A MARKET ORIENTED SCHOOL

Daniel N. Arifin, Dr. Lawrie Drysdale
*The University of Melbourne, Melbourne*

**Abstract**

Market orientation has been investigated in for-profit and not-for-profit organizations in countries around the world and is defined as an orientation towards the market, putting focus on the customers. Past studies have shown a positive link between market orientation and organizational performance; and also that adopting market orientation principles will enhance the magnitude and effectiveness of innovation activities.

The concept of marketing and market orientation is highly relevant to schools, particularly in countries like Australia and Indonesia, due to the intense competition between schools and within school systems. Marketing is now becoming more relevant in other industrialized countries because of the need to enhance the school reputation, attract students and resources, and attempt to understand the aspirations of the various stakeholders.

A deep understanding of market orientation of a school compared with the region will assist school leaders in determining the policy and strategic planning. This paper presents an exploratory study that conceptualizes the principles of market orientation in schools, which will allow a school to map out its strengths and weaknesses in the five dimensions: customer orientation, competitor orientation, inter-functional coordination, long-term-growth focus, and market intelligence.

**Introduction**

Market orientation has been a topic of investigation in many countries around the world, both by for profit and not-for profit organizations. Market orientation, which is an organization’s orientation towards the market, placing focus on the customer, has been found to have a positive link with organizational performance (Kotler, 1984; Kotler, Andreasen, & Kotler, 1996; Kotler & Fox, 1995; Levitt, 1960, 1975; Narver & Slater, 1990); i.e. a high degree of market orientation is accompanied by high organizational performance. However, despite these findings, there is little research on the relationship between market orientation and school performance.

Marketing was primarily viewed as promotion and selling and strongly linked with increase of profit; therefore, was regarded essential only by organizations seeking profit. Non-profit and service organizations did not consider marketing as their primary focus, based on that definition. However, further studies conducted in the 1970s (Hunt, 1976; Kotler, 1972; Kotler & Levy, 1969; Robin, 1978) considered and confirmed the applicability of marketing concepts and techniques to other sectors. Over time, the concept of market orientation has emerged as part of the evolution of marketing in the mid 1980s. Fundamentally, market orientation refers to the ability of an organization to understand the targeted market. In this sense, marketing is focused on finding a match between product/service offered with market needs (A. Payne, 1993); and market orientation is the act of focusing an organization’s offerings and values based on an understanding of customer needs (Evans, James, & Tomes, 1996). Previous studies have shown correlation between the successes of an organization with its ability to be market oriented. The findings have shown consistency for both profit and non-profit organizations.
In Indonesia, the rise of the national ‘plus’ schools have further sparked the intensity of school marketing (Lubis, 2004). These National plus schools are essentially private schools that offer a curriculum, which fulfills the national requirement, but is further augmented with imported materials. It is quite evident that even the name – national plus schools – carries the weight of marketing, as a means of differentiating the schools from other private schools.

Drysdale (2002) reported that schools adopt marketing for three main reasons: attracting enrolments, gathering resources and funding, and reputation in the market place (imaging, branding, and positioning). In respect to enrolments, education institutions in Australia have also undergone a shift in the last two decades (Campitelli, 2013) in regards to attracting students. This shift is likely the result of a general shift in the market. In order to get their children into their preferred schools, parents are willing to go to lengths and make drastic life changes, including residential relocation, compromise on financial security, and sacrifice travelling (Campbell, Proctor, & Sherington, 2009). This change in parent aspiration has caused a shift in market demand, affect reputation, and place private schools as viable competition to public schools.

These movements in the market clearly show that marketing is becoming a more and more essential concept, if not critical, for schools to understand and implement; however, before a market orientation measurement tool for schools can be developed, it is essential to understand the conceptual framework of market orientation that is specific for the school sector.

**Research Into Market Orientation**

Market orientation broadens the reach of the marketing concept, by acknowledging that a sole focus on customer alone is not adequate (Evans et al., 1996; Hunt & Morgan, 1995; Kohli, Jaworski, & Kumar, 1993). Organizations need also to understand the importance and significance in understanding the external environment, which expanded the definition of marketing to incorporate competition, long term planning, growth, and survival. Supported by Kohli & Jaworski (1990) and Narver & Slater (1990), the popularity of market orientation started increasing in the 1990s, with the establishment of the link between market orientation and organizational performance.

