MARKET ORIENTATION AND BUSINESS PERFORMANCE
The Study of Bumiputera Furniture Industry in Kelantan

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Abstract

There is a growing interest in understanding how appropriate alignment between firm strategic market orientation and business performance leads to creating superior value for buyers through three combined-behaviours – customer orientation, competitor orientation and interfunctional coordination. However, previous studies showed that furniture produced by the Bumiputera manufacturer failed to fulfill customer needs. In other words, the industry is currently a producer-led and not a market-led. As a result Bumiputera manufacturer lost their competitiveness in this industry. The issue is therefore, to what extend Bumiputera manufacturer operate with a market-oriented perspective and how its affect their business performance. This study examines the effects of market orientation on business performance in Bumiputera furniture industry in Kelantan. The data was collected from Bumiputera furniture manufactures, wholesalers, and retailers using census method. This study employed a correlation study by using a cross-sectional survey design, which aims to test the relationship between market orientation and business performance among Bumiputera furniture businesses. The results show that the Bumiputera furniture businesses which adopted market orientation have better business performance.

Keywords: Market Orientation, Business Performance, Furniture Industry

INTRODUCTION

Competitive environment of modern day businesses appears to necessitate the successful implementation of market orientation, if an organization is to achieve in its chosen market segments. Market orientation is regarded as the pivotal behind strategic planning and business operations, and hence, as an intrinsic component of organizational efforts (Appiah-Adu et al., 2001). Accordingly, over the last few years, the concept of market orientation has attracted increased attention among academic researchers and business practitioners (Nwokah and Maclayton, 2006; Eusebio et al., 2006). Market orientation makes a fundamental contribution to long-term business success on the bases that an organization's survival depends on its capacity to create value. Consequently, market orientation has been assumed as a prerequisite to success and profitability for most firms (Nwokah 2008).

Customer focus or customer orientation is a central tenet of market orientation. Customer focus is the set of beliefs that put the customer's interest first, which does not exclude those of all other stakeholders such as owners, managers, and employees in order to develop long term profitability (Nwokah and Maclayton, 2006; Nwokah, 2008). Deshpande et al. as cited by Nwokah and Maclayton (2006) view customer focus as being part of overall corporate culture whose values reinforce and perpetuate this focus. This creation of value is accomplished by increasing benefits to the buyers or customer, while decreasing their costs. To develop this level of understanding necessitates acquiring information about the customers and comprehending the nature of economic and political constructs that face them.

Another component of market orientation is competitor orientation. Competitor orientation requires firms to understand the strengths, weaknesses, capabilities and strategies of competitors and actively engage in information acquisition on existing and potential competitor (Deshpande et al., 1993; Narver and Slater, 1990). The last component of market orientation is inter-functional coordination. Inter-functional coordination is defined as "the coordinated utilization of company resources in creating superior value for target customers" (Narver and Slater, 1990, p. 22). Despite the theoretical contributions of many scholars on market orientation, generally, customer orientation, competitive orientation, and inter-functional coordination, specifically, it appears that little attention is paid on their influence on business performance (Nwokah and Maclayton, 2006) in Malaysian organizations. Thus, this paper is aimed at assessing the influence of market orientation, customer orientation, competitor orientation, inter-functional coordination and business performance of Bumiputera furniture entrepreneurs in Kelantan.

This article is structured as follows. A brief literature review on market orientation and business performance is provided to set the context. A research framework is then presented that provides the links between market orientation and business performance. Next, the development of hypotheses and research methodology is discussed. The discussion of research methodology follows which includes research design, target population and sampling size, sampling design, data collection procedure, questionnaire design, research instrument and statistical technique. Finally, the managerial implications are discussed, the limitations are identified and suggestions for future research are made.

