



MASTER'S DISSERTATION

"THE IMPACT OF STRATEGIC MARKETING ON BUSINESS PERFORMANCE"

AUTHOR: Ana Patrícia Carvalho Fernandes

SUPERVISOR: Francisco Duarte

PORTO'S SCHOOL, JUNHO, 2022



“THE IMPACT OF STRATEGIC MARKETING ON BUSINESS PERFORMANCE”

AUTHOR: Ana Patrícia Carvalho Fernandes

Dissertation presented to IPAM, to fulfil the requirements needed to obtain the Master's Degree in Marketing, developed under the scientific supervision of Professor *Francisco Duarte*, Ph.D.

ACKNOWLEDGMENTS

I am deeply indebted to Professor Francisco Duarte for its patience and guidance for the knowledge and expertise shared with me, advice and suggestions, and support at any time. This endeavour would not have been possible without him and I would like to express my deepest gratitude to everything that he has done.

I'm extremely grateful to my parents for they were my strength to continue studying and follow my dreams. They supported me at all times, celebrated every achievement and helped me overcome all difficulties. They are my best friends, my biggest fans and the biggest supporters of this thesis and master's degree. Words cannot express my gratitude to everything they are and done for me.

I would like to express my deepest gratitude to the Professors and university who taught me and provided all the tools I needed to develop this thesis, helped me grow as a person and as a marketing professional, and allowed me with this incredible experience that was the Master's and the Thesis.

ABSTRACT

This study intends to develop an interdisciplinary relationship between Business Strategy and Strategic Marketing to identify which are the determinant variables for business performance. The main objective of this study is to understand how the variables Market Orientation and Innovation Orientation, considered part of Strategic Marketing, affect business performance. An empirical study using the quantitative method was developed, in which companies from the district of Braga were studied by using a questionnaire as a data collection instrument. This study, as performance studies in general, contributes to both managerial decision-making and academic discussion by offering relevant empirical evidence about key company success factors. This thesis allows having more recent and specific data on Strategic Marketing and Business Performance, based on the companies from the region of Braga. Firstly, it revealed a positive effect of Market Orientation and Innovation Orientation on Business Performance. Secondly, it clarifies which components of 4P's are more influential on Business Performance. Finally, it contributes to management literature that suggests Market Orientation and Innovation Orientation ensure Business Performance success.

RESUMO

O presente estudo pretende aprofundar uma relação interdisciplinar entre a Estratégia Empresarial e o Marketing Estratégico para identificar as variáveis determinantes para o desempenho empresarial. O principal objetivo deste estudo é compreender como as variáveis Orientação para o Mercado e Orientação para a Inovação, consideradas como parte integrante do Marketing Estratégico, afetam o Desempenho Empresarial. Trata-se de um estudo empírico com recurso ao método quantitativo que pretende estudar as empresas do distrito de Braga, utilizando um questionário como instrumento de recolha de dados. Este estudo, como estudos de desempenho em geral, contribui tanto para a tomada de decisões de gestão como para a discussão académica, oferecendo provas empíricas relevantes sobre os fatores-chave de sucesso das empresas. Esta tese permite dispor de dados mais recentes e específicos sobre Marketing Estratégico e Desempenho Empresarial, com base nas empresas da região de Braga. Em primeiro lugar, revelou o efeito positivo da Orientação para o Mercado e da Orientação para a Inovação no Desempenho Empresarial. Em segundo lugar, esclarece quais os componentes dos 4P's que são mais influentes no desempenho das empresas. Finalmente, contribui para a literatura que sugere que a Orientação para o Mercado e a Orientação para a Inovação asseguram o sucesso do Desempenho das Empresas.