Compared to profit seeking organizations, non-profit organizations face an extra challenge. Due to the nature of non-profit organizations, they need to compete with other non-profit organizations as well as the for-profit organizations, but with less resources and funds. Due to this, some writers (Kotler et al., 1996; Kotler & Zaltman, 1996; Shapiro, 1973) further advocate and underline the importance of marketing for non-profit organizations.

Up to date, there have been numerous studies proving the existence of a link between market orientation and performance (Appiah-Adu & Singh, 1998; Bozic, 2006; Caruana, 1999; Narver & Slater, 1990; Ngansathil, 2001; Alfred M. Pelham, 2000; Shoham & Rose, 2001; Siguaw, Brown, & Widing, 1994; Slater & Narver, 1994; Webb, Webster, & Krepapa, 2000; Webster, Hammond, & Rothwell, 2014), with robust connections confirmed by writers, such as Webster et al. (2014), Alfred M. Pelham (2000), Izhar; Oplatka and Hemsley-Brown (2010), Deng and Dart (1994), Siguaw et al. (1994). The performance measures used range variably from return on assets, sales growth, to ability to attract non-government funding. The notion of market orientation as a generic determinant of organizational performance has been further proven through meta-analysis studies by writers like Ellis (2006), Chang, Franke, Butler, Musgrove, and Ellinger (2014), and Rodriguez Cano, Carrillat, and Jaramillo (2004).

Although many studies support the market orientation – performance link, some studies have
found the construct to be problematic or have found the link with performance to be weak (Gauzente, 1999; Han, Kim, & Srivastava, 1998; A.M. Pelham, 1995). Another point of concern was raised by Chan and Ellis (1998), who speculated that the concept of market orientation had a USA cultural bias attached to it. However, studies initiated in other parts of the world (Homburg and Pflesser, 2000; Langerak et al., 2004; Farrell, 2000) has confirmed that the market orientation – performance link is not uniquely a US notion. The idea of market orientation as a global concept was then further supported by a meta-analysis conducted over 56 studies across 20 countries (Ellis, 2006). The mixed literature seem to suggest that applicability of the MKTOR and MARKOR constructs on measuring market orientation depends on the context in which it is applied to.

**Market Orientation in Schools**

Research on marketing in the education sector has received increased attention, with a bigger portion investigating into the higher education sector (Bell, 1999; Foskett, 2002; James & Phillips, 1995; Mainardes, Raposo, & Alves, 2014; Izhar Oplatka & Hemsley-Brown, 2010; Song, Wang, & Cavusgil, 2015; Webster & Hammond, 2012; Webster et al., 2014); and the concept of market orientation is not as exposed. Furthermore, there is very little research into whether this phenomenon exists in schools.

Although schools may be perceived by many as an educational organization that does not place an emphasis on profit making, schools still have a business side – thus a school’s survival is quite reliant on its ability to attract, maintain, and increase the number of enrolled students by marketing themselves to the external environment (Davies, 1997; Grace, 1995; Holcomb, 1993; Kotler & Fox, 1995; Mainardes et al., 2014). Studies conducted in Israel, England, and New Zealand found that principals have acknowledged the existence of a link between marketing and competition amongst schools (Ball, 1994; Birch, 1998; Lauder, 1999; Izhar Oplatka, 2002), resulting in further plans of the school placing more resources to their marketing activity. A different story was found in a Slovenian study (Logaj & Tnavcevic, 2006), where although there were traces of marketing philosophies and focus in the school, the concept of internal marketing was unfamiliar to the participants. A similar study in the school context has been done by Drysdale (2002); which showed that the marketing function is essential to increase the reputation of the school, as well as impacting on better student admission.

In the last three decades, market mechanisms have started to be introduced in the education sector around the globe (Waslander, Pater, & Weide, 2010) in hope to increase performance by encouraging school competition. Countries in Asia (China, Hong Kong, and Pakistan), Latin America (Chile and Nicaragua), Europe (Finland, France, Poland, and Sweden), and North America (United States and Canada) have introduced government policies that broaden parental choice and encourage school competition.

