

## Does market orientation of small and medium enterprises make differences in the market?

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### ABSTRACT

*In market-oriented businesses, market orientation holds a significant position as a business concept focused on recognizing and meeting customer needs (the market). Given the interest in this subject, it is essential to identify and analyze the factors influencing the development of market orientation dimensions (market orientation - MO), conceptualized according to the model proposed by Kohli and Jaworski (1990), and their impact on increasing MO. Based on available literature and previous empirical research, the following factors have been identified to assess their influence on market orientation: professionalization of management in SMEs, quality of communication/dissemination of market information within the company, performance measurement of management staff in SMEs, and their material rewards. This research was conducted on a sample of 26 SMEs in Split-Dalmatia County, Republic of Croatia, using statistical methods of descriptive statistics, correlation, statistical testing, and clustering. Non-parametric statistics were used to overcome certain limitations of the small sample size. The results are discussed in the context of developing entrepreneurial infrastructure and public policies to support entrepreneurship.*

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## 1. Introduction

Small and medium enterprises (SMEs) in the Republic of Croatia constitute the largest share of businesses (over 99%), have the largest share in total revenues, employment, and export activities, and significantly contribute to economic growth and development (CEPOR, 2020, pp. 6-7). SMEs are often highlighted as generators of new ideas, recognizing and better exploiting entrepreneurial opportunities in the market compared to larger companies, thus contributing to the growth and prosperity of the national economy and creating additional capital (Nichter and Goldmark, 2009; Buli, 2017). However, it is a fact that SMEs are the most vulnerable group, operating in an environment of uncertainty and risk, leading to a high rate of growth and failure (Buli, 2017). Throughout their lifecycle, SMEs face numerous challenges: limited access to financing and markets, limited access to appropriate technologies and lack of technical knowledge and skills, insufficient understanding of international markets and production technologies, low productivity, lack of entrepreneurial competencies, and poor product quality. According to GEM research results (Singer et al., 2021), several components of the entrepreneurial environment in Croatia do not encourage the strengthening of entrepreneurial capacities in society, particularly an inadequate legislative framework, barriers to entering new markets, insufficient collaboration between science and business practice, and inadequate representation of entrepreneurship programs at the formal levels of primary and secondary education. Two components that are assessed as encouraging are the development and quality of physical infrastructure.

A significant problem in overcoming the lack of capabilities and environmental constraints requires more outstanding commitment from SMEs to understand customer needs and the potential for their satisfaction, as well as the ability to exploit good business opportunities in their environment (Buli, 2017, p. 13). This strategic/business concept focuses on the customer and fulfilling their needs, known as market orientation (MO). To better understand the business philosophy and market behavior of many successful companies applying the MO concept, Jaworski et al. (2000) propose two approaches to MO: *a market-driven approach and a market-driving approach*. According

to the same authors (Jaworski et al., 2000), the market-driving approach refers to discovering market needs and aligning internal capabilities to satisfy them based on generating innovations. In contrast, the market-driven approach is based on a more radical application of innovations in products, creating unique systems or models, channels, and services (Kumar et al., 2002). Indeed, to be market-driven strategic is seen when a specific enterprise's operational resources such as market orientation, competitive intensity and technological dynamics equip entrepreneurs or managers with market information, such fits the strategic process for SMEs to attain high growth (Halliru, 2016). However, it is difficult to expect that SMEs in Croatia or the wider region will focus on market driving given the numerous issues mentioned above. Therefore, the first step in researching their market orientation (MO) is determining how SMEs apply a customer-oriented concept based on existing customer needs. A higher level of market orientation in SMEs should result in better performance, facilitating survival and development.

The literature over the past thirty years is rich with findings from many authors focused on the relationship between market orientation and business performance (Chen-Ho Chao and Spillan, 2010), as well as those that have not shown reliable assessments of the observed variables, for example, Jaworski and Kohli (1993). The concept of market orientation (MO) has significantly evolved recently, reflecting the dynamic challenges faced by SMEs. Recent studies highlight the key role of digital transformation in enhancing MO, emphasizing the use of information technology tools, especially big data analytics (Orero-Blat et al., 2024). In addition, there is a need to include the concept of sustainability to the MO theoretical framework, as SMEs are increasingly evaluated based on their social and environmental responsibility. For instance, Hanaysha and Al-Shaikh (2024) found that entrepreneurial orientation and market orientation significantly influence business sustainability and corporate reputation in SMEs.

This empirical study was conducted on a sample of 26 SMEs from Split-Dalmatia County in the Republic of Croatia, aiming to determine which group of factors contributes to increasing the market orientation of small and medium enterprises (SMEs) in various market environments in the broader region of Southeast Europe, representing a specific problem of this research.

This paper analyzes the factors influencing the development of market orientation dimensions (MO) conceptualized according to the model of Kohli and Jaworski (1990) in SMEs in Split-Dalmatia County, Republic of Croatia. The factors considered are: a) professionalization of management in SMEs, as a critical factor in the growth and development of small compared to medium and large enterprises, as predicted by the SME lifecycle model; b) quality of communication/dissemination of market information within the company, as a critical determinant of potential marketing success in SMEs, derived from the chosen theoretical orientation of Kohli and Jaworski (1990), i.e., Jaworski and Kohli (1993), based on market information; c) performance measurement of management staff in SMEs; and d) their material rewards, as potentially significant factors for attracting competent management staff and motivating them, which is directly related to the potential for professionalizing management.

The results of the empirical research can provide valuable and concrete information to entrepreneurs and managers in the observed SMEs and those in the broader region to be more competitive in the market and to policymakers to create an environment that encourages providing adequate support to SMEs.

The following sections present a literature review (on the development of marketing concepts and market orientation, various approaches in defining these terms, and, based on previous theoretical and empirical findings, the relationship and impact of market orientation on SME success. Small and medium enterprises are defined, an analysis of the situation, perspectives, and entrepreneurial environment in Croatia is presented, as well as the specifics of SME operations in the observed sample of enterprises), the research methodology is outlined, the obtained research results are presented, followed by a discussion, conclusion and implications, and a review of the literature used.

