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Examine the Relationship Between Markets Oriented and Innovation of Saipa and Iran Khodro Group

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ABSTRACT

The main objective of this research is to investigate the relationship between “market-oriented” and “innovative” and companies in the group SAIPA and Iran Khodro. The aim of the study is the application of the methods and data collection, “descriptive” and “solidarity”. Information was collected from libraries and the questionnaire content validity by using its reliability by using Cronbach’s alpha (0/876) were included in this study. The results of this research show that the group of Company of the Iran Khodro and Saipa, is significant. Relationship between the set of “market-oriented” and “innovation” exists between the “creation of market intelligence” and “innovation process”, there is a correlation between the “Creating market intelligence” and “innovation management”. Also there is a correlation between the distribution of “market intelligence” and “product innovation”. As well as there are associated between the distributions of “market intelligence” and “innovation process” and there is a correlation between the distribution “market intelligence” and “innovation management”. There is a correlation between the “meet market intelligence” and “product innovation” there is a correlation between the “meet market intelligence” and “innovation process”. The findings indicate that the company of the Iran Khodro and Saipa Group in a good position to predict the future needs of customers who do make more innovations.

Key words: Market orientation, innovation, management innovation, product innovation, process innovation

INTRODUCTION

Companies to succeed in today’s dynamic and competitive markets and environmental challenges, they need appropriate strategies to sustain competitive advantage and will have better performance than competitors. One of the most important strategic interests “market-oriented” is. Kohli and Jaworski (1990) the first time in 1990, market-oriented arguments rose. Their market-oriented marketing philosophy had introduced as operational tools. In fact, is that market-oriented and company’s overall commitment to a set of processes, beliefs and values that reflect the philosophy of marketing. Marketing philosophy states that the key to achieving organizational goals effectively and efficiently than competitors in identifying and meeting the needs of company

for the target markets (Aghazadeh, 2008). In the market-oriented companies, all decisions with the customer begins with a common understanding of customer needs done. It is believed that the superior performance of the company depends on creating satisfied customers than competitors. Several scholars have researched the market-oriented and most notably (Kohli and Jaworski, 1990; Narver and Slater, 1990), respectively (Kotler and Armstrong, 1994). On the other hand, innovation is the main condition to compete in the 21st century. Increased competition, extreme environmental turbulence, technological changes and uncertainties environment, organizations have to adopt innovation as a core part of their strategy. Then how organizations enhance their innovation, has been questioned by many researchers and scientists (Zebal, 2003). Adoption of innovation is included

the creation, development and implementation of a new idea or behavior. Innovation can be a new product or service, a new technology production processes, a new structure or administrative system, or a new program for members of the organization. Thus, innovation is defined: "Accepting a tool, system, policy, program, process, new product or service that can be purchased within the organization or outside the organization, be new." The definition of innovation is very comprehensive and covers them all. Innovation through increased organizational flexibility, willingness to change and introduce new products and services and reducing organizational inertia positively affect the long-term success. In the past three decades, a lot of debate about the nature of the relationship between market-oriented and innovation is discussed. The nature of this relationship has not yet fully accepted. A group of researchers such as (Christensen, 1997; Manu, 1992) argue that market-oriented firms, approached customers too, are less likely to be able to do innovation. Their justification is that market-oriented companies are trying to meet the needs of customers or competitors to imitate detected and so innovation is unsuccessful against another class of scholars (Grinstein, 2008; Li *et al.*, 2008; Nwokah, 2008; Carmen and Jose, 2008), argue that innovation is positively related to market-oriented, market-oriented, they believe that the needs of both overt and latent needs of customers into consideration and thus market-oriented companies innovation can be effectively managed. Given the importance of innovation for the company's market-oriented and contemporary, this study sought to examine the relationship between market-oriented and innovative collection of Saipa Group (Kalantv, 2010). Also check the sources can be seen in very few studies have been done on the relationship between market-oriented and innovation. Hence, to find the key dimensions affecting market-oriented research and innovation and how the components interact with them is Saipa and Iran Khodro Group companies. Addressing customer needs and understanding of the needs of business success and new products plays an important role. Knowledge based companies and those with advanced technologies and new businesses seeking a competitive advantage in its market share and is always faced difficult market and offer new products to customers (Mina and Ali, 2004). In the market-oriented companies, all decisions with the customer begins with a common understanding of customer needs done. It is believed that the superior performance of the company depends on creating satisfied customers than competitors. Several scholars have researched the market-oriented Narver and Slater (1990) is most notably. Kohli and Jaworski (1990) proposed of a market-oriented vision-based process in which such compliance is defined as: "the creation of market intelligence, distribution, market intelligence and responsiveness to market intelligence." On the other hand, Narver and Slater (1990) emphasized market-oriented and market-oriented view of the notion of culture as a result of the company's customer orientation, competitor orientation and coordination of the company knew it (Jimenez-Jimenez *et al.*,

