Sci. Technol. Arts Res. J., Jan. – March 2024, 13(1), 9-27
DOI: https://doi.org/10.20372/star.v13i1.02
ISSN: 2226-7522 (Print) and 2305-3372 (Online)
Science, Technology and Arts Research Journal
Sci. Technol. Arts Res. J., Jan. – March 2024, 13(1), 9-27
Journal Homepage: https://journals.wgu.edu.et

Original Research

Effect of Market Orientation Practices on Manufacturing Firm's Performance: Study on Firms Operating in Ethiopian Industrial Parks

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Abstract

The study examined the impact of market orientation on company performance in Ethiopian industrial parks. Using a pragmatic perspective and mixed-methods research strategy, the study used an explanatory research design to explain the influence of the predictor on the response variable. The study involved 382 senior managers selected from workers in specific industrial parks, who were provided with questionnaires to fill out after voicing their concerns at work.Confirmatory factor analysis (CFA) was used to validate and purify the data collection scales. Furthermore, a structural equation model was employed to validate the idea put forward in the study. The results of the study demonstrated that a company's financial performance (β=0.185, p=0.000) and marketing performance (β=0.148, p=0.000) were positively and significantly affected by customer orientation. A manufacturing firm's marketing performance was also noteworthy impacted by competitor orientation (β = 0.101, p = 0.025). But there was no significant relationship between competitor orientation and financial performance (β = 0.066, p = 0.167). The study reveals that inter-functional coordination significantly impacts financial and marketing performance. To enhance business operations, companies should focus on client value, address their needs, use proactive market data, understand competitor moves, and integrate organizational functions with stakeholders' needs.

Article Information

Article History:
Received: 18-01-2024
Revised : 25-02-2024
Accepted : 30-03-2024

Keywords:
Market Orientation, Customer Orientation, Inter-Functional Coordination, Firm's Performance

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INTRODUCTION

Market orientation refers to a way of thinking in business that prioritizes sharing information about consumers and competitors, understanding consumer requirements, and integrating departments in order to provide superior value to customers and ensure long-term profitability for the company (Krzakiewicz & Cyfert, 2019; Udriyah et al., 2019; Tumber, 2020). Additionally, market-oriented businesses rely on the theory that contends that businesses must determine the preferences of their clients in relation to dynamic market knowledge and the innovativeness of their technical offerings,

both of which impact client value (Sahibzada-Jawad et al., 2019). Furthermore, as per Muis (2021), it is observed as an organisation's unique ability that competitors find difficult to replicate. Since a company's ability to compete in the market is based on how satisfied its customers are, all businesses have placed a greater emphasis on this aspect of their operations (O'Dwyer & Gilmore, 2019). All businesses have placed greater emphasis on their customers as a critical area (Saleh et al., 2021).

Comparably, a competitor orientation strategy helps businesses maintain a competitive edge through unique advantages, manages marketing differentiation, fosters product innovation and quality, and results in reasonable prices (O'Dwyer & Gilmore, 2019). In addition, as stated by Bamfo & Kraa (2019), businesses can gain an advantage over their competitors by gaining insight into their competitors' orientation. This information can then be used to improve future offerings and outperform rivals. Through inter-functional coordination, businesses can also integrate and coordinate functional units to preserve their primary functional interests (Mubarak, 2019). However, researchers found conflicting findings in previous empirical investigations, which led academics to conclude that the characteristics are neither related or have a weak positive or negative link. Researchers are still not in agreement, which means there is a lot to learn (Cheng & Yang, 2019; Dogbe et al., 2020) and problems or arguments that need to be further investigated (Farbod & Pantea, 2022).

In addition, the manufacturing sector is now fundamental to the economy's transformation since it is the engine that drives the economy—just as the manufacturing industry is fundamental to any thriving economy (Rao & Simon, 2015). Tenaw et al. (2022) found that when manufacturing grows, it creates more jobs, lifts people out of poverty, and improves economic performance. Furthermore, it was asserted that rising countries' manufacturing sectors served as a foundation for development due to their adequate human capital (Szirmai & Verspagen, 2015). High value creation across the chain is inefficient, and industrialized nations compete fiercely, thus it seems doubtful that these developing nations can leverage manufacturing to drive economic progress. In a similar vein, African countries' industrial sectors have been afflicted by low value addition, poor market connectivity, and inadequate utilization of market information (Abdi, 2020), which has reduced their competitiveness on the global market.

