The Relationship Between Market Orientation and Libyan Banks Performances :The Case Of Private And Public Small, Medium and Large-Sized Banks

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ABSTRACT

This paper aims to achieve four main objectives: (1). To measure the extent to which the Libyan banks embrace the market orientation concept. (2). To assess the Libyan banks performance from the participants point of view. (3) To determine the nature of the relationship between market orientation applications and Libyan banks performance. (4). To determine whether there is a difference between these banks according to some selected variables: ownership (public / private), bank size (small / medium / large) participants' organisational position (owner, manager, employee, etc...).

In terms of research methodology, (Narver and Slater's, 1990) construct was used to measure market orientation adoption in Libyan banks. Banks performance was assessed based on participants' perception on most-common nine items scale taken from the marketing literature. A number of 592 questionnaires was distributed to participants in Libyan banks in Benghazi the second largest city in Libya. Out of this number, only 240

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questionnaires have been retrieved with 124 proved to be valid for the data analysis stage.

The key findings of the study is that the market orientation embracing is much higher in the private sector banks (small/ medium/ large) than the public one. The performance of private banks (small/ medium/ large) is also judged to be much better than the public banks. The results of the study also proved that there is a direct positive correlation between market orientation application and banks performance. This link is much stronger in the private sector. The study did not detect any differences among participants' views despite the divergence of their organisational positions.

The scientific value of the paper is that it is the first research of this nature that touches this area of research with this level of analytical depth. Therefore, the paper enriches the marketing literature with these findings from Libya as one of the North African region countries. Practically, the paper demonstrates the importance of market orientation concept on improving the Libyan banks performance. Hence, Libyan Government, banks managers and employees should benefit from the results of this research. The paper concludes with the most important research challenges and suggests some future research directions.

Keywords: Market Orientation, Public and Private, Libyan Banks Performance

1. INTRODUCTION

The market orientation concept is among the most important marketing concepts that have emerged at the end of the eighties of the last century. This concept has witnessed several applications especially in the developed countries with the beginning of the nineties in all service, commercial and industrial businesses.

The concept of market orientation focuses on cultural and behavioral aspects. In their article, Narver and Slater, (1990) proposed three dimensions of the market orientation concept: customer orientation, competitor orientation and inter-functional co-ordination. These three components together should lead to higher business performance as proposed in their writings.

This concept has been applied in several developed countries US (Kohli and Jaworski, 1990; Narver and Slater, 1990), Canada (Deng and Dart, 1994), the UK (Greenley, 1995), and Netherlands (Langerak et al, 1996), US (Green Jr et al, 2006), Spain, (Jimenez and Navarros, 2007). However, this concept seems to be applied in a limited way in developing countries (e.g. India (Singh, 2003), Thailand (Sittimalakorn, 2004), Turkey (Demirbag et al, 2006), Libya (Elkrghli, 2010). This, in turn, requires further investigation to test this phenomenon from non-Western countries perspectives.

2. RESEARCH PROBLEM

Banks are one of the cornerstones of developed and developing countries' economies. They provide financial and banking services in various forms to individual customers and institutions in the society. Banks also offer

large numbers of vacancies to the community and help in strengthening the GDP of the economy to all countries. Because of their importance role in the society, banks work to fulfill the needs and desires of customers. Banks need to search for ways and means to achieve this end through embracing the market orientation concept.

And since Libya is an Arabic country located in the Northern part of Africa, the country still lacks such type of research. Hence, this paper looks at the extent to which Libyan banks have adopted the market orientation concept, and whether this has been linked to their performances.

3. RESEARCH OBJECTIVES

This research seeks to achieve the following objectives:

1. To identify the extent to which Libyan banks have adopted the market orientation concept.
2. To assess the Libyan banks performances from the point of view of employees, managers and owners.
3. To determine the nature of the relationship between market orientation and banks performance.
4. To determine whether there is a difference between respondents' answers in terms of Banks' sizes and ownership type.
5. To determine whether there is a difference between respondents' answers in terms of their functional positions in the banks surveyed.

