WHAT IS THE MEANING AND IMPORTANCE OF CUSTOMER ORIENTATION AS PART OF THE BUSINESS MODELS? THE CASE OF RETAIL CHAINS IN THE FOOD MARKET

Kita P., Čvirik M., Maciejewski G.*

Abstract: The importance of customer orientation is perceived by many food retailers at a time when the impact of digitalisation is creating a situation of easy availability of food offerings for the customer on the market. Therefore, the paper takes a supply-side analytical approach to highlight the perspectives of managers within the grocery sector. Based on a questionnaire survey of managers of 251 grocery retail chains, this paper aim is to present customer orientation as a key component of their business model in the case of retail food chains. In terms of statistical analysis, the data can be considered highly relevant for customer relationship management in the context of a business model. The paper's contribution is to make retailers aware of the opportunities to develop relationships with new customers in an environment of increasing importance of the digital channel. Furthermore, it was concluded that customer orientation within the context of the analyzed industry comprises three specific dimensions: hard customer orientation, competitive differentiation, and product differentiation. It should be noted that these dimensions exhibit a certain level of interconnection.

Key words: consumer orientation, business models, retailing, digitalisation

DOI: 10.17512/pjms.2024.30.1.10

Article history:

Received July 04, 2024; Revised October 25, 2024; Accepted October 30, 2024

Introduction

A retailer's activities are perceived and evaluated by customers primarily from the perspective of the functioning of one store or of one retail network of stores in the food market, which ensures sales (Amri, 2012). From this context, a general characteristic feature emerges in the concept of the market orientation of a company in food retailing, which consists of several components (e.g., store operations, competitors, private label merchandise, positive customer shopping experiences,

*Pavol Kita, Prof. Ing., PhD., Department of Marketing Communication, Faculty of Arts, Comenius University in Bratislava, Slovakia;

⊠ email: pavol.kita@uniba.sk, ORCID: 0000-0001-5870-9328.

Marián Čvirik, Ph.D., Department of Marketing, Faculty of Commerce, University of Economics in Bratislava, Slovakia;

⊠ email: marian.cvirik@euba.sk, ORCID: 0000-0003-4701-1543.

Grzegorz Maciejewski, Prof. post Ph.D., Faculty of Economics, University of Economics in Katowice, Poland;

⊠ corresponding author: grzegorz.maciejewski@ue.katowice.pl,

ORCID: 0000-0002-1318-0747.

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

etc.). They are not usually perceived from the point of view of the whole enterprise, including the complex structure of external and internal relations which affect the efficiency of the system of distribution of goods and the satisfaction of the needs of final consumers. Changes in business models are today's reality, which is influenced by a number of factors such as digitization (Gavurova et al., 2023), changes in consumer purchasing behaviour, internationalization, cultural openness and many others, which is also reflected in changes in the activities of retail food units (Kita, Čvirik, 2024, Szczyrba, Szataniak, 2023). The link between market orientation and business models lies in the fact that market orientation itself provides important guidance to modern businesses in their response to customers and competition (Shoji, 2011). A business model describes "a system of mutually dependent activities a firm and its partners perform and the mechanisms that connect these activities to one another" (Zott and Amit, 2010). Cortimiglia et al. (2016), using empirical data, showed that a business model can be considered as the operationalisation of an organisational strategy. This is because it defines both the architecture of the business, when the strategy has already been defined by the company and is also the result of tacit knowledge exchange (Arnett, Wittmann, 2014; Gomes et al., 2020). Business barriers, including customer-related challenges and the need for customer orientation, must also be taken into account (Naďová Krošláková et al., 2021). Therefore, the goal of the paper is to present customer orientation as a key component of a food retail business model. It is one of the developing areas of research, and due to its innovative nature, this is a subject of interest in theory and economic practice.

Literature Review

Many traditional retailers with physical retail units have switched to online sales; they have websites and use mobile applications or have increased the number of digital customer touch points (Jocevski, 2020; Dijmărescu et al., 2022). Retail units are facing the challenge to connect with increasingly informed and more active hyper-connected omnichannel consumers (Phygital Consumers). This means that small and medium-sized enterprises that have not yet invested in these communication tools or payment systems are at risk of losing customers and the market (Hermanto et al., 2024). Customers expect retailers to provide more convenient, more safety and more flexible shopping options, and those who fail to meet these demands risk losing sales (Pietrucha and Maciejewski, 2024, Dziuba, Szczyrba, 2023). In the future, technology will be a catalyst for growth in both physical and online stores. The focus of digital transformation is shifting increasingly from the product to the customer, thereby combining "Customer experience" with "Operational excellence". To fulfil this aim, a retail must make the best use of its capabilities – supported by digital solutions with the goal of contributing to a revival of demand in the economy (Jánska and Žambochová, 2021). Such a veiled market orientation of the company means, according to Elg (2007), that retailing is to a large extent based on services and differs from manufacturing in