The function of marketing is as crucial in the educational sector as it is in the profit sector. An educational institution cannot merely focus on providing an effective form of teaching and neglect the managerial function of marketing. This would cause the school to lose its competitiveness to the competition and, as a consequence, lose its appeal to the stakeholders. Foskett (2002) suggests that marketing more than selling a school’s products and services; but it is a holistic management process aimed at increasing the schools effectiveness by satisfying parents’ needs. Peterson (2006: 23) suggests that competition is also found amongst the different school sectors:

In turn, their siphoning of students will cause not-for-profit and public schools to rethink their approaches to schooling. They will seek to learn from and replicate the more efficient management structures and more effective instructional
methods of the for-profits. If all goes according to the free-market theorist's model, introducing the profit motive into education will spark a perpetual discovery process that benefits students, employees, and, let us not forget, investors.

Consistent with Foskett’s (2002) conclusions, studies written by Bell (1999), Birch (1998), James and Phillips (1995), and Oplatka (2002) found that most schools do not yet have a systematic marketing plan that is coherent.

Within Australia there are two reported studies (Drysdale, 2002; Holmes, 1998) of market orientation in schools. Both studies employed a qualitative approach based primarily on case studies. Both studies used qualitative methods based on case studies.

Foskett (2002) suggests that markets and marketing are miasmic concepts in the education sector, probably due to unfamiliarity of the teaching profession towards these concepts. However, as the law of economy dictates, markets will exist where choice exists. Thus schools have no choice but to engage in the process of marketing to some extent; and schools that do not embrace the concept and further take action of devising a plan of implementing market orientation into its culture may face the threat of extinction.

**Barriers and Resistance to Market Orientation**

Past studies (Deng & Dart, 1994; Kohli & Jaworski, 1990; Kohli et al., 1993; Narver & Slater, 1990; Slater & Narver, 1994) have placed a focus on the definition and conceptualization of market orientation. However, another body of research have suggested that marketing practitioners may experience difficulties in becoming market orientated (Gummesson, 1994; A. F. Payne, 1988; Richard Whittington, 1992; Romer & van Doren, 1993), followed by problems in maintaining the levels of market orientation.

Resistance to marketing has been a common finding in non-profit organizations and service organizations, including those in the education and health services (Drysdale, 2002). Schools should not dismiss the potential barriers to becoming market oriented. Studies by (Lloyd C Harris, 1999; Hooley, Lynch, & Shepherd, 1990; Liu, 1996; Ruekert, 1992) have shown that it can be very slow for organizations to become market oriented in the practical sense – possibly affected by internal and/ or external barriers. Narver and Slater (1990) identified organizational culture as a major barrier – that the staffs’ attitudes of rejection is the obstacle; while Liu and Davies (1997) suggests market structure as a major external factor affecting adoption of market orientation. When a popular school has more students applying then the number of available seats, the school sees very little need to be market oriented. Internal barriers relate to two major categories: people and systems (Lloyd C. Harris, 2002). Staff attitudes play a major role in adopting a new school culture. Negative attitudes towards marketing and lack of commitment are examples of barriers of schools in adopting market orientation. Confirming the views of Star (1989) and Brown (1995), Drysdale’s study (2002) found that most teachers expressed a negative perception towards marketing; most likely due to their misconception of marketing – interpreting marketing as commercialization and the ‘McDonaldization’ of education.

**The Model of Market Orientation in Education**

Among the different conceptual models of market orientation, two are known to be the more popular and widely used: the MKTOR model suggested by Narver and Slater (1990) and the MARKOR model suggested by Kohli et al. (1993).
The MKTOR model, as suggested by Narver and Slater (1990) consists of three behavioral components: customer orientation, competitor orientation, and interfunctional coordination, and is presented in figure 1.