4. RESEARCH CONTRIBUTION (VALUE)

This research is of high value for the following reasons:

1. On the theoretical level, this paper contributes in enriching the global marketing literature by adding new related applications to the concept of market orientation in Libya, which still requires more published scientific research in this area of science.
2. On the practical level, this research contributes in clarifying the importance of the market orientation application in Libya. Therefore, Libyan authorities (Libyan National Congress LNC), banks managers and owners should benefit from the results of this study. This, in turn, will unquestionably help in improving their banks services and performances.

5. RESEARCH HYPOTHESES

For the purpose of achieving the objectives of this paper, three hypotheses were formulated based on the market orientation literature as follows:

1. There is a relationship between market orientation embracing and banks performances.

2. There is a difference in respondents' answers according to bank size and ownership type.

3. There is a difference in respondents' answers according to their functional positions.

6. RESEARCH METHODOLOGY (APPROACH)

For the purpose of achieving the objectives of this study, all banks located in Benghazi city were targeted. Benghazi is the second largest city in Libya and all types of economic activities can be found in this city. A number of (592) was distributed to Libyan banks owners, managers and employees. Out of this number, only (240) questionnaires were collected with (124) considered valid for the analyses purposes.

The market orientation concept was measured by Narver and Slater's (1990) construct. Banks performance was measured based on a nine-item scale taken from the marketing literature. All respondents were requested to assess market orientation and banks performances on a five-points-Likert scale ranged from (5) points totally agree to (1) point totally disagree. All data collected was analysed using both descriptive and analytical statistical techniques.

7. LITERATURE REVIEW

The extensive survey of the market orientation literature explained that around 87%1 of the previous studies have proved the existence of positive influence of market orientation on corporate performance. Narver and Slater (1990), for example, investigated the relationship between market orientation and business performance by using the sample of commodity and non-commodity industries and the findings were that market-oriented companies are more successful.

[1] The author has reviewed the market orientation literature from December 1989 to January 2014 and presented only a short summary in this paper.

Also, the findings of Kohli and Jaworski (1993) concluded that market orientation has a positive effect on business performance. In addition, this phenomenon also reflects Kotler's (1988) statement that market orientation is likely to cause greater customer satisfaction, repeat business and subsequently more profitability.

In a recent work carried out by Hooley et al. (2003); Gopalakrishna and Subramanian (2004); Demirbag et al (2006); Martin-Consuegra and Esteban (2007); Subhash et al (2008), and Olavarrieta and Friedmann (2008), and Tatik Suryani (2012) the findings showed that market orientation has a strong positive influence on business performance.

In the banking sector a very limited number of studies conducted in both developed and developing countries. In their study for instance, Becherer and Maurer (1997) collected data from a sample of (215) presidents of small US enterprisers. Market orientation measured by Morris and Paul scale (1987), and Miles and Arnold scale (1991). Entrepreneurship orientation measured by Covin and Slevin scale (1989). Objective measure of change in profit over the last 3 years was adopted to measure business performance. The study explained weak influence of market orientation on performance, strong effect of entrepreneurship on performance, both orientations are closely related and stronger under the hostile environment (moderating effect of environment hostility).

In Saudi Arabia, Bhuian (1997) targeted a sample of 92 bank managers in 30 bank branches in Saudi Arabia. Kohli and Jaworski scale (1990) used in his study to measure market orientation. Bank performance measured subjectively by ROA, ROE and sales per employee. The study concluded no association between market orientation and bank performance.

In the US, Han et al., (1998) investigated a sample of 134 banks in a Mid-western state of America. Marketing managers were the respondents of the study and MKTOR scale adopted to measure market orientation. Bank performance measured subjectively by net income growth, ROA, growth and profitability. Positive relationship mediated by innovation detected in this study.