Despite efforts to create a favorable manufacturing environment, it was said that Ethiopia's manufacturing industry is still in its infancy as far as contributing to GDP is concerned. In addition, the industry had to deal with issues such as low product variety and lack of global competitiveness, high input import costs, a weak marketing mix strategy, inadequate market institutions and information systems, and little promotion (Tekeba, 2018). Similarly, it is asserted that Ethiopian manufacturing has not done a great job of creating jobs, generating hard currency from exports, or establishing connections between different sectors. Government initiatives, slowing industrial output growth, and worldwide competitiveness seem to be at odds with one another (Oqubay, 2018). In addition, studies conducted by Aschalew (2018) and Abebe (2019) indicate that the market-orientation approach was associated with poor operational performance, which hindered the

sector's competitiveness in both domestic and global markets. Zerabruk and Abdurazak (2022) also pointed out that, despite the potential, Ethiopia's industrial sector has relied on expensive imported raw materials for its new industries.

Industrial Parks Proclamation No. 886/2015, however, established Ethiopia's strategy for the establishment of industrial parks with the hope that it would speed up the country's economic transition and boost the manufacturing sector's contribution to GDP. As a result, the creation of intellectual property has been flourishing recently, and the present goal to extend IPs is meant to allow for sector expansion and renovation. Nonetheless, IP methods have shown a range of outcomes from both successful and unsuccessful endeavours (Zeng, 2016).

Despite Ethiopia's ambitious IPs development policy, the country continues to face export-market orientation challenges. These include, but are not limited to, slow operation capability, limited access to skilled human power, difficulty in transferring skills, inadequate infrastructure development, long lead times, and an emphasis on CMT. Bezawit and Kenenisa (2019) discovered that Bole Lemi IP's primary issues are staff turnover and a shortage of skilled personnel. Furthermore, as stated by the IMF (2020), Ethiopian industrial parks that are focused on the export market have access to a variety of markets, including those in China, EBA, COMESA, and internal or national market demand. Despite these prospects, the research showed that the primary issues are low product conformity with global standards and the market, weak market institutions, a subpar market information system, and insufficient resource promotion. Additionally, Worku et al. (2023) discovered that a firm's success is positively impacted by its marketing strategy. Therefore, questions pertaining to MO were not addressed in these investigations. As a result, this data gave an accurate representation of Ethiopia's manufacturing sector's actual performance. It may be difficult to achieve the objective of Ethiopia being an industrial hub for Africa if these problems for the industry continue.

Due to the novelty of IPs, there is currently a dearth of literature on the topic and even less understanding of how market orientation techniques affect a company's success in IPs. Prior research attempting to solve this issue has met with little success. Most importantly, as far as the investigator is aware, no studies have addressed this issue within the framework of Ethiopian industrial parks. Consequently, this study set out to fill that information gap by investigating how market orientation affects the performance of manufacturing firms within the framework of Ethiopian industrial parks.

An organization's marketing philosophy should theoretically include the core principles of market orientation—a focus on customers, computers, and cross-departmental collaboration—into daily operations (Kohli & Jaworski, 1990). Businesses that prioritize the market have an advantage over their rivals because they are better at reading consumer trends and responding with high-quality goods (Narver & Slater, 1990). According to Hunt and Morgan (1995), the market orientation philosophy supplements the marketing philosophy by describing the processes associated with market information management.

Additionally, market orientation theory was built upon the work of Kohli and Jaworski (1990) and Narver and Slater (1990), who respectively examined the concept from the viewpoints of information gathering, dissemination, and company responsiveness, as well as customers, competitors, and inter-functional integration. The performance gap in both cases is largely attributable to the proactive management of market data. Though the idea was framed differently by the researchers working on these two conceptualizations, the substance and meaning of the ideas were very similar.

Furthermore, Narver and Slater (1990) and Jaworski and Kohli (1993) provided support for the premise that MO and FP are related. This is because both help firms better meet consumer requirements and desires, which in turn improves corporate performance. In particular, they stressed that businesses might benefit from using market data in order to boost performance. Furthermore, when properly implemented, market orientation boosts both customer happiness and financial success (Morgan et al., 2009). Sharing market-derived insights throughout the company to improve business performance is what MO is all about, according to Onditi (2017). According to Lee et al. (2020) and Fakhreddin and Foroudi (2022), MO is used in businesses to manage market information across all divisions. This shows that MO is a key component that allows for the delivery of high-quality goods and services, which in turn helps businesses improve their performance.

A number of studies have looked at the correlation between MO and performance, but their findings have been all over the place, with some finding positive correlations (Jiang et al., 2020; Jancenelle et al., 2020; Dogbe et al., 2020) and others finding negative or negligible ones (Guo et al., 2018; Cui & Xiao, 2019). According to Mu et al. (2017), additional study is needed to clarify the nature of the relationship between the ideas, as this disagreement suggests a mixed relationship.

