spread between deposit and lending rates. However, the introduction of the new Banking Act in 2004 has brought about the elimination of secondary reserves and adjustments in the minimum capital. The minimum capital was initially increased to GHS 60 million in 2007 and then in 2013 it was increased to GHS 100 million. Currently the new Act which saw parliament of Ghana together with the Bank of Ghana ushered in the Universal banking license, which provides an impetus for banks to provide various forms of banking services (BOG, 2010; www.bog.com.gh).

As a result of introduction of this Act by Bank of Ghana, Mergers and acquisitions became the order of the day as the country witnessed prominent banks emerged largely on account of the surge in the minimum capital requirement. Examples are Access Bank and Intercontinental Bank, Ecobank and TTB Bank, and HFC Bank and Republic Bank of Trinidad and Tobago. Presently, there are about 27 universal banks operating in the country with 16 foreign-owned and 11 Ghanaian-own, with 6 banks holding more than half of the total assets of the sector. Today, the banking sector in Ghana has seen a wide range of policies implemented to keep up with the western world (BOG report, 2010).

Undoubtedly, it can be said that, there are momentous implications about the changes in the Ghanaian banking sector for the economy. The influx of foreign banks, especially

from Nigeria, has led to intense competition in Ghana's banking sector, with respect to size of deposits and the size of market share of the various banks. There are about seven Nigerian banks operating in Ghana representing about 26% of the total number of banks in the country (Opoku & Essein, 2011; Mahmoud et al., 2011).

2.4 Overview of Global Financial Sector

Developments in the global banking sector within the past few years have given stakeholders in the industry cause to, not only consider the returns made in the sector but also critically examine the contexts used to assess market-oriented practices to safeguard their value for money in the sector (Helleiner, 2011). The recent crisis has seen prominent banks suddenly declaring large losses with some of them going disintegrate. It could be said that the causes of this phenomena in these sector can be attributed to so many factors including market orientation practices and customer satisfaction delivery.

The Global financial crisis started in the United States in 2007 and involved financial institutions in many OECD countries (Dullien, Kotte, Marquez, & Priewe, 2010).As the old adage says: "the world catches cold when American sneezes". It became global financial crises and turned into a global economic recession which emerging market economies and developing countries including Ghana were affected, mainly through the trade channel, and falling remittances. For example, for many developing countries, the economic consequences of these indirect effects were as severe as the direct effects were on developed countries. The worldwide recession, which analysts says the first since the World War II, led to a complete reduction of global gross domestic product (GDP) by 0.6 per cent in 2009 (Dullien et al., 2010). The situation led to some of the world's best-known financial institutions collapsed others nationalized, while many others survived

only with massive state support (Reinhart & Rogoff, 2009). It also generated a collapse of international trade more severe than any since the 1930s, and a broader economic downturn that involved all regions of the globe (Helleiner, 2011).

In many developed countries, banking industry continue to have problems with the quality of assets in their balance sheets, and the capacity and willingness of the financial sector to support the real economy (Helleiner, 2011). A thorough restructuring of banks and non-banks had barely begun, and they appeared to be clinging on to their old business models. The “New legislation” for re-regulating the banking sectors begun in the United States, where reforms advanced faster than in Europe. However, ongoing reform efforts are falling short of what is required. Most prominently, there is no global coherence in the new regulatory efforts; opportunities still remain rife for those seeking loopholes and for regulatory arbitrage (Helleiner, 2011).

In Ghana, the banking industry is largely backed by the commercial banks, and investment banks. Together, they represent as the primary mobiliser of funds and as the main source of financing to support the national economic activities. Meanwhile, the non-banking financial intermediaries, comprising development financial institutions, provident and pension funds insurance companies and saving and loans operators, complement the banking institutions in mobilising savings and meeting the financial needs of the country. The banking sector has emerged from severe financial and reputational damage resulting from economic recession and government debt in the 1980s and 90s, when Ghanaian banks and other financial institutions stopped lending to the private sector (Mahmoud et al., 2011).

However, the industry's deposits grew by 27% compared to the five year historic (2008 – 2012) average growth rate of 28% 2013 saw banks competing fiercely with one another to grow their respective deposits (Mahmoud et al., 2011). Currently, the banking sector has seen major capital injection partly because of the political stability, attainment of micro and macro-economic stability and the government's desire to make Ghana the “financial hub” of the Sub-region. The banking sector continues to perform well during with increased competition, asset growth, improved liquidity and profitability (Mahmoud et al., 2011).

The need to increase customer satisfaction and reduce customer attrition level in the banking sector has become a serious concern in unstable business environment like Ghana. The changing expectation of stakeholders and customers continuous make banks adopts new strategies of finding solution to them. Most banks in Ghana continues to lose customers to not only to other competing banks but to other non-banking institutions like the insurance and saving and loans companies to the extent that it has direct impact on their returns on investment and a practical implication for their very existence and survival (Mahmoud et al., 2011). Intense competition for business involving both assets and liabilities, together with increasing volatility in the domestic interest rates as well as foreign exchange rates, has brought pressure on the management of banks to maintain a good balance among spreads, profitability and long-term viability (B.O.G, 2014). These pressures call for structured and comprehensive measures and not just ad hoc action. Managers of these have to base their business decisions on a dynamic and integrated system and process, driven by corporate strategy.

2.5 Structure of Ghanaian Banking Sector

The Ghanaian banking industry spanned over the decades. The past few years have seen a phenomenal growth in the Ghanaian banking sector. Ghana's banking sector according to the Bank of Ghana, hereafter (BOG) is well capitalised, very liquid, profitable and recording strong asset growth. The total banking system assets at the end of 2013 were GH¢30.6 billion representing 33% compared to the five year historic (2008 – 2012) average growth rate of only 26%, there was a slowdown in deposit mobilisation by the industry in 2013 (Ghana banking survey report, 2014).

According to (Bank of Ghana Annual Report and Accounts, 2007) the banking Amendment Act was enacted on June 18th 2007 and established the basis for an International Financial Services Centre (IFSC). This Act provided the framework for an international services gateway that provide access to a diversified range of financial instruments and services on the global financial market. It is one of the overall legislative reforms including the Foreign Exchange Act, 2006 aimed at developing an efficient banking industry in Ghana.

The Act provides for three categories of banking licence:

- i. Class I Banking licence: This category of banks allows the holder to transact domestic banking business, and is presently classified as Universal Banking licence.
- ii. Class II Banking licence: this types of banks allows the holder to conduct banking business or investment banking business with non-residents and other Class II banking licence holders in currencies other than the Ghanaian currency, except to

the extent permitted by the Bank of Ghana for trading on the foreign exchange market of Ghana and investment in money market instruments (BOG, 2007).

In a broader-spectrum, the banking licence allows both Class I and Class II banking business in and from within Ghana. The first General Banking licence was issued to Barclays Bank of Ghana Limited on August 28, 2007 and this allowed the Bank to operate under the International Banking component of the International Financial Services Centre (IFSC).

Presently, the total number of licenced (Class 1 banks) in Ghana stand at twenty-nine (29) operating as universal banks due to a complete liberalisation of the financial sector and these banks are all in compliance with the minimum capital requirement of GH¢ 120 million for universal banking business under Class I Banking licence.

2.6 Brief Background of Ecobank Ghana Limited

Ecobank Ghana Limited (EGH) is one of the thirty three (33) subsidiaries of the Ecobank Group which is the leading Pan African banking group in Africa. It was incorporated under Ghana's Companies Code on January 9, 1989 as a private limited liability company to engage in the business of banking. EGH was initially licensed to operate as a merchant bank by the Bank of Ghana on November 10, 1989 but following the introduction of Universal Banking by the Bank of Ghana in 2003, it became the first bank to be granted the license to do general banking business. This action cleared the way for it to embark on its medium term strategic shift of moving from being a predominantly wholesale bank to one with a retail focus. In June 2006, EGH went public and was listed on the Ghana Stock Exchange. The bank operates four (4) subsidiaries: Ecobank Investment Managers

Limited, Ecobank Leasing Company Limited, Ecobank Venture Capital Limited, and EB Accion Savings & Loans Company Limited. Together with its subsidiaries, EGH provides corporate banking, investment banking and retail banking products and services to wholesale and retail customers in Ghana. In February 1990, the bank began operation as a Merchant Bank and became the first bank in Ghana to receive a universal banking license from the Central Bank of Ghana when Universal Banking was introduced in 2003.

Ecobank Ghana is supervised and regulated by the Bank of Ghana (BOG), which is the Central Bank of Ghana. Ecobank Ghana currently has over 77 branches in Ghana and a head count of 1,463 as at December 2015. Ecobank Ghana limited was chosen for this study because of its reputation as being among the top four banks in Ghana. It is also listed on the Ghana Stock Exchange and therefore has its financial and other regulatory reports published, ensuring that the public has access to some basic information. Over the past decade EGH has won several banking awards in various categories including the coveted —Bank of the Year Award for five consecutive years.

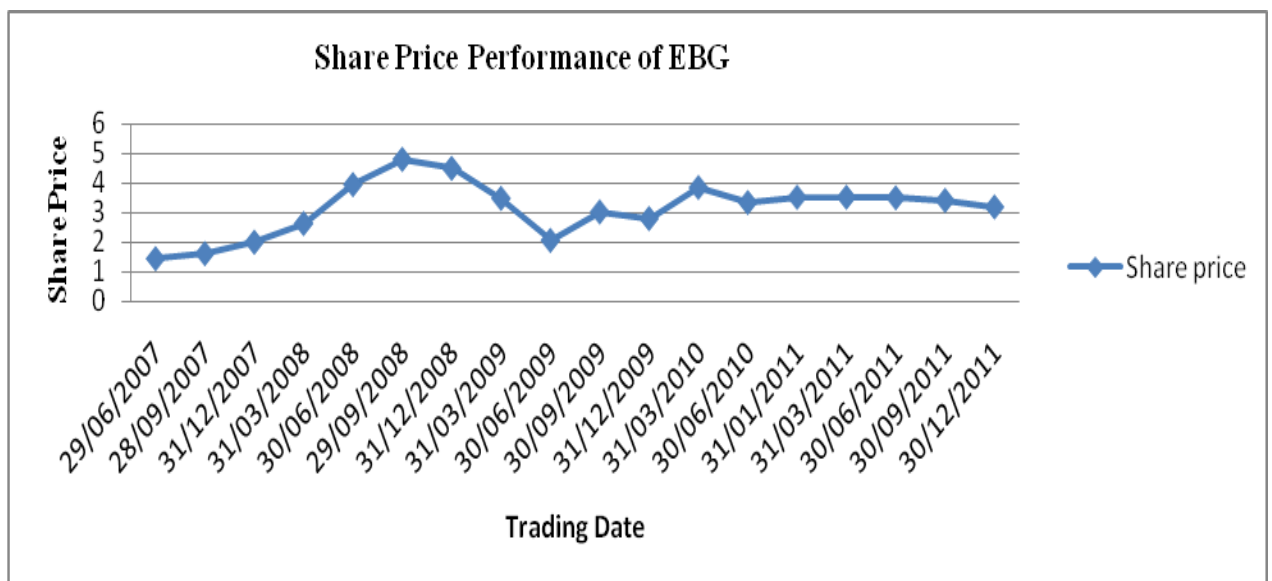
According to the 2012 Banking Survey Report released by PricewaterhouseCoopers Ghana in collaboration with the Ghana Association of Bankers, EGH is ranked the second largest bank in terms of total assets contributing 10.7% to total assets of the banking industry. The bank was the second largest contributor to industry deposits and largest in gross loans and advances with 10.7% and 10.3% respectively. EGH's share of industry assets, deposits, and loans and advances, over the last three years, are indicated below.

Table 1.1: Summary of EGH’s performance in Ghanaian banking industry

Category	2009		2010		2011	
	% contribution	Ranking	% contribution	Ranking	% contribution	Ranking
Share of Industry Assets	10.1	4	9	4	10.1	2
Share of Industry Deposit	10.5	3	9.9	3	10.7	2
Share of Industry Gross Loans & Advances	7.7	3	7.4	3	10.3	1

As a further indication of public confidence in the bank’s performance, its shares have performed considerable well on the Ghana Stock Exchange since it got listed (Figure 1. gives an illustration of the bank’s performance on the Ghana Stock Exchange). Analysts also rate EGH quite favourably, with Bloomberg L. P. rating its short term local currency A1+ and Global Credit Rating Company (a reputable international rating agency) rating the banks long and short term credits (exposures) AA- and A1+ respectively. These give an indication of the soundness of its risk management. In the light of the above, Ecobank was considered to be an appropriate case for this study.