Webb et al., (2000) in the US targeted a sample of 77 corporate bank and their client firms. MKTOR scale was used to measure market orientation. bank performance was measured by customer satisfaction and service quality. The study revealed positive relationship between market orientation and bank performance.

In China, Krepapa et al. (2003) investigated a sample of managers from different SBUs of a major international bank and their respective industrial customers. MKTOR scale was used to measure market orientation. Bank performance was measured subjectively by overall satisfaction. The study explained positive relationship between market orientation and banks performance.

In their article, Luneborg and Nielsen (2003) studied a sample 278 of Scandinavian (Denmark, Finland, Norway and Sweden) banks. Responses were marketing and IT managers. A scale based on MARKOR was used to measure market orientation. Banks performance were measured through internet-bank attractiveness, relationship marketing performance, sales performance, and financial performance relative to competitors. The study showed positive relationship between market

orientation and two performance indicators: attractiveness and relationship marketing performance. Small banks proved to outperforms the bigger one.

Tatik Suryani in Malaysia (2012), developed a conceptual framework for market orientation and its effect on business performance in banking sector. It involved 128 branches of banks as the sample. The results showed that leadership style, specifically transformational leadership, formalization, and learning orientation have positive effect on market orientation. Learning orientation, rewards system (market-based), and centralization influence directly the business performance. Market orientation has positive effect on business performance.

8. DATA ANALYSIS

For the purpose of achieving the goals of the study, data collected and analysed as explained below.

Table (1) Number of Employees Per Sector

Ownership	Bank Size	Frequency	Percent
Private	Less than 50	8	20%
	From 50 to less than 250	15	36%
	Equal to or more than 250	18	44%
	Total	41	100%
Public	From 50 to less than 250	52	63%
	Equal to or more than 250	31	37%
	Total	83	100%

Table 1 above shows the number of employees in the private and public banking sector. A number of 124 analysed questionnaires collected from both sectors: 83 from the public sector and 41 from the private sector. As seen from the table, 44% of responses were from the large private banks, 36% medium-sized banks and 20% from the small-sized banks. There are no small-sized banks in the public sector as 63% of them are medium-sized and the remaining 37% were large-sized banks.

Table (2) Respondents' Qualifications

Ownership	Qualification	Frequency	Percent
Private	Secondary	1	2%
	Graduate	35	86%
	Postgraduate	5	12%
	Total	41	100%
Public	Secondary	1	1%
	Tertiary	16	19%
	Graduate	58	70%
	Postgraduate	8	10%
	Total	83	100%

Table 2 above shows qualification of employees in the banking sector. The vast majority in both sectors hold high degrees such as Master and Bachelor degrees. This indicates that top management of the banking sector gives more attention to the recruitment process by selecting a highly-qualified employees.

Table (3) Organisational Positions

Ownership	Position	Frequency	Percent
Private	Manager	2	5%
	Officer	13	32%
	Clark	26	63%
	Total	41	100%
Public	Manager	11	13%
	Officer	28	34%
	Clark	44	53%
	Total	83	100%

Table 3 above shows the functional positions of participants. A percentages of (37%) and (47%) in both sectors were managers and officers. The remaining percentages (63%) and (53%) were employees. These percentages might be considered a good comparable combination to obtain an overview of the market orientation-bank performance relationship in the financial sector.

Table (4) Respondents' Specialisation

Position	Frequency	Percent
Managerial Studies	19	15%
Financial Studies	54	44%
Economic Studies	15	12%
Other Specialisations	36	29%
Total	124	100%

Table 4 above shows academic specialisation of employees in the banking sector. The majority (71%) of participants specialised in financial and managerial studies, while the remaining (29%) were from other different disciplines. The first percentage gives an indicator that Libyan banks concerned more about employees specialty in the recruitment process. This might also add more credence and validity to the views collected from the study participants.