Problem Statement

The furniture is a booming industry in Malaysia leads to furniture manufacturers are taking advantage producing various design and offer them to both local and international markets. The Malaysian furniture industry has encouraged the wood products export economy since the mid 1980s as the export value grew rapidly from RM1 billion in 1993 to RM6.5 billion in 2006. In spite of the big contribution made by the furniture industry i.e. 28% in 2008, yet the Bumiputera contribution was only 0.4% of the total furniture export value. The amount of Bumiputera furniture export is still minimal and far behind even at the small and medium industry level (Aman, 2004).The number of Bumiputera furniture exporter keep on decreasing from 35 in year 2000 to 18 exporter in year 2008. Within 10 years, the involvements of Bumiputera in this industry still small, regardless the new technologies we have nowadays, but Bumiputera entrepreneurs still low in penetrating the export market. A report from The Department of Statistic of Suruhanjaya Syarikat Malaysia (2009) shows that there were 950 furniture manufactures firms in Malaysia were terminated since Jan 1990-14th September 2009 (SSM 2009).

According to researchers preliminary interviews done on a few Bumiputera furniture entrepreneurs based in Machang, Kota Bharu and Pasir Puteh, they confessed of having problems such as short of capital, competition from used furniture and other materials, rivalry from imported furniture, lack of technology and innovation, inadequate of marketing knowledge and activities, higher material cost and limited knowledge of the overall spectrum of managerial practices. Abdul Hamid, et.al, (2008) found in their study that the main problem faced by local small medium enterprises (SMEs) is lack of management knowledge. They also suggest these entrepreneurs should focus on financial management, human resource management and marketing management techniques.

According to Bawon (1999), entrepreneurs need to be market-oriented where they need to quickly adapt to the ever-changing customer demands. If this factor continued to be overlooked, the Bumiputera entrepreneurs will stay uncompetitive when the rest are striving well in the furniture business. Most MTIB officers involved with the Bumiputera furniture industry agreed that marketing skills is what the manufacturers' lack of. Canon (1991) and David and Klassen (1991) note that there is currently insufficient knowledge about marketing in small businesses. Based on the above scenarios, the study tries to examine the ability of the Bumiputera furniture entrepreneurs in fully embracing market orientation in order to succeed in the industry. In other words, to become key players who are capable of overcoming all the stated problems?

A business that adopts market orientation will improve its business performance. This observation has been supported by both marketing academics and practitioners for about two decades (Day and Nedungadi, 1994; Deshpande and Farley, 1998; Han, Kim and Srivastava, 1998; Kohli and Kohli and Jaworski, 1990;, 1990; Kohli, Jaworski and Kumar, 1993; Jaworski and Kohli 1996; Narver and Slater, 1990, 1998; Slater and Narver, 1994; Wrenn, 1997).

According to Narver and Slater (1990) a market oriented organization leads the business culture committed to creating superior value for buyers through three combined-behaviours – customer orientation, competitor orientation and inter-functional coordination. Additionally, market orientation provides a set of values that focuses the efforts of all employees on creating superior value for the firm's customers, thereby creating superior advantage and superior performance (Jones, 1995).

However, previous studies showed that furniture produced by the Bumiputera manufacturer failed to fulfil customer needs. In other words, the industry is currently a producer-led and not a market-led. As a result Bumiputera manufacturer lost their competitiveness in this industry. The issue is therefore, to what extend Bumiputera manufacturer operate with a market-oriented perspective and how its affect their business performance.

Research Objectives

The specific objectives of this study are:

1) To identify the factor contributing to Bumiputera furniture entrepreneurs' market orientation and their business performance.
2) To examine the relationship between market orientation of Bumiputera furniture entrepreneurs and their business performance.
3) To investigate the relationship between customer orientation of Bumiputera furniture entrepreneurs and their business performance.
4) To investigate the relationship between competitor orientation of Bumiputera furniture entrepreneurs and their business performance.
5) To investigate the relationship between inter-functional coordination of Bumiputera furniture entrepreneurs and their business performance.

LITERATURE REVIEW

The purpose of this study is to investigate the relationship between Bumiputera's furniture entrepreneur market orientation and their business performance in Kelantan. This subsection reviews relevant literature with respect to the nature of the present study and conceptual background of dependent and independent variables. A review on market orientation and business performance constructs is conducted. Assessing each of these theories separately and together is necessary to understand the possible relationships based on previous research.