Index

ABSTRACT	4
RESUMO	5
LIST OF FIGURES	7
LIST OF TABLES	7
LIST OF APPENDICES	7
LIST OF ABBREVIATIONS	7
INTRODUCTION	9
1. LITERATURE REVIEW	16
1.1. STRATEGIC MARKETING AND BUSINESS PERFORMANCE	17
1.2. MARKET ORIENTATION AND BUSINESS PERFORMANCE	20
1.2.1. CONCEPTUALIZATIONS OF MARKET ORIENTATION	20
1.2.2. MARKET ORIENTATION'S EMPIRICAL STUDIES	24
1.3. INNOVATION ORIENTATION AND BUSINESS PERFORMANCE	30
1.3.1. CONCEPTUALIZATIONS OF INNOVATION ORIENTATION	31
1.3.2. INNOVATION ORIENTATION'S EMPIRICAL STUDIES	40
1.4. MARKET ORIENTATION & INNOVATION ORIENTATION AND BUSINESS PERFORMANCE	46
2. RESEARCH METHODOLOGY	55
2.1. RESEARCH DESIGN	55
2.2. INDUSTRIAL BACKGROUND, SAMPLE AND DATA COLLECTION	56
2.3. DEFINITIONS AND MEASUREMENT MODEL	59
2.3.1. MARKET ORIENTATION	59
2.3.2. INNOVATION ORIENTATION	61
2.3.3. STRATEGIC MARKETING (MARKET ORIENTATION & INNOVATION ORIENTATION)	63
2.3.4. BUSINESS PERFORMANCE	64
2.3.5. ANALYSIS METHOD	65
3. ANALYSIS AND RESULTS/FINDINGS	66
3.1. MEASUREMENT MODEL ASSESSMENT: RELIABILITY AND VALIDITY	69
3.2. STRUCTURAL MODEL ANALYSIS	75
4. DISCUSSION	79
5. CONCLUSIONS	91
6. CONTRIBUTIONS, LIMITATIONS AND FUTURE RESEARCH	102
REFERENCES	106
APPENDICES	147

ANNEX 1 - QUESTIONNAIRE	147
-------------------------------	-----

LIST OF FIGURES

Figure 1. Study model.....	82
----------------------------	----

LIST OF TABLES

Table 1. Average Responses.....	67
Table 2. Average Responses on 4P's	68
Table 3. Descriptive Statistics	69
Table 4. Confidence Intervals	69
Table 5. Reliability and AVE.....	700
Table 6. Factor Loading	711
Table 7. Cross-loadings.....	722
Table 8. Heterotrait-Monotrait Method	755
Table 9. Descriptive Statistics (Path Coefficient).....	766
Table 10. Descriptive Statistics of 4P's (Path Coefficient)	777

LIST OF APPENDICES

Annex 1 – Questionnaire	147
-------------------------------	-----

LIST OF ABBREVIATIONS

Strategic Marketing	SM
Market Orientation	MO
Innovation Orientation	IO
Business Performance	BP
Small and Medium-sized Enterprise	SME
The National Board for Small-Scale Industries	NBSSI
Partial Least Squares Structural Equation Modeling	PLS-SEM
Variance Inflation Factor	VIF

INTRODUCTION

Developing a “genius strategy”, having the best product in the market, or developing the greatest innovation, is not enough; these are things that can put a company at the top of the competition, but not for long. For a company to stay at the top level of performance, it needs to develop a solid, well thought-out, and detailed execution and most companies admit to fail at that (Neilson et al., 2008). This is stated by the Harvard Business Review, which over the past five years featured 125 000 profiles, representing over 1 000 companies, government agencies and non-profit organisations, based in over 50 countries, being that 25% of the employees had executive positions. The study found that three out of five companies' employees do not believe that important strategic and operational decisions are quickly translated into action (Neilson et al., 2008).