Hypothesis Development

The two pioneering studies of Narver and Slater (1990) and Jaworski and Kohli (1993) stressed that market-oriented firms attain superior profit relative to those that do not.

Fundamentally, market orientation techniques influence innovativeness, which in turn leads to performance improvement (Aziz & Samad, 2016). Additionally, businesses that have a stronger focus on the market are more adept at identifying and seizing chances for innovative development (Riswanto et al., 2020). According to Habib et al. (2020), enterprises that possess superior knowledge are more likely to engage with customers, provide greater happiness, and achieve greater success. This suggests that market-oriented corporations exhibit superior market performance. Hence, prior studies (Udriyah et al., 2019; Sampaio et al., 2019; Yadav et al., 2019; Mahrous & Genedy, 2019; Maaodhah et al., 2021). maintained that MO and FP were positively related. Two studies, one by Wasim et al. (2022) and the other by Allammari et al. (2024), found that market orientation is positively correlated with company performance. For these reasons, even in a volatile market, a customer-centric, market-oriented business would seek for methods to satisfy its customers' demands and even beat

them. In light of the arguments presented earlier:

Assumption 1: A manufacturing firm's marketing and financial performance are impacted by its market orientation.
Hypothesis 1a: A manufacturing firm's financial success is influenced by its customer orientation.
Hypothesis 1b: A manufacturing firm's marketing performance is influenced by its customer orientation.
The financial success of a manufacturing firm is affected by its competitor orientation (H1c).
Hypothesis 1d: A manufacturing firm's marketing performance is influenced by its competitor orientation.
The financial performance of a manufacturing firm is affected by inter-functional coordination (H1e).
Hypothesis 1f: The marketing success of a manufacturing company is influenced by the level of inter-functional cooperation.

Conceptual Framework of the study

Depending on the previous literature, the following conceptual framework was developed (Figure 1).

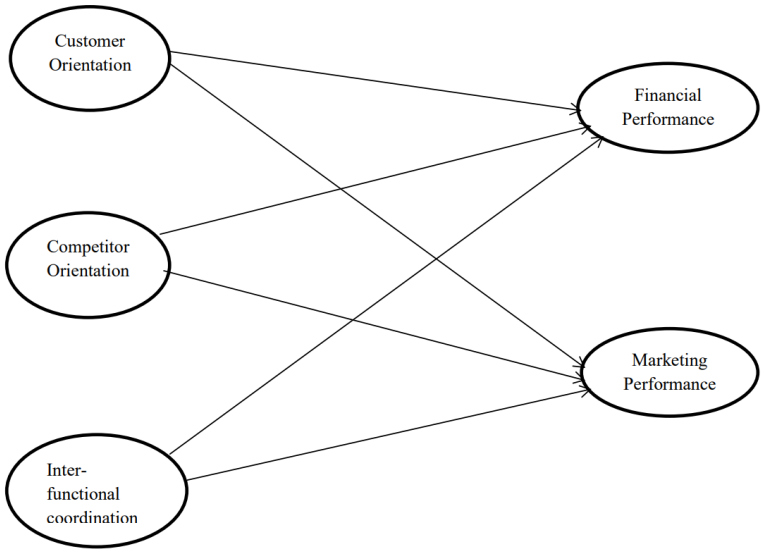

Figure1. *Conceptual Framework of the study*

Compiled from: (Kohli & Jaworski, 1990; Narver & Slater, 1990; Udriyah et al., 2019; Habib et al., 2020; Mahrous & Genedy, 2019; Flight & Mudiyanselage, 2021; Maaodhah et al., 2021; Wasim et al., 2022; Allammari et al., 2024)

Materials and Methods

Research Design

This study collected data through a cross-sectional survey strategy, which is a quantitative research methodology. To further explain how the predictor variable affected the answer variable, an explanatory study design was used.