Table 2.2: Performance of Ecobank Ghana Limited on Ghana Stock Exchange



Source: Own construction with data compiled by Ghana Stock Exchange.

The bank has grown consistently over the past years to become the biggest and most profitable bank in Ghana. At the end of the financial year 2014, the bank had an asset size of GHS5.7billion and Profit before Tax of GHS 309,613,000. The bank has over the years, made good returns to its shareholders with return on average equity (ROAE) and return on average assets (ROAA) averaging above 35% and 4.7% respectively over the past 5 years. As at end 2014 ROAE was 47% with ROAA of 6.1%. Figure 3 below show the key indicators.

Table 2.3: Performance of Ecobank between 2012 and 2014

At the Year End	2014	2013	2012
	GHS '000	GHS '000	GHS '000
Total Assets	5 669 630	4 624 405	3 378 843
Total Deposits	4 028 124	3 220 777	2 407 615
Shareholder's Equity	783 871	557 106	456 547
Number of Branches	79	79	78
For the Financial Year			
Profit After Tax	309 613	557 106	143 169

(Source: www.ecobank.com, 2015)

2.7 Brief Background of GCB Bank Limited

GCB bank was established in 1953 with the sole aim of serving and supporting Ghanaian workers, traders, farmers, and business people, to empower them to achieve success with locally funded resources. The bank has since undergone series of changes and transformation to become the biggest independent bank with the financial strength and capability to supporting those who contribute to the growth of the country. The bank prides itself and the indigenous bank and remains focus and committed to the success and prosperity of the people and business in the country. The main aim of the Bank has always

been to be the leading -financial services provider in Ghana through a commitment to superior service and best practice. To this end, the GCB bank is committed to country and its heritage, values and future are demonstrated every day through the actions that they exhibit and take as an organization.

Today GCB bank branches have been opened across the length and breadth of the nation tapping the potential of the 10 regions that make Ghana. The bank had been wholly government owned until 1996 when under the economic recovery programme part of the government ownership was divested. Today government ownership stands at 21.36% while institutional and individual holdings add up to 78.64%. From the one branch of the 1950s, GCB bank now has over 150 branches and 11 agencies throughout the country. GCB bank abounds in high quality human resource, which stands at 2,101 as at the end of 2009. This is remarkable when one considers that the Bank started with a staff of 27. Currently there are professionals of various disciplines who work in tandem to achieve the objectives of the bank.

2.8 Policy and Regulatory Framework of Financial Sector in Ghana

In Ghana the Central the Bank of Ghana (BOG) is charged with the banks regulatory and supervisory function. BOG, (2012) stipulates that it shall have overall supervisory and regulatory authority in all matters relating to banking and non-banking financial business to achieve a sound and efficient banking system in the interest of depositors and other customers of financial institutions and the economy as a whole. The regulatory and legal framework within which banks, non-bank financial institutions as well as forex bureau operate in Ghana consists of: the Bank of Ghana Act 2002 (Act 612), Banking Act, 2004

(Act 673) Financial Institutions (Non-Bank) Law 1993, PNDC Law 328, Companies Code (Act 179, 1963), and Bank of Ghana Notices / Directives / Circulars / Regulations.

The BOG as a regulator has several objectives including the following:

- regulate, supervise and direct the banking and credit system;
- ensure the smooth operation of a safe and sound banking system;
- appoint an officer designated as the head of Banking Supervision Department, who shall be appointed by the Board; and
- consider and propose reforms of the laws relating to banking business

The functions and responsibilities of the Central Bank as a Regulator are defined in Act 612 and Act 673 as follows:

Consequently, the Central Bank exercises its mandate to ensure that:

- Depositors' funds are safe
- The solvency, good quality assets, adequate liquidity and profitability of banks are maintained;
- Adherence to statutory and regulatory requirements is enforced;
- Fair competition among banks
- The maintenance of an efficient payment system

The laws governing banking operations have provisions regarding licensing, withdrawal of license, and arrangement for examining and monitoring banks, powers, and duties as well as protection of the supervisor and to enhance the legal and regulatory framework, the Bank of Ghana supervisory functions are designed to be consistent with the Basle Core

Principles for effective banking Supervision. It is important for regulators to ensure that the banking sector remains competitive so as to curtail a high interest spread. There is the need to balance the requirements to maintain certain levels of capital adequacy and reserves to promote financial safety against the need to reduce the bank net interest margins. The need to keep inflation within reasonable levels is paramount since the level of inflation tends to feed into bank interest spreads. In this regard, a persistent effort to reduce the current high levels of government budget financing will go a long way to reduce inflation and ultimately bank interest spreads.

CHAPTER THREE

LITERATURE REVIEW

3.1 Introduction

This chapter reviewed literature relevant to the study on market orientation and Customer Satisfaction in the Ghanaian banking sector; a case of Ecobank Ghana Limited and GCB bank, approaches to developing market orientation, as well as the components of market orientation, customer satisfaction etc. The study ended the chapter with developed conceptual frameworks.

3.2 Market Orientation

Market Orientation can be defined as being close to customers by knowing what they need, at the same time knowing what competitors are doing and coordinating the activities of your firm to meet the customers' demands (Hunt & Morgan, 1995). According to (Liu et al, 2002) market orientation has been characterized as a culture of organization that requires customer satisfaction be put at the center of business operations. Also, market orientation has been related to innovativeness in several studies (Agarwal et al., 2003; Han et al., 1998; Hult et al., 2004; Sandvik & Sandvik, 2003) since it improves the chances of the innovations being better adjusted to the market requirements (Jimenez & Valle, 2008).

.The conceptualization of market orientation concept has spanned over several decades (Mahmoud et al., 2011; Opoku & Essien, 2011), nevertheless, it appears that, two main dimensions exist. The first dimension is the cultural perspective and the second dimension is the information-based process perspective. The cultural proponent lead by Narver and Slater perceived market orientation as a culture that characterizes an organization's outlook to deliver superior value to its customers on a continuous basis. With this

perspective, Narver and Slater define market orientation as, ‘the culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and thus superior performance for businesses (Narver & Slater, 1990). To Narver and Slater, the market orientation paradigm consists of three behavioural aspects, thus; customer orientation, competitor orientation and inter-functional orientation.

The information-based process proponent argues that market orientation must be consummated within the organization with a view to putting culture into practice effectively. The two giants (proponents) of the information-based perspective of market orientation, Kohli and Jaworski, define market orientation as ‘organisation-wide generation of market intelligence pertaining to current and future customer needs dissemination of intelligence across department and organisation wide responsiveness to it’ (p. 6). Thus, the market orientation construct proposed in this definition includes intelligence generation, intelligence dissemination and responsiveness. In their view, the dissemination of market intelligence, as well as responsiveness to market intelligence has to be carried out cross-functionally. It is however interesting to note that, both dimensions of market orientation, thus the cultural dimension and the information/process dimension, have a positive relationship with the adaptability dimension in the Denison model. (Adalsteinsson & Gudlaugsson, 2007).

Market orientation as indicated supra is form part of organizational culture where employees throughout the organisation are systematically and entirely committed to the continuous creation of superior customer value. To achieve a high level of market orientation, companies are concerned with coordinated business intelligence generation, intelligence dissemination and responsiveness to market data and information for efficient

and effective marketing management decisions. Marketing practitioners have advocated that market orientation as the panacea for ensuring that today's financial organizations retains customers, and as the central tenet to modern marketing science (Qu, Ennew & Sinclair, 2003; Webster, 1988; Kotler, 1984; Levitt, 1970; Felton, 1959).

A market-oriented approach involves treating customers as playing the most important role. They constitute a key resource for a company to create competitive advantage (Hunt & Morgan, 1995). Narver & Slater (1990) felt that market-orientation is a type of corporate culture and helps organisation to create outstanding value for customers. Market orientation further emphasizes putting the interests of customers before those of organisation (Deshpande, Farley & Webster, 1993). The crucial dispassionate is to bring profit to the organisation and to effectively raise corporate performance (Kohli & Jaworski, 1990; Rueket, 1992). This has become so particularly because employees can create good service in terms of their contact with customers.

Moreover, according to Lafferty & Hult (2001) numerous perspectives have been proposed as researchers endeavor to conceptualise the market orientation construct and implement it in practice. Customer focus is a primary pillar of market orientation that is the behavioural characteristic of market-driven organisation (Narver & Slater, 1990; Kohli & Jaworski, 1990; Day, 1994). Market-oriented firms though embrace the customer focus as their central philosophy however, operation focused firms tend to be less customer orientated, which could mean that internal efficiency does not necessarily suited to meeting customers' critical requirements hence one of conditions for winning and retaining customers.

Meanwhile some authors relate the market orientation with cultural perspectives such as (Narver & Slater, 1990; Deshpande et al., 1993; Deshpande & Farley, 1998) mentioned that market orientation is not about culture but a set of activities in an organization. However, according to (Narver & Slater, 1990), market orientation is a basic part of organizational culture and philosophy and not a set of processes and activities that is aimed at creating a market oriented culture. Despite all these, employees must understand that the main purpose of the organization is to create superior value for customers, (Farrell, 2000). Besides, they also argued that the behaviour and culture of an organisation are inter-linked in which an organisation's behaviour is shaped by its culture and over time culture is shaped by the organisation's behaviour and performance. Furthermore, (Deshpande & Farley, 1998) found that market orientation was in reality identical to customer orientation. (Deshpande & Webster, 1989; Payne, 1988) stated that parallel to the marketing concept, customers have been considered as the main focus of market orientation.

Hunt & Lambe (2000) also opined that Market orientation is positioned as marketing's contribution to business strategy. Gatignon & Xuereb (1997) for example considered it as an important strategic orientation, while (Stoelhorst & Van Raaij, 2004) position market orientation as marketing's explanation of performance differentials between firms. These advantages of market orientation are generally agreed to be a consequence of improved market-sensing capabilities and improve in market responsiveness, particularly in more hostile and unpredictable environments (Jaworski & Kohli, 1993; Kohli & Jaworski, 1990). For this reason, it is essential that the bottom-line consequences of firms' market orientation are critically assessed and evaluated (Day, 1994; Homburg & Pflesser, 2000). A market-oriented culture is manifested in the activities and processes of the firm (Slater

& Narver, 1998). The market-oriented activities and processes of firms are organisation wide generation and dissemination of intelligence pertaining to customers and competitors, and action taken on the basis of the intelligence (Kohli & Jaworski, 1990; Narver & Slater, 1990).

Other scholars also have argued that market-oriented firms can gain benefits from superior market performance (Amirkhani & Fard, 2009; Pulendran et al., 2000). Market orientation refers to the extent to which firms implement a marketing concept (Kohli & Jaworski, 1990; Narver & Slater, 1990). Firms with market orientation perform better than its competitors because they are able to attract customers and satisfy customers (Narver & Slater, 1990; Homburg & Pflesser, 2000). Market-oriented firms consequently can gain desired profits (Jaworski & Kohli, 1993; Homburg & Pflesser, 2000). Market-oriented businesses are again committed to understanding both the expressed and latent needs of their customers, and the capabilities and plans of their competitors through the processes of acquiring and evaluating market information in a systematic and anticipatory manner (Slater & Narver, 1995; Mahmoud & Hinson, 2012). They continuously create superior customer value by sharing the knowledge broadly throughout the organisation and by acting in a coordinated and focused manner (Slater & Narver, 1995).

Hamel & Prahalad, 1994) argued that market-oriented businesses conduct market experiments, learn from the results of those experiments, and modify their offerings based on the new knowledge and insights. A market orientation which is seen as a behavior that guide the business in learning quickly from and about different types of needs, and responding in an entrepreneurial manner to deliver superior customer value (Mahmoud &

Hinson, 2012). The capabilities arising from a market orientation enable the business to identify and exploit discontinuities in its served market(s) as well as unserved markets. As a form of business culture, a market orientation is difficult for competitors to observe and understand, much less to imitate (Slater & Narver, 1995) and, this is seen as a competitive advantage (Barney, 1991).

From the above several definitions cited from other studies in literature, the study can conveniently define MO as an organisation credo that is focused on discovering and meeting the desires needs of its customers through delivering of tailor made services or products.

3.3 Customer Satisfaction

The concept of customer satisfaction (CS) has attracted much attention in recent years and therefore financial organisations that try to analyze this concept have to begin with an understanding of what customer satisfaction really is. Customer satisfaction (CS) has received considerable attention and interest among scholars and practitioners perhaps because of its importance as a key element of business strategy, and goal for all business activities especially in today's competitive market (Anderson, Fornell & Lehmann, 1994; Gronroos, 2006; Lovelock & Wirtz, 2007).