the same sense as other services industries (Elg, 2007; Pu et al., 2023). As a consequence, functions such as purchasing and managing hundreds or thousands of supplier relationships are a direct part of a retailer's market orientation (Elg, 2007). A retailer is also dependent on coordinating a set of functions in the value chain in order to offer value to the consumer at the end of the chain. Since retailers depend on a number of suppliers, a market orientation study of retailers should also consider the market orientation within manufacturer relationships (Elg., 2007; Hwang and Jin, 2013). Hernández-Linares and López-Fernández (2020) state that business organisations may have several orientations simultaneously and views orientations as flexible constructs that are combined into universally beneficial or contingency-related patterns. For this reason, this paper presents the relationship between market orientation and a business model as a way to operationalise a company's strategy (Gomes et al., 2020). A concept design is followed in which market orientation is assessed as a market driving approach and a business model as a market-driven approach in improving marketing success. This approach explains both the market-driving and market-driven approaches proposed (Carpenter, 2023). Specifically, the construction of business models in retail processrequires explicit consideration of the interrelationships and possibilities of their individual components. There are several approaches to defining the components of retail business models. Volle et al. (2008) consider the following to be the basic components of business models in retail: the company's resources and competences, the offer and activities carried out by retailers, revenues and the costs of distributors. According to Sławińská (2010), the components of a business model in retail are the subject of activity, the resources and competences, the value chain and the way they are configured. Based on the retail strategy, Sorescu et al. (2011) propose three components of business models in retail: the method of organising activities, the type of activities, and the level of participation of subjects in performing these activities. More precisely, this is a definition of:(1) the retail format, which describes the way in which retail activities will be arranged and carried out. This is a certain type of store with specific characteristics that distinguish a store of this type from other stores; (2) various activities which need to be carried out in order to design and manage the customer experience and to motivate customers; (3) management of the subjects who perform these activities, their tasks and the incentives that motivate them. These three basic elements of the business model, on the basis of mutual dependence, define the organisational logic of the retailer for creating and capturing value.

The strategic decision-making problem is the choice of type, or types of operating units referred to as sales formats. This is a definition of the multidimensional concept of the store format, i.e., a suitable combination of the following components: assortment, size of sales area, service method, location, price level, range of services provided, time required to serve the customer, purchasing conditions (atmosphere) forming a package of benefits for the customer, communication with customers and relations with customers. The retail format creates a framework for aligning and

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

organising retail activities into coherent processes that meet customer demands. There are numerous store formats in all product categories, and different customers choose the format that best suits their needs (Otola and Knop, 2023).

The components of a business model, which are generated based on the study of text documents, were identified differently by the mentioned authors. Some authors used case studies for the identification (Lehmann-Ortega et al., 2017), such as Šimberova and Kita (2020), when creating case studies based on the model of Osterwalder and Pigneur (2010). Other authors used the market research of Gouveia and Mamede (2022) or topics of potential elements of business models resulting from the analysis of the given issue by Verstraete et al. (2012), Demil et al. (2013) and Volle et al. (2008), or from analyses of the relevant sectors by Sławińská (2010) or region by Gołębiewski et al. (2008) and Metalia (2024). Further, the elements of the business model and their interconnection were at the forefront of the interest of some authors (Hamel, 2000). Configuration of business model parameters (Jabłoński, 2013) or defining the parameters of a business model were the main interests of many authors (Sorescuet al., 2011; Afuah, Tucci, 2003). Ritter and Pedersen define the individual components very comprehensively (Ritter, Pedersen, 2020).

On the basis of the mentioned sources, supplemented by a study of the literature dealing with trends in the development of business models (Benyaer, 2013), the creation of a business model (Muehlhausen, 2018) and the creation of a value proposition for customers (Joyce, Paquin, 2016; etc.), a set of potential components of new business models was compiled.

It can be stated that retail units create a space where everyday life meets managerial practices (Fafilek and Kramoliš, 2024). For this reason, the principle links connect store development processes and retailers' marketing (Operational Excellence) with changes in consumer behaviour, with new business models offering different types of customer experience (Customer Experience) to develop a marketing programme that caters to unmet customer needs better than its rivals (Łobaziewicz, 2013; Arnett, Wittmann, 2014).

As follows from the above, the success (or failure) of a business model is determined by customers (Melović et al., 2021). In this aspect, orientation on the customer is fundamental, and customer orientation is the basis for the innovative potential of business models (Keiningham et al., 2020; Randhawa et al., 2021). Customer orientation is a relatively little researched area, but a deeper investigation of it is needed to correctly configure business models and the potential for digitalisation and innovation (Kennedy et al., 2003).

Based on a review of the professional literature, a gap can be identified regarding the role of customer orientation as a component of the business model. To address this, the following research questions and hypotheses are proposed:

RQ1: What is the degree of local orientation of retail units in the study area?

RQ2: How to characterize the influences of selected determinants on the expression of the closest possible orientation of retail catering units?

RQ3: How does customer orientation manifest itself in retail food unit sales?

H1: There are differences in consumer orientation factors/factors in the context of service performance.

H2: There are different factors/factors in a larger orientation in the context of the product range offered.

H3: There are differences in consumer orientation factors/factors in the context of using a loyalty program.

The progression of these research questions follows a logical flow, facilitating a deeper exploration of the topic. Initially, the investigation measures the degree of customer orientation in relation to specific determinants, considering not only the level of orientation but also its potential dimensions. Additionally, the analysis emphasizes the importance of customer orientation within sales, potentially underscoring the value of a profit-driven model.