## 2. Literature review

### 2.1. *Marketing concept and market orientation in SMEs*

The marketing concept gained significant attention in the mid-20th century. The demands of the business environment, increasing competition, and turbulent changes, including customer perception and behavior

since the 1950s and 1960s, form the basis for the emergence of the marketing business concept, which focuses on customers and satisfying their needs and desires (Grbac and Lončarić, 2010). The literature presents various viewpoints on marketing as a business concept. Felton (1990) defines the marketing concept as a way of thinking or acting in a company that requires the integration and coordination of all marketing activities, including their connection to all business functions in the company, to achieve maximum profits. McNamara (1972) offers a broader view, defining marketing as a business philosophy that emphasizes customer orientation, profit orientation, and the importance of marketing in communicating market needs with all business departments. According to Kohli and Jaworski (1990), the traditional definitions imply that the marketing concept can be explained through three constructs: a) customer orientation, b) coordinated marketing, and c) profitability. However, Barksdale and Darden (1971) argue that traditional marketing thinking has limitations and needs to arrive to a more operational definition of the marketing concept, further laying the foundation for the theoretical construct of market orientation.

Until the early 1990s, little attention was given to implementing the marketing concept and the relevant implementation factors (Felton, 1959; Lear, 1963; Webster, 1988). The marketing concept at that time was exclusively linked to the marketing function, and the term "marketing orientation" was used for such an approach to business. However, this approach had its conceptual limitations, leading to a newer approach that focused more on implementing the marketing concept in a company. This new business approach was called market orientation. Most authors consider this construct to represent the implementation of the marketing concept (Kohli and Jaworski, 1990; Dlačić, 2005).

From a terminological standpoint, the term "market orientation", as opposed to "marketing orientation" has several distinct advantages. The most important is that the concept of market orientation does not focus solely on the marketing function, but includes the importance and responsibility of all departments for generation, dissemination and responding to market information. The idea of „market orientation“ emphasizes the importance and responsibility of departments for satisfying customer need and acknowl-

edges the primary orientation toward the customer needs and preferences. Nevertheless, those needs and demands change over time, and a market-oriented company continuously monitors all market changes to deliver products and services of superior value (Jaworski and Kohli, 1993). This view is supported by Slater et al. (2010), who emphasize the inclusion of market information about competitors, which is used to undertake activities aimed at creating value for customers through continuous improvement of product and service quality and the development of innovative products.

In the theoretical discussion on market orientation, Hadcroft and Jarratt (2007) highlight four schools or approaches, based on the following common characteristics:

- recognition of the importance of all stakeholders, as well as an organizational culture focused on satisfying customer needs and comparing with competitors;
- focusing on creating and delivering superior benefits for customers;
- emphasizing collection, distribution, and response to market information, reliance on employee behavior norms, organizational systems and processes and
- coordination of business functions (departments), adaptive organizational structures, and top management support.

On Lafferty & Hult (2001), in their theoretical discussion of market orientation, suggest that there are five schools or approaches that explain the construct of market orientation differently:

- the decision-making approach;
- the market information approach;
- the behavior-based organizational culture approach;
- the strategic approach;
- the customer orientation approach.

The first approach in the theoretical consideration of market orientation, proposed by Shapiro (1988), emphasizes the importance of spreading information about markets and customers among different functions (departments) in the company. It highlights that clear

communication, collaboration, and coordination among functions (departments) result in a more significant commitment to making and implementing strategic and tactical decisions. Poor coordination in a company can lead to incorrect decisions regarding resource allocation and the exploitation of business opportunities in the market, which applies not only to customer orientation but also to competitor orientation.

Perhaps the most significant theorists of market orientation, Kohli and Jaworski (1990), explain market orientation in terms of generating market information about current and future customer needs, disseminating it among departments, and responding to that information. This theoretical consideration focuses on market information, which also includes information about competitors and all exogenous factors in the external environment that may affect purchasing preferences and tendencies.

In the approach proposed by Slater and Narver (1995), organizational culture is considered inherent to market orientation, due to the significance of the behavioral component in customer orientation. Organizational culture represents a system of values, beliefs, and norms that determine and guide organizational behavior within the company (Deshpande and Webster, 1989). This school of market orientation identifies three behavioral components: a) customer orientation, b) competitor orientation, and c) inter-departmental coordination within the company. The first two components emphasize the importance of gathering market information, focused on customers and competitors. The third component emphasizes the dissemination of market information among functions (departments) in the company. This approach assumes that organizational culture determines behavior, ultimately affecting business performance.

Ruekert (1992) approaches market orientation from a strategic perspective, utilizing specific dimensions of market orientation proposed by Kohli and Jaworski (1990), as well as Narver and Slater (1990). Ruekert argues that a company's level of development of market orientation should be viewed in terms of how business units acquire and utilize market information about customers, create and develop strategies, and implement strategies in response to the gathered customer information. According to this approach, the level of market orientation development should be considered

concerning strategy choice and resource allocation.

Deshpande and Webster (1989) discuss market orientation exclusively in the context of customer orientation. They argue that market orientation should be viewed as part of the company's overall corporate culture, which prioritizes customer interests. They stress that the importance of other stakeholders (such as owners, managers, and others) should not be sacrificed to profitability. A company's corporate culture represents the values and beliefs the company aspires to, while its behavioral component is directed toward undertaking specific activities within the company (Jerčinović, 2019).

This paper will use Kohli and Jaworski's (1990) approach to market orientation. According to these authors, market orientation relies on the previously mentioned dimensions that are equally applicable to marketing and market orientation concepts. The explanation of the customer orientation should include actions related to gathering information about customers and their needs. Coordinated marketing emphasizes the importance of integrated and coordinated action among all departments, aimed at understanding and addressing customer needs, to be achieved through the appropriate dissemination of market information across an organization. The ultimate activity of the market information-based approach relates to the response to the collected and disseminated market information, implying the active role and focus of all departments on the customers' needs.

However, upon implementing the market orientation concept, the issue of company profitability arises, which is regularly observed as a consequence of effective marketing and market orientation (Levitt, 1960). Kotler et al. (2014) also emphasize that a company can achieve its organizational goals by understanding consumer needs better than its competitors, thereby finding the right products for its customers. This indicates that the predominant focus of market orientation is on customer orientation and the coordination of marketing activities based on market information (Kohli and Jaworski, 1990, p. 3). In other words, market orientation involves generating, disseminating, and responding to market information at all levels of the company.

Jaworski and Kohli (1993, p. 54) discuss three organizational factors within the company, which might facilitate or hinder the market orientation implementation. They hierarchically divided these organizational factors

into top management, interdepartmental dynamics, and organizational systems. Along with the need for top management support for market orientation, there is a need for interdepartmental dynamics (Kohli and Jaworski, 1990, pp. 9-10; Jaworski and Kohli, 1993, pp. 55-56), which is observed through interactions and relationships among the departments. Conflict is one of the factors that can disrupt communication and collaboration among departments, thus hindering the implementation of market orientation of an entire organization. In contrast, integration and coordination of all departments facilitates communication and collaboration, enabling the organization to function as a cohesive whole, which is a prerequisite for implementing market orientation. Jaworski and Kohli (1993, p. 63) observe organizational systems through three structural dimensions: formalization (the existence of standardized rules and procedures), centralization, and departmentalization (the number of departments). Their results indicate that formalization, centralization, and departmentalization do not affect market orientation. It is suggested that market-oriented companies strive for standardized rules and procedures, decentralized decision-making, and good mutual communication and cooperation. Reducing conflicts among functions is also emphasized, which can be achieved through various activities, such as training programs and aligning interests within the company.