After developing and implementing a strategy, it is necessary to evaluate the results; this way, companies can understand what has worked and what needs to be improved. However, by only looking at superficial numbers, companies can develop blind spots, and sometimes end up working against their own objectives which leads to them not having the foresight to take the right step. Firm performance is the leading indicator of measuring the success of a business and industry. Many researchers have suggested theories and models to improve it. Hence the success and longevity of the business and industry, and various practitioners over the years have borrowed from these models and invested in

strategies to increase their performance. That has led to increased competition in the industry, making it difficult to compete on “old school” strategies.

When considering the meaning of Performance, it is understandable that there are several concepts associated, and most of them with meanings not entirely equivalent to each other. In the business context, the meaning of the word ‘performance’ is probably one of the least understood, or certainly, the one most doomed to the intuition of the one writing it. Hence, there is not any universally accepted definition of this conception (Farooq, 2018, p. 241).

Successful Business Performance is defined by Hult et al. (2004) as the achievement of organisational objectives related to profitability and growth in sales and market share, alongside the accomplishment of the company's overall strategic goals. Business Performance is generally assessed on the attainment of organisational objectives, growth, human resource effectiveness, product and services quality, supplier performance, customer and markets, and other crucial factors such as profitability (Al-Hakim et al., 2017). According to Slater et al. (2010), performance can be defined in the context of whether the business meets or exceeds its objectives, since different types of businesses will place more or less emphasis on varying intermediate objectives according to their interest.

According to Zsidó (2015), the field of performance measurement has been changing rapidly and improving significantly. The origins of performance

measurement can be traced back to the first accounting activities, i.e., around 1300/1400 in Genoa. The first accounting balance sheet was developed only in 1511 by the Fugger family from Venice, and by the late 19th century, there was already an awareness of financial and management accounting. At this stage, performance measurement consisted only of accounting records, but through time, several indicators such as Return on Equity, Return on Assets, or Return on Investment started to emerge. The intensification of competition and the need for information caused the traditional methods of performance measurement to change, and new approaches emerged. Considering the countless new measurement frameworks and techniques such as the Balanced Scorecard, performance prism, economic value-added, etc., it is verifiable that scientific literature and experts have allocated growing importance to this field.

The 1990s began with radical changes in performance measurement, so much that they were called “the performance measurement’s revolution” – this was due to the appearance of several new systems and indicators (Neely, 1999). Several authors have developed and introduced a new system or method of performance measurement at this time. For example, a system for measuring efficiency performance must be based on relevant indicators and must be related to the company's strategy (Drucker, 1990). Since companies do not just have financial objectives, they should also incorporate financial and non-financial indicators when measuring their performance (Kaplan, 1984). To reflect the company's external competitive environment, customer requirements and

internal objectives, the indicators should be applied as well to the organizational mission and objectives (Kennerley - Neely, 2003).

To support decisions and actions through the collection, processing, and interpretation of information; performance measurement is the process of measuring and quantifying the efficiency and effectiveness of a given activity or past decisions (Neely et al., 1995). Effectiveness in the sense of achieving the objectives, and efficiency by attesting the quality of the resources used (Wimmer, 2004). According to Neely et al. (2002), the purpose of performance measurement is: “to support the well-informed decisions and actions, by providing with appropriate data collection, processing, organizing, analysing and interpreting quantify the efficiency and effectiveness of past actions”.

Business Performance is often conceptualized as a multidimensional construct with financial and non-financial measures as its dimensions (Franco-Santos et al., 2007). The definitions of the financial dimension assume Business Performance as quantifiable with generally accepted accounting principles' standardization and include measures such as sales revenue, profit margins and cash flow; and the Business Performance that is non-financial in nature and comprises metrics such as market share, products and services quality improvement and customer satisfaction (Lee et al., 2015; Simon et al., 2015; Venkatraman and Ramanujam, 1986). From a financial performance perspective, business success is typically defined and measured in terms of

accounting indicators of cash flow and profitability and financial market indicators of investor value (Morgan, 2012).