The concept has been variously defined by many authors. "Satisfaction is a person's feeling of pleasure or disappointment resulting from comparing a product's performance outcome in relation to his or her expectation" (Kotler & Keller, 2006 p. 144). Customer Satisfaction "as an attitude-like judgement following a purchase act or a series of consumer product interactions" (Lovelock & Wirtz, 2007). (Agyapong, 2011) argues that

consumer satisfaction comprises three basic components including the type of response (cognitive, affective); the centre of interest or the subject on which the response is focused; and the moment in time at which the evaluation is made. However, (Anderson & Fornell, 1994) posited that the literature is not very clear about the distinction between quality and satisfaction therefore, Satisfaction is a “post consumption” experience which compares perceived quality with expected quality, whereas service quality refers to a global evaluation of a firm's service delivery system (Anderson & Fornell, 1994; Parasuraman et al., 1985).

In recent times customer satisfaction has been one of the concerns of banks, this has become necessary has a result of intense competition in the banking industry. Banks are now striving so hard to offer quality services and products in a bid to maintain existing customers and attract and lure new ones as away fighting competition. Customers on the other hand, expect best and superior for their money so they are always combing and scanning around in order to get these best services. Customer satisfaction holds significant importance in corporate sector because without satisfied and loyal customers, you don't have a business. A single unsatisfied customer can send away more business from your organization than ten highly satisfied customers (Mohsan, 2011).

The growing managerial interest in customer satisfaction as a means of evaluating quality in recent time is enormous. Customer satisfaction ratings are widely seen as the best indicator of company's future profit (Cengiz, 2010). Satisfaction can be broadly categorized as a post-purchase evaluation of product quality given pre-purchase expectation (Kotler, 1991). Customer satisfaction can be experienced in a variety of situations and connected to both goods and services. It is a highly personal assessment that

is greatly affected by customer expectations. Satisfaction is based on the customer's experience of both contacts with the organization and personal outcomes. Researchers define a satisfied customer within the private sector as "one who receives significant added value" to his/her bottom line—a definition that may apply just as well to public services (Hanan, Mack, Karp & Peter, 1989).

It is often natural to focus on customer satisfaction as an overall evaluation of a company's product, rather than a particular individual's evaluation of a specific transaction (Boulding et al, 1993; Johnson & Fornell, 1991; Fornell et al., 1996). Customer satisfaction should be seen as a more fundamental indicator of the company's performance due to its link to behaviour and economic consequences beneficial to the company (Anderson et al, 1994). Organisation (banks) monitor customer satisfaction in order to determine how to increase their customer base, customer loyalty, revenue, profits, market share and survival. Even though greater profit is the primary driver, exemplary businesses focus on the customer and his/her experience with the organization. They work to make their customers happy and see customer satisfaction as the key to survival and profit. Customer satisfaction in turn hinges on the quality and effects of their experiences and the goods or services they receive.

Literatures further confirmed that higher level of customer satisfaction lead to greater loyalty (Anderson & Sullivan, 1993; Bearden & Teel, 1983; Bolton & Drew, 1991; Boulding et al., 1993; Fornell, 1992; Oliver, 1980; and Yi 1991). Therefore companies can increase revenue base through customer loyalty (Fornell, 1992; Rust et al, 1995) and reduce the cost of future purchase (Reichheld & Sasser, 1990). Customer satisfaction as a marketing term is use to measures how products or services supplied by a company meet

or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their businesses.

Customer satisfaction is an abstract concept and involves such factors as the quality of the product, the quality of the service provided, the atmosphere of the location where the product or service is purchased, and the price of the product or service (Grimsley, 2015). Customer satisfaction can be attributed to the quality of product, value of product relative to price - a function of quality and price, time issues, such as product availability, availability of sales assistance, time waiting at checkout, and delivery time, and the atmosphere of store, such as cleanliness, organization, and enjoyable.

There are two constructs of customer satisfaction within the literature of satisfaction as a process and customer satisfaction as an outcome (Parker & Mathew, 2001). Customer satisfaction is very important to the survival of any final company because it lead to the organisation derives all of these benefits including; leading indicator of consumer repurchase intentions and loyalty, it's a point of differentiation, reduces customer churn, increases customer lifetime value, reduces negative word of mouth, cheaper to retain customers than acquire new ones, and finally Customer satisfaction is the best indicator of how likely a customer will make a purchase in the future (Beard, 2014).

According to (Kotler & Keller, 2009) customer satisfaction is a person's feelings of pleasure or disappointment that result from comparing a product's perceived performance or outcome to expectations. If the performance falls short of expectations, the customer is dissatisfied. If performance matches expectations, the customer is satisfied; if it exceeds expectations, the customer is highly satisfied or delighted. For example customer

satisfaction is contented feeling of a customer after comparing performance outcome to his expectation related to the aspects that are offered by say GCB bank such as: product high-priced that is offered (merchandise), trading format including layout and atmosphere, customer service, and customer communication including GCB Bank's product catalogue which presents the price and special-offer list of discounted products, best-value price. Finally, customer satisfaction enhances when firms are able to develop and execute excellent practice of MO and customer orientation which serves as the conundrum for competitive advantage. Customer orientation therefore is defined as a business strategy that requires employees and management to focus on the changing needs of its customers.

3.3.1 Determinants of Customer Satisfaction

The concept of customer satisfaction as spanned over the years is typically defined as a post choice evaluative judgment toward a specific purchase decision (Oliver, 1980; Churchill & Suprenant, 1992; Bearden & Teel, 1993; Oliver & DeSarbo, 1988). There is growing academic and practitioners interest in customer satisfaction as a means of evaluating quality. Customer satisfaction rating is generally believed to be the best indicator of company's future profit. Satisfaction can be broadly characterized as a post-purchase evaluation of product quality given pre-purchase expectation (Kotler, 1991). The customer satisfaction philosophy according to Churchill Jr & Surprenant, occupies the central position in among marketing scholars and practitioners. They opines that customer satisfaction is a main outcome of marketing activities and it serves as the panacea that link between processes leading to purchase and consumption with post purchase phenomena such as word of mouth, repeat purchase and loyalty. The central focus of this concept is reflected by the fact that profit is generated through customer satisfaction.

In a highly competitive business environment marketing managers and other practitioners are more influenced from customer expectation and meeting the demand for customer satisfaction is very important for them. Therefore, customer satisfaction cannot be defined by only standard or quality of product. It is about relationships between the customer and product or service and the provider of a product or service (Cengiz, 2010). Modern marketing concept takes customer satisfaction as a benchmark standard of performance and a possible standard of excellence for any business organization (Gerson, 1993).

Moreover, other scholars used some variant of disconfirmation model which state that satisfaction is related to the size and direction of disconfirmation experience where disconfirmation relate to a person initial expectation. Lee, Lee & Yoo (2000) posits that theory of confirmation says; a customer is satisfaction level is confirmed 1) when a product or service performs or received as expected, 2) Negatively disconfirmed when the product or service performs below expectation, 3) Positively disconfirmed when the product or service performs better than expected. Churchill Jr & Surprenant (1982) stated that dissatisfaction result when a product or service expectation is negatively disconfirmed. Also (Oliver, 1993; Oliver, 1996; Westbrook, 1987; Westbrook & Oliver, 1991) opined that Customer satisfaction can be conceptualized as a rational state which results from the customer's comparison of expectation prior to a purchase and performance perceptions after a purchase. To reinforce customer orientation on a day-today basis, a growing number of companies choose customer satisfaction as their main performance indicator (Mihelis et al., 2010). From literature so far it can be said that, there are many factors that affect customer satisfaction. Some of these factors include friendly employees, courteous employees, knowledgeable employees, helpful employees, competitive pricing, service quality, and quick service and building strong relationship bonds (Angelova & Zekiri, 2011; Hokanson, 1995).

In the banking sector therefore, service quality, and perceived value, are the key constructs affecting the customer's satisfaction with. Customer satisfaction in the banking industry can result ultimately in trust, price tolerance, and customer loyalty. Innovation and service quality eminent by building customer relationship is a backbone for all organizations in the banking sector. The issue of customer satisfaction, service quality, customer perception, customer loyalty, is the main concerns of the financial sectors which improves organization's performance and translates into more profits.

3.3.2 Measurement of Customer Satisfaction

Customer Satisfaction simply come after using of a product or service which is essentially the result of actual and expected functions of product or service (Khokhar et al., 2011). Measuring customer satisfaction has been seen as the solution to the customer loyalty problem. Oliver's Expectations Confirmation Theory held that customer satisfaction could be defined by measuring the gap between the customer's expectations and his or her perception of whether those expectations had been met. Customer satisfaction can be determined by the quality of services provided or be evaluated by the perceptions and expectations of customers (Eboli & Mazulla, 2011). According to Hayes (2008) determinant of customers' satisfaction which serve as 'soft index' are subjective in nature that can be used as an indicator of an effectiveness which is focused on customers' perceptions.

In the case of banking sector, it should be customer-oriented and meet the customers' needs and desires. As stated by (Mahmoud & Hinson, 2012) the customer is the ultimate judge of quality services. Customers' perspective is measured using the Customer

Satisfaction Survey (CSS), which assist organisations in improving the quality of services and increase the number of customers using the service. Through questionnaire, banks will be able to identify all elements of services that should be addressed. The banks can also measure customer satisfaction by deploying several mechanisms including return on investment, likelihood to recommend to friends and repeat purchase etc

3.4 Market Orientation, Innovation and Service Quality

In recent times there has been important interest in market orientation service quality and banks innovativeness. An innovation is defined as an idea or object that is perceived as new by an individual or an agency (Rogers, 1995). “The perceived newness of the idea from the individual’s point of view determines his or her reaction to it” (Robertson & Yu, 2001). If the idea seems new to the individual, it is an innovation. An innovation consists of certain technical knowledge about how the things can be done better than existing state of the art (Tyler, 2001). The innovativeness of a new product and firm innovation capability is important for several reasons. Innovation products or service present opportunities for firms in terms of growth and expansion into new areas as well as allow firms to gain competitive advantage.

Service quality on the other hand is ability of an organisation to constantly deliver superior service value among its peers. In measuring customer satisfaction, innovation and service quality play a critical role in determining the outcome of satisfied or dissatisfied customer. Lee et al., (2000) provided a useful insight on the measurement of customer satisfaction through firm level of innovation and service quality. The outcome showed that when managers and employees deploys exceptional level of innovativeness and provide quality service to clients it improves customer satisfaction, retention and loyalty. Market

orientation therefore means doing something new or different as a response to market situation which be perceived as a kind of innovative behavior (Mahmoud & Hinson, 2012).

Slater & Narver (1995) stated that firms that are market-oriented enhance the level of innovation and therefore enjoy greater success when marketing new products. Empirically it has also been demonstrated that both and market orientation, service quality and innovation have significant effects on business performance although much of the variations in performance are accounted for by the mediating effect of innovation and service quality on the market orientation-business performance relationship (Agarwal et al., 2003; Mahmoud & Hinson, 2012).

They opined that since market-orientation is a source of ideas for new products and services and that it should therefore positively affect the degree of service quality and innovation in banks and that market-oriented banks has greater understanding of its market environment and turn to deliver superior service (Atuahene-Gima, 1996; Carmen & José, 2008). This viewpoint was supported by (Agarwal et al., 2003) when he stressed that firms that are less market-oriented are less likely to consider service quality and innovation such firms are likely to face declining performance which can trigger the lost in customer to other competitors.

3.5 Customer Satisfaction in the Banking Sector

The significance of customers has been highlighted by practitioners, researchers and academicians all over the world. Top performing banks believe that customers are the purpose of what they do and they very much depend on them; customers are not the source

of a problem and they should never make a wish that customers ‘‘should go away’’ because their future and security will put in jeopardy (Mohsan et al., 2011). That is the main reason why banking sector of today are focusing much attention on customer satisfaction, loyalty and retention (Zairi, 2000). Literature viewed customer satisfaction as a state of mind (Hunt, 1977) that is expressing customer emotions that evolved regarding a particular product/service or supplier.

The Ghanaian banking sector has grown rapidly and accounts for approximately 70 per cent of the financial sector (Bawumia et al., 2008; Opoku & Essien, 2011; Mahmoud et al., 2011; Duut, 2012). According to Ghana Banking Survey, (2010), the year 2008 saw a collapse of reputable global financial institutions and unprecedented government support for many banks, the Ghanaian banking industry, however, remained stable. There are about over 30 banks operating in Ghana currently; however, given the new licensing regime, most banks are now operating as universal banks and have extended into other financial services as long as their capital can support such diversification programmes (Mahmoud et al., 2011). Providing superior customer service therefore is very crucial to the attainment of competitive advantage.