Table (5) Market Orientation and Bank Performance

Means for Private Small Size Banks

Variables	Mean	SD
Bank Performance	3.46	1.17
Market Orientation	3.63	1.04
Customer Orientation	3.96	1.02
Competitor Orientation	3.41	1.02
Inter-functional Coordination	3.40	1.18

Table 5 above shows the average scores of market orientation and performance in the small-sized private banks. It is evident from the table, all values exceed the average score 3 especially bank performance, market orientation and customer orientation. This indicates that there is a growth in the small banks performance and they are in the process of embracing the market orientation concept.

Table (6) Market Orientation and Bank Performance

Means for Private Medium-Sized Banks

Variables	Mean	SD
Bank Performance	2.92	0.72
Market Orientation	3.76	0.54
Customer Orientation	3.98	0.69
Competitor Orientation	3.52	0.53
Inter-functional Coordination	3.68	0.65

Table 6 above shows that the medium-sized banks performance is lower than the average score 3, which indicate weak performance. All other values are higher than three, which indicates the growth in embracing the market orientation concept in this size of banks in Libya.

Table (7) Market Orientation and Bank Performance

Means for Private Large-Sized Banks

Variables	Mean	SD
Bank Performance	3.76	0.71
Market Orientation	3.80	0.66
Customer Orientation	3.80	0.84
Competitor Orientation	3.72	0.84
Inter-functional Coordination	3.86	0.67

Table 7 above depicts high score of market orientation and banks performance in the large-sized private banks as average scores exceeded the average 3. This means that market orientation and business

performance scores are higher in the large size private banks than medium and small size private banks.

Table (8) Market Orientation and Bank Performance

Means for Public Medium Size Banks

Variables	Mean	SD
Bank Performance	3.53	0.54
Market Orientation	3.20	0.47
Customer Orientation	3.30	0.78
Competitor Orientation	2.59	0.70
Inter-functional Coordination	3.57	0.45

Table 8 above shows there is a growth in embracing the market orientation concept by the public medium-sized banks. Also, the table explains the growth of performance score of this type of banks. The only noticeable observation is that competition is scored very low (2.59), which reflects the fact that the competitive pressure is not as important for this banks as other market orientation components.

Table (9) Market Orientation and Bank Performance

Means for Public Large Size Banks

Variables	Mean	SD
Bank Performance	3.28	0.71
Market Orientation	3.18	0.64
Customer Orientation	3.34	0.79
Competitor Orientation	2.86	0.66
Inter-functional Coordination	3.25	0.74

Table 9 above shows a situation quite similar to the situation of public medium-sized banks presented in the previous table. There is a growth in embracing the market orientation concept by the public large-sized banks. Also, the table explains the growth of performance score of this type of banks. The only noticeable observation is that competition is also scored very low (2.86), which reflects the fact that the competitive pressure is not as important for this banks as other market orientation components.

Table (10) The Relationship Between Market Orientation and

Bank Performance for Private Small Size Banks

Variables		Bank Performance	Market Orientation
Bank Performance	Pearson Correlation	1	0.84**
	Sig. (2-tailed)		0.009
	N	8	8
Market Orientation	Pearson Correlation	0.84**	1
	Sig. (2-tailed)	0.009	
	N	8	8

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

Table 10 above shows strong positive correlation (0.84) between market orientation and banks performance for private small-sized banks as ($p < 0.01$, $n = 8$, $r = 0.84$).[1]

[1] Different authors propose diverse interpretations. However, several scholar adopt Cohen (1988) & Pallant (2005) formula as follows: (small effect from 0.10 to 0.29 / medium effect from 0.30 to 0.49 & strong effect from 0.50 onwards).

Table (11) The Relationship Between Market Orientation and Bank Performance for Private Medium Size Banks

Variables		Bank Performance	Market Orientation
Bank Performance	Pearson Correlation	1	0.58**
	Sig. (2-tailed)		0.023
	N	15	15
Market Orientation	Pearson Correlation	0.58**	1
	Sig. (2-tailed)	0.023	
	N	15	15

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

Table 11 above also shows strong positive correlation (0.58) between market orientation and banks performance for private medium-sized banks as ($p < 0.01$, $n = 15$, $r = 0.58$).