Research Methodology

In the paper, a number of methodological approaches and methods were used. First is the use of standard scientific methods at all levels of the solution. This involves the use of descriptive elements and inductive statistics as a way of exploring and confirming modes. To investigate and analyse the dimensionality (latent factors) of the tool, Exploratory Factor Analysis (EFA) was used while also applying current trends and knowledge in the field of this type of analysis (Luo et al, 2019; Rabušic et al., 2019; Goretzko et al., 2021). The investigation of contexts is likewise used. In the context of the typological affiliation of variables, Spearman's correlation coefficient was used, which then was verified using inductive statistics as well as elements of interval estimation that can be expected in populations.

The basic population can be defined as retail food units in the capital city of Slovakia. Two criteria were important for the creation of the sample, namely that 1) it had to be a retail food unit, and 2) it had to be located in the investigated location. It needs to be noted that identification of the geographical location is a key element (Kita et al., 2023). The paper is supported by a primary survey in which 251 retail food units in the investigated area participated. Data were collected in September and October 2023. The sample was selected by random selection based on the list of retail food units in the investigated location. The sample error can be expected at a level of roughly ± 5 percent.

Research Design

For investigating the orientation of retail units to customer needs, as well as the overall adaptation of the business model to customers and their needs, the "Consumer Orientation" tool was chosen (Deshpandé et al., 1993). When creating a tool for measuring customer orientation, the authors defined it "as the set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders, such as owners, managers and employees, in order to develop a long-term profitable enterprise" (Deshpandé et al., 1993). This clearly indicates the investigation of customer orientation as an element of the business model. It is essential to realise that customer orientation and their acceptance of the set business

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

model of retail food units is a key element of the business model's success. The Consumer Orientation tool in the original wording contains nine statements, the validity and reliability of which (Cronbach's alpha = 0.890) were verified at fifty Japanese enterprises.

Because the tool was originally focused on a different area than retail food businesses, it was necessary to adapt or modify it. The tool then underwent pilot testing, and its final version is recorded in Table 1.

Table 1. Modified tool for measuring customer orientation

Statements	Code
1. We have routine or regular measures of customer service.	CO1
2. Our product and service development are based on good market and customer information.	CO2
3. We know our competitors well.	CO3
4. We have a good sense of how our customers value our products and services.	CO4
5. We are more customer-focused than our competitors.	CO5
6. We compete primarily based on product or service differentiation.	CO6
7. The customer's interest should always come first, ahead of the owners.	CO7
8. Our products (with our private labels) are better in the given category than branded products.	CO8
9. I believe this business exists primarily to serve customers.	CO9

Source: Own elaboration based on Deshpandé et al. (1993).

Table 1 contains the statements used as well as their code designation for further work. The modification can be seen in statement 8, which was originally "Our products/services are the best in the business". This statement, however, is a fairly large field in the retail area. Pilot testing as well as consultations with experts indicated a need to modify this statement; the statement was therefore oriented to a specific product category, which is private brands of retail food units. Another modification is the change of the Likert scale. A five-point scale is used in the original version, but due to the ambition of obtaining more sensitive knowledge, a seven-point scale was chosen to use (0 – strong disagreement; 6 – strong agreement). Since this is a foreign tool that has undergone some modification, it was necessary to examine its reliability, which was done using a reliability estimation coefficient, specifically McDonald's omega (ω), which shows better properties than other commonly used tools (Hayes and Coutts, 2020). The results indicate an acceptable degree of reliability estimation for the tool (McDonald's omega = 0.806; 95%CI = <0.770–0.843>). Of course, this result can only be considered orientational, because it can be assumed that the tool contains more than only one dimension.

To investigate possible latent factors in the framework of customer orientation as an element of the business model, Exploratory Factor Analysis was chosen (hereinafter

referred to as EFA). The aim here was to better understand the drivers of customer orientation. In the first step, the suitability of the data was verified for this type of analysis. Bartlett's Test showed significance (p-value = 6.168×10^{-106}), which indicates the appropriateness of using EFA. The Kaiser-Meyer-Olkin Test was also examined, and the value for the whole was shown to be 0.824. As part of the Kaiser-Meyer-Olkin Test, a partial analysis was performed, where the individual statements were also examined, all of which were in the range of 0.783 to 0.877, indicating appropriateness even at the level of the statements.

For EFA, the factoring method principal axis factoring was used. When determining the number of factors, the "when" rule was the one to start with, Eigenvalues above 1, the Scree plot was also examined for the given situation. Both methods indicate that the instrument contains three factors. Since the initial solution did not achieve sufficient explanatory power, rotation in EFA was used, and in view of expectations of a connection between the dimensions or new latent variables oblique rotation was used, namely oblimin. The EFA results are presented in Table 2.

Table 2. Results of Exploratory Factor Analysis

Code	Factor 1	Factor 2	Factor 3	Uniqueness
CO4	0.584			0.583
CO1	0.569			0.459
CO9	0.551			0.616
CO3	0.513			0.586
CO7	0.510			0.692
CO2		0.768		0.274
CO8		0.671		0.512
CO5			0.722	0.372
CO6			0.416	0.691

Note: Only factor loadings greater than 0.4 are shown in the table.