The system for measuring and rewarding employees (Jaworski and Kohli, 1993, p. 63) is also explored as an essential organizational factor in the market orientation of companies. Webster (1988) focuses on the criteria for evaluating and rewarding managers, noting that inappropriate reward systems are primarily based on (short-term) profitability and sales rather than relevant market criteria, such as customer satisfaction. Therefore, it can be expected that market-oriented companies with a well-developed system for evaluating and rewarding managers will be more proactive in generating and distributing market information and responding to it.

## *2.2. The impact of market orientation on SME performance*

The literature over the last thirty years is rich with various findings from many authors who have focused on the relationship between market orientation and the business performance of enterprises (Chao and Spillane, 2010; Jaworski and Kohli, 1993; Narver and

Slater, 1990). Although a positive relationship among those variables can be expected at all times, a study by Jaworski and Kohli (1993, pp. 63-64) showed mixed empirical findings concerning this relationships. These authors found a significant relationship between market orientation and overall business performance, using subjective performance measures. However, they found no direct link between market orientation and performance, when assessing performance using measures based on specific (objective) indicators, such as market share. These findings can be viewed in broader research on the impact of various managerial tools on business performance. Specifically, the literature identifies two criteria for measuring business performance: based on managerial judgment and objective indicators, such as those, based on accounting metrics. In this context, it can be expected that a conversion from subjectively to objectively measured performance will be observed (Venkatraman and Ramanujam, 1987). Additionally, it can be stated that there is a critical level after which nonfinancial performance, often measured by using the subjective judgment, begins to convert into financial performance (Iltner and Larcker, 1998).

Since most of those studies have been conducted on large enterprises samples, specific characteristics can be expected for the relationship of the observed constructs in small and medium enterprises (SMEs). Pelham and Wilson (1995) believe that market orientation can be crucial for SMEs, provided that they rarely possess the necessary financial and other resources. Narver and Slater (1990) concluded that specific strategic units of large enterprises are successful, regardless of a lower level of market orientation, because they have a competitive advantage of lower costs. This could lead to the conclusion that market orientation is essential but that in the case of large enterprises, its absence can be compensated by other resources not necessarily available to SMEs.

A comparative study conducted by Chao and Spillane (2010) on a sample of US and Taiwanese SMEs shows the limited application of the marketing concept and its impact on business performance. The findings highlighted the significance of only one component of market orientation—responsiveness (reaction to market information), which may indicate that the agility of SMEs in responding to market information is a crucial aspect of their marketing capabilities.

Buli (2017, p. 14) analyzed a sample of manufacturing SMEs and confirmed a significant impact of market orientation on SMEs' business performance and competitiveness. Similar findings were supported by Raju et al. (2011) and Renko et al. (2005). Jaworski and Kohli (1993) argue that the relationship between market orientation and business performance should be viewed independently of the environmental influences, since they are characterized by market and technological changes and the intensity of competitive struggle. On the other hand, Narver and Slater (1990, p. 27) conclude that the relationship between market orientation and business performance is more robust in markets, characterized by lower growth rates and a strong impact of competition. They conclude that enterprises should begin developing market orientation promptly, i.e., while there are still no threats from external environmental factors. According to Kohli and Jaworski (1990), for a more effective implementation of market orientation as a business strategy, it is crucial to understand the market environment in which the enterprise operates, ultimately resulting in better customer satisfaction (Spillane et al., 2009, p. 141). In this context, Pelham and Wilson (1995) posit that SMEs should leverage their potential advantages over large enterprises, which include flexibility, greater adaptability to market needs, good customer relationships, and other. Buli (2017, p. 14) also shows that four out of five observed dimensions of entrepreneurial orientation (autonomy, competitive aggressiveness, proactivity, and risk-taking) have a direct, but partial impact on business performance. In a study of manufacturing SMEs (Pelham, 1999), it is suggested that market orientation has a positive and significant relationship with business performance, measured by both financial and nonfinancial indicators, such as marketing effectiveness, sales growth, market share, and profitability.

### 2.3. Definition of SMEs in the Republic of Croatia

The criteria for defining SMEs in the Republic of Croatia are determined by the *Accounting Act* and the *Act on Encouraging the Development of Small Business*. The *Accounting Act*<sup>4</sup> classifies entrepreneurs/companies based on size. It divides them into micro, small, medium,

<sup>4</sup> Accounting Act NN 85/24, in effect since 27 July 2024, <https://www.zakon.hr/z/118/Zakon-o-ra%C4%8Dunovodstvu>

and large enterprises, depending on the threshold values of total assets, total revenue, and average employment achieved during a specific business year. According to this law, SMEs meet two out of three criteria during a specific business year, related to the value of total assets, total revenues and the maximum number of employees.

*The Act on Encouraging the Development of Small Business*<sup>5</sup> defines entrepreneurs/companies as business entities (natural and legal persons) that are autonomous in their operations and engage in specific economic activities primarily to generate economic benefits (profit or income) in the market. According to this law, entrepreneurs/companies are defined as legal and natural persons who do not employ more than 250 workers during a specific business year, are autonomous in their operations, achieve average revenues equivalent to up to 50 million EUR, and have total assets equivalent to up to 43 million EUR.

However, the criteria for total revenue and total assets in these two laws are still not aligned, particularly in the Accounting Act, according to the recommendations provided by the European Commission. Following Croatia's accession to the EU, there is an agreement on using categorization criteria based on the size of SMEs.

### 3. Methodology of empirical research

#### 3.1. Research questions and hypotheses

The research problem of this study is formulated in terms of analyzing the factors that influence the development of the dimensions of market orientation (MO), conceptualized according to the model of Kohli and Jaworski (1990) in SMEs in the Split-Dalmatia County of the Republic of Croatia. Considering the logic of the life cycle of SMEs (Smith et al., 1985), it can be realistically assumed that the key challenges of implementing and developing the dimensions of MO relate to factors that prove to be critical determinants in the transition toward more mature business lifecycle stages. In the context of transition from the entrepreneurial to the formalization and professionalization lifecycle stages, the role of

introducing professional management in SMEs should be considered concerning the development of MO.