Table (12) The Relationship Between Market Orientation and Business Performance for Private Large-Sized Banks

Variables		Bank Performance	Market Orientation
Bank Performance	Pearson Correlation	1	0.78**
	Sig. (2-tailed)		0.000
	N	15	15
Market Orientation	Pearson Correlation	0.78**	1
	Sig. (2-tailed)	0.000	
	N	18	18

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

Table 12 above also shows strong positive correlation (0.78) between market orientation and banks performance for private large-sized banks as ($p < 0.01$, $n = 18$, $r = 0.78$).

Table (13) The Relationship Between Market Orientation and Banks Performance for Public Medium-Sized Banks

Variables		Bank Performance	Market Orientation
Bank Performance	Pearson Correlation	1	0.46**
	Sig. (2-tailed)		0.001
	N	52	52
Market Orientation	Pearson Correlation	0.46**	1
	Sig. (2-tailed)	0.001	
	N	52	52

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

Table 13 above also shows medium positive correlation (0.46) between market orientation and banks performance for public medium-sized banks as ($p < 0.01$, $n = 52$, $r = 0.46$).

Table (14) The Relationship Between Market Orientation and Bank Performance for Public Large-Sized Banks

Variables		Bank Performance	Market Orientation
Bank Performance	Pearson Correlation	1	0.72**
	Sig. (2-tailed)		0.000
	N	31	31
Market Orientation	Pearson Correlation	0.72**	1
	Sig. (2-tailed)	0.000	
	N	31	31

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

Table 14 above also shows strong positive correlation (0.72) between market orientation and banks performance for public large-sized banks as ($p < 0.01$, $n = 31$, $r = 0.72$).

Table (15) The Relationship Between Market Orientation subcomponent and Bank Performance for Private Small Size Banks

Variables		Bank Performance
Customer Orientation	Pearson Correlation	0.77*
	Sig. (2-tailed)	0.026
	N	8
Competitor Orientation	Pearson Correlation	0.85**
	Sig. (2-tailed)	0.008
	N	8
Inter-functional Co-ordination	Pearson Correlation	0.84**
	Sig. (2-tailed)	0.009
	N	8

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

Table 15 above also shows strong positive correlation between customer orientation and bank performance for private small-sized banks as ($p < 0.01$, $n = 8$, $r = 0.77$). The table also explains strong positive correlation between competitor orientation and bank performance as ($p < 0.01$, $n = 8$, $r = 0.85$). In addition, the analysis presents strong positive correlation between inter-functional co-ordination and bank performance as ($p < 0.01$, $n = 8$, $r = 0.84$).

Table (16) The Relationship Between Market Orientation subcomponent and Bank Performance for Private Medium Size Banks

Variables		Bank Performance
Customer Orientation	Pearson Correlation	0.47
	Sig. (2-tailed)	0.078
	N	15
Competitor Orientation	Pearson Correlation	0.25
	Sig. (2-tailed)	0.36
	N	15
Inter-functional Co-ordination	Pearson Correlation	0.68*
	Sig. (2-tailed)	0.005
	N	15

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

Table 16 above shows positive moderate correlation between customer orientation and bank performance for private medium-sized banks as ($p > 0.01$, $n = 15$, $r = 0.47$). The table also explains weak positive correlation between competitor orientation and bank performance as ($p > 0.01$, $n = 15$, $r = 0.25$). In addition, the analysis presents strong positive correlation between inter-functional co-ordination and bank performance as ($p < 0.01$, $n = 15$, $r = 0.68$).

