

The Relationships between Market Orientation and Competitiveness of Companies in Banking Sector

Authors : Patrik Jangl, Milan Mikulášťik

Abstract : The objective of the paper is to measure and compare market orientation of Swiss and Czech banks, as well as examine statistically the degree of influence it has on competitiveness of the institutions. The analysis of market orientation is based on the collecting, analysis and correct interpretation of the data. Descriptive analysis of market orientation describe current situation. Research of relation of competitiveness and market orientation in the sector of big international banks is suggested with the expectation of existence of a strong relationship. Partially, the work served as reconfirmation of suitability of classic methodologies to measurement of banks' market orientation. Two types of data were gathered. Firstly, by measuring subjectively perceived market orientation of a company and secondly, by quantifying its competitiveness. All data were collected from a sample of small, mid-sized and large banks. We used numerical secondary character data from the international statistical financial Bureau Van Dijk's BANKSCOPE database. Statistical analysis led to the following results. Assuming classical market orientation measures to be scientifically justified, Czech banks are statistically less market-oriented than Swiss banks. Secondly, among small Swiss banks, which are not broadly internationally active, small relationship exist between market orientation measures and market share based competitiveness measures. Thirdly, among all Swiss banks, a strong relationship exists between market orientation measures and market share based competitiveness measures. Above results imply existence of a strong relation of this measure in sector of big international banks. A strong statistical relationship has been proven to exist between market orientation measures and equity/total assets ratio in Switzerland.

Keywords : market orientation, competitiveness, marketing strategy, measurement of market orientation, relation between market orientation and competitiveness, banking sector

Conference Title : ICCMM 2014 : International Conference on Contemporary Marketing and Management

Conference Location : Venice, Italy

Conference Dates : June 19-20, 2014