Source: Own elaboration

Table 2 shows the factor loadings and uniqueness. As can be seen, all factor loadings are above 0.4 in only one factor, which clearly indicates their belonging to the factor. It can thus be stated that the instrument is three-factor, with the first factor containing the statements CO1, CO3, CO4, CO7 and CO9; the second factor containing two variables, namely CO2 and CO8; and finally, the third factor contains statements CO5 and CO6. In the context of the statements, which also contain their semantics, factor 1 can be characterised as "hard customer orientation", factor two as "competitive differentiation" and factor three as "product differentiation". Hard customer orientation represents the supporting pillar of customer orientation. The following two factors are then elements of differentiation, that is, adaptation of the offer and differentiation from the competition. It is these three components that form

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

the basis for customer orientation, and it is possible to state that they form the basis for business models in the context of customer value and orientation to customer needs. The mentioned three factors explain roughly 46.8% of the variance, which can be considered acceptable. The model showed acceptable additional fit indices (SRMR = 0.028; TLI = 0.975; CFI = 0.975).

Research Results

Based on the goal and the presented literature, the research questions and hypotheses were explained, which will help to comprehensively fulfil the set objective.

RQ1: What is the degree of customer orientation of retail food units in the investigated location?

The results of measuring the customer orientation of retail food units in the investigated location can be identified on two levels. On the one hand, these are partial results that can be interpreted at the level of individual statements. Obviously, given that it is a model, the results can also be interpreted at the overall level of the model. The basic statistical indicators were recorded for the individual statements in Table 3.

Table 3. Basic indicators for individual statements of customer orientation

Code	Valid	Missing	Mode	Median	Mean	Std. Dev.	Minimum	Maximum
CO1	251	0	6	6	5.4	0.9	1	6
CO2	251	0	6	5	4.9	1.3	1	6
CO3	251	0	6	6	5.3	1.0	1	6
CO4	251	0	6	6	5.6	0.7	1	6
CO5	251	0	6	6	5.2	1.1	1	6
CO6	251	0	6	5	4.8	1.4	0	6
CO7	251	0	6	6	5.4	1.1	0	6
CO8	251	0	3	4	4.3	1.3	0	6
CO9	251	0	6	6	5.7	0.7	2	6

Note: Coding variables 1 – strong disagreement; 7 – strong agreement. The orientation of the coding represents the logic of the model; i.e., a higher value represents higher customer orientation in the given area.

Source: Own elaboration

The results from Table 3 indicate a high customer orientation of retail food units in Bratislava. Accordingly, statement CO9 ("I believe this business exists primarily to serve customers") achieved the highest score. In contrast, the lowest value was recorded for statement CO8 ("Our products (with our private labels) are better in the given category than branded products"). Therefore, some self-reflection of retail food units can be expected. It is also necessary to note that private labels are often

aimed at price-sensitive consumers rather than quality-oriented consumers (Čvirik, 2023, Polańczyk et al. 2024). What is noticeable, is that all the examined statements are at a very high level in terms of the median as well as the average (considering the interval of the scale from 0 to 6 points). It is also possible to observe a low value of the standard deviation, which suggests consistency in how the individual statements were perceived. In figure 1 the individual statements were visualised in the context of the model construct with the identified latent variables.

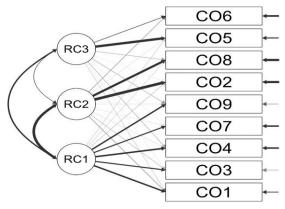


Figure 1: Path diagram. Source: Own elaboration

Figure 1 shows the connection between the identified latent factors. The connection between the identified factors of customer orientation can also be identified. When examining the factors, attention is also focused on the inter-factor correlation, and the results are recorded in the form of a correlation matrix in Table 4.

Table 4. Factor correlations

	Factor 1	Factor 2	Factor 3	
Factor 1	1			
Factor 2	0.546	1		
Factor 3	0.387	0.283	1	

Source: Own elaboration

Accordingly (Table 4), there are positive correlations between the factors, which indicates positive connections between individual dimensions. In the context of the model as a whole nine items were evaluated on a scale of zero to six points, meaning that within the model of customer orientation total indices – values can be obtained in the interval from 0 to 54 points for individual retail food units. The modal value is at the level of 52 points and the median is at the level of 48 points. The average value was calculated to be 46.6 points with a standard deviation of 6.1 points. The minimum measured value was 16 points, and the highest maximum value was 54

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

points, which is the maximum possible value. These results indicate a high level of customer orientation in the investigated location of retail food units.

RQ2: How can the effects of selected determinants on the expression of customer orientation of retail food units be characterised?

For comprehensively answering the research question, hypotheses were formulated, each of which had 4 parts (orientation on the identified latent factors and the model as a whole).

The first part focuses on the determinant of service performance. The retail food units were identified based on whether they employ service personnel or not. The results were that 27% (68) had no service staff and 73% (183) of retail food units did have service staff. The hypotheses were formulated as follows:

H1a: There are differences in hard customer orientation (factor 1) in the context of service performance.

H1b: There are differences in the framework of competitive differentiation (factor 2) in the context of service performance.

H1c: There are differences within product differentiation (factor 3) in the context of service performance.