2008). Scholars like (Grinstein, 2008; Li *et al.*, 2008; Nwokah, 2008; Carmen and Jose, 2008) argue that innovation is positively related to market-oriented, they believe that the needs of both overt and latent needs of customers into consideration as a result, companies can effectively market-oriented and innovation to be successful (Ali *et al.*, 2001). Low *et al.* (2007) investigated the research on the relationship between innovation and market-oriented small and medium businesses investigated. Results indicate that market-oriented innovation is linked directly with the innovation and impact on organizational performance. They also stated that future research could further analysis of these two variables are the following factors to determine how subsets of these two variables are closely associated (Low *et al.*, 2007). Grinstein (2008) suggested that the relationship between trends and market-oriented learning, innovation, entrepreneurship and human resources is study. He received strongly market-oriented learning orientation, entrepreneurial and human resources are associated with innovation as well as there is a direct connection interfaces. He also suggested that the nature of the relationship between market-oriented problem solving and innovation. Future research could be two types of relationship between innovation and market-oriented-the reaction and to study hyperactive and should be investigated, how the successful companies with market-oriented and market-oriented strategic orientations in different organizational and environmental conditions that are in equilibrium (Grinstein, 2008). Carmen and Jose (2008) in their study find that the impact of managerial and technological innovations on the relationship between economic performance and market-oriented and socially engaged museum. In their research they found that the relationship between market-oriented, technology innovation, management and operation of the social and economic impact of museums are interfaces. At the end of the research suggested that future research could be other factors affecting innovation, such as organizational learning and examines the relationship between the two measures market-oriented (Carmen and Jose, 2008). Jimenez-Jimenez *et al.* (2008) in their research were examined, the relationship between market-oriented, learning orientation, innovation orientation and organizational performance. Their results showed that although both market-oriented and learn orbital are innovation but the effect is more oriented learning. In addition, the impact of market-oriented and performance-oriented learning, innovation is influenced by moderating variables (Jimenez-Jimenez *et al.*, 2008). Given the above, the aim of this study was to investigate the relationship between market-oriented and innovation agencies in 2014 in Kermanshah, Iran Khodro and Saipa Group, respectively.

ANALYTICAL MODEL OF RESEARCH

By creating a conceptual framework for research to examine the interrelationships between "market-oriented" and "innovation" a model was developed, all goals and research

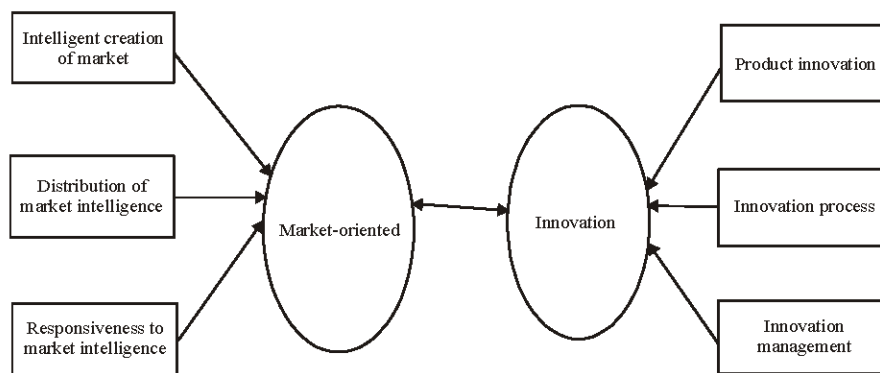


Fig. 1: Conceptual model of the proposed research

questions will be examined in this context. It should be noted that the above model for market-oriented part of the article, Kohli *et al.* (1993) and for the invention of study Jimenez-Jimenez *et al.* (2008) model is used, as shown in Fig. 1.

Main hypothesis: The Agency Group, Saipa and Iran Khodro, “the market-oriented” and “innovation” are associated.

Sub-hypotheses: The Agency Group, Saipa and Iran Khodro, between the “creation of market intelligence,” and then “product innovation” are associated.

The Agency Group, Saipa and Iran Khodro, between the “creation of market intelligence” and “innovation process”, there is a correlation.

The Agency Group, Saipa and Iran Khodro, between the “creation of market intelligence” and “innovation management” there is a correlation.

The Agency Group, Saipa and Iran Khodro, the following distribution “market intelligence” and “product innovation” are associated.

The Agency Group, Saipa and Iran Khodro, the following distribution “market intelligence” and “innovation process”, there is a correlation.

The Agency Group, Saipa and Iran Khodro, the following distribution “market intelligence” and “innovation management” are associated.

The Agency Group, Saipa and Iran Khodro, the later “response to market intelligence” and “product innovation” are associated.

The Agency Group, Saipa and Iran Khodro, the later “response to market intelligence” and “innovation process”, there is a correlation.