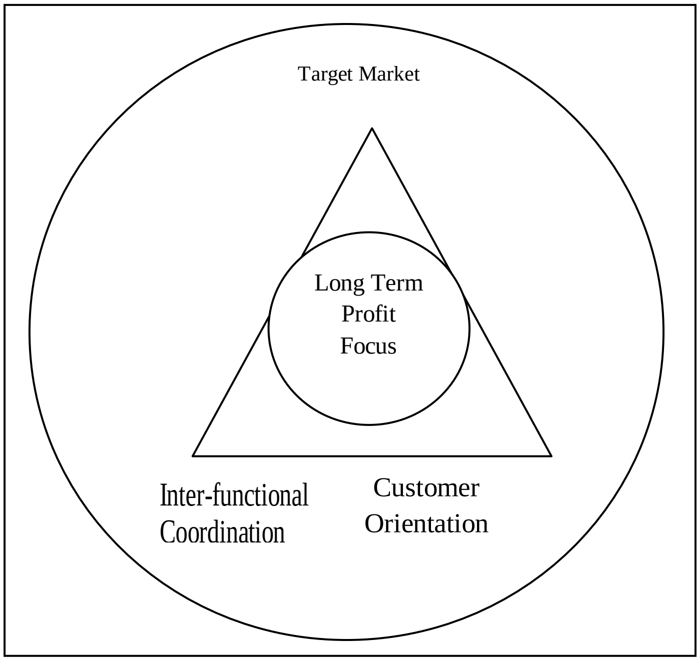
Market Orientation

The concept of a firm's orientation was introduced by the early 1960's (Keith, 1960). The concept of production, sales and market orientation stood the test of time and are referred to as valid concepts for firm orientation much of the work done with regard to market orientation subscribes to the notion of an organizational implementation of the marketing concept (Jaworski & Kohli, 1993; Kohli and Jaworski, 1990; Ruekert, 1992; Singh, 2004). They contrast the marketing concept as a business philosophy to that of market orientation as the implementation of the marketing concept which yields specific activities and behaviours of an organization. Many definitions of market orientation have been provided by scholars in the field. For example, Deshpande and Webster (1987) defined market orientation as an organisational culture that has a set of shared values and beliefs in putting the customer first in business planning. Narver and Slater (1990) also viewed market orientation as an organisational culture. However, they went further and argued that market-oriented firms focus not only on customers but also on competitors. Narver and Slater stated that competitor orientation is equally as important as customer orientation. They also placed emphasis on the importance of inter-functional coordination which is to achieve unison between all functions in the organisation. For Deshpande and Farley (1998), by contrast, market orientation is a set of cross-functional processes and activities directed at creating and satisfying customers through continuous needs assessment. They did not emphasise competitor orientation at all.

Another pair of renowned scholars in the field, Kohli and Jaworski (1990), viewed market orientation as the implementation of the marketing concept. They defined and measured a market orientation as a set of activities or behaviour related to market intelligence gathering, market intelligence dissemination across functions within an organisation, and the action responses based on this intelligence. Building on these three market orientation components, a measurement scale is developed and named as MARKOR (Kohli et al. (1993). Kohli and Jaworski emphasised the behavioural aspects of market orientation. They did not suggest that market orientation is an aspect of organisational culture.

Adapting to Narver and Slater (1990) market orientation, the market orientation consists of three behavioural components: a customer orientation, a competitor orientation and an inter-functional orientation, see Figure 1. A customer orientation enables a business to continuously learn about the perceptions and needs of its current and target customers. A competitor orientation enables the business to continuously learn and monitor the strategies and capabilities of the business that are the principal alternative current or future satisfiers of the target customer's needs. Inter-functional orientation means that every functional area must work collectively to create superior value for customers. All departments must be sensitive and responsive to the perceptions and needs of all other departments in this effort. The theory suggests that the three components of market orientation are of equal importance in affecting business performance. These components form into multi-item scale for measuring market orientation and are labelled as MKTOR by Narver and Slater (1990).