H1d: There are differences in the scope of customer orientation in the context of service delivery.

To verify the hypotheses, the Mann-Whitney test was chosen based on the assumptions of the use of statistical tests. For the Mann-Whitney test ($\alpha=0.05$), effect size is given by the rank biserial correlation. The results were recorded in Table 5

Table 5. Differences in the influence of service performance

Hypothesis	W	p	Rank-Biserial Correlation
H1a	7239.5	0.042	0.164
H1b	7006	0.12	0.126
H1c	6615.5	0.432	0.063
H1d	7216.5	0.051	0.16

Source: Own elaboration

As Table 5 indicates, only H1a can be accepted and it is impossible to reject inequality. In other words, it can be expected that within hard customer orientation there are differences in the context of performing service, and on the basis of rank-biserial correlation, this effect is notably low.

The second part is focused on the nature of the offered assortment, and retail food units were identified offering only food products (42; 16.7%) and retail food units offering both food and non-food products (209; 83.3%). Therefore, the hypotheses were formed for individual dimensions as well as for overall customer orientation as follows:

H2: There are differences in customer orientation in the context of the offered assortment.

H2a: There are differences in hard customer orientation (factor 1) in the context of the offered assortment.

H2b: There are differences within competitive differentiation (factor 2) in the context of the offered assortment.

H2c: There are differences within product differentiation (factor 3) in the context of the offered assortment.

H2d: There are differences in customer orientation in the context of the offered assortment.

To verify the hypotheses, based on the assumptions of statistical tests, the Mann-Whitney test was chosen ($\alpha = 0.05$); effect size is given by the rank biserial correlation. The results were recorded in Table 6.

Table 6. Differences within the type of assortment offered

Hypothesis	W	p	Rank-Biserial Correlation
H2a	5124	0.08	0.167
H2b	4520.5	0.757	0.03
H2c	3796.5	0.158	-0.135
H2d	4671	0.511	0.064

Source: Own elaboration

The results from Table 6 indicate that there are no differences within retail food units offering an exclusively food assortment and retail food units offering both food and non-food assortments within customer orientation as well as within its factors. Therefore, it can be concluded that the type of assortment offered had no effect on the approach to customer orientation within the studied population.

The last part is focused on the use of loyalty programmes as a means of targeting customers, and 63.7% (160) of retail food units were identified that use loyalty programmes and 36.3% (91) that do not use loyalty programmes. The hypotheses were formed for individual dimensions as well as for overall customer orientation as follows:

H3a: There are differences in hard customer orientation (factor 1) in the context of using a loyalty programme.

H3b: There are differences within competitive differentiation (factor 2) in the context of using a loyalty programme.

H3c: There are differences within product differentiation (factor 3) in the context of using a loyalty programme.

H3d: There are differences in customer orientation in the context of using a loyalty programme.

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

To verify the hypotheses, based on the assumptions of the statistical tests, the Mann-Whitney test was chosen ($\alpha = 0.05$); effect size is given by the rank biserial correlation. The results were recorded in Table 7.

Table 7. Differences in the use of a loyalty programme

Hypothesis	W	p	Rank-Biserial Correlation
Н3а	5011.5	2.727×10 ⁻⁵	-0.312
Н3ь	3916.5	7.201×10 ⁻¹⁰	-0.462
Н3с	6580	0.196	-0.096
H3d	4460	3.219×10 ⁻⁷	-0.387

Source: Own elaboration

The results from Table 7 point to differences in the use of loyalty programmes and customer orientation, with by retail food units that have an established loyalty programme showing higher customer orientation and the effect size is relatively strong. The differences were also identified with factors one and two, and again, a relatively strong effect size was found, which indicates a significant effect of the use of the loyalty programme within the examined dimensions of customer orientation. It can also be stated that it was not possible to demonstrate differences within the third factor (product differentiation).

RQ3: In what way is customer orientation manifested in the sales of retail food units? It needs to be noted that even though the average sales per month were determined within all investigated retail food units, some retailers did not respond given the sensitivity of the information. Therefore, only a sample of 149 retail food units will be worked with in answering this question. To solve the mentioned research question, Spearman's correlation coefficient was used. The main motivations for selecting this coefficient were that the respective data and variables were not normally distributed and that there were also extreme values within the sales (Spearman's coefficient works with the median, which unlike the average is resistant to extreme values).

During investigation of the association between the overall degree of customer orientation and the average sales in retail food units, a moderately strong positive dependence was identified, which with respect to the testing can also be expected in the population ($r_s = 0.408$; p-value = 2.323×10^{-7}). The confidence interval at the level of $\pm 95\%$ indicates the value of the correlation coefficient in the population is in the range of 0.265 to 0.534. It can therefore be expected that retail food units in the studied location which are more customer-oriented will achieve higher sales and vice versa. Stated otherwise, it can be expected that the element of customer orientation within business models has an effect on sales.