Research Sample

The manufacturing companies in public industrial parks were the focus of the current investigation. People who work for factories in Ethiopian industrial parks are the focus of this research. Because of this, the researcher gave special consideration to the Oromia Region, the Addis Abeba City Administration, and the Sidama Region, all of which have established industrial parks where manufacturing can take place. Consequently, the Bole Lemi-1, Hawassa, and Adama IPs were selected on purpose. Various factors were taken into consideration when selecting industrial parks. They are entirely owned by the government and are created and run as parks. Second, they've all worked in manufacturing for at least five years. Thirdly, they belong to the category of the best-performing publicly owned intellectual property (e.g., Hawassa IP and Bole Lemi-1). Fourth, their primary product categories are textiles, clothing, and garments. Fifth, they are mostly focused on exports when looking at marketing strategies. They are comparable in terms of ownership (IP management), operational experience, real performance, product categories, and market strategy. The performance of publicly owned light manufacturing companies operating in industrial parks thus leads to the conclusion. Additionally, each IP's firms were chosen according to their track record in operation. As a result, 29 businesses from the three industrial parks were included after excluding businesses with fewer than three years of operational experience.

As a result, the study's target demographic was determined to be the workers of companies located in three particular industrial parks. Additionally, the statistical method for a finite target population presented by Krejcie and Morgan (1970) was used to determine the sample size. In light of this, 382 sample sizes were established. The researcher has decided to use the purposive sampling technique, which is non-probability sampling, after calculating the sample size. The justification for using purposive sampling is that not all employees may provide sufficient information about the industrial parks needed to assess the operation of the company. Therefore, by employing non-probability or purposeful sampling techniques, this study concentrated on people who could supply sufficient data in order to improve the richness of the material and shed light on the phenomenon being studied. In light of this, 382 senior managers and intermediate managers in various roles were chosen at random or specifically chosen for the purpose of getting surveys. The topic and questionnaires included required their attention, so the researcher identified the respondents who held decision-making positions. Because they provide detailed information about the firms' overall performance, the researcher concluded that these respondents are the most knowledgeable.

Measurement Instrument

The study's measurement scales were taken from earlier approved measures. Slter’s () items were primarily used to adopt five-item scales for each indicator, which were taken from (customer orientation, competitor orientation, and inter-functional coordination items) in order to measure market orientation. Five-item measures used to measure the financial and non-financial performance of the

company were taken from Hooley et al. (2005). Market orientation indicators were measured using a five-point Likert-type scale, with 1 denoting strongly disagree and 5 denoting strong agreement, to express the degree of agreement between each response option. To measure firm performance, all responses were represented by a five-point scale that ranged from 1 (much worse than competitors) to 5 (much better than competitors). The researchers collected the data between April and August 2023.

Before the main poll, the questionnaire was reviewed by five academics who are experts in marketing management and have relevant work experience. To ensure the questionnaire could collect the required data, various adjustments were made to sentence structure and question wording. The next step was to conduct a pilot study to check if the questionnaire was appropriate. The pilot study involved 35 randomly selected middle- and upper-level manufacturing managers. Changes were made to the products based on their comments. With the pilot study's findings in hand, we tested the scale's dependability. Every item utilized to evaluate MO and FP was deemed appropriate according to the findings of the scale reliability test. In order to decrease the diversity in common procedures, multiple respondents were chosen from each firm that took part in the survey. Lastly, the questionnaires were distributed by the researchers to the intended respondents. Following the distribution of the questionnaires, the researchers followed up on the data collection process on a regular basis by directly exchanging information by phone and email with the contact person in order to increase the response rate.

RESULTS

Measurement Analysis

Confirmatory Factor Analysis

The Statistical Package for Social Science was used to assess descriptive statistics (SPSS version 24.0). The satirical Analysis of Moment Structure (AMOS version 23.0) program was used to examine the inferential statistics. The first confirmatory factor analysis (CFA) approach, which tests the psychometric qualities of measuring scales, and the route analysis methodology, which tests hypotheses, were both used in this two-phase investigation. The purpose of CFA is to investigate the relationship between the latent components and the corresponding observable constructs (Hair et al., 2014). The validity and reliability of the notion are determined by this relationship.

Reliability Test

Two indicators—the composite reliability (CR) test and Cronbach's alpha test (Cronbach α)—were used in this study to gauge reliability. The Cronbach alpha coefficient, which gauges how closely the items for each construct are connected to one another, was used to examine the internal consistency and reliability. Similarly, because Cronbach alpha depends on several items to measure the constructs, it undervalues the reliability of the scale. Therefore, to provide additional proof of internal consistency and dependability, the study also used the composite dependability (CR) measure for each construct in addition to Cronbach alpha. According to Hair et al. (2014), Cronbach alpha assumes that each indicator item has an equal outer loading on

the construct, but CR assumes that each indicator item has a varied outer loading.

$$\textbf{(CR): } CR\eta = \frac{(\Sigma\lambda yi)^2}{[(\Sigma\lambda yi)^2 + (\Sigma\lambda yi)]}$$