Figure 1 Conceptual Model of Market Orientation



The concepts and theories of market orientation are appraised in support of the development of marketing strategies. As a way to implement the marketing concepts into an organization, market orientation was introduced in the past two decades (Morgan and Strong, 1998). Several construct were develop to define and measure market orientation (Deng and Dart, 1994; Deshpande et al., 1993; Kohli and Jaworski, 1990; Narver and Slater, 1990). Before Kohli and Jaworski (1990) contributions, Shapiro (1988) suggested that a company can be market oriented only if it completely understands it markets and the people who decide whether to buy its products or services. He discusses the fact that the customer and the person who decides to buy the product may, in fact, be separate individuals or groups. Non-buying influences, according to him, are part of the information on which a truly market-oriented company ought to focus. Shapiro also addresses the need for information to be "unvarnished" or "pre-digested" as it moves throughout the organisation, so that managers can pick up on what improvements the customer needs. He stresses the reality that new products require close communication and cooperation between the marketing, research and development, and manufacturing departments. Shapiro's view on market orientation is in line with both Kohli and Jaworski's and Narver and Slater's approaches; however, the diffusion of information and common commitment to action is what characterizes his approach.

The key principle of market orientation involves the activities of gathering, analysing,and utilizing customer data throughout an organization, which underpins the key issue of relationship marketing and management (McNaughton et al., 2001; Paul, 1998; Ruekert, 1992; Ryals and Knox, 2001; Wilson et al., 2002). Firstly, an organization which adopt relationship marketing and management strategy well usually exhibits a higher level of market orientation concepts (Meldrum, 2000); thereby adopting market orientation concept at a company-wide level is a fundamental step in pursuing relationship marketing and management strategy (Johnston, 2001). Secondly, a market-oriented organization usually outperforms non-oriented firms in market place, as more resources are invested to improve the performance of organization and to deliver services at higher quality level to customers (Chang et al., 2003). In view of these two issues, it is believed that a highly market-oriented organization would have better performance in financial and quality aspects, and vice versa. The following section will take a closer look at two major perspectives at market orientation.

Market orientation - Kohli and Jaworski's View

Kohli and Jaworski (1990) viewed the term "market orientation" as the implementation of the marketing concept. In other words, a market-oriented firm is the one whose actions are consistent with the marketing concept. Kohli and Jaworski (1990) proposed that there are three core themes in marketing concept: customer focus, coordinated marketing, and profitability.

They then conducted interviewes with 62 managers in both marketing and non-marketing positions in the US and concluded that profitability is a consequence of market orientation, and not a component of it. They finally defined market orientation as follows: Market orientation is the organisation-wide generation of market intelligence pertaining to current and future needs of customers, dissemination of intelligence horizontally and vertically within the organisation-wide action, or responsiveness to it. Market intelligence refers to the collection and assessment of both customers' current and future needs, plus the impact of government regulation, competitors, technology and other environmental forces. Kohli and Jaworski (1990) stated that market intelligence is not the exclusive responsibility of the marketing department. Instead, it is the responsibility of all departments. Even though in this definition market intelligence includes information about competitors, Kohli and Jaworski did not place the same importance on competitor orientation as on customer orientation. In this respect they differ somewhat from Narver and Slater's view of market orientation.

Kohli and Jaworski (1990) also stated that market intelligence must be communicated and disseminated throughout an organisation in both formal and informal ways. Effective dissemination of market intelligence is seen as vital act since it provides a shared basis for collaborative efforts by different departments. This idea is in line with the importance of inter-functional coordination within the organisation recommended by Shapiro (1988), Narver and Slater (1990) and Slater and Narver (1994). The last component of market orientation, according to Kohli and Jaworski, is responsiveness to market intelligence, which is generated and disseminated. Findings from their study suggested that 'responsiveness' involves the selection of target markets, the design and selection of products and services, the production, distribution and promotion of the products.

Market orientation – Narver and Slater's View

Narver and Slater (1990) posit that market orientation consists of three behavioural components: customer orientation, competitor orientation, and inter-functional coordination. According to them, these three components are of equal importance.

Customer Orientation

Narver and Slater (1990) stated that the heart of market orientation is its customer focus. For companies to be customer oriented, they need to find out what customer needs are, now and in the future, in order to create a value-added benefit (Narver and Slater, 1990; Slater and Narver, 1994). This concept seems to coincide with Kohli and Jaworski's (1990) idea that firms must determine their customers' needs and fulfil them. However, Narver and Slater (1990) emphasised not only fulfilling customer needs, but also creating value-added benefits by either increasing a buyer's benefits or decreasing a buyer's cost. They suggested that employees in these organisations pay attention to service delivery. Employees of these organisations also spend considerable time with their customers (Narver and Slater, 1994).

