

## **Market Orientation and Business Performance: Evidence from the Irish Tourism Sector**

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### **ABSTRACT**

#### **INTRODUCTION**

Recent studies conducted in the USA and the UK have shown evidence of a relationship between market orientation and organizational performance. The overall aim of the research reported in this paper was to build on this limited body of literature, by examining the link between effective marketing practices and organizational performance in the Irish tourism sector. Relative performance was measured in terms of profitability, sales volume, market share and return on investment. Data from 269 tourism organizations was collected using a postal survey. The results revealed that particular organizational variables are significantly and positively associated with organizational performance.

The findings have several practical implications. Firstly, as organizations move from a production and selling orientation to a marketing orientation, they are likely to become more effective. Secondly, for organizations striving for better performance, managers need to become more aware of the importance of marketing within their organizations. Thirdly, marketing planning is essential for improved business performance.

#### **FINDINGS**

The objectives of this study were to isolate the better performing organizations in the Irish tourism sector and to identify the characteristics of these organizations in terms of their attitudes towards marketing, their organizational structure and marketing activities. The characteristics of top performers are depicted below:

##### **Top Performer Attitudes**

- view marketing as a guiding philosophy for the whole organization;
- identification and meeting of customer needs;
- see staff as having an important role to play in the marketing of the organization;
- attach greater importance to marketing training.

##### **Top Performer Organisation**

- more likely to have a marketing department
- exhibit greater levels of co-operation with other functional areas.

##### **Top Performer Marketing Activities**

- greater use of customer service and feedback procedures;
- greater tendency to formal long-term marketing planning.