Higher dependability is indicated by a higher composite reliability value (Hair et al., 2014). As a result, a CR value of 0.60 to 0.70 is appropriate. Conversely, if the coefficient of determination (CR) is less than 0.60, internal reliability is absent. Table 2 demonstrates that all constructions' Cronbach alpha and CR values either met or exceeded the suggested minimum level of 0.7 and higher. Therefore, it has been verified that the research structures have acceptable internal dependability. This data is suitable for additional data analysis as a result. To measure convergent validity, we employed factor loadings and average variance extracted (AVE). According to the results, all of the standardized factor loadings for the items that assessed the various constructs were more than the recommended threshold of 0.5 (Hair et al., 2010). Seven of the nine model constructs have an AVE greater than 0.50, as shown in Table 1. This means that each construct explains over 50% of the variation in its indicators (Hair et al., 2014).

Table1

Psychometric properties of measurement scale

Research Constructs		Factor Loadin	Cronbach Alpha	C.R. Value	AVE value	Square root of AVE
Market Orientation						
Customer Orientation	Cust1	0.75	0.913	0.8714	0.57606	0.759
	Cust2	0.76				
	Cust3	0.72				
	Cust4	0.73				
	Cust5	0.83				
Competitor Orientation	Comp1	0.77	0.921	0.8841	0.59916	0.7741
	Comp2	0.78				
	Comp3	0.84				
	Comp4	0.80				
	Comp5	0.67				
Inter-functional Coordination	Int1	0.83	0.935	0.9018	0.6481	0.8050
	Int2	0.84				
	Int3	0.83				
	Int4	0.73				
	Int5	0.79				
Financial Performance	FP1	0.85	0.905	0.8386	0.5699	0.7549
	FP2	0.85				
	FP3	0.68				
	FP4	0.61				
Marketing Performance	MP1	0.90	0.967	0.9363	0.8309	0.9115
	MP2	0.98				
	MP3	0.85				

Discriminant validity

The premise of discriminant validity is that every construct in the model is distinct from every other contract. This shows that some constructs account for events while others do not. Fornell and Larcker (1981) compared the square root of the AVE values of the correlations between each construct and other constructs. A notion is said to have discriminant validity if its square root AVE is greater than its correlation with any other construct.

We tested discriminant validity using inter-factor correlation. The correlation matrix result for each of the individual paired constructs shows a positive correlation, which means that the study's scale items have enough discriminant validity. Along these lines, it is not uncommon for the square roots of the AVE to exceed the correlations between the various constructs. This would indicate that the model's discriminant validity is supported by the fact that each component has a greater amount of variance with its own measures compared to other constructs.

Table 2

Discriminant validity test

Correlations					
Constructs of the study	Customer Orientation	Competitor Orientation	Inter-functional Orientation	Financial Firm Performance	Market Firm Performance
Customer Orientation	0.759				
Competitor Orientation	.489**	0.7741			
Inter-functional Orientation	.383**	.538**	0.8050		
Financial Firm Performance	.423**	.365**	.357**	0.7549	
Market Firm Performance	.410**	.410**	.418**	.515**	0.9145

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

b. Listwise N=326

Source: *Data analysis by the author from AMOS and SPSS output in 2024.*

The correlation between the latent constructs is represented by the off-diagonal values in the Fornell and Larcker correlation matrix, while the square root of the AVE values is represented by the diagonal bolded values.

Table 3

Summary of Model fit indices' results

Model fit indices	Cut-off value (Criteria).	MO and Firm performance CFA CFA model fit indices result for MO	CFA model fit indices result for FP

Table.3 continues..

Chi-square or CMIN ($X^{2)}$	Small	58.755	18.911
Degree of Freedom (DF)	-	53	12
CMIN/DF	<3	1.109	1.576
P-value	<0.05	0.273	0.091
Root Mean Square Residual	<0.05	0.490	0.011
Goodness of Fit Index (GFI)	>0.9	0.974	0.984
Normed Fit Index (NFI)	>0.9	0.980	0.990
Relative Fit Index (RFI)	>0.9	0.966	0.970
Incremental Fit Index (IFI)	>0.9	0.998	0.998
Trucker Lewis Index (TLI)	>0.9	0.997	0.994
Comparative Fit Index (CFI).	>0.9	0.998	0.996
Root Mean Square Error Approximation (RMSEA).	<0.08	0.018	0.042
PCLOSE		0.998	0.602

The result of a tables shows that all indices model fit indices meet the required standard.