Assuming that the professionalization also affects the quality of communication and information dissemination, there should also be significant consequences for improving MO. The additional factors, considered in this study, also concern the formalization of business practices through the introduction of systems for formal performance measurement and material reward for management performance, which can also be expected in the transition toward the more mature organizational lifecycle stages. Therefore, the following research questions are posed:

- How does introducing professional management in SMEs in Split-Dalmatia County affect the performance and development of MO dimensions?
- How does the quality of communication and information in SMEs in Split-Dalmatia County affect the performance and development of MO dimensions?
- Is introducing a formal performance measurement system in SMEs in Split-Dalmatia County impacting the performance and development of MO dimensions?
- Does introducing a reward system for management performance in SMEs in Split-Dalmatia County impact the performance and development of MO dimensions?

We also wanted to examine the level of management orientation toward other organizational stakeholders, which could be considered a measure of a broader understanding of MO in SMEs, taking into account not only the customers' needs, but also stakeholder expectations. Through this dimension of a broadly defined MO, it could be argued that it relates to the interest in "leading the market". Therefore, an additional research question is also posed:

- What is the orientation of SMEs in Split-Dalmatia County toward other stakeholders (besides customers), and how does it affect the performance and development of MO?

Following the theoretical expectations arising from the logic of the SME life cycle (Smith, Mitchell,

<sup>5</sup> Act on the Promotion of Small Business Development NN 29/02, 63/07, 53/12, 56/13, 121/16, in effect since 31 December 2016, <https://zakon.hr/z/527/Zakon-o-poticanju-razvoja-malogospodarstva>

and Summer, 1985) and the extended orientation toward external stakeholders, the following research hypotheses are formulated:

- *Hypothesis H1*: Introduction of management professionalization significantly affects SME MO performance in Split-Dalmatia County.
- *Hypothesis H2*: The quality of communication/information flow in the company significantly affects SME MO performance in Split-Dalmatia County.
- *Hypothesis H3*: Performance measurement of management in the company significantly affects SME MO performance in Split-Dalmatia County.
- *Hypothesis H4*: Establishing a reward system in the company significantly affects SME MO performance in Split-Dalmatia County.
- *Hypothesis H5*: There is a significant difference between SMEs regarding their level of MO, which determines the orientation of SMEs toward customers and other key stakeholders of the company.

### 3.2. Empirical methodology and sample

The empirical research was conducted on a convenience sample of SMEs in Split-Dalmatia County, by using an online research instrument—a survey set up on Google Forms. The survey link and an invitation for cooperation were sent to company emails, using a database of registered SMEs in Split-Dalmatia County, available through the Croatian Chamber of Economy (HGK), as well as through personal contacts. The total number of 26 questionnaires were received, constituting the final sample of respondents’/business entities. Given the convenience type and a small size of the sample, non-parametric tests are used, since the statistical assumption of normal distributions is not met.

Table 1 shows the sample structure by legal form. Most surveyed companies are limited liability companies (d.o.o.) - 22 or 84.6%. This is followed by simple liability companies (j.d.o.o.) - 2 or 7.7%. A negligible number of companies (1 business entity or 3.8%) are crafts and joint-stock companies (d.d.).

**Table 1**  
*Sample structure by legal form*

	Frequency	%	Valid %	Cumulative %
Crafts	1	3,8	3,8	3,8
Simple limited liability companies (jdo)	2	7,7	7,7	11,5
Limited liability company (doo)	22	84,6	84,6	96,2
Stock ownership company (dd)	1	3,8	3,8	100,0
Total	26	100,0	100,0	

Notes. Research results.

As demonstrated by Tables 2 and 3, regarding the criteria for defining small business entities, the average number of employees and annual total busi-

ness revenues, most surveyed companies belong to the group of *small entrepreneurs*.

**Table 2**  
*Sample structure by the number of employees*

	Frequency	%	Valid %	Cumulative %
10-49	21	80,8	84,0	84,0
50-249	4	15,4	16,0	100,0
Total	25	96,2	100,0	
Without response	1	3,8		
Total	26	100,0		

Notes. Research results.



**Table 3***Sample structure by total revenue*

		<b>Frequency</b>	<b>%</b>	<b>Valid %</b>	<b>Cumulative %</b>
Valid	-50 mil. Kn	25	96,2	96,2	96,2
	50-100 mil. Kn	1	3,8	3,8	100,0
	Total	26	100,0	100,0	

*Notes.* Research results.

Data on economic activity shows that just under half of the business entities in the sample come from the manufacturing industry (11 or 42.3%). At the same time, a third of the companies operate in other sectors, such as hospitality (4 or 15.4%), construction

(3 or 11.5%), and professional, scientific, and technical activities (3 or 11.5%). A negligible percentage of companies are engaged in real estate activities (1 or 3.8%), financial insurance (1 or 3.8%), and agriculture, fishing, and livestock (2 or 7.7%) (see Table 4).

**Table 4**

<i>Structure of the sample by industry</i>		<b>Frequency</b>	<b>%</b>	<b>Valid %</b>	<b>Cumulative %</b>
	Agriculture and fishing	2	7,7	7,7	7,7
	Manufacturing	11	42,3	42,3	73,1
	Construction	3	11,5	11,5	61,5
	Transport and storage	1	3,8	3,8	65,4
	Hospitality	4	15,4	15,4	80,8
	Financial and insurance activities	1	3,8	3,8	84,6
	Real estate activities	1	3,8	3,8	88,5
	Professional, scientific, and technical activities	3	11,5	11,5	100,0
	Total	26	100,0	100,0	

*Notes.* Research results.

The data highlights that the majority of surveyed business entities are 100% owned by a single individual (69.2%), while a slightly smaller number are in majority ownership by multiple individuals with varying ownership shares (19.2%). The sample includes a small number of business entities that are 100% owned by an-

other business entity (7.7%), as well as those with majority ownership (75% or more) by an individual (3.8%). Most surveyed companies fall into small businesses (80.8%), while a significantly smaller proportion pertains to medium-sized enterprises (15.4%). The average age of the companies is 19.22 years (see Table 5).

**Table 5**  
Ownership structure of surveyed SMEs

	Frequency	%	Valid %	Cumulative %
Person	18	69,2	69,2	69,2
Other company	2	7,7	7,7	76,9
Majority ownership of an individual	1	3,8	3,8	80,8
Multiple individuals	5	19,2	19,2	100,0
Total	26	100,0	100,0	

Notes. Research results.

### 3.3. Research instrument

The research instrument used was a survey questionnaire, developed based on previously conducted empirical studies, consisting of three parts. The first part contained demographic variables, which included questions about the essential characteristics of the companies, such as legal form and type of business, average number of employees, annual sales revenue, age of the company, and ownership structure.