Competitor Orientation

Another component of market orientation is to be competitor oriented. Narver and Slater (1990) stated that forms should understand and identify the short-term strengths and weaknesses and long-term capabilities and strategies of both current and future competitors. Employees from every department in a market-driven organisation share information about competitors because this information can be used to the company's advantage (Narver and Slater, 1994). Competitor orientation is viewed as equally important as customer orientation.

Inter-functional Coordination

The last component of market orientation is inter-functional coordination, in which every department has an important role to play in satisfying customers. The idea concurs with Shapiro (1988), who stated that market orientation is not marketing orientation. A market orientation does not suggest that the marketing department has the most important role. The study adopts Narver and Slater's (1990) construct for several reasons. Firstly, Narver and Slater's construct separates customer orientation and competitor orientation into different components. Therefore, it is easier to see the impact of each component (customer or competitor orientations) on business performance. Although Narver and Slater view market orientation as one construct, it is quite common that researchers analyse each component separately (Lukas and Ferrell, 2000).

Secondly, some studies indicate that Narver and Slater's market orientation construct outperforms the Kohli and Jaworski's construct (also known as MARKOR, as developed by Kohli, Jaworski and Kumar, 1993), in terms of criterion validity, reliability and uni-dimensionality (Farell and Oczkowski 1997; Oczkowski and Farell, 1998).

Moreover, other researchers have criticised the narrow conceptualisation of MARKOR, in that it does not sufficiently capture the notion of providing value to customers (Pelham, 1993).

Market Orientation and Business Performance

Research into the relationship between market orientation and business performance has been a fertile area over the past decades. The research output has been substantial, and can be conceptually divided into two streams, depending on its analytical focus (Pulendran et al., 2003). The first key research stream examines the market orientation-business performance relationship. From the outset (Pulendran et al., 2003) research conducted in this area has generally supported the proposition that market-oriented organizations achieve better outcomes than do less market-oriented ones. Market orientation is a well-accepted construct which is widely applied to commercial exchange organizations. It is important to understand market orientation as a possible contributing factor for success. Empirical research has found that this particular strategic orientation has a positive effect on an organization's competitive position (Deng & Dart, 1994; Deshpande & Farley, 1998; Kohli, Jaworski, & Kumar, 1993). Research done by Narver and Slater (1990; 1994) also found a positive relationship between market orientation and business performance measured by return on assets (ROA) and sales growth. In theory, market orientation should affect both ROI and sales growth. Narver and Slater suggest that a measure of market orientation tap behaviours in business that has a greater impact on sales growth than ROI.

The findings indicate the positive effect of market orientation on sales growth will increase profits as long as ROI is greater than the cost of capital. While the relationship between market orientation and business performance is generally accepted, some challenges remain within the literature. Singh (2004) lists 29 studies which evaluate the link between company performance and market orientation, 10 of which fail to show a positive relationship. Contradict results also were found in Nwokah (2008) works. The research does not find any strong association between market orientation and business performance in the Nigerian context using food and beverages organizations. The explanations lead to the weak relationship between the two variables are the influence of moderating variables such as government policies, new product development, diversification, innovation and devaluation of the Nigerian currency. Moreover, research done by Wong and Sanders (1993) on the Japanese firms has proved that marketing orientation did not lead to firms' success. Marketing equips managers with an ability to satisfy customers' wants today, but innovation is concerned with satisfying what customers do not know they want tomorrow.

RESEARCH METHODOLOGY

This section introduced research framework and explained hypotheses development. The sections that follow are devoted to explaining research design, population frame, data collection procedure, questionnaire design, measurement of variables, and statistical techniques.

Research Framework

The review of the literature shows the relationship between market orientation and business performance. It posits that market orientation as independent variable affect business performance as dependent variable. The conceptual framework in this study is presented below.