Customer orientation consists of all activities that capture information regarding the targeted customers of the organization; with the aim of understanding their needs and desires. Gathering accurate information on customers’ perception will create an understanding of whether there is a direct fit between the organization’s offerings with customer’s needs. This understanding of customer perception, specifically what the customer values (Day & Wensley, 1988) not only captures current trends, but should also extend towards market shifts in the future. Competitor orientation captures information regarding other organizations that is categorized as competitors towards the organization – understanding their strength, weaknesses, as well as both short and long-term strategies. It is essential to maintain an awareness of the strategies employed by other competing organizations, and if possible, gathering intelligence regarding future plans of the competing institutions. The third component is interfunctional coordination – which describes the coordination of an organization’s resources with the aim to increase the proposed value for customers (Narver & Slater, 1990). Narver and Slater (1990) further suggests that the interfunctional coordination component is not merely a marketing concept, but further describes it as an coordinated symphony orchestra, coordinated by the conductor to create a synergistic effect. This requires contribution from the whole organization, and not just the marketing department.

Figure: 1. MKTOR model (Narver & Slater, 1990)

The MARKOR model suggested by Kohli and Jaworski (1990) suggests that market orientation is composed of three components: market intelligence generation, information dissemination, and organization wide responsiveness; and is influenced and determined by
three factors: support from top management, the level of inter-departmental conflict/dynamics, and organizational system. The resulting degree of market orientation then impacts on employee commitment, morale, and business performance. Kohli and Jaworski’s (1990) study further reveals that the higher the level of market orientation, the higher the staff satisfaction and also business performance.

The main differentiation between the two concepts of market orientation is that MARKOR (Kohli & Jaworski, 1990) views market orientation as the implementation of the marketing concept, conducted through a set of behaviors, while MKTOR (Narver & Slater, 1990) interprets market orientation as a corporate culture that manifests into certain customer values. Both MARKOR and MKTOR concepts and implementation were designed for the business environment.

In the education sector, Drysdale (2002) has adopted and combined the model of market orientation from MARKOR and MKTOR, as presented in figure 2.

Drysdale’s (2002) model puts highlights the significance of customer orientation and places it central to the whole concept. The model also acknowledges that having an effective market intelligence system is essential.

\textit{Figure: 2}

\textbf{Market Orientation by Drysdale (2002)}

This paper suggests a conceptual model of market orientation for schools that consists of five dimensions: customer orientation, competitor orientation, inter-functional coordination, long-term growth, and market intelligence, shown in figure 3. Adapting from MKTOR (Narver & Slater, 1990), MARKOR (Kohli & Jaworski, 1990), and Drysdale (2002), this model maintains the importance of the five dimensions and suggests a latent higher order variable: market orientation.
Identified as the core feature of market orientation (Narver & Slater, 1990), customer orientation in school describes the characteristic of a school that is able to demonstrate their understanding and commitment to the customer’s needs – resulting in increased value (Drysdale, 2003). The targeted definition of customers in schools would include the current and prospective students, but also the parents – as parents play an important role in determining school choice (Campbell et al., 2009). In the education sector, the relationship marketing approach is a crucial element (Izhar; Oplatka & Hemsley-Brown, 2010), in order to create and maintain a good relationship with students and parents, who are potential advocates and marketers of the school. Competitor orientation is a school’s ability to identify and understand the programs and services offered by other competing schools. These would include understanding their strategies, short term and long term plans (Narver & Slater, 1990). It is also necessary for schools to identify other sources of generic competition (Drysdale, 2002; Kotler et al., 1996) in satisfying a need – which is anything that competes with the school in vying for students’ attention. The indicator of the presence of inter-functional coordination in a school is a commitment towards the marketing concept and the integration of the philosophy in staff’s attitude and activities. As suggested by Drysdale (2002), market intelligence plays an important role in market orientation. While schools carry out parent surveys, Drysdale’s (2002) study found that they seldom have a systemic and integrated approach to the process. Kotler and Fox (1995) listed five areas in which marketing intelligence applies to the school context: identifying marketing issues, utilization of the school’s existing records/data, gathering marketing intelligence, conducting market research, and analyzing market research data.

The five dimensions work together to capture the necessary information regarding the school’s attempt to understand its customers, the school’s interests in seeking information about other competitors, how the different departments and faculty integrate together as a whole, the school’s focus on growth and survival, as well as the availability and consistency of the systematic procedures of data gathering within the school.
Measuring Market Orientation

As an exploratory study, it would be valuable to have a benchmark measure of the level of market orientation in schools, which could then be used for the basis of comparison with future research. This study explored the level of market orientation of schools in the context of the five dimensions: customer orientation, competitor orientation, inter-functional coordination, long-term growth, and market intelligence.