Structural analysis and hypothesis test

The second step in the process follows the measurement analysis and is known as the structural analysis. In order to evaluate the study's hypothesis, market orientation and firm performance were utilized. These metrics were developed from first-order variables such as customer orientation, competitor orientation, inter-functional coordination, financial performance, and marketing performance. In order to test the hypothesis, we looked at how market oriented practices directly affected things. Consequently, in order to examine the direct influence, a standardized regression weight was derived using the AMOS program.

This is the output of the structural equation model (SEM) that connects the external variables with the latent ones:! Financial and market performance are positively correlated with all aspects of market oriented activities, according to the results. Financial and market performance are positively and significantly impacted by customer orientation and inter-functional collaboration. Additionally, marketing performance is positively and significantly impacted by a focus on competitors. On the other hand, financial performance is unaffected by a focus on competitors. Table 4 shows that there is a strong and positive correlation between customer orientation and both financial performance (β=0.185, p=0.001) and marketing performance, which is represented in (β=0.148, p=0.001). Both H1a and H1b are supported by this. This indicates that marketing performance improves by 0.148 standard deviations and finance performance improves by about 0.185 standard deviations for every one standard deviation rise in customer-oriented activities. What this means is that the model backs up the idea that customer orientation has a positive effect on FP.

In addition, the study verified H1c by finding a positive link between competitor orientation and marketing performance (β = 0.101, p = 0.025). An increase of one standard deviation in competitor-oriented activities is associated with an improvement of approximately 0.101 standard deviations in marketing performance, according to this. The study failed to provide evidence of a positive and statistically significant relationship between a focus on competitors and financial performance (β = 0.066, p = 0.167). Therefore, there is no evidence to support H1d, which predicted a positive and statistically significant relationship between competitor orientation and financial performance.

Additionally, the data shows that there is a strong correlation between effective collaboration between different departments and both financial and marketing outcomes, with a β-value of 0.065 and a p-value of 0.042, respectively, and a β-value of 0.105 and a p-value of 0.001 confirming this. In doing so, it confirmed the previously accepted hypotheses that MO has a favorable and statistically significant impact on marketing and financial outcomes (H1e and H1f). This confirmed that there is a positive correlation between increased inter-functional coordination and improved financial performance by about 0.065 standard deviation and improved marketing performance by around 0.148 standard deviation for every one standard deviation increase in coordination.

Table 4

Path estimates output from SEM model

Relationship between the constructs			Estimate	S.E.	C.R.	P	Hypothesis Result
FINPER.	<---	CUSTOMEROR.	.185	.039	4.731	***	Accepted
MAKTPER.	<---	CUSTOMEROR.	.148	.036	4.098	***	Accepted
FINPER.	<---	COMPETETOROR.	.066	.048	1.382	.167	Not Accepted
MAKTPER.	<---	COMPETETOROR.	.101	.045	2.244	.025	Accepted
FINPER.	<---	INTERFC.	.065	.032	2.035	.042	Accepted
MAKTPER.	<---	INTERFC.	.105	.030	3.471	***	Accepted

Furthermore, the coefficient of determination (R^2) result demonstrates that indicators of market orientation accounted for 27% of the variation in financial performance as well as 31% of marketing performance. This shows that market orientation has a strong enough explanatory capacity to predict the firm's performance. Still, additional unrelated factors not included in our analysis account for the remaining 73% of financial performance and 69% of marketing performance (Figure 2).