To define customer satisfaction therefore, Oliver, (1997) posited that "everyone knows what ‘‘satisfaction’’ is until asked to give a definition. Then it seems, nobody knows" (p. 13). Based on the perception that satisfaction has been defined, most research focuses on testing models of consumer satisfaction (Oliver, 1993; Oliver & DeSarbo, 1988; Spreng, MacKenzie, & Olshavsky, 1996; Tse & Wilton, 1988) while definitional considerations have received little attention. As a result, the literature is replete with different conceptual and operational definitions of consumer satisfaction. As Peterson & Wilson, (1992)

suggest, "Studies of customer satisfaction are perhaps best characterized by their lack of definitional and methodological standardization" (p. 62).

3.6 Approaches to Market Orientation

As part of the business process, banks in Ghana have been pursuing various forms of marketing activities. But in most cases, these are of marketing orientation in nature. However, in the face of intense competition and heightened customer expectations, many banks most especially have started introducing various kinds of market orientation strategies.

The works of (Narver & Slater, 1990; Kohli & Jaworski, 1990) have established them as the leading authorities. They have contributed tremendously to this area of knowledge. They proposed the widely accepted definitions and have also developed market orientation measurement instruments that are still considered reliable by researchers (Kolar, 2006). Two most widely used scales in the study of market orientation are MKTOR and MARKOR. MKTOR is based on (Narver & Slater's, 1990) description of market orientation, whereas MARKOR is based on (Kohli et al., 1993) definition of market orientation. The MARKOR scale is preferred by many because it presents a richer description of market orientation and for its general support for the scale in international contexts (Kaynak & Kara, 2004), (Pitt et al., 1996), (Pulendran et al., 2000; Vorhies & Harker, 2000). According to Kohli & Jaworski, (1993), market orientation consists of the following three core elements: intelligence generation, intelligence dissemination and intelligence responsiveness. Also, the three approaches of (Narver & Slater, 1990) are competitor orientation, customer orientation or focus and inter-functional coordination, whilst Kohli & Jaworski three dimensions mentioned above assesses the degree to which

an organization disseminates this intelligence vertically and horizontally through both formal and informal channels; engages in multidepartment market intelligence generation activities; and finally develops and implements marketing programmes on the basis of the intelligence generated.

As noted earlier 'market-oriented,' represents a long-term commitment to understanding customer needs both expressed and latent and to developing innovative solutions that produce superior customer value. Banks in Ghana are said to be market oriented when its culture systematically and entirely focused on the continuous delivery and creation of superior customer value. Most of the banks achieve this through constant collecting and coordinating information on customers', competitors, and other form of important market influencers. According to Martin Roll (2011) the most successful and best guidelines to adopt a market orientation are to, leverage customer database systems, creating a marketing dashboard, and constantly update matrices. He considered the pillars of market orientation to be, customer focus, profitability, and co-ordination of organizational structures or co-ordinated marketing. Banks capabilities to develop an effective market orientation toward each of these three pillars depend largely on internal structures and culture.

Developing a market oriented organization requires that management leadership are seen as a necessity for the transition to a market orientation-due to lack of firsthand knowledge with strategies and activities that build and enhance customer value (Narver & Slater, 1990, 1994; Blankson & Stokes, 2002; Kohli & Jorworski, 1990). Therefore, they must be seen to creating an enabling environment where change can occur without specifically decreeing what that change will or may be. This can be achieved when top managements

are seen to spearhead in the provision of guidelines for business unit managers on how the culture should be changed (Narver & Slater, 1994). Empowering them to take bold initiatives and tailor customer value strategies. Senior management in banking sector also can sets specific business unit standards for customer satisfaction and measures in other form for market performance. Their roles can be largely seen as facilitative where they can combine top-down strategy guidelines while encouraging bottom-top strategy insights and responsiveness (Opoku & Esssien, 2011). Communicating and discussing business unit success story with other units in the financial organizations by top management reinforces success and increase in organizational learning process.

There are other alternatives approaches of MO that can be adopted by banks to enhance customer satisfaction which is the prerequisite for developing competitive edge market. As outlined by (Beer, Eisenstat, & Spector, 1990), we have the programmatic approach and the adaptive approach. The programmatic approach occurs when managers in banks can attempt to imbibe the market orientation ethic and philosophy directly in various business units to enable them leapfrog against other competitors. The techniques underlying this approach are the fact that companywide change is as a result of changes in behavior, beliefs and attitudes of individuals (Kohli & Jaworski, 1993; Osuagwu & Obaji, 2009; Narver & Slater, 1990). Most of the banks that focus or use this approach to organizational or institutional change often adopt change programmes because they are fashionable rather than management recognizes some intrinsic value in them. As put by (Opoku & Essien, 2011) top management always make decisions and decrees action because they are correct and fit into the programme's philosophy. Administrative systems as well as organizational structures are modified as a cornerstone for future competitive efforts. With this approach, management and most experts often want to take ownership of

the programme and convert employees to the philosophy of market orientation through communications and training.

Alternative to this programmatic approach is adaptive approach where management and employees in this approach continuously and constantly learn from their effort to creating buyer value. Often key performance measures are developed early and short term performance improvement goals are set, they adjust strategy, staffing, skills and systems based on the learning. (Narver & Slater, 1991) indicated that the adaptive approach is more appropriate to use than the programmatic approach because it can help financial organisations to become more market oriented. The approach monitors result and make appropriate adjustments in the banking structures and strategies, the approach is also focused, flexible, and based on learning from specific market problems and experiences.

3.7 Components of Market Orientation

Market orientation can be loosely defined as a form of organizational culture where employees throughout the organization are systematically and entirely committed to the continuous creation of superior customer value. To achieve a high level of market orientation, companies are concerned with coordinated business intelligence generation, intelligence dissemination and responsiveness to market data and information for efficient and effective marketing management decisions (Kohli & Jaworski, 1990).

Market orientation philosophy which emphasis organisation doing business that places the customer at the centre of all company activities. Market orientation theorists such as (Kohli & Jaworski, 1990; Narver & Slater, 1990; Ruekert, 1992; Gainer & Pandanyi, 2005; Carr & Lopez, 2007; Mahmoud et al., 2011) have argued that market orientation

traces its roots from the market concept and has consequences to overall business strategy. According Narver & Slater, (1998) market orientation component is focuses on customer-orientation, competition-focus or driven and inter-functional coordination. An innovation that lead to profit as an inducement for creating satisfied customers (Narver & Slater, 1994; Hunt & Morgan, 1995).

Extant literature in recent years has shown that customers focus, competitive focus or orientation, and inter-functional coordination are long term vision and profit driven (Narver & Slater, 1990). Kohli & Jaworski, (1990) work on market orientation concluded that market orientation provides “a unifying focus for the efforts and projects of individuals thereby leading to superior performance”. Narver & Slater, (1994) also based on empirical work found that there is a strong correlation between market orientation and several measures of business performance, sales growth, and new product development and success. The following are therefore the components of market orientation based on Narver and Slater construct.

Competitor Focus/ Orientation

The growth of financial banking sector has experienced tremendous improvement over the last decade bringing about intense pressure in the sector. There is therefore the need for many financial service organizations to adopt innovative strategies to improving on the services as a way of leapfrogging over their competitors. One of these strategies is focusing on the competitor, as (Narver & Slater, 1994) put it creating superior customer value requires more than just focusing customer alone. Superior value creation requires that the financial service organizations identify and understand the principal competitors profile- their short term strengths and weaknesses and long term capabilities and strategies

so that they can be in a better position to offer superior customer service as a way of creating competitive advantage (Njeru & Kibera, 2014)

Competitor Orientation means that a seller understands the short-term strengths and weaknesses and long-term capabilities and strategies of both the key current and the key potential competitors (Khomwon & Speece, 2006). Competitors form the second chance for developing the performance of the banks if the evolution of the needs, desires and preferences of customers imposes new restrictions on banks towards market orientation through competitors, the competitive market and the development of additional benefits that can be achieved by the customers under competitive advantages (Dalbooh, 2014).

The analyzing processes of competitors will determine the strengths and weaknesses in the space of competitors where banks are able to determine their objectives accurately at the strategic level, and the level of executive businesses, which facilitates the competitiveness and keep up with their performance. Mckenna (1991) argues that “Marketing is everything”, to this end firms which links research and development, technology, innovation, production, and finance are integrated through marketing’s drive to own a market- and this is the approach that all competitors take to succeed.

Most banks marketing strategies that enable organizations to survive in a highly competitive market suggest that banks should continuously examine the competitive threats that are the threats coming from intent and value- creation capabilities as crucial information to the organization in developing a contingency competitive strategies and advantage. The sector in this era of intense competition should be seen empowering, training and motivation employees from all functions to share information concerning

competitors through competitive intelligence, as (Slater & Narver, 1994) said “ it is for the Research and Development to receive information acquired by the sales group about the pace of a competitor’s technology development’’. Managers from these institutions can therefore be seen at the various top levels discussion competitors strategies to enable them develop a shared perspective on likely sources of competitive threats and capabilities and develop an alternative strategies to competitors off bar.

Customer Focus/ Orientation

Market orientation as defined as an organizational philosophy focused on discovering and meeting the needs and desires of its customers through it product mix. For effect market orientation organisation must tailor it products and services to meet the demands of customers through a coordinated marketing campaign. With an increasingly global economy and more and more choices for customers, companies must be willing to adapt their market orientation to be able stay competitive and relevant. Customer focus according to Khomwon & Speece, (2006) is the sufficient understanding of one’s target buyers to be able to create superior value for them continuously. It requires that the seller knows the buyer’s entire value chain. The crucial point of a market orientation is its customer focus. And to focus on the customer, banks need understand the customers’ entire value chain not just at the immediate stage but as it evolves over time (Mahmoud et al., 2011). The customers’ value can be created at any point in the chain by making the customers’ either more effective in its institutions or more efficient in its operations. Market oriented banks therefore should understand the cost and revenue dynamics not only at the immediate target customers’ but also of all market beyond.

Moreover, understanding the dynamics of the customer in this era of intense competition, banks has to develop a comprehensive understanding of its customers business and how these customers' in the immediate and downstream market perceive value. Employees also in market oriented financial institutions spend considerable amount of time normally with their customers' to know what their concerns are and try to find profitable solutions to them (Narver & Slater, 1990). It is therefore important in a highly competitive business environment, where market structures are highly interrelated and complex, the embracement of market orientation driven and customer oriented strategies by banks appear to be the panacea for creating competitive advantage.

Managers and employees often constantly monitor customer behavior and sometime engage them in their own facilities for a continuous search for new ways of satisfying their needs (Narver & Slater, 1990; Kohli & Jarwoski, 1994). They also continuously monitor and observe their customers' commitments by making an improve customer satisfaction an ongoing objective. This kind of relationship are maintained when the companies pay much attention to the services they provide, both before and after sales and sometimes involves customers' in training (Blankson & Stokes, 2002). Customers are considered the first chance for the market orientation in banking sector in Ghana. The idea of the modern market is based on elements such as creating a competitive advantage, satisfying customers, analyse competitor moves strengths and weakness, the social and ethical responsibility and profitability are crucial to the development of sector. To be able understand the needs, desires and preferences of customers employees should be seen an integral part in playing a critical role that increase the chances of the commitment and loyalty of customers towards the banking products and increase the degree of satisfaction with the banking administration, employees and banking service (Hani, 2004).

In conclusion, other scholars like Kohli & Jaworski, (1990) also view market orientation from three perspective namely; market intelligence generation, dissemination and responsiveness. These authors viewed Market intelligence generation to be gathering of organization-wide generating of market information pertaining to current and future customer needs, disseminating of the information across departments and the organization-wide responsiveness to it.

Inter-functional Coordination

Companies can survive enormous competition when top managements are seen as actors and able to coordinate all various units and departments. Personnel and resources from throughout the banking sector to create value for customers. For example, banks can adopt a bottom-up approach where everyone starting from the frontline service providers are seen working toward the satisfaction of the customers' needs.