The Agency Group, Saipa and Iran Khodro, the later “response to market intelligence” and “innovation management” are associated.

MATERIALS AND METHODS

In this study statistical community includes professionals, including managers and experts of the group companies are

Table 1: Cronbach’s alpha test results

Variables	Cronbach’s alpha
Create market intelligence	0/856
Distribution of market intelligence	0/809
Responsiveness to market intelligence	0/813
Product innovation	0/839
Innovation process	0/917
Innovation management	0/927
Market-oriented	0/822
Innovation-oriented	0/835
Of the questionnaire	0/876

Saipa and Iran Khodro. The number of experts participated in 8 of 80 patients. The following equation was used to determine the sample size:

$$n = \frac{NZ_{\frac{\alpha}{2}}^2 pq}{\epsilon^2(N-1) + Z_{\frac{\alpha}{2}}^2 pq}$$

where, P is estimating the proportion of variable quality; P = 0/5, ε is the allowable error = 0/05, Z is unit normal variable corresponding 95% confidence level ($Z_{\alpha/2} = 96/1$):

$$n = \frac{100 \times (1.96)^2 \times 0.5 \times 0.5}{(100-1) \times (0.05)^2 + (1.96)^2 \times 0.5 \times 0.5} = 80$$

In this study, random sampling method was used in the theoretical literature of studies; library and Internet resources for collection of data (Market orientation, innovation) as well as research conducted in this area were used. The questionnaire was used to collect data. Validity, content validity and construct validity of the questionnaire method, respectively. Well as Cronbach’s alpha was used to determine the reliability of the test.

Table 1 show the reliability of appropriate measurement tools.

RESULTS

The results of the descriptive variables: more than 86/3% of the sample (n = 69) are males. In addition, about 13/7% respondents i.e., 11% of whom were women. The 21/3% of the

Table 2: Correlation coefficients test Market-oriented and innovation

Variables	Market-oriented
Innovation	
Correlation coefficient	0/612
Significant	0/000
Number	80

Table 3: Correlation dimension of market-oriented innovation

Variables	Product innovation	Innovation process	Innovation management
Creation of market intelligence			
Correlation	0/192	0/228	0/232
Significant	0/088	0/042	0/039
Number	80	80	80
Distribution of market intelligence			
Correlation	0/248	0/394	0/237
Significant	0/027	0/000	0/034
Number	80	80	80
Responsiveness to market intelligence			
Correlation	0/233	0/319	0/380
Significant	0/038	0/004	0/001
Number	80	80	80

cases (17 cases) comprises persons aged less than 20 years. The 47/5% of the sample (38%) of people aged 26-35 years old, 18/8% of the sample (n = 15) those aged 36-45 years and 12/5% of the cases (10 cases) patients over 45 years old constitute. The 12/5% of the sample (n = 10) of the diploma, 26/3% of the sample (n = 21) of the diploma, 42/5% of the sample (n = 34) the undergraduate population, 15% of the sample (n = 12), M.Sc. and 3/8% of the sample (n = 3) those with a doctoral degree are. The 13/8% of the sample (n = 11) patients with less than 2 there are years, 28/8% of the sample (n = 23) for 2 to 4 years, 35% of subjects (n = 28) with 4 to 6 years and 22/5% of the cases (18 cases) they have served more than 6 years of experience.

Analytical results: The main objective of “market-oriented” and “innovation” in the group Saipa and Iran Khodro Company, there is a significant relationship.

According to the Table 2, Comparison of correlation coefficients indicate that the correlation between these hypotheses, 0/612 and a significant amount equal to 0/000 is the relationship between market-oriented and innovation is a direct and positive correlation between the level of 99%.

Secondary objectives: The secondary objectives are showing the relationship between dimensions of innovation (product innovation, process innovation and management innovation) and Market-oriented dimensions (creation of market intelligence, dissemination of market intelligence and responsiveness to market intelligence).

According to the Table 3 and with respect to the hypothesis of an amount equal to between 0/192 and its significance equal to 0/088 of this relationship that is not significant, given the assumption that the correlation two of equal to 0/228, significance equal to 0/042, this relationship is significant. Given the assumption Tuesday correlation equal to 0/232 of its significance and equal to 0/039 is the meaning of this relationship is due to the assumption. Four of correlation

equal to 0/248 of its significant and equal to 0/027 is the meaning of this relationship is due to the assumption that correlation equals five 0/394 significant and equal to 0/000. This correlation is due to the assumption that correlation equals six 0/237 significance equal to 0/034 is the meaning of this relationship is due to the assumption that the correlation of seven equal to 0/233 and meaningful equal to 0/038, respectively. This correlation is due to the assumption of eight correlation value equal to 0/319 of its significant and equal to 0/004, respectively. This relationship has not given the assumption that the correlation value equal to 0/380 of its significant and equal to 0/001, respectively. This has no relation.