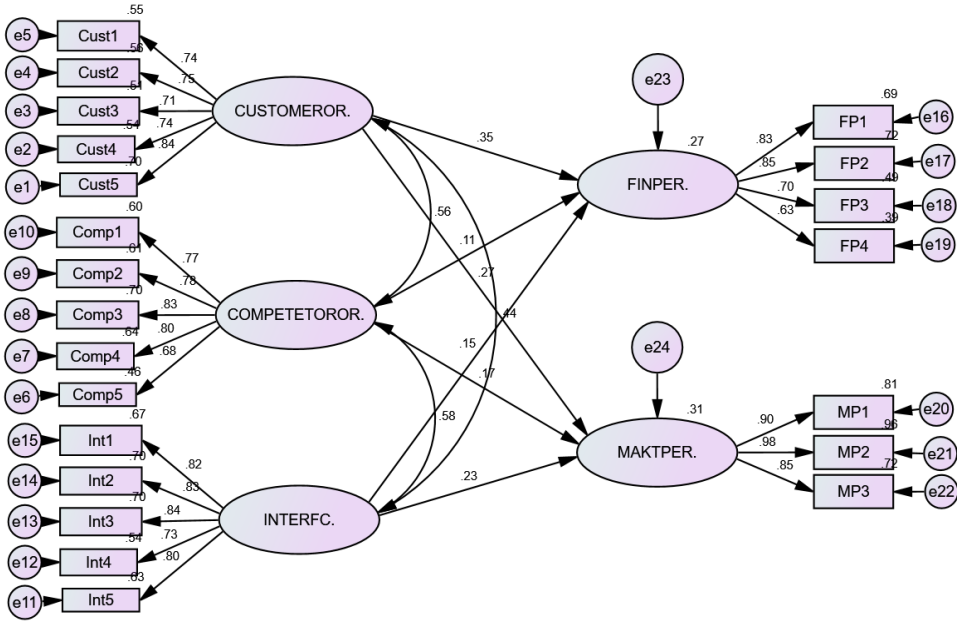

Figure 2. Effect of Market Orientation on Firm's Performance

Chi-square = 9.196; CMIN = 9.196; DF = 8; P = 0.326; CMIN/DF = 0.150; RMR = 0.007; GFI = 0.991; NFI = 0.980; TLI = 0.995; CFI = 0.995; RMSEA = 0.021 and PCLOSE 0.784 are the model fit indices. The results of the structural model fit indices showed that every assessment index falls within the allowed range

DISCUSSIONS

The impact of a company's focus on the market on its financial results was the subject of this research. This proves the hypothesis, which said that a company's performance is influenced by its market orientation strategy. This study suggests that industrial parks might increase their performance by enhancing their market orientation tactics. Because of this, you can be sure that a market-oriented strategy will be important in helping them improve their performance. So, keeping an eye on the market will allow companies to provide more value to their consumers, which will increase performance in a roundabout way. Consequently, organizations can achieve long-term success by focusing on client wants and needs.

Findings from this study show that companies with market expertise are better equipped to collect data about their customers and competitors and share it with their staff so that they can keep up with developments in international markets. Confirming previous research (Acikdilli et al., 2020; Hossain et al., 2022; Robb & Stephens, 2021; Alicia et al., 2023; Guerra & Camargo, 2024), this result shows that enterprises' export performance is improved and greatly impacted by market orientation. In contrast to Ho et al. (2018), who did not detect a significant connection between MO and FP, our study found the opposite. According to their findings, MO had no discernible impact on marketing ROI in developing nations. Additionally, neither Royo-Vela et al. (2022) nor Abidin et al.

(2024) discovered that MO had a substantial impact on marketing performance.

Firms can enhance their decision-making process by applying market knowledge about consumers, rivals, and inter-functional coordination. This insight demonstrates how firms can identify changes both inside and outside the firm that help meet customers' requirements more quickly. In addition, as stated by Baker and Sinkula (2005) and Allammari et al. (2024), export-oriented firms, like those in Ethiopian IPs, can benefit from market-oriented strategies that help them build and maintain long-term customer relationships. This, in turn, allows them to achieve superior firm performance. In particular, Chaudhary and Batra (2018) emphasized that a company's success is enhanced when consumers are prioritized and kept at the center. Companies are actively seeking ways to meet the demands of their worldwide clientele, which could explain why there is a positive correlation between the two. In addition, these businesses have extensive knowledge of global markets and clients, allowing them to anticipate and meet their demands.

Despite these advantages, the interview data shows that Ethiopia's market orientation policies and procedures are lacking. One possible explanation is that supply is inadequate compared to demand in Ethiopia. Inadequate customer attention was also shown in ACR (2015), which is in line with this study. Furthermore, the research demonstrated that Ethiopian companies lacked the marketing savvy necessary to define their target market, create a competitive marketing mix that offers superior value to consumers, and establish lasting relationships with their clientele. This might be the result of the marketing climate in Ethiopia turning into a sellers' market, where vendors hold greater bargaining power than consumers, for a wide variety of items.

CONCLUSIONS

While competitor orientation did have a favorable effect, it was not statistically significant. The study did reveal a positive link between market orientation characteristics and company performance. Not only that, but a focus on the market can become an asset that boosts a company's competitiveness. Consequently, it is clear that in order to develop fresh product ideas, manufacture new items, introduce them to the market, and commercialize them, a complete knowledge of consumer needs is required. All of these actions can ultimately improve business performance by meeting customer needs. Businesses with a market-oriented organisational culture and a keen awareness of rivals' products and services are better equipped to meet unmet client demands, which is a major factor in performance success. The selected industrial parks are export-oriented, so the companies there need to build strong ties with their customers and promise to always provide them more value by making something very special. This is due to the fact that clients are often presented with multiple choices. Business success in today's global market is also facilitated by robust external and inter-functional interaction with stakeholders. Furthermore, inter-functional coordination aids in reducing costs, improving decision-making, information flow and communication, and preventing the waste of