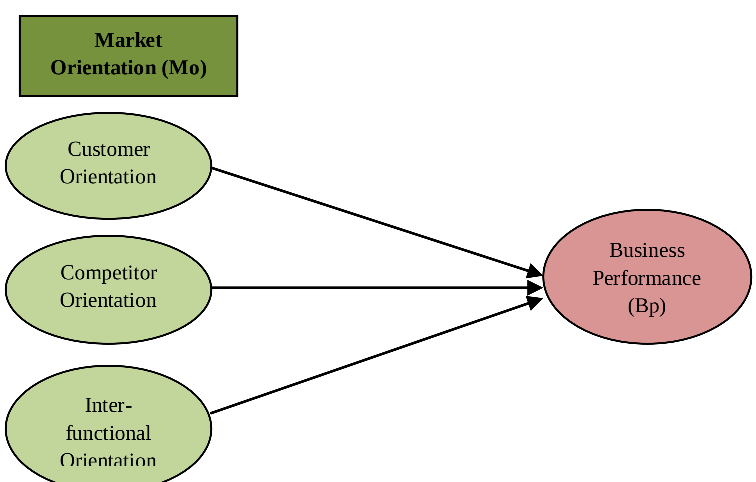


Figure 2 Conceptual Framework

The present research uses a cross-sectional study design which aims to test the relationship between customer orientation, competitor orientation, and inter-functional coordination (independent variable) and business performance (dependent variable). Cross-sectional design involves the connection of information from any given sample of population elements only once (Malhotra, 1996). Kumar (1996) explained that this design is suitable for studies that aimed to analyze a phenomenon, situation, problem, attitude or issue by considering a cross-section of the population at one point in time. The advantage of this method is that it is cheaper and less time consuming than a longitudinal design. In fact, the majority of extant market orientation and business performance studies have employed cross-sectional designs (eg, Narver and Slater, 1990; Lee and Yang, 1990; Jaworski and Kohli, 1993; Kaynak and Kuan, 1993; Evangelista, 1994; Cavusgil and Zou, 1994; and Greenley, 1995). Furthermore, hypothesis testing is implemented to explain the variance to the dependent variable.This study employed the survey method, which makes use of a questionnaire. Researchers choose to use self-administered questionnaire as the means to data collection. The self-administered questionnaire will be handed out to all the respondents and collects them back after they have been completed. Self-administered questionnaire was chosen for several reasons. This method is cheaper to administer, quicker to administer, absence of interviewer effects, no interviewer variability and convenience for respondents (Bryman and Bell, 2007).

The sampling frame used for this study is Kelantan's bumiputera furniture entrepreneur listed by SSM 2009. The list is considered the most appropriate source to use for this study. It covers all furniture companies registered in Kelantan. It is also the most frequently updated companies' list available for public use. Furthermore, the information is provided by the most reliable sources, Suruhanjaya Syarikat Malaysia (SSM), a government agency which monitors all the companies in Malaysia. There are 105 active Bumiputera entrepreneurs registered with SSM in 2009.

According to Sekaran (2007), for population above 110, the minimum sample size of 86 respondents is considered sufficient to test the hypotheses proposed 95% confidence level (the resulting in 5% probability error). Thus, a minimum of 83 Bumiputera furniture entrepreneurs is required in this study.

The participants was approached by interviewers, who are graduate students and had had experience with data collection, hand out self-administered questionnaires and collected them on the spot as soon as they were completed. Each respondent in this phase was asked about whether s/he is the key informat for the company and was willing to participate in the survey. Then, this key informat agreeing to participate will be asked to complete the survey questionnaire. Narver and Slater (1990) and Jaworski and Kohli (1993) used the SBU (Strategic Business Unit) as a unit of analysis in their studies. The SBU is defined as a business unit within the organization that has a well-defined business strategy and a manager responsible for profits and losses (Aaker 1988). In the context of Kelantan Bumiputera's furniture companies, the SBU may mean the companies as a whole since the companies are usually smaller and less complicated in their organizational structure than those of other type of companies. Since this research seeks to replicate the work of Narver and Slater (1990) and Jaworski and Kohli (1993) in a Kelantan business context, it uses the SBU as the unit of analysis. This in turn allows the study to maintain a level of consistency with data collection technique of these authors.

The questionnaire was distributed by using face to face technique. It was conducted in three months, starting from January until March 2010. The interviewers thoroughly explained how to fill the questionnaire out and assure the respondents that their responses would be confidential, thus minimizing the possibility of misinterpretation of the questions. A total of 96 questionnaires were returned, which resulted in an overall response rate of 64 per cent. Of the 96 returned questionnaires, 8 were unusable. There were several reasons for this: 6 respondents did not complete the questionnaire and 2 respondents answered inconsistently. In the subsection that follow, the research results are exposited, inferences made and specific findings highlighted.