Discussion

There may be several reasons for identifying a high degree of customer orientation of retail food units. First, external factors need to be taken into account. These include a high degree of market saturation and increasing consumer demands, as well as a significant intensity of competition in the studied market and studied location. Three key dimensions were identified within the examined customer orientation model, namely "hard customer orientation" as factor one, "competitive differentiation" as factor two, and "product differentiation" as factor three. Accordingly, there is a notable connection between hard customer orientation and competitive differentiation. This association can be understood specifically in the creation of value for the customer, adapting the offer to the customer, which requires monitoring of customers, and the effort to create a competitive advantage (with the help of differentiation), when businesses try to satisfy needs more efficiently than the competition (Bonfrer et al., 2022; Ellickson et al., 2020). It is this strategy that appears to be the most advantageous in markets with high saturation as well as with a strong intensity of competition, and so, an association between customer satisfaction can be seen, which is a key area of customer orientation (satisfying needs more efficiently, better) on the basis of the correct assortment composition (Breckenfelder, 2024; Ndubisi et al., 2020; Stellian and Danna-Buitrago, 2020). In this context, an association between product differentiation and hard customer orientation is talked about. It is likewise possible to observe effects within the factor of assortment difference and difference towards the competition, though this association is lower, as it should be noted that companies generally focus more on one of these strategies. The basis of these factors (differences), of course, brings a certain similarity in the sense of customer orientation. It is customers, the competition and products that represent the generic elements of strategic marketing management, which are also expressed in retail.

Conclusion

The presented paper has as its goal to investigate customer orientation as a key component of a food retail business model. Firstly, the degree of customer orientation was identified using a modified instrument of customer orientation (Deshpandé et al., 1993). This was both an adaptation to the current situation as well as to the area of food retailing. A given was that the reliability of the tool needed to be investigated, and it appears to be both reliable and valid. Additionally, the conclusion was made that customer orientation in the context of the investigated industry contains three dimensions, namely: 1. hard customer orientation, 2. competitive differentiation and 3. product differentiation. It must be stated that the dimensions have a certain degree of connection with each other. This model is subsequently worked with in the context of measuring and identifying the current state of customer orientation in addition to other factors affecting the degree of customer orientation of retail units. The statement "I believe this business exists

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

primarily to serve customers", which clearly points to the importance of customer orientation, achieved the highest average score. The determinant of service performance had an effect on perception of the importance of customer orientation only within the framework of hard customer orientation, i.e., the first dimension. The character of the offered assortment did not have an effect of changing customer orientation, which points to a certain universality of customer orientation in this context. A loyalty programme can be considered as a notably significant determinant. It appears to be significant in the sense of differences in the degree of customer orientation, aside from the third dimension, which represented product differentiation, which is logical. The confirmation of the importance of the effect of customer orientation on the sales of retail food companies can be considered an important finding for the academic community as well as for practice, which not only points to the importance of this concept but also its importance within business models.

Acknowledgements

The paper was supported by VEGA 1/0012/22 "Innovative business models of retail outlets based on geo-marketing data and their influence on the creation of the value base offer and food retail chains in the digital period"; I-25-100-00 "Enhancement of retail business models based on sensory, digital, and geographic marketing management through modern approaches in market research and statistical data analysis" and as part of the research program 6_1_GZ_2024 "Phygital consumer: consumer at the interface of the physical and digital world" carried out under the "Regional Initiative of Excellence" program.

References

Afuah, A., Tucci, C. L., (2003). *Internet business models and strategies: Text and cases* (2nd ed). New York: McGraw-Hill.

El Amri, A. (2012). Management du marketing mix de la distribution. Saarbrücken: EUE.

Arnett, D. B., Wittmann, C. M., (2014). Improving marketing success: The role of tacit knowledge exchange between sales and marketing. *Journal of Business Research*, 67(3), 324–331.

Bonfrer, A., Chintagunta, P. and Dhar, S., (2022). Retail store formats, competition and shopper behavior: A Systematic review. *Journal of Retailing*, 98(1), 71–91.

Brabec, M., (2010). Business model vert. Paris: Dunod.

Breckenfelder, J., (2024). Competition among high-frequency traders and market quality. *Journal of Economic Dynamics and Control*, 166, 104922.

Cortimiglia, M. N., Ghezzi, A. and Frank, A. G., (2016). Business model innovation and strategy making nexus: evidence from a cross-industry mixed-methods study. *R&D management*, 46(3), 414-432.