A questionnaire was developed for this purpose, taken from a working instrument by Pulendren, Speed, and Widing (1998) and was adapted to be suitable for use in schools. The 20-item market orientation questionnaire developed by Pulendren et al. (1998) consisted of 6 items measuring customer orientation, 4 items measuring competitor orientation, 5 items measuring inter-functional coordination, and 5 items measuring long-term profit view.

A pilot study was conducted to check for face and content validity with 20 participants consisting of academics in the field of school marketing and school staff. The pilot study confirmed that the original questionnaire (Pulendren et al., 1998) was not suitable for direct use in schools. Two major changes were conducted to adapt the questionnaire for the school context: 1) changing the language to be more suitable and acceptable for school staff; 2) adding the dimension of market intelligence to align with the five dimension model suggested in this study. Teachers did not respond positively towards the words ‘customer’, ‘client’, and ‘marketing’, thus these words were replaced with other words in the context of school life, such as: ‘students’, ‘parents’, etc. Another five questions were added to the questionnaire in order to capture the fifth dimension of market intelligence (Drysdale, 2002). The questionnaire items are presented in table 1.

A non-probability sampling method through voluntary sample was used. The questionnaire was digitally sent out via email to 70 school staff to complete and 67 responses were collected. The sample was taken from a marketing class, attended by teachers, school leaders, and other non-teaching staff, currently working in schools.

The result of the adaptation was a 25-item questionnaire, which measures the five dimensions of market orientation: customer orientation, competitor orientation, inter-functional coordination, long-term growth, and market intelligence. The items were aligned with a six-point Likert scale ranging from ‘1’, strongly disagree, through to ‘6’, strongly agree.

### Table 1. Questionnaire items

<table>
<thead>
<tr>
<th>No.</th>
<th>Question</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Teachers regularly share information about other school’s practices and programs.</td>
</tr>
<tr>
<td>2</td>
<td>The school programs are mainly driven by students and parents’ satisfaction.</td>
</tr>
<tr>
<td>3</td>
<td>The school is quick to respond to the changes in education in the community.</td>
</tr>
<tr>
<td>4</td>
<td>The school gives close attention to following up parents’ queries.</td>
</tr>
<tr>
<td>5</td>
<td>The school is able to successfully understand and identify the key marketing issues it faces.</td>
</tr>
<tr>
<td>6</td>
<td>The school constantly monitors the level of commitment towards the students and parents.</td>
</tr>
<tr>
<td>7</td>
<td>The school sacrifices some short term gains for long term growth of the school.</td>
</tr>
</tbody>
</table>
The school keeps student data and uses them for reference.

Information on students, parents, program success and program failures are shared with teachers.

Our programs are designed and created based on our understanding of students’ and parents’ needs.

School meetings (curriculum, marketing, finance, staffing) are integrated between different sections and are driven by our understanding of possibilities to increase value in students’ education.

The school has a set of processes to scan (informal means) the environment and obtain information about current trends and developments. (ex: through newspapers, talking to people, external conferences, etc.)

Our school strategic plan is driven by our understanding of possibilities for creating value for our students and parents.

The school is willing to accept short-term losses in order to do what is right for the students and parents.

The school regularly runs a set of formal procedures that attempt to discover the needs of current and prospective students.

The different sections in our school work independently (separately) to meet students’ and parents’ needs.

The school leaders believe that long-term growth requires some short-term sacrifices.

We measure student and parent satisfaction systemically and frequently.

Our school tries to attract students by offering more value compared to other schools.

The school leaders regularly discuss other school’s strengths and strategies.

All sections work collaboratively to increase value to our parents and students’ education.

We share programs and resources with other sections in the school.

The school leaders emphasize longer term objectives relative to shorter term ones.

The results and findings from surveys, research, and other information are regularly analysed and used in decision-making processes.

A main objective of our school is to provide better educational value relative to other schools.

To assess the measurement model, a maximum likelihood factor analysis with oblique rotation was conducted on the 25-item questionnaire to determine the presence of the 5-dimension market orientation model. The analysis revealed a five-factor solution with sufficient loadings of at least 0.3 for all items except for item 5 (loading of 0.288). The pattern matrix is presented in table 2.