The second part of the research instrument (questionnaire) included 13 items measuring respondents' attitudes towards SMEs' level of market orientation implementation. The items were adapted from the MARKOR research instrument (Kohli et al., 1993). To form attitudes toward marketing orientation, the items were divided into three groups, according to the market information MO framework (see Appendix for exact wording of the items). All items were measured using a traditional 5-point Likert scale (*1 = strongly disagree, 3 = neutral, 5 = strongly agree*).

The third part of the research instrument (questionnaire) consisted of eight items analyzing the characteristics of SMEs in terms of market orientation and management through phases of business development. Relevant items measured respondents' perceptions regarding the delineation of the roles of entrepreneurs and professional management, formal evaluations of management performance, and

reward systems for achieved business performance, following the logic of SME progression through the life cycle.

### 3.4. Data analysis

Data processing was conducted using the SPSS 25 software package. Statistical methods include descriptive statistics, correlation, statistical testing, and clustering. Non-parametric statistics were utilized to overcome limitations posed by the small sample size.

## 4. Results

### 4.1. Descriptive statistics

The level of market orientation implementation in SMEs was calculated for all items (see Appendix), adapted from the MARKOR instrument, and measured by using the standardized, 5-point Likert scale, following the recommendations of Kohli et al. (1993). There is an average level of market information collection and generation in the observed SMEs (mean value of 3.7143 and standard deviation of 0.83983) and market information response (mean value of 3.7308 and standard deviation of 0.81524), and a lower than average value for market information dissemination (see Table 6).

**Table 6***Mean values of MO components*

	Market information collection and generation	Market information dissemination	Market information response
<b>N</b>	26	26	26
<b>Total respondents</b>			
<b>Missing responses</b>	0	0	0
<b>Average value</b>	3,7143	3,3846	3,7308
<b>Median</b>	3,9286	3,7500	4,0000
<b>Standard deviation</b>	,83983	1,07989	,81524
<b>Minimum</b>	1,00	1,00	1,00
<b>Maximum</b>	5,00	5,00	5,00

Notes. Research results.

By quantifying the responses from respondents, a quantified measure of overall MO was calculated (mean value of the three MO components values). The mean value of the overall MO indicator was 3.6099, with a standard deviation of 0.80524 (see Table 7).

**Table 7***Mean MO construct value*

	N	Min.	Max.	Average value	Stand. dev.
MO	26	1,00	5,00	3,6099	,80524
Valid N (listwise)	26				

Notes. Research results.

Analysis of key variables correlations used the Pearson's linear correlation coefficient (see Table 8). There is a significant linear (positive) relationship among all three observed MO components, which indicates a relationship among the marketing activities of SMEs, concerning marketing research and generation of marketing information, internal communication, and generating appropriate market response through marketing management activities.

**Table 8***Pearson's correlations among MO components*

		Market information collection and generation	Market information dissemination	Market information response
<b>Market information collection and generation</b>	Pearson's coefficient	1	,558**	,864**
	Sig.		,003	,000
<b>Market information dissemination</b>	Pearson's coefficient		1	,628**
	Sig.			,001
<b>Market information response</b>	Pearson's coefficient			1
	Sig.			

\*\* Correlation is significant at the 1% level (2-tailed test).

Notes. Research results.

The normality of the distribution of quantitative variables was tested using the non-parametric Kolmogorov-Smirnov test. As shown by Table 9, two out of the three observed components of market orientation

do not meet the normality assumption (likely due to the small sample size), with a test reliability of 1% ( $p < 0.01$ ).

**Table 9**

Normality distribution (Kolmogorov-Smirnov) test

		Market information collection and generation	Market information dissemination	Market information response
<b>N</b>		26	26	26
<b>Normal parameters<sup>b</sup></b>	Average value	3,7308	3,3846	3,7143
	Standard deviation.	,81524	1,07989	,83983
<b>The largest differences</b>	<b>Absolute</b>	,178	,216	,154
	<b>Positive</b>	,178	,169	,113
	<b>Negative</b>	-,168	-,216	-,154
<b>Empirical value</b>		,178	,216	,154
<b>Asimp. Sig. (2-sided)</b>		,033 <sup>c</sup>	,003 <sup>c</sup>	,116 <sup>c</sup>

Notes. Research results.

Therefore, further analysis used the non-parametric statistics (Mann-Whitney and Wilcoxon Z tests). As previously mentioned, the research questions are grounded in the logic that observes the development and growth of businesses through their life cycle (Smith et al., 1985). It is interesting to examine the characteristics of these businesses in terms of changes in market orientation and management, when transitioning to the next stage of the life cycle, especially concerning the professionalization of management.

#### 4.2. Testing hypotheses

We first tested the hypothesis H1. Results of the Mann-Whitney U test ( $Z = -2.104$ ,  $p = 0.35$ ) indicate that for the third MO component (marketing response to disseminated market information), there is a significant difference between businesses regarding the presence

of professional management, which is a clear sign of increased business maturity (Table 10). Although empirical results show that introducing professional management enhances all MO components, transitioning toward a higher stage of maturity (life cycle) is significantly associated with market information response. This result is logical, since this phase involves the mature marketing management activities. However, despite companies with professional management achieving better results in marketing research and collecting market information (first MO component), as well as in disseminating/communicating this information within the company (second MO component), no significant differences exist for these MO components between businesses at lower and higher life cycle stages.

While this may result from research limitations, particularly regarding sample selection, statistical test results indicate that *hypothesis H1 is partially accepted*.

**Table 10**

MO differences based on SME management professionalization

	Low vs. high professionalization scores	N	Middle rank	Sum of ranks
<b>Market information collection and generation</b>	Differentiated	7	9,07	63,50
	Undifferentiated	16	13,28	212,50
	<b>Total</b>	23		
<b>Market information dissemination</b>	Differentiated	7	10,57	74,00
	Undifferentiated	16	12,63	202,00
	<b>Total</b>	23		
<b>Market information response</b>	Differentiated	7	7,64	53,50
	Undifferentiated	16	13,91	222,50
	<b>Total</b>	23		

a. Grouped by: Professionalization score: entrepreneur vs. manager.

b. Not corrected for tied values.

Notes. Research results.

Testing of the second working hypothesis (H2) is conducted based on the Mann-Whitney U test for all three MO components (Component 1:  $Z = -2.330$ ,  $p = 0.020$ ; Component 2:  $Z = -2.841$ ,  $p = 0.004$ ; Component 3:  $Z = -2.634$ ,  $p = 0.008$ ), considering the self-assessment of the quality of internal communication and information flow. Empirical results, presented in Table 11, indicate a significant impact of internal communication on all three MO components.