- Čvirik, M., (2023). Perceived price and quality of food of European Union countries of origin by Slovaks: The influence of ethnocentric tendencies. *Central European Business Review*, *12*(1), 97–114.
- Demil, B., Lecocq, X. and Warnier, V., (2013). *Stratégie et business models*. Paris: Pearson Education France.
- Deshpandé, R., Farley, J. U. and Webster, F. E., (1993). Corporate culture, customer orientation and innovativeness in Japanese firms: A quadrad analysis. *Journal of Marketing*, 57(1), 23–37.
- Dijmărescu, I., Iatagan, M., Hurloiu, I., Geamănu, M., Rusescu, C. and Dijmărescu, A., (2022). Neuromanagement decision making in facial recognition biometric authentication as a mobile payment technology in retail, restaurant, and hotel business models. *Oeconomia Copernicana*, 13(1), 225–250.
- Dziuba, S., Szczyrba, A., (2023) Agile management in Polish organic food processing enterprises. *Production Engineering Archives*, 9(1), 101-107.
- Elg, U., (2007). Market orientation processes in retailing: a cross-national study. *European Journal of Marketing*, 41(5/6), 568-589.
- Ellickson, P. B., Grieco, P. L. E. and Khvastunov, O., (2020). Measuring competition in spatial retail. *The RAND Journal of Economics*, 51(1), 189–232.
- Fafilek, M., Kramoliš, J., (2024). Retail management: Generation Z and their impulsive buying behavior in non-food retails. *Polish Journal of Management Studies*, 29(1), 119-131.
- Gavurova, B., Jencova, S., Bacik, R., Miskufova, M. and Letkovsky, S., (2022). Artificial intelligence in predicting the bankruptcy of non-financial corporations. *Oeconomia Copernicana*, *13*(4), 1215–1251.
- Gołębiewski, T., Dudzik T. M., Lewandowska, M. and Witek-Hajduk, M., (2008). *Modele biznesu polskich przedsiębiorstw.* Warszawa: Oficyna Wydawnicza SGH.
- Gomes, J., Okano, M. and Otola I., (2020). Creation of indicators for classification of business models and business strategies in production systems. *Polish Journal of Management Studies*, 22(2), 142-157.
- Goretzko, D., Pham, T. T. H. and Bühner, M., (2021). Exploratory factor analysis: Current use, methodological developments and recommendations for good practice. *Current Psychology*, 40(7).
- Gouveia, F. D., Mamede, H. S., (2022). Digital transformation for SMES in the retail industry. *Procedia Computer Science*, 204, 671–681.
- Carpenter, G. S., (2023). Market driving, market driven, or both? Toward a concept of dual market orientation. *Industrial Marketing Management*, 113, 357-359.
- Hamel, G., (2000). Leading the revolution. Boston: Harvard Business School Press.
- Hayes, A. F., Coutts, J. J., (2020). Use Omega rather than Cronbach's Alpha for estimating reliability. But.... *Communication Methods and Measures*, 14(1), 1–24.
- Hermanto, I. R., Widyarini, L. A. and Darma, D. C., (2024). Digitalization Impact on Sustainable Firm Performance of Small, Medium, and Large Businesses. *Virtual Economics*, 7(1), 7–24.
- Hernández Linares, R., López Fernandez, M. C., (2020). Entrepreneurial orientation, learning orientation, market orientation, and organizational performance: Family firms versus non-family firms. *European Journal of Family Business*, 10(1), 6–19.
- Jabłoński, A. (Ed.), (2019). Sustainable business models, Basel: MDPI.

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

- Jánská, M., Žambochová, M., (2021). Factors influencing B2B businesse's communication on social media. *Communication Today*, 12(2), 100–108.
- Jocevski, M., (2020). Blurring the lines between physical and digital spaces: Business model innovation in retailing. *California Management Review*, 63(1), 99-117.
- Joyce, A., Paquin, R., (2016). The triple layered business model canvas: A tool to design more sustainable business models. *Journal of Cleaner Production*, 135(22), 1474-1486.
- Keiningham, T., Aksoy, L., Bruce, H. L., Cadet, F., Clennell, N., Hodgkinson, I. R. and Kearney, T., (2020). Customer experience driven business model innovation. *Journal of Business Research*, 116, 431–440.
- Kennedy, K. N., Goolsby, J. R. and Arnould, E. J., (2003). Implementing a customer orientation: extension of theory and application. *Journal of Marketing*, 67(4),67–81.
- Kita, P., Čvirik, M., (2024). Retailer processes centred on the food market as the main determinate of business models in the context of retail size, *Journal of Retailing and Consumer Services*, 81(6), 103937.
- Kita, P., Čvirik, M., Maciejewski, G., Žambochová, M. and Kitová Mazalánová, V., (2023). Activities of retail units as an element of business model. *Polish Journal of Management Studies*, 27(1), 133–147.
- Krošláková, M. N., Khouri, S., Čvirik, M., Tomášková, A., Drábik, P. and Derkawi, H., (2021). The business environment of family enterprises in Slovakia - perception of external barriers. *Polish Journal of Management Studies*, 24(2), 321-335.
- Łobaziewicz, M., (2013). Effectiveness of business process management in B2B model. Polish Journal of Management Studies, 2013(8), 178-190.
- Lehmann-Ortega, L., Musikas, H. and Schoettl, J.-M., (2017). (Ré)inventez votre business model (2e éd. avec 50 cas). Paris: Dunod.
- Luo, L., Arizmendi, C. and Gates, K. M., (2019). Exploratory Factor Analysis (EFA) Programs in R. Structural Equation Modeling: A Multidisciplinary Journal, 26(5), 819–826.
- Mandli Y., Taoufik D., (2019). The business model literature: literature review and research perspectives. *Revue Internationale des Sciences de Gestion*, 2(2), 677-698.
- Melović, B., Šehović, D., Karadžić, V., Dabić, M. and Ćirović, D., (2021). Determinants of Millennials' behavior in online shopping – Implications on consumers' satisfaction and e-business development. *Technology in Society*, 65, 101561.
- Metalia, M., (2024). Determinants of Industrial Agglomeration on the Regional Economy, *Montenegrin Journal of Economics*, 20(4), 91-97.
- Muehlhausen J., (2018). Modele biznesowe dla bystrzaków. Gliwice: Helion.
- Ndubisi, N. O., Dayan, M., Yeniaras, V. and Al-hawari, M., (2020). The effects of complementarity of knowledge and capabilities on joint innovation capabilities and service innovation: The role of competitive intensity and demand uncertainty. *Industrial Marketing Management*, 89, 196–208.
- Osterwalder, A., Pigneur, Y., (2010). Business model generation: A handbook for visionaries, game changers, and challengers. Hoboken: Wiley.
- Otola, I., Knop, L., (2023). A bibliometric analysis of resilience and business model using VOSviewer. *Polish Journal of Management Studies*, 28(2), 255-273.
- Pietrucha, J., Maciejewski, G., (2024). Precautionary cash holding by consumers making electronic payments and risk-taking behavior. *Equilibrium. Quarterly Journal of Economics and Economic Policy*. 3073, 1-30.