From the twenty-five items, five items were removed to improve the factor loadings. These are items 3, 11, 15, 16, and 18.
A Kaiser-Meyer-Olkin Measure (KMO) analysis was conducted to measure sampling adequacy. The resulting KMO index of 0.88 demonstrates that the sample size is suitable for a factor analysis (Kaiser, 1970) as is larger than the suggested minimum value of 0.5 (Field, 2009). The Bartlett test of sphericity revealed a significant value (p<0.05), which suggests that no issues with multicollinearity are present. The KMO and Bartlett’s test is presented in table 3.

Further analysis into the Cronbach’s alpha revealed the reliability measure of the five dimensions (see table 4). Sufficient reliability measures were found, with Cronbach’s alpha index for all of the five dimensions above 0.7: customer orientation = 0.74, competitor orientation = 0.80, inter-functional coordination = 0.84, long-term growth = 0.91, and market intelligence system = 0.89. The Cronbach’s alpha index for the overall market orientation construct is 0.92.

Table 2. Pattern Matrix

<table>
<thead>
<tr>
<th>Factor</th>
<th>LTG</th>
<th>IC</th>
<th>MI</th>
<th>CompOr</th>
<th>CustOr</th>
</tr>
</thead>
<tbody>
<tr>
<td>q7</td>
<td>0.862</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q14</td>
<td>0.643</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q17</td>
<td>0.792</td>
<td>0.308</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q23</td>
<td>0.644</td>
<td>0.28</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q4</td>
<td>0.607</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q9</td>
<td>0.341</td>
<td>0.447</td>
<td>-0.263</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q21</td>
<td>0.847</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q22</td>
<td>0.811</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q5</td>
<td>0.308</td>
<td>-0.288</td>
<td>0.294</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q8</td>
<td>0.332</td>
<td>-0.575</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q12</td>
<td>-0.401</td>
<td>0.47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q24</td>
<td>-0.749</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q2</td>
<td>-0.371</td>
<td>0.452</td>
<td>0.323</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q6</td>
<td>0.379</td>
<td>-0.273</td>
<td>0.381</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q10</td>
<td>0.282</td>
<td>0.678</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q13</td>
<td>0.281</td>
<td>-0.27</td>
<td>0.42</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q1</td>
<td></td>
<td>0.36</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q19</td>
<td></td>
<td>0.774</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>q20</td>
<td></td>
<td>-0.257</td>
<td>0.679</td>
<td></td>
<td></td>
</tr>
<tr>
<td>q25</td>
<td>0.391</td>
<td>0.504</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 3. KMO and Bartlett’s Test

| Kaiser-Meyer-Olkin Measure of Sampling Adequacy | .876 |
| Approx. Chi-Square | 978.490 |
| Bartlett's Test of Sphericity | df | 190 |
| Sig. | .000 |

Further analysis into the Cronbach’s alpha revealed the reliability measure of the five dimensions (see table 4). Sufficient reliability measures were found, with Cronbach’s alpha index for all of the five dimensions above 0.7: customer orientation = 0.74, competitor orientation = 0.80, inter-functional coordination = 0.84, long-term growth = 0.91, and market intelligence system = 0.89. The Cronbach’s alpha index for the overall market orientation construct is 0.92.
Table 4. Reliability statistics

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Cronbach’s Alpha</th>
<th>N of Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer orientation</td>
<td>0.736</td>
<td>4</td>
</tr>
<tr>
<td>Competitor orientation</td>
<td>0.797</td>
<td>4</td>
</tr>
<tr>
<td>Inter-functional coordination</td>
<td>0.836</td>
<td>4</td>
</tr>
<tr>
<td>Long-term growth</td>
<td>.913</td>
<td>4</td>
</tr>
<tr>
<td>Market intelligence</td>
<td>0.893</td>
<td>4</td>
</tr>
<tr>
<td>Overall market orientation</td>
<td>0.917</td>
<td>5</td>
</tr>
</tbody>
</table>

The Cronbach alpha values in this study are higher than some studies recorded in the literature. Narver and Slater (1990) originally reported alpha values of 0.8547 (customer orientation), 0.7164 (competitor orientation), and 0.7112 (interfunctional coordination). Farrell and Oczkowski (1997) reported a combined market orientation alpha of 0.817 (MARKOR construct) and 0.884 (MKTOR construct), while A.M. Pelham (1993) reported a combined alpha of 0.71. Using these scores as comparison points provide confidence to the reliability of the scales.