Interfunctional Coordination is the coordinated utilization of company resources in creating superior value for target customers at any and all points in the buyer's value chain. Good interfunctional information flow is essential for this long term focus and profit emphasis (Khomwon & Speece, 2006). For example, accountant, research and development, and financial managers can becomes involves in preliminary market research of the competitors and customer profiling (Mahmoud et al., 2010; Narver & Slater, 1990). Risk managers, human resource managers and relationship managers in organizations can also become involve in the sales and marketing manager(s) in building a lasting relationship with the customers Narver & Slater, 1990; Njeru & Kibera, 2014). According to Michael Porter, (1985) every organization department that is facility, branch

office, and other organizational unit has a special role that must be defined and understood. All institutions employees, regardless of their distance from strategy formulation must recognize their role in helping firms to achieve and sustain competitive advantage. When all these functions contribute to creating buyer value this way, more creativity is brought to bear on increasing effectiveness and efficiency for customer hence difficult for competitors to duplicate or clone (Hunt & Morgan 1995; Hinson & Mahmoud, 2011).

Banks in Ghana need information about the market, customers, competitors, and other various functions. The more these banks are able to provide information bases, the more they are able to analyze the level of the different markets in order to make a good strategies and sound marketing decisions; in the 21st century banking activity needs accurate, modern, and deep information especially that their decisions mean bearing high financial costs if they are irrational (Opoku & Essien, 2011; Mahmoud et al, 2014; Dalbooh, 2014). Also employees in the banking sector are the shining face of the banking institutions not only in Ghana but also anywhere the banking industry is well set up. The interaction among employees in various departments such as production, market, financial sales, and human resources help promote unity and performance. Through employees' interaction with customers via the service, the spoken word, and the public relations also help promote customer satisfaction. Qualified employees and staff achieve the goals of banks and meet the requirements of customers according to their attitudes and listen to the customers' complaints and reach to the level of participation in solving their problems.

The banking sector in Ghana try an entail detailed objectives within the framework of their operational divisions in order to meet the different marketing challenges and objectives so as to reach the integration between the functions of production, sales, financial market, and human resources (Opoku & Esseini, 2011). They also integrate career in the levels of strategic management for the organization as a whole in addition to an identification of practical and realistic policies at all levels (Dalbooh, 2014).

3.8 Market Orientation in the Banking Sector

Recent years have experienced a renewed academic and practitioner interest in subject of market orientation and its association with organizational performance. The recovery of interest is not amazing since the concept of market orientation is a cornerstone of both marketing and strategic management (Hunt & Morgan, 1995). The study of market orientation in the banking sector has engaged the attention of researchers in Ghana and beyond. Nevertheless, only a few studies have investigated the market orientation practices of banks in developing economies, such as those of Brunei, Jordan, Tanzania, Saudi Arabia and Slovenia (Opoku & Essien, 2011). Market orientation is an integral part of the banking business. Strategic moves is a key ingredient to torpedoing competitors- marketing orientation practices is one of the key strategists in modern banking sector that have to be adopted comprehensively if managers want to keep competitors off bar (Mahmoud et al., 2011).

Market orientation in the banking sector is where employees are committed to continuously and consistently create superior customer value, the concept which leads to a greater competitive advantage, constant scanning and conducting business intelligence

about customers and competitors as a key prerequisite to building market orientation (Kohli & Jaworski, 1990; Narver & Slater, 2004).

The Ghanaian banking system has grown rapidly and accounts for approximately 70 per cent of the financial sector (Bawumia et al., 2008). According to Ghana Banking Survey, (2010), the year 2008 saw a collapse of reputable global financial institutions and unprecedented government support for many banks, the Ghanaian banking industry, however, remained stable. There are over 32 banks operating in Ghana presently; however, given the licencing regime, most banks are now operating as universal banks and have extended into other financial services as long as their capital can support such diversification strategies. Consequently, segmentation of the banking industry by various of bank is not presently relevant. In the last few years, the banking industry in Ghana has seen a remarkable growth arising from capital injection by existing banks to meet minimum regulatory capital requirements that is, 60 million USD. The situation has been compounded by new entrants. These new entrants have improved competitive pressures in the banking industry through their actions to build market share Ghana Banking Survey, 2008. The competitive threat of new entrants from Nigeria and other developing countries is strong, because the new minimum capital requirement in Ghana is very much lower than other places. This makes Ghana an attractive destination for banks in Nigeria and other developing countries (Mahmoud et al 2011; Opoku & Essein, 2011; Duut, 2012)..

There are at least eleven banks from developing countries such as Nigeria, India, Malaysia, Libya and South Africa that have entered the Ghanaian market (Ghana Banking Survey, 2008) and there are strong indications that many more will follow and invest in both the banking and non-banking financial sectors, apart from two well-established

British banks and the state-owned and domestic private banks. Furthermore, Ghana Banking Survey (2010) indicated that the current sustained economic reforms and stability, improvements in budget deficit, and the new oil find would attract foreign investments and lead to buoyant economic activity. Against this backdrop, the appetite for banking services would increase and financial service organizations in Ghana should focus on developing an effective efficient and flexible banking infrastructure and marketing strategy to ensure growth (Mahmoud et al., 2011; Opoku & Essein, 2011).

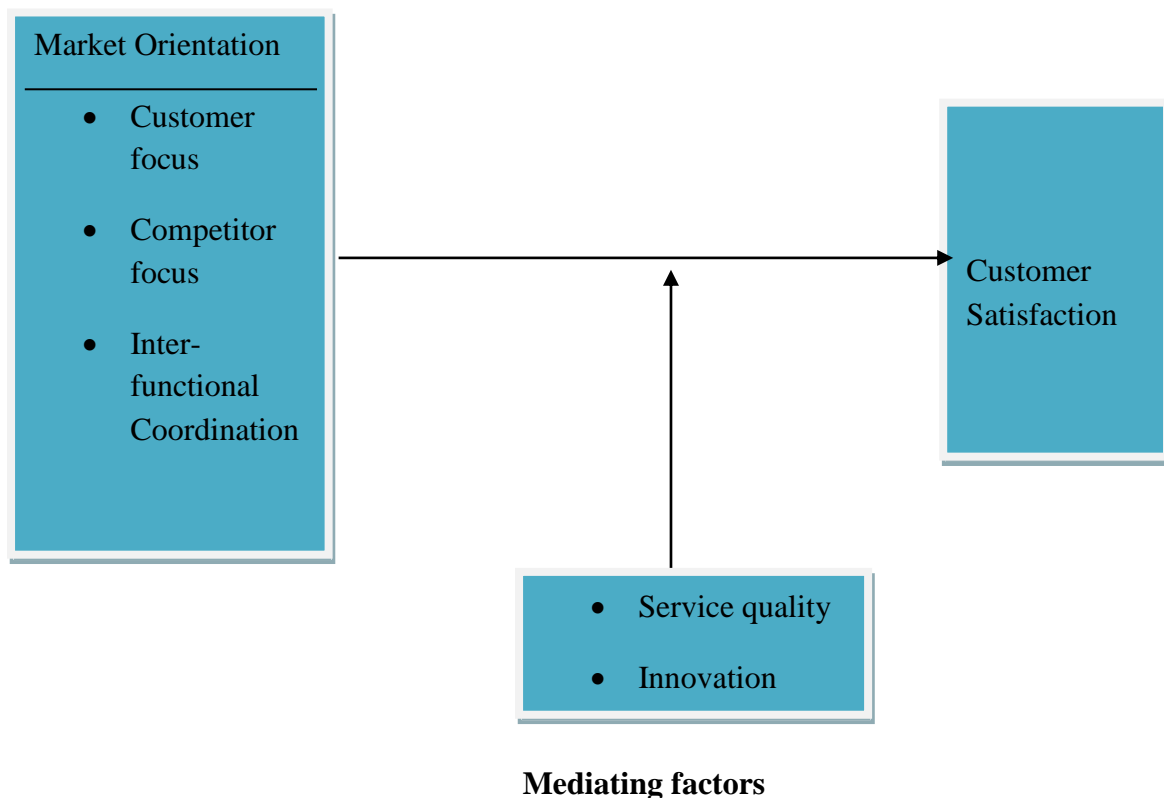
2.9 Conceptual Framework

Having reviewed and discussed available literature on market orientation, the study will specifically attempt to assess to what extent Ecobank Ghana Limited and GCB Bank are involved in the practices directed at the approaches of market orientation based on the (Narver & Slater, 1994) approach (Competitor focus, Customer focus and Inter-Functional Coordination). Other model is that of the one developed by (Kohli & Jaworski, 1993) approach Responsiveness, Intelligence Dissemination, and Intelligence Gathering. For the purpose of this study, the researcher adopted Narver and Slater model because Narver and Slater's construct separates market orientation into several components, so that is easier to see the impact of each component on customer satisfaction. Also, some studies point out that Narver and Slater's market orientation construct outperforms the Kohli and Jaworski's construct, in terms of criterion validity and reliability (Farrell & Oczkowski, 1997). Oczkowski & Farrell (1998) suggested that MKTOR in general is superior to MARKOR in explaining variations in measures of business performance.

(Narver & Slater, 1994) put it that creating superior customer value requires more than just focusing customer alone. Superior value creation requires that organizations identify and

understand the principal competitors’ profile- their short term strengths and weaknesses and long term capabilities and strategies so that they can be in a better position to offer superior customer service. Also organizations can survive enormous competition when top managements are seen as actors and able to coordinate all various units. Personnel and resources from throughout organization to create value for customers, such as financial organizations can adopt bottom-up approach where everyone starting from the frontline service providers are seen working toward the satisfaction of the customers’ needs. Kohli and Jaworski three dimensions mentioned above also assess the degree to which an organization; i) disseminates this intelligence vertically and horizontally through both formal and informal channels; ii) engages in multidepartment market intelligence generation activities; and (iii) develops and implements marketing programmes on the basis of the intelligence generated.

Figure 3.1: *Conceptual Framework*



Adapted from (Narver & Slater, 1990)

CHAPTER FOUR

METHODOLOGY

4.1 Introduction

This section treats the methodology that was adopted for the entire study. It consisted of research design, research population, sample and sampling techniques, data collection instruments, administration of the instrument, validity and reliability of the research instrument, method of data analysis and the problems that will be encountered on the field in the course of this study.

The study reported here adopted a descriptive cross-sectional survey design. According to O'Sullivan, et al., (2009) this type of design considered to be robust studies that aim to analyze a phenomenon, situation, behavioural relationships problem attitude or issue by considering a cross-section of the population at one point in time.

4.2 Research Design

Malhotra (1996) asserted that a research design is a framework for conducting marketing research. Furthermore, according to (Kinnear & Taylor, 1996) a good research design will ensure that the information collected will be consistent with the purpose of the study and that the procedures regarding data collection is accurate and efficient. Two (2) basic approaches (or designs) to research exist, both of which are used extensively in the field of marketing: exploratory qualitative and conclusive quantitative (Boyd et al., 2002). Both approaches/designs have their respective benefits and uses in respect of the fundamental objective(s) of any research (Creswell, 2008).

An exploratory (qualitative) approach to research is employed when the objective of the research is to discover new relationships, whereas when the objective is to make decisions,

a conclusive/quantitative method is best (Malhotra, 2007). However, for the purpose of the study quantitative methods were used for this research. The quantitative method was chosen to make it easy for conversion of information obtained into statistical models for general analyses to be made and the research questions to be answered base on the statistical models.

4.3 Population

The study population consisted of managers and employees of Ecobank Ghana Limited and GCB bank limited. The two banks were chosen based on the fact that Ecobank Ghana Limited is private-oriented while GCB Bank is the state-owned bank, the two banks also form part of the quartile one banks in the country with high customer base and relatively profit margin (Mahmouh et al, 2012). With the population of the two banks approximately 3,754 employees, the study enabled the researcher to determine the relationship between MO practice and CS in the banking sector in Ghana. The study sampled 14 branches of these two banks in the Greater Accra region of the Ghana. This is because according to Patton (2015) purposeful sampling involves selecting information rich cases and the purpose of the inquiry, Patton acknowledged that the role of resource limitations in determining a qualitative sample size. Merriam (2009) also discussed the process for selecting a sample and determining sample size. She noted that it depends on the research questions, the data collected, the data analysis, and the availability of resources. Questionnaires were designed to ascertain the knowledge of top management and employees on the practice of market orientation based on the Narver and Slater approaches (customer focus, competitor focus and inter-functional coordination). The study also sought to find out the level of support employees get from top management and other functional departments.