RESEARCH RESULTS

Reliability test are conducted to see whether the question given in the questionnaires are related to each other or not. In the section Aa (customer orientation), Aa6 will be remove because the Cronbach's Alpha will increase to 0.922. The means showed in close range indicate that the questions can be grouped into one variable. For section Ab (competitor orientation), question Ab4 will be remove because the Cronbach's Alpha will increase from 0.848 to 0.899. Section Ac (interfunctional orientation) has Cronbach Alpha at 0.891. The entire question will be accepted because the Cronbach's Alpha is not increase if any of the questions is removed and the means are in close range.

For the section B (business performance), Cronbach's Alpha is at 0.816 and question B4 will be removed because the Cronbach's Alpha will increase to 0.825. This group of questions can be group together as a variable.

After removing the non-related questions in the questionnaires, the remaining data will be compute according to their categories to provide meaningful variables. The variables are Aa (customer orientation), Ab (competitor orientation), Ac (interfunctional orientation), and B (business performance).

Correlations

		B	Aa	Ab	Ac
B	Pearson Correlation	1	.695**	.816**	.692**
	Sig. (2-tailed)		.000	.000	.000
	N	88	88	88	88
Ab	Pearson Correlation	.816**	1	1	1
	Sig. (2-tailed)	.000			
	N	88	88	88	88

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

The table above shows the correlation matrix among the variables. Correlation matrix is required to show the association between two variables at a time. Sig. (2-tailed) in the table indicates the probability level from a null hypothesis test and all of them are significant ($p < 0.001$). The Pearson correlation between B (business performance) with Aa (customer orientation) is 0.695 (significant at 1%). There is medium positive relationship between customer orientation and business performance. The Pearson correlation between B with Ab (competitor orientation) is at 0.816 (significant at 1%). Between the competitor orientation and business performance, the relationship is heavy positive which means that the competitor orientation among entrepreneurs will give a large affect to the business performance if other independent variables are absent. Lastly, the Pearson correlation between B and Ac (interfunctional orientation) show correlation of 0.692 (significant at 1%) and its mean that there is medium positive relationship among them.

Multiple regression are used in multivariate analysis to predict the values on a quantitative outcome variable (business performance), using several other predictor variables (customer orientation, competitor orientation, and interfunctional orientation).

Model Summary[b]

R	R Square	Adjusted R Square	Std. Error of the Estimate
.878[a]	.771	.763	.49357

a. Predictors: (Constant), Ac, Ab, Aa b. Dependent Variable: B

According to model summary, multiple correlation coefficients indicate the value of 0.878 which means the relationship between dependent variable and independent variables are positive. R square is at 0.771 and adjusted R square is 0.763 which are good for analysis. Adjusted R square takes into consideration the number of observations and the number of predictor variables to make sure that things aren't too inflated. If adjusted R square is at 0.763, it means that all independent variables explained the dependent variable for 76.3%. The other 23.7% remaining explain the dependent variable which comes from other variables that is not included in this study.

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	68.873	3	22.958	94.239	.000[a]
	Residual	20.463	84	.244		
	Total	89.337	87			

a. Predictors: (Constant), Ac, Ab, Aa

b. Dependent Variable: B

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.417	.429		3.303	.001
	Aa	.194	.065	.223	2.979	.004
	Ab	.407	.048	.565	8.547	.000
	Ac	.175	.058	.223	2.993	.004

a. Dependent Variable: B

For the model coefficients, constant (1.417) indicate the value of business performance when all independent variables equal to zero. For Aa (customer oriented), the Beta is 0.223 means 1% increase in customer orientation will increase business performance by 22.3% (significance at 5%, $p<0.05$). Ab (competitor oriented) show that the variable is not significant at 5% ($p<0.05$) and the Beta is 0.565 which means 1% increase in competitor orientation will increase business performance by 56.5%. Lastly, for Ac (interfunctional orientation), the Beta is at 0.223 means 1% increase in interfunctional orientation will improve business performance by 22.3% (significance at 5%, $p<0.05$).