Table 5. Correlation analysis

<table>
<thead>
<tr>
<th></th>
<th>Customer Orientation Subscore</th>
<th>Competitor Orientation Subscore</th>
<th>Inter-functional Cooperation Subscore</th>
<th>Long-term Growth Subscore</th>
<th>Market Intelligence Subscore</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pearson Correlation</td>
<td>.646**</td>
<td>.706**</td>
<td>.670**</td>
<td>.795**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Competitor Orientation Subscore</td>
<td>Pearson Correlation</td>
<td>.646**</td>
<td>1</td>
<td>.597**</td>
<td>.742**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Inter-functional Cooperation Subscore</td>
<td>Pearson Correlation</td>
<td>.706**</td>
<td>.713**</td>
<td>1</td>
<td>.614**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Long-term Growth Subscore</td>
<td>Pearson Correlation</td>
<td>.670**</td>
<td>.597**</td>
<td>.614**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
<tr>
<td>Market Intelligence Subscore</td>
<td>Pearson Correlation</td>
<td>.795**</td>
<td>.742**</td>
<td>.778**</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>67</td>
<td>67</td>
<td>67</td>
<td>67</td>
</tr>
</tbody>
</table>

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

Correlations were observed between the five dimensions through a two-tailed analysis of the Pearson correlation coefficient. All correlations were significant at 0.6 and above, demonstrating moderate to strong correlations between the scales. This indicates that an oblique rotation for the factor analysis was appropriate (Field, 2009). The correlation analysis results are presented in table 5.

As an exploratory study using factor analysis, this study has established a baseline model of an instrument that measures market orientation in schools, capturing the five dimensions: customer orientation, competitor orientation, inter-functional coordination, long-term growth, and market intelligence. Thus, this study provides confidence for a larger study to confirm the model and instrument.
Conclusions and Considerations

Understanding and measuring the market orientation level of a school can be a powerful tool in determining future strategies and organizational direction. School staff should no longer keep a blind eye towards the concept and importance of marketing and market orientation. This should not be the focus of the principal alone, but instead, become an organizational response to the changing nature of the market. Teachers especially, regularly meet and deal with parents, receive their comments, listen to their feedback and complaint; thus as a consequence, become the faces of the school. It then becomes clear that teachers not only maintain dealings with students behind closed doors, but also play an essential role in the school’s market orientation, similar to that of the customer relations department. The aforementioned writers (Drysdale, 2002; Foskett, 2002) provide evidence that schools are responding to customer needs and becoming more innovative by differentiating the school’s offerings, adding new services, and developing a range of extracurricular activities, refining educational pedagogy (Aaker, 2013).

In assessing the level of market orientation of a school, it is essential to capture the multiple facets of market orientation in order to paint a more accurate picture of the current situation and gather a deeper understanding for what is required in the following steps. The five dimensions of market orientation in education need to be measured: customer orientation, competitor orientation, inter-functional cooperation, long-term growth, and market intelligence. The comprehensive data and information gathering on the level of market orientation will draw attention of the school staff’s attention to articulate their perception on the school.

The model of market orientation in education described here provides the framework for schools to identify both strength and weak facets of the school, which ultimately will assist the school leaders in prioritizing aims and goals in developing future strategies. This conceptual framework of market orientation in schools forms a base foundation for a tool to be developed that is tailored specifically for the school sector. The suggested 25-item tool has been explored and assessed; validity and reliability of the tool has been established. It is anticipated that as the much-needed empirical research in the area of market orientation in schools develop, further links and relationships will be found between market orientation and the many aspects of school performance.

References


1995.
Campitelli, G. (2013). Schools have plenty to shout about. Primary & Middle Years Educator, 11(3), 22.


Waslander, S., Pater, C., & Weide, M. v. d. (2010). Markets in Education. AN ANALYTICAL REVIEW OF EMPIRICAL RESEARCH ON MARKET MECHANISMS IN EDUCATION.