4.4 Sampling Design and Sample Size

Mile & Heberman (2002) noted that when conducting research one cannot study everybody everywhere doing everything (Miles & Heberman, 2002). Also, Denscombe (2003) stated that, it is not possible for researchers to collect data from all categories being investigated; there is however the need to attempt to get evidence from a section of the category through sampling techniques. The study comprised managers, employees of Ecobank Ghana Limited and GCB bank limited. The study used a sample size of 150 however, 120 were finally reached. The sample size of 150 because according to the National Education Association of the USA techniques, published in the NEA Research Bulletin, (1960) was deployed. This was determined based on the formula: $s = \frac{X^2 NP (1 - P)}{d^2 (N - 1) + X^2 P (1 - P)}$. Where s = required sample size. X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841). N = the population size. P = the population proportion (assumed to be .50 since this would provide the maximum sample size). d^2 = the degree of accuracy expressed as a proportion (.05). With the total population of the two banks in Greater Accra to be roughly 1,750, a sample size of 150 was selected. Also, Cooper & Schindler, (2001) pointed out that sampling is selecting some elements from the population to represent the population. This help to gain insights into entire population without necessarily examining the whole population (Turyakira, 2012). For quantitative analysis, a study examines smaller group and make generalization about a larger group.

A purposive sampling method was used. Purposive Sampling is simply non-probability sampling techniques that are based on judgement. This was to ensure that the objective of the study is achieved and also ensure members of the population had a fair of being part of the sample, and also according to Zikmund (2000) it is difficult to determine the size of the sample, and in order to make the right decision different factors must be considered.

4.5 Data Collection

There are two types of data, primary or secondary types of data. Primary data is the type of data that is gathered when secondary data is not available to answer a specific research problem the researcher seeks to solve. This form of data can be gathered in several ways such as through observations, experiments, surveys, and interviews, depending on the research design/approach adopted for the study (Creswell, 2008).

Secondary data on the other hand is essentially includes information found within books, journal articles, websites and catalogues and provides information which may have been collected for other purposes (Creswell, 2008). The study therefore relied on primary data and designed questionnaire that were administered. Self administered questions were sent to management and employees in order to determine the market orientation practice and satisfaction customer in the two banks in Ghana.

4.6 Data Collection Instrument/Method

Structured questionnaires were designed and likert scale type questions were used to find out the extent to which market orientation practices have effects on customer satisfaction among the best performing banks in Ghana. According to Kumekpor (2002), self-administered questionnaire is less expensive than sending interviewers to the field, especially when respondents are scattered over a wide area. Besides, no interviewer controls the sequence of questions, this allows respondents to skip some questions and come back to them later. Due to this, respondent would have an ample time to reflect over questions before filling in the answers. The advantages of self-administered questionnaire stated are the reasons for the selection of that tool for collection of the quantitative data.

4.7 Data Analysis Method

In carrying out a quantitative research there are several software packages for the analysis of quantitative data some of which are broader in scope and user friendly such as the Stata, R.Studio and SPSS. Although SPSS may obviously not be the best but its user friendly nature and the mastery of the researcher of the programme automatically makes it better for the researcher. Therefore the study employed SPSS for the analysis so that the objective of the study, that is “market orientation practices and customer satisfaction in the Ghanaian banking sector” will be achieved. Descriptive statistics, EFA and Regression analyses were carried out to find out the level of relationship between the two variables. Regression is simply the relationship between two variables, in this study therefore the dependent variable was customer satisfaction and other(s) market orientation and its components were used as independent variables.

4.8 Limitations of the Study

The major challenges that likely to be encountered in undertaking the study include; the use of the purposive sampling technique and design. This technique had its limitation of difficulty in using its findings for generalisation since only a part cannot be used to represent the whole. In this case, the level of MO practices by Ecobank Ghana Limited and GCB bank in Greater Accra region of Ghana cannot be used to generalise the market orientation practices and customer satisfaction as the whole.

Finally, the difficulty in the collection of primary data from relevant institution and finally financial constraint were also factor that confronted the study.

CHAPTER FIVE

ANALYSIS AND DISCUSSION OF FINDINGS

5.1 Introduction

In this chapter, the analysis of data collected is presented. This is followed by a detailed discussion of the findings obtained from the analysis. It begins with analysis of the demographic profile of respondents and descriptive statistics of both the dependent and independent variables. A test of reliability of scales items or variables used to measure customer satisfaction and the components of market orientation, namely customer focus, competitor focus and inter functional coordination, are also carried out. Lastly, a multiple regression is carried out to determine the relationship between the components of market orientation and customer satisfaction and a test of various hypotheses stated in the study.

5.2 Demographic Profile of Respondents

The demographic variables considered by this study are gender, age groups, and highest level of education of respondent. Results from the demographic data of the sampled respondents indicate that there were 76 men representing 63.3% males and 44 women which accounted for 36.7% females who participated in the research work. In terms of age group 16-25 had a frequency of 4 representing 3.3%, while 26-35 had a frequency of 50 representing 41.7%. The highest age brackets were between 36-45 which has a frequency of 59 representing 49.2%. The final age group was those above 46 and the frequency 7 accounting for 5.8% of the sampled respondents.

Table 5.1: Demographic Profile of Respondents

Variables	Definition/Measurement	Frequency (N=120)	Percent
Gender	Male	76	63.3
	Female	44	36.7
Age	16-25	4	3.3
	26-35	50	41.7
	36-45	59	49.2
	46 and above	7	5.8
Position	Chief executive office	3	2.5
	Chief Marketing Officer	8	6.7
	General Manager Marketing	13	10.8
	Sales and Marketing Manager	28	23.3
Highest academic qualification	Other positions	68	56.7
	HND Holder	3	2.5
	Bachelor's degree	52	43.3
	Master's degree	64	53.3
	Other	1	0.8
Response on Characteristics of the bank			
Availability of marketing department	Yes	119	99.2
	No	1	0.8
Number of workers in the marketing/sales department	1-10	29	24.2
	11-20	31	25.8
	21-30	55	45.8
	More than 30	5	4.2

Source: (Field work, Accra, May 2016)

The statistics on gender and age were an illustration of respondent's participation in the study. Another variable that was used to profile sampled respondents was the positions or ranks in the organisation. The analysis shows that sales & marketing managers of the two

banks were frequency of 28 respondents representing 23.3% while the frequency of General Manager position from the various branches of the two banks were 13 representing 10.8%. The frequency of chief marketing officer was 8 representing 6.7%. The position with the highest frequency was from the other positions and ranks like relationship managers and officers, credit analysts, Risk analysts, customer service managers, heads of corporate banking, heads of delivery managers, treasury managers and officers etc.

Another variable that was used to profile sampled respondents was their educational qualification. The selected branches for the two banks for studies reveal that 64 representing 53.3% which is the majority of the sampled population holds master degrees, while 52 representing 43.3% of the sampled gathered were bachelor's degree holders. On the issue of whether the banks have a marketing department, 99.2 % of the sampled confirmed that their banks have a marketing department. Finally about 45.8% of these two banks have employees of between 21 and 30 who are working in the marketing department. The table above shows the demographic characteristics of the study.

5.3 Test of Reliability and validity Scales of Measuring Customer satisfaction

To test the reliability and validity of the study, the study variables were checked using Cronbach's alpha coefficient α (Cronbach, 1951). According to Gliem & Gliem (2003) there is no universal agreement as to the lower limit of the coefficient when testing the reliability and validity of a study. While some authors cite a lower limit of 0.70, others cite 0.60 and still others refer to a lower limit of 0.50 (Hair et al., 1998). For the purpose of this study an alpha of 0.50 was taken as the lower limit. From the table below, the highest Cronbach alpha coefficient of the various components of market orientation is inter-

functional co-ordination with 0.690 (69.0%) and a mean value of 4.38 which is highly significant. This is followed by customer focus with cronbach alpha of 67.4% and overall mean of 4.38. The lowest is competitor focus/orientation with the overall mean of 4.31. The reliability and validity of the study therefore is strong since the lower limit of the cronbach alpha is 58.8%.

Table 5.2: *Test of Reliability and validity Scales of Measuring Customer satisfaction*

Components	Number of Items	Overall mean	Cronbach's alpha Coefficient
<i>Dependent variable:</i>			
Customer Satisfaction	6	4.49	0.739
<i>Independent variables</i>			
Customer focus	6	4.38	0.674
Competitor focus	5	4.31	0.588
Inter-functional coordination	7	4.38	0.690

Source: (Fieldwork, Accra, May, 2016)

5.4 Descriptive Statistics of the Components of Market Orientation

The table below shows the summary of descriptive statistics of customer focus/orientation, competitor focus/orientation and inter-functional coordination.

The results in table show that customer focus had the highest overall mean score of 5.40 (to a large extent) followed by competitor focus with an overall mean score of 4.83. The relatively low overall mean score was recorded by inter-functional coordination (mean score=4.60). This implies that the two banks (Ecobank Ghana and GCB bank) are customer-oriented, competitor focused and utilize their organisation resources and coordinate their staff members in a way that creates superior value for the customers. The banks customer satisfaction was measured using service quality and innovativeness by

employees. A set of questions anchored on a 5 point likert-type scale ranging from 1= strongly disagree to 5= strongly agree were used. Table below summarizes the pertinent results.

Table 5.3: *Descriptive Statistics of Various components of market orientation that enhances Customer Satisfaction*

Variable	N	Mean	Std. Deviation	Std. Error of Mean
Customer focus	120	5.40	0.65	0.060
Competitor focus	120	4.83	0.79	0.072
Inter-functional coordination	120	4.60	1.02	0.093

Source: (Fieldwork, Accra, May, 2016)

SE= Standard error is a measure of reliability. The smaller the error, the more reliable the results.

5.5 Result of Exploratory Factor Analysis

An exploratory factor analysis was carried out to determine the whether the variable used to measure the components of market orientation were appropriate. Principal component analysis was used to extract the variables. Before this was carried out, the data was examined. The correlation coefficient between most of the variables is greater than 0.3, implying that these variables are suitable. In addition, Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's test of sphericity were also carried out. The results indicate that the KMO measure is 0.81 whilst the chi square statistics of the Bartlett's test is approximately 941.99 with 276 degrees of freedom, which is also highly significant at a level of 0.05. This is an indication that exploratory factor analysis can be employed since there is a significant relationship among the variables. Overall, the principal component analysis resulted in the extraction of six (6) components, each of

which has Eigen value of at least greater than 1. The result of the Varimax rotation method with Kaiser Normalization indicates that the variable loadings are very strong. Therefore it could be concluded that all the eighteen (18) market orientation practices that explain customer satisfaction were suitable. The rotated component matrix is shown in Table 5.4 Below

Table 5.4: Exploratory factor analysis of the components of MO and its effects on CS

Rotated Component Matrix						
	Components					
Customer Focus	1	2	3	4	5	6
Our customers satisfaction and loyalty are critical factors that are regularly measured and compared with other banks in Ghana		0.77				
Customer focus help in improvement of customer satisfaction in the bank		0.67				
My bank business objectives are driven by customer satisfaction		0.49				
Improving customer satisfaction in the bank are regularly measured and compared with employees effectiveness					0.57	
Managers in the bank keep on telling employees that they must gear up to be able to meet customers' future needs						0.80
Customer satisfaction are regularly discussed in the bank's strategic conference and meetings						0.72
Competitor orientation/focus promote customer satisfaction in my bank		0.51				
We regularly monitor our competitors moves and marketing efforts in order to provide quality service that satisfies customers				0.40		

The bank response rapidly to competitor actions	0.66					
The bank salespeople are trained to continually monitor and report competitors activities	0.68					
Our top managers regularly discusses competitors strengths and strategies	0.66					
Top managers in the bank repeatedly tell employees that the bank's survival depends on its adapting to effective and efficient departmental co-ordination			0.57			
Organisational structure of the company helps in the dissemination of information to target audience				0.41		
Inter-functional coordination by departments in the bank improves customer satisfaction		0.58				
According to the bank policy customer satisfaction is the top most priority		0.67				
The bank demonstrate employee personal involvement in order to make sure customers are satisfied					0.55	
Employees in the bank are genuinely concerned about the need to measure and improve customer satisfaction	0.66					
All of our business functions (marketing/sales, finance/accounting, HR, R&D etc) are integrated to providing quality service to our customers	0.65					
I am satisfied with the overall quality of service offered by my bank			0.83			
I am satisfied with the professional competence of my bank			0.80			
I am comfortable about the relationship with my service provider					0.69	
I am satisfied with the performance of the frontline employees of my bank			0.45			
My bank goals/objectives for customers satisfaction are set and				0.79		

included in strategic plans						
The bank employees are sympathetic and reassuring if something is wrong in order to make sure customers satisfied	0.57					
Extraction Method: Principal Component Analysis.						
Rotation Method: Varimax with Kaiser Normalization.						
Rotation converged in 15 iterations.						