Table (17) The Relationship Between Market Orientation subcomponent and Bank Performance for Private Large Size Banks

Variables		Bank Performance
Customer Orientation	Pearson Correlation	0.74**
	Sig. (2-tailed)	0.001
	N	18
Competitor Orientation	Pearson Correlation	0.52*
	Sig. (2-tailed)	0.027
	N	18
Inter-functional Co-ordination	Pearson Correlation	0.70**
	Sig. (2-tailed)	0.002
	N	18

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

Table 17 above shows strong positive correlation between customer orientation and bank performance for private large-sized banks as ($p < 0.01$, $n = 18$, $r = 0.74$). The table also explains moderate positive correlation between competitor orientation and bank performance as ($p < 0.01$, $n = 18$, $r = 0.52$). In addition, the analysis presents strong positive correlation between inter-functional co-ordination and bank performance as ($p < 0.01$, $n = 18$, $r = 0.70$).

Table (18) The Relationship Between Market Orientation subcomponent and Bank Performance for Public Medium Size Banks

Variables		Bank Performance
Customer Orientation	Pearson Correlation	0.52**
	Sig. (2-tailed)	0.000
	N	52
Competitor Orientation	Pearson Correlation	0.000
	Sig. (2-tailed)	0.99
	N	52
Inter-functional Co-ordination	Pearson Correlation	0.38**
	Sig. (2-tailed)	0.006
	N	52

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

Table 18 above shows moderate positive correlation between customer orientation and bank performance for public medium-sized banks as ($p < 0.01$, $n = 52$, $r = 0.52$). The table also explains no correlation between competitor orientation and bank performance as ($p > 0.01$, $n = 52$, $r = 0.000$). In addition, the analysis presents weak positive correlation between inter-functional co-ordination and bank performance as ($p < 0.01$, $n = 52$, $r = 0.38$).

Table (19) The Relationship Between Market Orientation subcomponent

And Business Performance for Public Large Size Banks

Variables		Bank Performance
Customer Orientation	Pearson Correlation	0.82**
	Sig. (2-tailed)	0.000
	N	31
Competitor Orientation	Pearson Correlation	0.33
	Sig. (2-tailed)	0.07
	N	31
Inter-functional Co-ordination	Pearson Correlation	0.58**
	Sig. (2-tailed)	0.001
	N	31

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

Table 19 above shows strong positive correlation between customer orientation and bank performance for public large-sized banks as ($p < 0.01$, $n = 31$, $r = 0.82$). The table also explains weak correlation between competitor orientation and bank performance as ($p > 0.01$, $n = 31$, $r = 0.33$). In addition, the analysis presents strong positive correlation between inter-functional co-ordination and bank performance as ($p < 0.01$, $n = 31$, $r = 0.58$).

Table (20) Banks Performance Means As

Perceived BY Respondents

Position	Performance		
	N	Mean	SD
Managers	13	3.27	0.88
Officers	41	3.33	0.66
Clarks	70	3.51	0.71
Total	124	3.42	0.71

Table 20 above presents the average scores of banks performance as perceived by participants. As is evident from the table, all respondents rank banks performance above the average 3, which means banks generally perform well. This assessment was tested by table (21) below ANOVA to see whether there is a difference in their attitudes towards banks performance.

Table (21) The Difference in Business Performance

Means as Perceived BY Respondents

Items	Sum of Squares	DF	Mean Square	F	Sig.
Between Groups	1.17	2	0.584	1.146	0.32
Within Groups	61.70	121	0.510		
Total	62.87	123			

Table 21 above shows no differences statistically significant among the study participants as $p > 0.05$, which means that all participants have the same attitude towards banks performance regardless of their difference in functional positions at work.

Table (22) Market Orientation Means As Perceived

BY Respondents

Positions	Market Orientation		
	N	Mean	SD
Managers	13	3.06	0.75
Officers	41	3.41	0.65
Clarks	70	3.42	0.61
Total	124	3.38	0.65

Table 22 above presents the average scores of banks market orientation as perceived by participants. As is evident from the table, all respondents rank banks market orientation above the average 3, which means there is a growth in embracing the market orientation concept in the banking sector. This assessment was tested by table (23) below ANOVA to see whether there is a difference in their attitudes towards market orientation adoption.