In conclusion, all four null hypotheses for this study are rejected. There are significant influence between market orientation, customer orientation, competitor orientation and inter-functional coordination on Bumiputera furniture entrepreneurs' business performance.

CONCLUSIONS AND RECOMMENDATIONS

The reason why market orientation has received a great deal of attention from many researchers in the past decade is because it is believed that being market oriented can provide a solid foundation for sustainable competitive advantage for a company (Narver and Slater, 1990). The concept of a sustainable competitive advantage provides a strong base expectation that market orientation can offer a firm the ability to outperform its competitors and enhance its business performance in the long run (Jaworski and Kohli, 1993; Chang et al., 2003). In this study, the hypothesis is the business performance increases when the degree of market orientation increases. As hypothesised, market orientation has significant and positive effects on the overall business performance. The result of this study imply that long-term competitive advantage and superior performance can be achieved by being equipped to respond to market needs and anticipate future needs (Day, 1994; McNaughton et al., 2001). The impact of market orientation on business performance in this study consistent with many studies including Narver and Slater (1990); Ruekert (1992); Jaworski and Kohli (1993); Slater and Narver (1994), Pitt et al., (1996); Deshpande and Farley (1999); Kwon and Hu (2000).

However, there are a few important things that need to be noted in understanding the outcomes of the study. First, the study use cross-sectional study which is sometimes hard to capture the outcome of market orientation. In addition, this survey was conducted during the downturn of Bumiputera furniture businesses. The business atmosphere was not as good as in the early 90s. Bumiputera businesses struggled to survive, let alone expected high sales growth and high profit.

Using only profitability, sales growth rate (%), and customer retention to represent business performance can be misleading. For example, profitability measures the ability of a firm to generate profit. Market-oriented firms maw do well in terms of bringing revenues due to customer retention (customers keep coming to buy product or services) but the same firm may not manage the expenses of firm well. This can result in low profitability. Absolute sales growth (objective measure) is a popular performance measure in the business performance literatures. However, this study adopted subjective measure for business performance construct. Some researchers use both, subjective and objective measures for business performance (Jaworski and Kohli, 1993). A lot of Bumiputera small businesses do not keep a proper record for evaluating their business performance, especially for those who just started their businesses. These businesses are not able to provide good financial data to measure the company business performances.

The findings indicated that these three independent variables (customer orientation, competitor orientation, and inter-functional coordination) have a significant relationship with business performance. In fact, the results of these three components are similar to those of market orientation overall, which shows positive and significant relationships with overall performance. This study confirms that the components of market orientation - customer orientation, competitor orientation, and inter-functional coordination – behave the same way as the major construct: market orientation. It can be concluded that being customer oriented, competitor-oriented and inter-functionally coordinated can enhance business performance. The limitations of this research should be kept in mind when interpreting the findings. These limitations, however, provide some opportunities or areas of improvement for future researchers to consider. Perhaps the most crucial limitation of this study is the definition and selection of the small firms to sample. The liberal interpretation of the term "small" by the Bank Negara Malaysia poses challenges in data analysis. The entrepreneurs will vary greatly in the important criteria of years in operation and annual sales. Another potential limitation is the difficulty in collecting financial figures. Sales data are usually considered confidential by privately held firms. Because most small entrepreneurs' firms are closely held, it is believed that requesting such data might significantly reduce the response rate.

Care should be taken when interpreting the relationship between market orientation and business performance. The results showed that market orientation, an independent variable, explains only 76.3 percent of total variation in business performance. In other words, the implication is that the business performance of Bumiputera furniture entrepreneur in Kelantan is also influenced by explanatory variables other than market orientation. Other variables such as competitive intensity, technological turbulence, market turbulence, and other environmental variables might moderate the effect of this study. It is possible that capturing these environmental factors would be more suitable as how these factors might moderate the relationship of the independent variables and the dependent variable.

Future market orientation studies should further explore antecedents to market orientation by including other factors, such as firm characteristics and the individual characteristics of the firm's managers and employees.

Finally, it would be more valuable if future studies may compare between the relationship of Bumiputera and Non-Bumiputera market orientation and business performances. Different possible outcomes may occur between these two groups.

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