Source: (Fieldwork, Accra, May, 2016)

5.6 Regression Analysis

The standard regression is a multivariate data analysis tool that enables the researcher to relate one or more variables (independent) in a study to another variable (dependent) in order to establish the relationship that exist between them. It also explains how well a predictor variable contributes to the dependent variable. Taking this study into consideration, the researcher sought to investigate the causal relationship between market orientation and customer satisfaction and how the components of market orientation best are significantly associated with customer satisfaction in the Ghanaian banking sector.

As espoused supra the main purpose of this study is to ascertain the relationship between market orientation and customer satisfaction and three main constructs of market orientation based on (Narver & Slater, 1990) components. The components are customer focus, competitor focus and inter function coordination which are used as strategies to provide latent needs of firm customers and promote firm performance and employee satisfaction. From the analysis so far, it is profusely clear that all the three components have positive association with customer satisfaction in the Ghanaian banking sector. This is discussed below taking into consideration works done in relation to extant literature.

5.6.1 Market Orientation Practices and Customer Satisfaction

The study sought to test the relationship between Market Orientation (MO) and Customer Satisfaction (CS). Literature in market orientation as defined by Deshpande & Webster, (1987) as an organizational culture that has a set of shared values and beliefs in putting the customer first in business planning. Also Narver & Slater (1990) viewed market orientation as an organizational culture, and that market-oriented firm's focus not only on customers but also on competitors. They posited that for a firm to be seen as market-oriented then its culture is systematically and entirely committed to the continuous creation of superior customer value.

The results show that, there is positive relationship between market orientation and Customer Satisfaction. From table 5.5 below beta of 0.323 shows positive relationship between market orientation and customer satisfaction. The R square (0.104) indicate that 10.4% of the variation of customer satisfaction is explained by market orientation. The implication of this on the banking sector is that, owing to the influx of foreign banks from Nigeria into the country in recent times and the relaxation of regulatory framework by the Bank of Ghana, it makes good reason for Banks to offer superior customer service to their client if they are to remain competitive and relevant. This confirms research findings by (Mahmoud, 2012) that state that a market orientation strategy can improve customer satisfaction hence culminate in loyalty and employee performance and firm performance which result in profitability (Kohli & Jaworski, 1990; Narver & Slater, 1990).

Table 5.5: Regression Results for the effect of Market Orientation on Customer Satisfaction

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	21.523	1.497		14.376	0.000
Market Orientation	0.364	0.1	0.323	3.643	0.000

Model Diagnostics

R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
					F Change	df1	df2	
0.323	0.104	0.096	2.28808	0.104	13.27	1	114	0.000

Source: (Fieldwork, Accra, May, 2016)

5.6.2 Multiple Regressions of Components of Market Orientation and Customer Satisfaction

A stream of literature reported a positive significant relationship between components of market orientation and customer satisfaction, firm performance and profitability (Mahmoud et al., 2014; Njeru & Kiberu, 2014; Narver & Slater, 1990; Slater & Narver, 1994a; Jaworski & Kohli, 1993; Powpaka, 1996; Appiah-Adu & Ranchhod, 1998; Pelham, 1999; Subramanian & Gopalakrishna, 2001). The study revealed that ensuring a good service quality in the banking sector is a major necessary requirement and a prerequisite for customer satisfaction and retention (Cronin & Taylor, 1992; Ekiz et al., 2006). This study used modified Narver and Slater model developed in 1990 to run the regression and the results illustrate show strong positive beta of 49.8% for customer focus, 62.4% for competitor focus and 29.7% for inter functional coordination. The multiple regional analyses also show a positively significant correlation between the components of

market orientation and customer satisfaction. This can go a long way to increase firm or bank performance.

Table 5.6: Multiple regression on the components of MO and CS

(a) Model 1 (Independent variable is customer focus)

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	13.65	2.174		6.279	0.000
Customer focus	0.505	0.082	0.498	6.13	0.000

(b) Model 2 (Independent variables are customer focus and Competitor focus)

(Constant)	8.822	1.86		4.744	0.000
Customer focus	0.165	0.079	0.162	2.081	0.040
Competitor Focus	0.639	0.08	0.624	8.006	0.000

(c) Model 3 (Independent variables are customer focus, Competitor focus and inter-Functional coordination)

(Constant)	6.94	1.999		3.471	0.001
Customer focus	0.074	0.086	0.073	0.858	0.393
Competitor Focus	0.466	0.102	0.455	4.591	0.000
Inter-Functional coordination	0.261	0.092	0.297	2.828	0.006

Source: (Fieldwork, Accra, May, 2016)

5.7. Regression Analysis of Innovation, Service Quality and Market Orientation

Table 5.7 below show the analysis of the mediating variables and market orientation. The result reveals strong and positive relationship between market orientation and the mediating or moderating variables service quality and innovation. The regression reveals that service quality and innovation had a statistically significant influence on market orientation which invariably enhances customer satisfaction. The result reveals a beta of .087 (β -08.7 %) shows a relatively good relationship between effect of service quality and

market orientation in the Ghanaian banking sector. The R Square- 0.258 indicates that 25.8% of the variation of service quality and innovation is explained by market orientation.

Table 5.7: Regression analyses on Mediating variables and market orientation

Model results

	Unstandardized Coefficients		Standardized	T	
	B	Std. Error	Coefficients	Beta	Sig.
(Constant)	1.877	0.705		2.663	.009
Service quality	0.022	0.030	.087	.734	.465
Innovation	.040	0.036	.154	1.114	.268

Model Diagnostics

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	F	df1	df2	Sig. F Change
0.674	0.258	0.449	1.78718	0.454	84.028	1	101	0.000

Source: (Fieldwork, Accra, May, 2016)

5.8 Test of Study Goodness –of- Fit- Model

In order to ensure the reliability of study the goodness-of- fit model was carried out. The result of the hypotheses two to four had assumed that the three market orientation components (customer orientation, competitor orientation and inter-functional coordination) contribute equally to the satisfaction of the customers. The results for these hypotheses are presented in Table 5.8(a). The results in Table 5.8(a) reveal that customer focus with 24.8%, 51.6% and inter-functional coordination 56% respectively which explains of the variation in customer satisfaction. When competitor focus was added there was an R2 change of 0.525 meaning that there was change in the R2 square. Also, when

inter-functional coordination was added, there was no change in R². This suggests that 51.6% and 56% of the variation in customer satisfaction can be explained by customer focus and competitor focus. The results in Table 5.8(b) indicate that the overall model was statistically significant (p-value=.000).

Table 5.8(a): Results of Goodness-of-fit of the Regression of on Customer Focus, Competitor Focus and Inter-functional Coordination on Customer Satisfaction Model

Model Diagnostics:

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.498	0.248	0.241	2.09661	0.248	37.578	1	114	0.000
2	0.724	0.525	0.516	1.67429	0.525	60.744	2	110	0.000
3	0.749	0.56	0.547	1.62006	0.56	42.057	3	99	0.000

Source: (Fieldwork, Accra, May, 2016)

Analysis of variance*Table 5.8(b) The Analysis of the variance*

Mode		Sum of	Df	Mean Square	F	Sig.
1		Squares				
	Regression	165.185	1	165.185	37.578	0.000
1	Residual	501.117	114	4.396		
	Total	666.302	115			
	Regression	340.561	2	170.281	60.744	0.000
2	Residual	308.359	110	2.803		
	Total	648.92	112			
	Regression	331.146	3	110.382	42.057	0.000
3	Residual	259.835	99	2.625		
	Total	590.981	102			

Source: (Fieldwork, Accra, May, 2016)

Table 5.9: Regression Results for the effect of Customer Focus on Customer Satisfaction

Customer Focus									
(a)Model results		Unstandardized Coefficients		Standardized Coefficients		T		Sig.	
		B	Std. Error	Beta					
(Constant)		13.65	2.174	-		6.279			0.000
Customer focus		0.505	0.082	0.498		6.13			0.000
(b)Model Diagnostics:									
R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
				R Square Change	F Change	df1	df2	Sig.	F Change
0.498	0.248	0.241	2.09661	0.248	37.578	1	114	0.000	

Source: (Fieldwork, Accra, May, 2016)

Table 5.10: Regression Results for the effect of Competitor Focus and Customer Satisfaction

Model Results

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.				
		B	Std. Error	Beta						
(Constant)		11.221	1.481		7.577	0.000				
Competitor Focus		0.729	0.068	0.711	10.665	0.000				
Model Diagnostics										
R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics						
				R.Square Change	F Change	df1	df2	Sig.	F Change	
0.711	0.506	0.502	1.69923	0.506	113.74	1	111	0.000		

Source: (Fieldwork, Accra, May, 2016)

Table 5.11: Regression Results for the effect of Inter-Functional Focus on Customer Satisfaction

Model results

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.				
		B	Std. Error	Beta						
(Constant)		8.797	1.985		4.431	0.000				
Inter-Functional Coordination		0.591	0.064	0.674	9.167	0.000				
Model Diagnostics										
R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics						
				R Square Change	F Change	df1	df2	Sig.	F Change	
0.674	0.454	0.449	1.78718	0.454	84.028	1	101	0.000		

Source: (Fieldwork, Accra, May, 2016)

5.9 Discussion of Major Findings

Market Orientation and Customer Satisfaction:

Market orientation has emerged as a protective marketing strategy aimed at maintaining and creating superior customer value and term relationship with the aim of understanding their needs in order to satisfy them with the view to creating competitive advantage (Mahmoud et al., 2011; Hinson & Mahmoud, 2011). As espoused earlier, several literatures reported a positive significant relationship between market orientation and customer satisfaction (Mahmoud et al., 2011; Agarwal et al., 2003).

From the study regression analysis was used to test the relationship between MO practice and customer CS in the Ghanaian banking sector. The first regression examined “that the greater the practice of market orientation the higher the level of customer satisfaction” with MO as independent variable and CS as the dependent variable. The second regression tested the three market orientation components as independent variables, with the customer satisfaction as dependent. The results showed positive relationship between market orientation and customer satisfaction. From table a beta of 0.323 show positive relationship between market orientation and customer satisfaction. The R square (0.104) indicate that 10.4% of the variation of customer satisfaction is explained by market orientation, indicating that there is a positive relationship between the market orientation and customer satisfaction. The results indicate that the extent of MO practice in the Ghanaian banking sector is high. The findings from this study are consistent with results from previous studies (Narver & Slater, 1994; Hunt & Morgan, 1995) who study found out that market orientation concept which concerned with customer-orientation,

competition-orientation, innovation and profit as an inducement for creating satisfied customers.

Customer Focus and Customer Satisfaction

With regard the relationship between customer focus and customer satisfaction in the Ghanaian banking sector, the result as indicated in the regression model shows yet another positive relationship between customer focus and customer satisfaction. The positive association nevertheless further confirmed the hypothesis of the study which states that “the banks degree of customer focus adoption is positively related to customer satisfaction”.

The revelation of the result sought to explain that the banks perceive customer focus as a driver of customer satisfaction in the banking sector. However, this could be achieved by certain mediating factor such as the level of innovativeness by the managers of the banks and service quality delivery level. From table 5.9 above a Beta of 0.498 (β -49.8 %) shows a strong relationship between effect of customer focus and customer satisfaction in the Ghanaian banking sector. The R Square- 0.248 indicates that 24.8% of the variation of Customer focus is explained by market orientation. This finding appears to be in tandem with existing and empirical studies found in literature. Research conducted by (Mahmoud et al., 2011; Njeru & Kibera, 2014 and Agarwal et al., 2003) confirmed the effect of customer focus not only on firm performance but also on customer satisfaction.

Competitor Focus and Customer Satisfaction

The study hypothesized that “the bank degree of competitor focus adoption is positively related to customer satisfaction”.

In order to determine if the study supports the above hypothesis, a regression was conducted to determine the extent of the relationship between competitor focus or orientation and customer satisfaction. With regard to the competitor focus in the banking industry, the result as indicated in the regression model shows yet another positive relationship between competitor focus or orientation and customer satisfaction. From table 5.10 above a Beta of 0.711 (β - 71.1 %) shows a strong relationship between effect of competitor focus and customer satisfaction in the Ghana banking sector. The regression reveal that competitor orientation had a statistically significant influence on customer satisfaction as it explained 50.6% of the variation ($R^2=.50.6$). This implies that 50.6% variation in competitor focus or satisfaction is explained by market orientation.

Inter-functional Co-ordination and Customer Satisfaction

The four fourth hypothesis was “the banks degree of inter-functional coordination adoption is positively related to customer satisfaction”.