DISCUSSION AND CONCLUSION

Market-oriented innovation has a significant positive correlation with the increasing innovation; increases market-oriented. Comparison of correlation coefficients indicate that the correlation between these hypotheses is 0/612 and a significant amount is equal to 0/000 and the relationship between market-oriented and innovation is a direct and positive correlation between the levels is 99%. The above article refers to the companies of the Iran Khodro and Saipa Group is a significant and there is a relationship between the set of “market-oriented” and “innovation” and overall the set has a positive impact on market-oriented and innovation. Establishing the relationship between market intelligence and product innovation is not significant and considering the correlation value is equal to 0/192 and its significant is equal to 0/088. This relationship is not significant but there are a relationship between market intelligence and product innovation. Creating innovative market intelligence in the process there is a significant positive relationship with regard to the correlation value which is equal to 0/228 and its significance is equal to 0.042 and then the process of innovation is greater than the creation of market intelligence. Created intelligence market, there is a significant positive relationship with innovation management according to the correlation value is equal to 0.232 and its significance is equal to 0.039 then concluded whatever innovation management is the creation of intelligent market is higher. According to distribution of market intelligence, there is a significant positive correlation with product innovation since the correlation value, equal to 0.248 of its significant is equal to 0.027 the result of what will be more product innovation after the distribution of market intelligence. Regarding to the distribution of market intelligence and the process of innovation, there is a significance positive relationship with regard to the correlation value, equal to 0.394 and its significance is equal to 0.000 and then conclude the innovation the distribution process is much more market intelligence. According to distribution of market intelligence, there is a significant positive relationship with innovation management according to the correlation value, equal to 0.237 and significance is equal to 0.034, which is concluded that

innovation management is greater than the distribution of market intelligence. Responding to market intelligence, innovation process, there is a significant positive relationship with respect to the correlation value, equal to 0.319 and significance is equal to 0.004 and the process of innovation is to answer the market intelligence is higher. Responsiveness to market intelligence, innovation management, there is a significant positive relationship with regard to the correlation value, equal to 0.0380 and its significance is equal to 0.001. It concludes the innovation management is the most intelligent answer to a number of scientists believe that the market is more market-oriented companies, approached customers and are less likely to be able to do innovation (Christensen, 1997). Their justification is that market-oriented companies are trying to meet the needs of customers or competitors to imitate detected and so innovation is unsuccessful (Lukas and Ferrell, 2000; Narver and Slater, 1990). In contrast, another class of scholars believed that market-oriented behavior is positively associated with innovation. Damanpour *et al.* (1989) stated that market-oriented companies in a good position to predict the future needs of customers, resulting in greater innovation seem to do. Kohli *et al.* (1993) stated that different market-oriented new products in response to market conditions suggests that it can be in the form of innovative behavior (Slater and Narver, 2000). Innovation as one of the key features that caused irritation in relation to the introduction of market-oriented value creation and organizational performance. Hult and Ketchen Jr. (2001) found that innovation in the relationship between market-oriented banks with 134 reviews organizational performance plays mediator. Gainer and Padanyi (2005) observed a positive effect on innovation to market-oriented. Hult and Ketchen Jr. (2001) found that only through market-oriented innovation affect performance and has a direct impact on performance is not. Researcher Vazquez *et al.* (2001) and Langerak *et al.* (2004) also stated that market-oriented have no direct impact on business performance, new product development and innovation skills ability to work as mediating variables were identified. Mediating role of innovation (Kirca *et al.*, 2005) also confirmed that the experimental evidence for the direction of market-oriented innovation and client outcomes (loyalty and perceived quality) and performance were observed. Kirca *et al.* (2005) identified a positive relationship between market-oriented and innovation. Keskin (2006) stated that innovation positively influence organizational performance through innovative and market-oriented indirect impact on organizational performance. Low *et al.* (2007) found that market-oriented innovation is linked directly with the innovation and impact on organizational performance (Nwokah, 2008). The impact of innovation on the relationship between market-oriented and market-oriented organizational performance by identifying and stating that if an increase in organizational performance that leads to innovation. Carmen and Jose (2008) also found that the relationship between market-oriented innovation and technology management and social and economic performance has a mediating effect of museums. Jimenez-Jimenez *et al.* (2008) are considered the

market-oriented, learn orbital, innovation and organizational performance. Her innovation as a mediator variable in the relationship between market-oriented and learning-oriented organizational performance introduced the research study and (Kohli *et al.*, 1993; Slater and Narver, 2000; Hult and Ketchen Jr., 2001; Gainer and Padanyi, 2005; Low *et al.*, 2007; Nwokah, 2008; Carmen and Jose, 2008; Jimenez-Jimenez *et al.*, 2008) is consistent.

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