Market Orientation and Business Performance: Empirical Evidence from Thailand

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Declaration

1. The Thesis comprises only my original work.
2. Due acknowledgment has been made in the text to all other material used.
3. The thesis is less than 100,000 words in length, exclusive of tables, figures, bibliographies, and appendices.

_____________________
Wichitra Ngansathil
2 January 2001
I dedicate this thesis to two great women in my life,

*my mom and my godmother*

who inspire me to take on this journey.
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Abstract

This thesis studies the business performance of Thai firms in both domestic and export markets by using the market orientation theoretical framework to explain why some firms are more successful than others. It also investigates how firms become more market-oriented and whether the relationship between market orientation and business performance is moderated by business environment.

Data was collected using a self-administered questionnaire. This study employed key informant techniques and the Strategic Business Unit (SBU) was the unit of analysis. A total of 600 questionnaires were sent to exporting firms in Thailand; 168 were returned. However, only 147 useable questionnaires were included for data analysis using Multiple Regression Analysis.

The results from this study indicate that market orientation is an important determination of overall business performance and customer satisfaction in both export and domestic markets. The results, however, do not support the relationships between market orientation and financial performance in both markets.

A positive relationship between being market oriented and the quality of the decision making regarding whether and to what extent firms should customise their marketing strategies in other countries is found in this study. In other words, market oriented activities help managers gain confidence in applying appropriate marketing strategies in foreign markets.

The findings from this study also suggest that market orientation is important to an organisation regardless of the environmental conditions (i.e., market turbulence, technological turbulence and buyer power) in which it operates. This is true for both export and domestic markets. Although our study reveals that market orientation is especially important under the conditions of extremely high competitive intensity in the domestic market, firms should focus on the improvement of market-oriented activities regardless of environmental settings.
Finally, both export and domestic market orientation can be facilitated by:

(a) visibility of top management commitment towards export operations (apply to export market orientation only);
(b) top management emphasise and communicate the need to be market oriented;
(c) the presence of reward systems that recognise and reward employees for responding to customer needs, and
(d) decentralised decision making.
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