In order to determine if the study supports the fourth hypothesis, a regression was conducted to determine the extent of the relationship between inter-functional coordination and customer satisfaction. With regard to the inter-functional coordination in the banking industry, the result as indicated in the regression model shows yet another

positive relationship between the inter-functional coordination and customer satisfaction. From table 5.11 above a Beta of 0.674 (β - 67.4%) shows a strong relationship between effect of inter-functional coordination and customer satisfaction in the Ghana banking sector. From the table, the regression reveal that competitor orientation had a statistically significant influence on customer satisfaction as it explained 45.4% of the variation ($R^2=0.454$). This implies that 50.6% variation in inter-functional coordination is explained by market orientation.

CHAPTER SIX

SUMMARY, CONCLUSIONS, AND RECOMMENDATIONS

6.1 Introduction

The Ghanaian banking sector is increasingly becoming customer-centric and are embracing customer-driven initiatives that seek to understand, attract, retain and provide a tailor made products and services as a prerequisite for competitive advantage. Building an intimate long term relationship with profitable customers provide organisation performance and profitability as well as increasing employees performance (Kotler, 2006; Narver & Slater, 1990). When dealing with companies and clients, exceptional customer service quality is what tends to solidify customer satisfaction and subsequently reduces the churn drivers.

This study employed quantitative research method to explain the extent of impact and relationship that exist between market orientation and customer satisfaction in the Ghanaian banking industry. The study employed the components of market a model postulated by Narver and Slater in the banking industry that potentially influence the level of customer satisfaction and repurchase intention of customers. This last chapter also summarizes the major findings and implications of the study and highlights revelations and lessons drawn from the study which will guide the conclusions to be drawn based on the interpretation of output results of the study and related literature reviewed. This chapter concludes by proffering suggestions and recommendations for further research.

6.2 Summary

In today's increasingly competitive and volatile business environment like that of the Ghanaian banking sector, customer satisfaction has become an ideal objectives and has therefore become the lifeblood of every organization. It is therefore of importance for professionals and practitioners in the banking sector to identify and have a better understanding of the factors that promote customer satisfaction and adopt them in order to prevent customers from defecting to competitors. This study dwell more on existing literature and adopted a research model aimed at identifying the extent of association and relationship that exist between the three independent variable constructs of market orientation (customer focus, competitor focus, and inter functional coordination and customer satisfaction (CS) as the dependent variable.

From a theoretical perspective, this study's overall results for the hypothesized relationships are positive and statistically significant. The study established that the three components of market orientation (customer focus, competitor focus and inter-functional coordination influence significantly organisation or bank customer satisfaction. This suggests that market orientation plays important role in shaping customer satisfaction through service quality and management innovativeness.

What type of market orientation practices has a relationship with customer satisfaction in Ghanaian banking sector?

The study sought to find out whether market orientation significantly associates with customer satisfaction. In otherword what type of MO practices has a relationship with customer satisfaction in Ghanaian banking sector. A regression model and exploratory

factor analysis were employed to test the practice of market orientation and its impact on customer satisfaction in the banking sector in Ghana. The result of the analysis clearly revealed that there is positive significant relationship between market orientation and customer satisfaction. A regression analysis also carried out on the MO and CS revealed that the mediating variables of service quality and innovation were significant. The meaning here is that Market orientation strategies such as providing superior service quality through employees' commitment and innovativeness all determine the propensity of the customer to be satisfied. (Agarwal et al., 2003; Hinson & Mahmoud, 2010) contend that market orientation, service quality and innovation have significant effects on business performance although much of the variations in performance are accounted for by the mediating effect of innovation and service quality on the market orientation-business performance relationship which can lead to customer.

What components of market orientation practice lead to customer satisfaction?

The second question or objective sought to investigate what sorts of components of market orientation promote customer satisfaction in the Ghanaian banking sector. Literature clearly indicated that market orientation as a necessary precondition for firm performance and customer satisfaction (Mahmoud et al., 2011). This study used a modified Narver and Slater model of components of market orientation (MAKTOR) to find the relationship between the components of market orientation and customer satisfaction. The study established a positive and significant relationship between customer focus, competitor focus, inter-functional coordination and customer satisfaction of the banks surveyed in Accra. This suggests that for banks to provide superior customer service, they need to operate on customer-led approaches, monitor and respond to competitor strategies. The

study was consistent with (Dalbooh, 2014) on the impact of MO on performance of Jordanian Islamic.

6.3 Conclusion

One of the reasons why market orientation has received attention by practitioners' researchers in the past is because it is believed that a high level of market orientation can provide a solid basis for a sustainable competitive advantage (Narver & Slater, 1998; Hunt & Morgan, 1995). Achieving customer satisfaction in business has become a central issue to both practitioners and researchers. Researchers have demonstrated that it costs more to attract new customers than to retain old ones (Narteh & Kauda, 2014; Narteh et al 2012; Pfeifer, 2005; Uncles et al., 2003) and that the benefits of customer satisfaction and loyal customers are enormous. Mahmoud et al., (2011) further contended that achieving and good market orientation practice enhances customer satisfaction and customer loyalty which are the precondition for competitive advantage.

Existing literatures emphasized that the practice of market orientation and customer satisfaction in the life of an organization is a prerequisite for organisation performance and competitive advantage (Dabbooh, 2014; Mahmoud et al., 2011). This study developed four constructs (model) based on Narver and Slater MAKTOR to assess the level of which this model impact on customer satisfaction. Consistent with existing literatures, the study revealed that these three construct are antecedents or are necessary preconditions for customer satisfaction to the two banks (Ecobank Ghana limited and GCB bank limited) in particular and in the banking sector in Ghana. This study also provides several useful decision-making implications. The credence that practice of market orientation enhances

customer satisfaction in an organisation but not been find in the banking sector. Similarly, the use of innovative processes and delivery of quality service to facilitate this relationship has had divergent results. This study provides some support that practice of market orientation and its systematic application of the components of its as well as the use of innovation and service quality facilitates the conversion of market-oriented is prerequisite for customer satisfaction. This finding suggests that managers should plan and implement innovation efforts within an appropriate banks market orientation practice.

From the discussion and analysis so far, it is logical to conclude that, these (Ecobank Ghana and GCB bank) and other banks in Ghana can only survive in today's volatile and turbulent business environment when they pay attention to the practice and effective implementation and monitoring of the components of market orientation to ensure their continued use and application to guarantee customer satisfaction, retention and loyalty and the ultimate profitability they deserves. If banks are capable of recognizing which services customers need, design and implement strategies to satisfy those needs, they will gain a competitive edge over its others.

6.4 Recommendations, Implications and Suggestions for Further Studies

As competition intensifies in the Ghanaian banking industry, the importance of customer satisfaction has become a key issue for bank managers. Therefore, the need to maintain mutually beneficial lasting relationship with valued clients cannot be underestimated. Understanding the concept of market orientation and customer satisfaction is of significant value to bank managers as satisfied customers are less likely to leave, less expensive to maintain than bring in new customers through positive word of mouth. In view of this, the findings that evolved from the study above, the following recommendations have been

made for policy considerations in improving on the practice of market orientation and customer satisfaction of Ghanaian banks. The findings contribute to the general body of knowledge and provide a basis for further development of theory and research particularly the market orientation and banks customer satisfaction and retention.

From the practitioners' perspective, the results of the study suggest that market orientation is robust across industry and country context boundaries. The research therefore provides a strong indication that market orientation contributes to customer satisfaction. Also from a theoretical perspective, the study's results for the hypothesized relationships are positive and statistically significant. The study established that the three components of market orientation i.e. customer focus, competitor focus and inter-functional coordination, influence banks performance on customer satisfaction. This suggests that market orientation plays a very important role in determining customer satisfaction in the banking sector. The findings contribute to the general body of knowledge and provide a basis for further development of theory and research particularly the market orientation and customer satisfaction and loyalty.

In view of this, the current study provides managerial implications for bank managers on the factors that contribute to market orientation practices in the Ghanaian banking sector. The findings revealed a significant positive relationship between market orientation customer satisfactions. The direct effects of moderating variables i.e. service quality and innovation were observed in this research to have strongly significant influence on customer satisfaction. Nonetheless, the precise nature of these effects needs can be explored in more detail.

Since this research was cross-sectional in nature, the study inferred causality of relationships but cannot directly demonstrate the order of effects. Given this limitation, future research should examine these relationships in a time-ordered to find out how the mediating factors helps influence customer satisfaction. Also the study emphasized customer satisfaction on the perspective of the banks and not customer perspective therefore future studies could extend into the customers perspective.

Finally, the study used a cross-sectional research design. Even though a cross-sectional design helps in generalization of the findings while offering cost and control advantages, it prohibits investigation of dynamic relationships (Njeru & Kibera, 2014). Longitudinal research designs tend to reveal more explicit and dynamic results among the variables under investigation.

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APPENDICES

RESEARCH QUESTIONNAIRES

This questionnaire is designed to collect information as part of a research project in partial fulfilment of the requirements for the award of a Master of Philosophy degree at the University of Ghana. The topic of the study “**Market orientation practices and customer satisfaction in the Ghanaian banking sector**”. This study is strictly for academic purposes and as such, all information collected through this medium shall be treated as confidential and solely for the purpose for which it has been collected.

Please circle the most appropriate option.

FOR MANAGEMENT/EMPLOYEES/

Sex:

- a) Male
- b) Female

1. Age Group:

- a) 16-25
- b) 26-35
- c) 36-45
- d) 46 and above

2. What position do you hold in the firm?

- a) Chief executive officer
- b) Chief Marketing Officer
- c) General Manager Marketing
- e) Sales and Marketing Manager
- d) Other (please specify).....

3. What is your highest academic qualification?

- a) HND Holder
- b) Bachelor’s degree
- c) Master’s degree

d) Other (please specify).....

4. Do you have a marketing department in your company?

- a) Yes
- b) No

5. How many people work in the marketing/sales department?

- a) 1-10
- b) 11-20
- c) 21-30
- d) More than 30

COMPONENTS OF MARKET ORIENTATION AND CUSTOMER SATISFACTION

No	Customer Focus	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Our customers satisfaction and loyalty are critical factors that are regularly measured and compared with other banks in Ghana					
2	Customer focus help in improvement of customer satisfaction in the bank					
3	My bank business objectives are driven by customer satisfaction					
4	Improving customer satisfaction in the bank are regularly measured and compared with employees effectiveness					
5	Managers in the bank keep on telling employees that they must gear up to be able to meet customers' future needs					
6	Customer satisfaction are regularly discussed in the bank's strategic conference and meetings					

	Competitor Orientation/Focus					
7	Competitor orientation/focus promote customer satisfaction in my bank					
8	We regularly monitor our competitors moves and marketing efforts in order to provide quality service that satisfies customers					
9	The bank response rapidly to competitor actions					
10	The bank salespeople are trained to continually monitor and report competitors activities					
11	Our top managers regularly discusses competitors strengths and strategies					
	Inter-Functional Co-ordination					
12	Top managers in the bank repeatedly tell employees that the bank's survival depends on its adapting to effective and efficient departmental co-ordination					
13	Organisational structure of the company helps in the dissemination of information to target audience					
14	Inter-functional coordination by departments in the bank improves customer satisfaction					
15	According to the bank policy customer satisfaction is the top most priority					
16	The bank demonstrate employee personal involvement in order to make sure customers are satisfied					
17	Employees in the bank are genuinely					

	concerned about the need to measure and improve customer satisfaction					
18	All of our business functions (marketing/sales, finance/accounting, HR, R & D etc) are integrated to providing quality service to our customers					
	Customer Satisfaction					
19	I am satisfied with the overall quality of service offered by my bank					
20	I am satisfied with the professional competence of my bank					
21	I am comfortable about the relationship with my service provider					
22	I am satisfied with the performance of the frontline employees of my bank					
23	My bank goals/objectives for customers satisfaction are set and included in strategic plans					
24	The bank employees are sympathetic and reassuring if something is wrong in order to make sure customers satisfied					
	Service Quality					
25	My bank does not compromise on service of quality service to customers					
26	My bank apply service quality model (SERQUAL) to ensure that superior services are provided to customers					
27	My bank delivery quality service to the customer is the top most priority					
28	My bank is more responsive to customer needs in order to offer good value for money					
	Innovation					
29	The employees goes extra mile to ensure that					

	they deliver what customers expects					
30	A large number of new product ideas have been possible through the innovativeness of the bank R&D department					
31	Innovation and suggestions are implemented without multiple approvals by hierarchical round-ups or across bank levels					
32	My bank is obsessed with the desire to satisfy customers & fulfil their needs which is apparent in our internal materials, branches and PR					

35. How would you rate {rank} the following market orientation components that enhances customer satisfaction most

Components of MO	Excellent	Very good	Good	Average	Poor	Very poor
Customer focus						
Competitor focus						
Inter-functional coordination						