organizational resources. An organization's efficiency and effectiveness are both boosted by these elements. Given that competitors' tactics can have a significant impact on consumers' demands and hence on performance success the business environments in the selected industrial parks are also strategically vital. Furthermore, this strategy drives businesses to meet customer expectations because the majority of their products are export-oriented. This helps businesses maintain a competitive edge in the worldwide market. As a result, businesses that are able to obtain market intelligence through pertinent data can optimise their successes. It is generally possible to conclude that market orientation indicators, when properly applied, serve as catalysts for market-oriented businesses and can help industrial park companies improve their financial and marketing performance.

RECOMMENDATIONS

Customer service is at the center of any thriving company, as all businesses revolve around satisfying their customers. Establishing strong ties with clients is essential for firms that aim to consistently produce high-quality items that exceed consumer expectations. As a result of shifting customer tastes, companies also need the government's strong institutional framework support to strengthen connections. As a result, the company will be better able to compete with its worldwide advanced manufacturing rivals. The success of these companies' operations also depends on their ability to strengthen ties with external stakeholders and cross-functional partners. In addition, companies located in industrial parks often prioritize the international market above the local one. This indifference to local market demand is related to the government's aim to get foreign currency and the operational policies of the industrial parks. So, to meet market demand and boost performance even further, enterprises must consider delivering products to the local market alongside exporting to foreign countries. Hence, lawmakers and the government should support local investors and work to expand local markets if they care about local companies.

The industrial parks also have a disproportionate number of companies controlled by foreign nationals. There is a dearth of local establishments. If most of the companies operating in industrial parks are from other countries, the operation of the parks might not be financially viable in the future. Therefore, this study suggests that the government should set up processes, support local businesses, and provide them with the necessary training to compete effectively with foreign corporations in order to ensure the long-term viability or continuity of industrial parks. Furthermore, their products are mainly textiles and clothing or apparel. As a result, businesses that manufacture a wider range of sophisticated and diversified products can also increase their revenue and perform better, both of which benefit the national economy.

Above all, it is critical for businesses to advance and maintain market-oriented techniques if they are to continue to thrive in the dynamic business environment and reap the benefits of marketplace knowledge.

Implications, limitations, and future research directions

Implications for reality

In order to thrive in today's cutthroat economic environment, companies based in industrial parks, in particular, need to prioritize market-oriented initiatives.

Consequently, these companies can improve their market orientation strategies and gain a competitive edge in the global market by actively meeting the explicit and implicit needs of their consumers and by enhancing the integration of their internal and external stakeholders. Moreover, in light of the fact that achieving effective financial and market performance is currently challenging, firms can endure fierce competition by proactively and appropriately collecting, analyzing, and interpreting relevant market data about their rivals. In a more pragmatic sense, companies can strengthen their ties with clients by getting to know them better. Consequently, they can boost their efficiency by incorporating better customer relationship management into their operations.

Implications for managers

Due to the high degree of correlation between the variables, it is clear that industrial park business owners have the primary obligation to train their executives to collect, communicate, and act upon market data pertaining to customers, competitors, and cross-functional cooperation. The takeaway here is that managers should be well-versed in analysing market data. This communicates to managers that improving their market orientation will lead to better financial and marketing outcomes. Plus, these businesses are very focused on international markets, so they need to know a lot about different types of market data to make sure their products are perfect for customers all over the world. Policymakers can also benefit from the study's findings. The majority of the businesses operating in market-oriented industrial parks are foreign companies that export their products to other countries. Therefore, policymakers can determine how well these parks meet customer demand, compete in the global market, and assess the degree of internal and external integration. Nevertheless, the operations of the sector are still in their infancy, but they are capturing the attention of academics and experts in the field, thus further research is needed.

Research gaps and directions for the future

The core focus of the research was public industrial parks. Thus, to assess the level of market-oriented activity in the Ethiopian environment, future research might include privately held industrial parks. Similarly, market orientation could only account for 27% of the variance in financial performance and 31% of the variation in marketing performance when it came to business performance. The results show that other variables still contributed to the observed performance variation. Future studies should therefore include additional components to provide a more complete explanation of the variation. We recommend that future studies confirm our findings by employing a longitudinal research approach.

ACKNOWLEDGMENTS

The authors are thankful to Wollega University for the financial support needed to accomplish this study.

DECLARATION

The authors declare that there is no conflict of interest.

DATA AVAILABILITY STATEMENT

All data are available from the corresponding author upon request.

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