The obtained results are logical, as internal communication can theoretically be linked to a better understanding customer needs and a marketing response to them. Employees in companies with better communication possess the necessary information, find it easier to coordinate and make decisions, and focus on satisfying customers and their needs. Based on the empirical results, it can be concluded that hypothesis H2 is accepted.

**Table 11**  
MO differences based on the quality of communication/information flow

	Quality of communication/ information flow	N	Middle rank	Sum of ranks
Market information collection and generation	Satisfactory	19	15,61	296,50
	Unsatisfactory	7	7,79	54,50
	Total	26		
Market information dissemination	Satisfactory	19	16,00	304,00
	Unsatisfactory	7	6,71	47,00
	Total	26		
Market information response	Satisfactory	19	15,84	301,00
	Unsatisfactory	7	7,14	50,00
	Total	26		

  

	Market information collection and generation	Market information dissemination	Market information response
Mann-Whitney U	26,500	19,000	22,000
Wilcoxon W	54,500	47,000	50,000
Z	-2,330	-2,841	-2,634
Exact Sig. (2-sided)	<b>,020</b>	<b>,004</b>	<b>,008</b>
Exact Sig. [ <b>2*(1-sided Sig.)</b> ]	<b>,018<sup>b</sup></b>	<b>,004<sup>b</sup></b>	<b>,008<sup>b</sup></b>

Grouped by: Quality of communication (information flow).

b. Not corrected for tied values.

Notes. Research results.

Statistical testing of the third hypothesis (H3) was conducted using the Mann-Whitney U test again. The results indicate that for all three components of market orientation (Component 1:  $Z = -2.198$ ,  $p = 0.020$ ; Component 2:  $Z = -2.099$ ,  $p = 0.036$ ; Component 3:  $Z = -2.499$ ,  $p = 0.012$ ), there

are significant differences in the MO performance among the groups of companies, based on the existence of a formal system for measuring managerial performance (see Table 12). Based on the empirical results, it can be concluded that *hypothesis H3 is accepted*.

**Table 12***MO based on existence of managerial performance measurement*

	Measurement of managerial performance	N	Middle rank	Sum of ranks
<b>Market information collection and generation</b>	Yes	9	17,28	155,50
	No	16	10,59	169,50
	Total	25		
<b>Market information dissemination</b>	Yes	9	17,00	153,00
	No	16	10,75	172,00
	Total	25		
<b>Market information response</b>	Yes	9	17,78	160,00
	No	16	10,31	165,00
	Total	25		

	Market information collection and generation	Market information dissemination	Market information response
Mann-Whitney U	33,500	36,000	29,000
Wilcoxon W	169,500	172,000	165,000
Z	-2,198	-2,099	-2,499
Asimp. Sig. (2-sided)	<b>,028</b>	<b>,036</b>	<b>,012</b>
Exact Sig. [2*(1-sided Sig.)]	<b>,027<sup>b</sup></b>	<b>,043<sup>b</sup></b>	<b>,014<sup>b</sup></b>

a. Grouped by: existence of managerial performance measurement.

b. Not corrected for tied values.

*Notes.* Research results.

When examining the impact of a performance-based system for rewarding management to MO values (H4), the empirical findings from the Mann-Whitney U test indicate significant differences for the 01 st MO component - market information collection ( $Z = -2.013$ ,  $p = 0.044$ ) and the 3rd MO component - response to market information ( $Z = -2.896$ ,  $p = 0.004$ ). These results demonstrate significant MO differences based on implementing a performance-based reward system for managers (see Table 13).

As previously noted, it is essential to consider

that the growth and maturity of SMEs through their life cycle can influence the implementation of marketing activities in various ways. However, since the empirical findings showed that the 2nd component of MO (internal communication or dissemination of market information) is not significantly different among SMEs in different life cycle phases, this is likely a result of the sample choice, where primarily small and younger companies prevail. We can conclude that hypothesis H4 is partially accepted based on the obtained empirical findings.

**Table 13***MO differences based on performance-based managerial compensations*

	Performance-based managerial compensation system	N	Middle rank	Sum of ranks
<b>Market information collection and generation</b>	Yes	15	16,07	241,00
	No	11	10,00	110,00
	Total	26		
<b>Market information dissemination</b>	Yes	15	15,30	229,50
	No	11	11,05	121,50
	Total	26		
<b>Market information response</b>	Yes	15	17,13	257,00
	No	11	8,55	94,00
	Total	26		

	Market information collection and generation	Market information dissemination	Market information response
Mann-Whitney U	44,000	55,500	28,000
Wilcoxon W	110,000	121,500	94,000
Z	-2,013	-1,450	-2,896
Asimp. Sig. (2-sided)	<b>,044</b>	,147	<b>,004</b>
Accurate Sig. [2*(1-sided Sig.)]	,047 <sup>b</sup>	,164 <sup>b</sup>	<b>,004<sup>b</sup></b>

a. Grouped by: Existence of Material Reward System

b. Not corrected for tied values.

Notes. Research results.

The clustering method, based on the study conducted by Knežević et al. (2017), was further used to identify groups of companies with a higher and lower MO levels. Two clusters were identified. In Cluster 1, there are 13 companies with the following values of the MO components: mean value of 4.19 for market information collection, 4.21 for dissemination and 4.20 for response to market information. In Cluster 2, there are also 13 companies with mean values of 2.68 for market information collection, 3.25 for dissemination, and 3.23 for response to market information. The impact of SME orientation toward external stakeholders on the MO performance (H5) was tested, by using the cluster membership variable and the non-parametric Mann-Whitney U test.

Based on the empirical findings (see Table 14), it can be concluded that SMEs with a higher level of

market orientation are more focused on achieving the interests of management ( $Z = -2.576$  and  $p = 0.012$ ). There are no statistically significant differences regarding orientation towards customers or any other stakeholder. The results indicate that managers in SMEs are more focused on their interests, prioritizing them over the satisfaction of customer needs and the interests of other stakeholders, which contradicts the foundational principles of market orientation. These findings suggest that surveyed SMEs are unaware of the importance of marketing concepts and market orientation. Additionally, owners/entrepreneurs who, for various reasons, hire professional managers tend to employ managers solely focused on their interests and compensation, as demonstrated in the previous analysis of the research results. Therefore, based on the obtained empirical results, *hypothesis H5 is rejected*.

