

Determining the impact of the management of market orientation dimensions on the performance of organic food production industries in Iran

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Introduction

Organic farming has a crucial role to play in food supply and the satisfaction of environmental standards. The issues of marketing and sales, one of the main challenges facing organic products (especially in the transition phase), has been expressed in the world (Burton et al., 1997 and 2003, Ferguson 2004, Ferguson et al., 2005, Mac Ins, 2004). On the other hand, market-orientation is the basis of planning and implementation of the strategy, which aims to provide customer satisfaction, achieve and maintain competitive advantage (Day, 1999; Martin and Gerbeck, 2003, Zhao and Kavesjil, 2006). Among the main challenges in marketing organic products, it can be noted to low performance products, the lack of national and regional standards in producing organic products and finding sale markets, which requires government support and macro investment in the marketing research sector of these products. Due to the lack of investigation into the market-orientation strategy in the food industry of agricultural products, in particular, organic food products in the country of Iran, there isn't a comprehensive strategy for developing the market-orientation of organic

products in the country of Iran and a comprehensive and empirical research has not been done in this regard.

Case Study

Due to the lack of investigation into the market-orientation strategy in the food industry of agricultural products, there isn't a comprehensive strategy for developing the market-orientation of organic products in the country of Iran. So the aim of this study is to investigate and determine the dimensions and components of the market-orientation of organic products and find solutions to develop the market-orientation of organic products, according to the environment and native context of Iran and cover the gaps in this field.

Materials and methods

Research method is developmental in terms of the purpose of the research and is combinational in terms of research strategies. The statistical population in the qualitative research method included the managers of companies producing organic products, experienced professional and experts in the field of marketing and policy making that by purposive sampling, its sampling was continued to adequate extent or theoretical saturation and eventually 15 people were interviewed and in the process of quantitative research methods also statistical population consisted of 180 managers and experts of sales and marketing departments of companies producing food products with the brand of "organic" in the country that the sample size was calculated 118 people by Morgan table and the members of sample were chosen by random classified sampling. The variables examined in the study include: environmental factors (independent variables) and performance (the dependent variable) and market orientation is also the mediator variable. In this study, SPSS and PLS soft wares are used to analyze the data. In this study confirmatory factor analysis and the method of structural equation modeling was used to test the hypotheses of the research.

Discussion and results

In this study, descriptive and inferential statistics were used to analyze the data. 15 of total respondents in the qualitative phase, 13.3 percent of respondents have a master's degree and doctorate degree holders who were Assistant Professor and Associate Professor were 46.7, 13.3 and 26.7%, respectively. Of this number, frequency percent of men was 86.7 and that of women was 13.3 percent. In the quantitative phase, of the 119 total respondents, 12.8 percent of respondents had a diploma degree and the holders of undergraduate, graduate, doctoral degree and higher were

2.5, 47.9 and 37%, respectively, that only three of them were women. According to the results, 2.5 percent of respondents were under age 30 and 39.4, 37, and 31.1 percent of respondents were between 31 to 40, 41 to 50 and above 50 years of age, respectively.

Conclusion

The results of the factor analysis calculations show a significant impact of external organizational factors on the market orientation. These results are in line with previous studies (Kohli and Jaworski, 1999; Narver and Slater, 1990 Andorta and Goyata, 2016; aziz & Yassin, 2010). In this study, effective external organizational factors include the intensity of changes in technology, in the market and in the regulations.

The sub-hypothesis 1 of the study, the impact of external organizational factors on the cultural attitude of market-orientation, was rejected. These results are not consistent with other past research findings (Narver and Slater, 1990 Benito Gonzalez et al., 2014; Andorta and Goyata, 2016; Aziz & Yasin, 2010). Maybe it can be said that because trust building hasn't been done for organic product well, therefore, by brand trust building and suitable culture building of the product, other dimensions of market-orientation, such as customer orientation and attention to competitors and inter-sectoral coordination will have effective communication with performance.

The sub-hypothesis 2 of the research, the effect of external organizational factors on the behavioral attitude of the market-orientation, was confirmed that is in line with past research (Kohli and Jaworski, 1990 ,Benito Gonzalez et al., 2014). Thus, it can be argued that firms producing organic products once have understood environmental disturbances are more likely to strengthen market intelligence, gather and interpret market information and distribute it across the firm. In this way they can achieve a competitive advantage and superior performance.

The first sub-hypothesis of the second hypothesis, the impact of internal organizational factors on the cultural attitude of market orientation also was confirmed. This indicates that organizations that their strategy, structure, culture and other internal organizational factors are strong are more likely to have higher capability to analyze competitors and customers and are more prepared for cross-functional coordination. Also, confirming the sub-hypothesis 2 of the second hypothesis indicates that the firm producing organic products that pay great attention to internal organizational factors are more market-oriented than their competitors.

The results confirm the mediating role of market orientation in the relationship of external organizational factors and firm performance. Also, the results indicate that between the two market-orientation approaches (the cultural and behavioral attitudes of market-orientation) only behavioral attitude plays mediating role but since the relationship between external organizational factors and cultural attitudes has not been verified, this dimension of market-orientation can't play a mediating role between external organizational factors and performance. It can be argued that external organizational factors result to the improved firm performance by improving market-orientation in the firm producing organic products. Therefore, companies can contribute to their competitiveness and improved performance by strengthening market intelligence.

In this study, also the mediating role of market-orientation (and its cultural and behavioral attitudes) in the relationship between internal organizational factors and performance was confirmed to show that internal organizational factors, including organizational structure, organizational culture, organizational size and marketing capability, leads to improved financial and non-financial performance of the organization through strengthening the organization's market orientation (the ability to understand the needs of customers, the ability to understand the strategy of competitors, creating cross-functional coordination, market intelligence capabilities, and timely distribution of information). Therefore, companies can achieve superior performance by institutionalizing market-oriented culture and strengthening market intelligence.

Key words: marketing, organic products, performance, internal organizational factors, external organizational factors, Iran