Table (23) The Difference in Market Orientation
Means as Perceived BY Respondents

Items	Sum of Squares	DF	Mean Square	F	Sig.
Between Groups	1.49	2	0.744	1.806	0.17
Within Groups	61.87	121	0.412		
Total	51.36	123			

Table 23 above shows no differences statistically significant among the study participants in their attitudes towards market orientation adoption as $p > 0.05$, which means that all participants have the same orientation towards embracing the market orientation concept regardless of their difference functional positions at work.

Table (24) The Difference in the Relationship Between Market Orientation And Bank Performance Means As Perceived BY Respondents

Positions	Variables	Tests	Market Orientation	Bank Performance
Managers	Market Orientation	Pearson Correlation	1	0.70**
		Sig. (2-tailed)		0.008
		N	13	13
	Bank Performance	Pearson Correlation	0.70**	1
		Sig. (2-tailed)	0.008	
		N	13	13
Officers	Market Orientation	Pearson Correlation	1	0.500**
		Sig. (2-tailed)		0.001
		N	41	41
	Bank Performance	Pearson Correlation	0.500**	1
		Sig. (2-tailed)	0.001	
		N	41	41
Clarks	Market Orientation	Pearson Correlation	1	0.57**
		Sig. (2-tailed)		0.000
		N	70	70
	Bank Performance	Pearson Correlation	0.57**	1
		Sig. (2-tailed)	0.000	
		N	70	70

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

Table 24 above shows that all participants regardless of their organisational positions perceive strong positive linkage between market orientation application and banks performance in Libya. This, in turn, gives the impression that market orientation is a growing organisational culture in the Libyan banking sector.

RESEARCH Key FINDINGS

1. Most participants are highly qualified individuals occupying different functional levels.
2. This study included a comparable sample of Small, Medium and Large public and private Libyan banks.
3. There are a growing trend in embracing the market orientation concept in the Libyan banking sector especially the private banks that judged to be more market-oriented and, hence, more profitable than the public sector.
4. Customer orientation and inter-functional co-ordination components of market orientation were strongly and positively connected to banks performance, while competitor orientation component was much weaker and proved to be less important in the Libyan banking sector. This, in turn, explains that the Libyan business environment is less competitive.
5. The study showed no difference in respondents' attitudes towards market orientation and banks performance despite the divergence in their functional levels. This, in turn, shows that market orientation is a growing concept prevails the banking sector in Libya.

RESEARCH KEY IMPLICATION

Based on the analyses and results above, a number of recommendations and implications might be drawn as follows:

1. Most of the participants are highly qualified individuals in Business disciplines and holding the positions of managers, heads and administrative staff. This might be seen to increase the credibility of the obtained answers.
2. This study explains that there is growing trend in embracing the market orientation concept in the Libyan public and private banks, and this was linked to banks performance.
3. All sizes of private banks was judges to be more market-oriented than the public banks and, hence, much higher performance.

4. The two component of market orientation: customer orientation and inter-functional co-ordination were noticed to be strongly and positively connected to banks performance, while competitor orientation was very weak. This, in fact, highlights an important issue in Libya as competition is not a critical factor in the Libyan banking sector characterised by low level of competition.
5. The analyses proved no difference in respondents' attitudes towards market orientation and banks performance despite the divergence in their functional levels. This, in turn, explains that market orientation is a growing culture and philosophy prevails the banking sector in Libya.
6. The study theoretically contributed to the SMEs marketing literature with this type of research especially in developing North African countries. In addition, practically the study highlights the importance of market orientation as a critical factor for banks performance even in the low level of business environment competition.

LIMITATION AND FUTURE RESEARCH

As is the case in most of studies, some limitations face the researchers in social sciences research and this research is not an exception. This, in fact, opens the door for future research. In the current study, data collected from just Benghazi, the second largest city in Libya due to time, cost and effort restrictions. As a result, the findings might not be generalised to all banks in the country. Therefore, an intriguing future funded research might target all banks in Libyan cities for the findings to be generalised as phenomenon prevails in the whole country.

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