- Polańczyk, E., Matuszek, D.B., Hys, K., Pasek, M., Spalik, M. and Rotkegel, A., (2024) Analysis of selected quality parameters of dried herbs available on the European market. *Production Engineering Archives*, 30(2) 182-190.
- Pu, Z., Fan, X., Xu, Z. and Skare, M., (2023). A systematic literature review on business cycle approaches: Measurement, nature, duration. *Oeconomia Copernicana*, 14(3), 935– 976
- Rabušic, L., Mareš, P. and Soukup, P., (2019). *Statistická analýza sociálněvědních dat (prostřednictvím SPSS)* (2., přepracované vydání). Brno: Masarykova univerzita.
- Randhawa, K., Wilden, R. and Gudergan, S., (2021). How to innovate toward an ambidextrous business model? The role of dynamic capabilities and market orientation. *Journal of Business Research*, *130*, 618–634.
- Ritter, T., Pedersen, C. L., (2020). Digitization capability and the digitalization of business models in business-to-business firms: Past, present, and future. *Industrial Marketing Management*, 86, 180–190.
- Shoji, M., (2011). Relationship between market orientation and customer relationship management in retailing. *Journal of Japan Management Diagnosis Association*, 11,151-156.
- Sorescu, A., Frambach, R. T., Singh, J., Rangaswamy, A. and Bridges, C., (2011). Innovations in retail business models. *Journal of Retailing*, 87, S3–S16.
- Sławińska, M. (2010). Modele biznesu w handlu detalicznym. Poznań: WUE.
- Stellian, R., Danna-Buitrago, J. P., (2022). Revealed comparative advantage and contribution-to-the-trade-balance indexes. *International Economics*, 170, 129–155.
- Simberová, I., Kita, P., (2020). New business models based on multiple value creation for the customer: A case study in the chemical industry. *Sustainability*, 12(9), 3932.
- Szczyrba, A., Szataniak, M., (2023). Decoding Consumer Preferences in Food Packaging with the Kano Model. System Safety: Human - Technical Facility - Environment, 5(1), 83-92.
- Verstraete, T., Kremer, F. and Jouison-Laffitte, E., (2012). Le business model: Une théorie pour des pratiques. *Entreprendre & Innover*, 13(1), 7.
- Volle, P., Dion, D., Heliès-Hassid, M.-L. and Sabbah, S., (2008). Les business models dans la distribution. *Revue française de gestion*, *34*(181), 123–144.
- Zott, C., Amit, R., (2010). Business model design: An activity system perspective. *Long Range Planning*, 43(2–3), 216–226.

POLISH JOURNAL OF MANAGEMENT STUDIES Kita P., Čvirik M., Maciejewski G.

ZNACZENIE I ISTOTA ORIENTACJI NA KLIENTA JAKO ELEMENTU MODELI BIZNESOWYCH: PRZYPADEK SIECI DETALICZNYCH NA RYNKU SPOŻYWCZYM

Streszczenie: Znaczenie orientacji na klienta jest zauważane przez wielu detalistów na rynku spożywczym w obliczu wpływu cyfryzacji, która tworzy warunki łatwej dostępności ofert spożywczych dla klientów. W związku z tym artykuł przyjmuje analityczne podejście od strony podaży, aby przedstawić perspektywy menedżerów sektora spożywczego. Celem artykułu jest przedstawienie orientacji na klienta jako kluczowego elementu modelu biznesowego w przypadku sieci detalicznych, na podstawie badania ankietowego, przeprowadzonego wśród menedżerów 251 sieci detalicznych na rynku spożywczym. Dane uzyskane w analizie statystycznej można uznać za szczególnie istotne dla zarządzania relacjami z klientami w kontekście modeli biznesowych. Wkład artykułu polega na zwróceniu uwagi detalistów na możliwości rozwijania relacji z nowymi klientami w środowisku, w którym cyfrowe kanały sprzedaży odgrywają coraz większą rolę. Ponadto stwierdzono, że orientacja na klienta w analizowanej branży obejmuje trzy kluczowe wymiary: twardą orientację na klienta, zróżnicowanie konkurencyjne oraz zróżnicowanie produktowe. Warto zauważyć, że wymiary te wykazują pewien poziom wzajemnego powiązania.

Slowa kluczowe: orientacja na klienta, modele biznesowe, handel detaliczny, cyfryzacja