**Table 14**

*MO differences based on stakeholder orientation*

	Cluster membership	N	Middle rank	Sum of ranks
Importance of achieving the interests of the owners	Higher importance	13	13,92	181,00
	Lower importance	13	13,08	170,00
	Total	26		
Importance of achieving the interests of the management	Higher importance	13	17,23	224,00
	Lower importance	13	9,77	127,00
	Total	26		
Importance of achieving the interests of the employees	Higher importance	13	14,12	183,50
	Lower importance	13	12,88	167,50
	Total	26		
Importance of achieving the interests of the company	Higher importance	13	13,54	176,00
	Lower importance	13	13,46	175,00
	Total	26		
Importance of achieving the interests of the customers	Higher importance	13	15,73	204,50
	Lower importance	13	11,27	146,50
	Total	26		

	Importance of achieving the interests of the owners	Importance of achieving the interests of the management	Importance of achieving the interests of the employees	Importance of achieving the interests of the company	Importance of achieving the interests of the customers
Mann-Whitney U	79,000	36,000	76,500	84,000	55,500
Wilcoxon W	170,000	127,000	167,500	175,000	146,500
Z	-,325	-2,576	-,446	-,035	-1,543
Asimp. Sig. (2-sided)	,745	<b>,010</b>	,655	,972	,123
Exact Sig. [2*(1-sided Sig.)]	,801 <sup>b</sup>	<b>,012<sup>b</sup></b>	,687 <sup>b</sup>	1,000 <sup>b</sup>	,139 <sup>b</sup>

a. Grouped by: Cluster membership according to market orientation (MO)

b. Not corrected for ties.

Notes. Research results.

## 5. Discussion

The insufficient adoption of market orientation (MO) among SMEs is common. It can be argued that these characteristics are more closely related to the characteristics of owners/entrepreneurs, company resources, and the operational environment (Blankson et al., 2006) rather than external environmental characteristics. This is similar to achieving business results based on increased levels of market orientation (Becherer et al., 2001). However, it is essential to consider that the environments of transitional and post-transitional countries are particular, with a range of entrepreneurial motives, challenges, and success factors, including many non-market ones (Ramadani & Dama, 2013). This includes low support for entrepreneurship and often inadequate entrepreneurial infrastructure (Petković & Tešić, 2013).

These results must be viewed in light of understanding SMEs as a cornerstone of economic development and a tool for economic policy (Cepor, 2022). Financial and nonfinancial support for developing market orientation in SMEs is a compelling economic policy tool, leading to higher survival rates and business outcomes in the entrepreneurial sector, as empirically established (Petković & Berberović, 2013). Additionally, through efficient processes of building and strengthening entrepreneurial infrastructure and enhancing entrepreneurial competencies, the international competitiveness of the entrepreneurial sector and the entire national economy is also strengthened (Lall, 2000).

Therefore, it can be confidently stated that the issue of supporting market orientation in SMEs is one of the critical issues in economic policies and institutions, known to contribute to the overall standard of living and competitiveness (Trivić & Petković, 2015). This is particularly relevant for high-tech SMEs, where there is clear empirical evidence for the effectiveness of public support in this vital part of the entrepreneurial sector, especially in the case of China (Wonglimpiyarat, 2015; Xiang et al., 2021), which has shown excellent results in promoting innovation and competitiveness among Chinese SMEs.

The results of the initial empirical research, detailed in the conclusion of this paper, should, therefore be viewed in a broader context of support for SMEs, both through public policies and the construction of entrepreneurial infrastructure. Continuing research in this area can contribute to a better understanding the initial conditions and potential effects of supporting SMEs by enhancing their marketing capabilities and other factors for successful market entry.

## 6. Conclusion and implications

This study aimed to analyze factors affecting the development of market orientation (MO) dimensions in SMEs in Split-Dalmatia County, Croatia. The results are examined in the context of the growth and development of SMEs, conceptualized according to the life cycle model, and the orientation of management structures towards stakeholders.

To operationalize market orientation, Kohli



and Jaworski (1990) utilized the model based on components of gathering, distributing, and responding to market information. The results showed an average level of market orientation application in SMEs, with a significant positive correlation between all MO components, indicating a connection between marketing activities.

Testing the research hypotheses revealed:

- H1: Concerning the response to market orientation, there is a significant difference concerning the presence of professional management, partially confirming the hypothesis H1.

There are significant implications of this finding for marketing practice and future research. Namely, it is possible that transitioning of SMEs through the life cycle has varying effects on different marketing activities. Observing this through the MO construct, future research could examine how the growth and development of SMEs influence marketing research and internal communication concerning the development of marketing management in SMEs. This study has shown that marketing research and other forms of collecting market information (constituting the first MO component) and the internal communication of this information (the second MO component) do not significantly differ among SMEs in various life cycle stages. Thus, these marketing activities may develop differently in SMEs than in marketing management, which could be considered critical in creating and implementing responses to market information (as the third component of MO). Whether this is true and whether different patterns exist in developing parts of marketing activities in SMEs throughout their life cycle should be determined in future research.

- H2: The impact of internal communication is significant for all three MO components, thus accepting the hypothesis H2.

These results are logical and expected, since the high-quality communication and information flow serve as prerequisites for all MO-related activities.

- H3: There is a significant difference in

achieving all MO components based on the existence managerial performance measurement system, and the hypothesis H3 is accepted.

The empirical results are logical and comparable to previous analysis. When transitioning to the next stage of organizational lifecycle and business maturity, SMEs achieve better results, when formalizing overall management activities, which also implies a higher level of marketing management formalization. In this context, companies have recognized the importance of measuring performance, contributing to achieving desired business results.

Regarding the existence of managerial performance rewarding system, empirical results show the following:

- H4: Significant differences exist for MO's first and third components but not for the second component, with the hypothesis H4 being partially accepted.

As their maturity increases, SMEs establishing performance-based reward systems for managers can be significantly associated with higher performance in the first and third MO component (collecting and responding to market information), while no significant differences exist for the second MO component (disseminating market information). Since these components relate to market research and the collection of market information, as well as the response to the dissemination of market information aimed at satisfying customer needs, the results indicate a relationship between the professionalization of management and, more broadly, the advancement of SMEs through the business life cycle and their MO.

This analysis provided interesting insights, but due to the limited sample, further research is needed on developing market orientation in the broader context of Southeast Europe.

### *6.1. Theoretical implications*

This study contributes to the understanding of market orientation in SMEs, using the Kohli and Jaworski's (1990) framework in Split-Dalmatia County.

Firstly, our results suggest that professionalization of management plays a significant role in improving SME responsiveness to market information. Having professional managers helps SMEs act on that information more effectively by developing strategic decision-making and rapid market adaptation. Secondly, there is a significant impact of internal communication on all MO components. When employees communicate and share information freely, the company can better understand customer needs and respond swiftly to market changes. Thirdly, formal performance measurement systems positively influence all MO components, which suggests that organizational practices can foster market-oriented behaviors. A clear demonstration of managerial success, based on the market-related performance indicators encourages MO.

The partial acceptance of Hypothesis H4 provides insight into how reward systems influence MO. While incentives motivate managers to gather and act on market information, they may not necessarily improve internal communication processes. This indicates that some other tools are required to improve the organizational communication in SMEs.

An unexpected finding was that some SMEs with higher levels of market orientation prioritize management interests over those of customers or other stakeholders. This challenges the traditional view that customer focus is central to market orientation. It suggests that in transitional and post-transitional economies, SMEs might interpret and implement MO differently, possibly due to cultural norms or organizational priorities that emphasize internal goals.

### *6.2. Managerial implications*

The results of this study offer practical guidance for SME owners and managers looking to improve their market orientation and competitiveness.

Firstly, introducing or strengthening professional management practices can significantly enhance a company's responsiveness to market information. As SMEs grow, bringing in professional managers with specialized skills and experience

can improve strategic decision-making and help the company react more effectively to customer needs and market shifts. Secondly, it is very important to support the culture of open communication. Managers should try to create an environment where information flows freely across all levels and departments. This can be achieved by regular team meetings, open communication channels, and transparent reporting systems. Thirdly, implementing formal performance evaluation systems can support managers' actions and provide a fit with company's market-oriented goals. Regular performance reviews can motivate managers to focus on activities that enhance the company's market orientation. Performance-based rewards can further encourage managers to adopt market-oriented behaviors. However, it's important to ensure that such reward systems don't inadvertently overlook the importance of internal communication, which is crucial for effective market orientation.

Lastly, the finding that some SMEs with high market orientation tend to focus more on management's own interests rather than on customers or other stakeholders serves as a caution. Managers should strive to balance pursuing internal goals with meeting customer needs. Putting too much emphasis on internal objectives can endanger the core principles of market orientation and potentially harm customer relationships and the long-term success of the business.

### *6.3. Limitations and suggestions for future research*

First, our sample size was small, with only 26 SMEs from one specific region in Croatia, which limits the generalizability of the findings. Since we used convenience sampling, the results might not represent all SMEs in Croatia or similar transitional economies. Future studies should aim to include larger and more diverse samples from different regions and industries to make the findings more widely applicable.

Second, our study was cross-sectional, collecting data at a single point in time. This approach doesn't capture how market orientation practices might change over time as SMEs grow or adapt to new

market conditions. Conducting longitudinal studies that follow companies over a period would provide deeper insights into how market orientation evolves and its long-term effects on business performance.

Third, relying on self-reported data from managers could introduce bias. Managers might overstate positive behaviors or underreport challenges to present their companies in the best light. Including additional data sources—such as feedback from customers or employees and objective performance metrics—would provide a more balanced and comprehensive view of market orientation practices.

Moreover, our study focused primarily on internal factors within the companies and didn't deeply explore external influences like market conditions, competition intensity, or cultural factors. Future research could examine how these external elements interact with internal factors to affect market orientation. Understanding the broader context in which SMEs operate would help develop more nuanced strategies for enhancing market orientation.

An unexpected finding was that some SMEs with higher levels of market orientation focus on management interests rather than on customers' and other stakeholders' requirements. This suggests that in transitional and post-transitional economies, traditional concepts of market orientation might not fully capture the realities of SMEs. Future studies should analyze why this issues exists, by looking into cultural norms and economic pressures that shape the managerial priorities. Thus, future research can build a more complete understanding of how SMEs develop and benefit from MO, and what are the specific factors of developing and applying MO in specific, transitional and post-transitional economic environments.

#### **CRedit authorship contribution statement**

A. M. A.: Conceptualization, Methodology, Formal analysis, Writing – original draft, Writing – review

D. M.: Formal analysis, Writing – review

J. Č.: Methodology, Formal analysis, Writing – review

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## APPENDIX: Survey items

### Generating Market Information:

- "Our company continuously monitors changes and trends in the business environment (products/services, technology, business processes, competition, etc.)"
- "Our company frequently cares about the needs and satisfaction of our customers."
- "We are ready to react faster than the competition to changes in customer needs, always offering greater value."
- "At least once a year, we assess the potential impact of environmental changes on our customers."
- "Our company frequently conducts market research."
- "We use the Internet to gather more information about existing and potential customers."
- "To measure customer satisfaction, we use specific and measurable goals defined for each planning period."

### Distribution (Dissemination) of Market Information:

- "Information about customer satisfaction is communicated at all levels within our company."
- "All information related to major customers or the market reaches everyone in the company as quickly as possible."

### Response to Market Information:

- "In our company, measuring customer satisfaction is used to improve our product or service offerings, as well as to evaluate the characteristics of managers."
- "Our business philosophy is focused on continuous investment in new products or services."
- "In the last five years, we have significantly changed our product or service offerings."
- "Each year, we measure the quality of our product or service offerings based on customer satisfaction."

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## Да ли маркетиншка оријентација малих и средњих предузећа прави разлику на тржишту?

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### Кључне ријечи:

Мала и средња предузећа, маркетиншка оријентација, фактори који утичу на маркетиншку оријентацију, подршка развоју малих и средњих предузећа  
ЈЕЛ класификација: D21, L22, M31

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### САЖЕТАК

У маркетиншки оријентисаним предузећима, маркетиншка оријентација заузима значајно мјесто као пословни концепт усмјерен на препознавање и задовољавање потреба купаца (тржишта). С обзиром на интересовање за ову тему, кључно је идентификовати и анализирати факторе који утичу на развој димензија маркетиншке оријентације (МО), концептуализоване према моделу који су предложили Коли и Јаворски (Kohli and Jaworski, 1990), као и њихов утицај на повећање МО. На основу доступне литературе и претходних емпиријских истраживања, идентификовани су сљедећи фактори за процјену њиховог утицаја на маркетиншку оријентацију: професионализација менаџмента у малим и средњим предузећима (МСП), квалитет комуникације/дисеминације тржишних информација унутар предузећа, мјерење учинка менаџерског особља у МСП и њихове материјалне награде. Истраживање је спроведено на узорку од 26 МСП у Сплитско-далматинској жупанији, Република Хрватска, користећи статистичке методе дескриптивне статистике, корелације, статистичког тестирања и кластеризације. Непараметарска статистика је коришћена како би се превазишла одређена ограничења услед мале величине узорка. Резултати су разматрани у контексту развоја предузетничке инфраструктуре и јавних политика за подршку предузетништву.