The recognition and measurements of Business Performance are often discussed using two general approaches, the use of subjective or objective measures of performance (Agarwal et al., 2003). The objective approach includes financial or market-based measures and absolute values of Business Performance, such as profitability, capacity utilization, cash flow and market share. The subjective approach involves the customer and employee-based measures, relative measures of performance, such as market share, profitability, product quality, service quality, employee turnover, employee satisfaction, and customer satisfaction (Vij and Farooq, 2014a; Zehir et al., 2011). Researchers use a variety of objective indicators, such as Return on Equity, Return on Assets, financial ratios, profitability, cash flow, market share, etc., or subjective attitudes, namely, managers' satisfaction, experiences, product quality, employee turnover, etc. (Chiao et al., 2006; Powell and Dent-Micallef, 1997; Shih, 2017; Vij and Farooq, 2014). While objective measures are absolute, subjective measures are generally relative and more commonly used in strategy-related research when financial statement data are not available or do not allow accurate comparisons between companies (Wall et al., 2004; Clercq et al., 2010; Kraus et al., 2012; Santos and Brito, 2012). In addition, there is a positive correlation between subjective and objective performance measures (Dess and Robinson, 1984; Venkatraman and Ramanujam, 1987; Wiklund and Shepherd, 2003; Vij and Bedi, 2016).

The main objective of this study is to understand how the variables Market Orientation and Innovation Orientation, considered part of Strategic Marketing, affect Business Performance. Thus, it is intended to answer the following research questions:

RQ1. To what extent does Market Orientation have a direct and positive effect on Business Performance?

RQ2. To what extent does Innovation Orientation have a direct and positive effect on Business Performance?

RQ3. To what extent does Strategic Marketing (Market Orientation and Innovation Orientation) have a direct and positive effect on Business Performance?

These questions condition the development of this dissertation, both in terms of the literature review and in terms of the orientation of the empirical study. This empirical research uses the quantitative method to study companies from the district of Braga. The selection of this group aims to investigate the existence of a relationship between Business and Strategic Marketing and the Business Performance of companies that compete in the Industrial sector.

Apart from the practical implications, the present study will also contribute to the existing literature. The research will add to the current understanding of how the variables Market Orientation and Innovation Orientation, considered

part of the Strategic Marketing, impact Business Performance, and confirm the results of existing studies. This research will evaluate the current situation in terms of previous studies on the investigation of the subjects, in particular the implications of Strategic Marketing on Business Performance.

The remainder of this research is organized in the following sections. It begins with a further deepening of the theoretical background of the variables used in the study. The following section is devoted to the development of hypotheses based on the identification of linkages between Strategic Marketing, Market Orientation, Innovation Orientation, and Business Performance, as suggested in the literature. Then, the details of the research methodology are presented in the next section, and the data analysis section is presented in the following one. The next part of the thesis presents and discusses the findings. Then it concludes with the study's limitations, the theoretical and managerial implications of the results, and future research suggestions.

1. LITERATURE REVIEW

Many studies have evaluated the relationship between Strategic Marketing (SM) Orientation and Business Performance (BP) (Cadogan, 2012; Mu et al., 2017; Li, 2014). Overall, these studies conclude that the leveraging effects of BP rely on SM Orientations in the presence of business environmental factors such as socio-political factors, market dynamics, and environmental apprehension acting as moderating variables (Lovett et al., 2005). Firms interact with the marketplace and stakeholders under the guidance of their strategic orientations (Noble et al., 2002), but an exclusive focus on one strategic orientation could lead to poor firm performance (Grinstein, 2008). For this reason, firms should adopt multiple strategic orientations, such as Market Orientation (MO) and Innovation Orientation (IO). MO and IO have been found to positively impact each other (Hult et al., 2004) and are two integral parts of SM (Zhou et al., 2005b). Theodosiou et al. (2012) declare that strategic orientations do not automatically lead to better performance, but bring certain behaviours that, as a result, affect performance. These authors complement that such behaviours are related to marketing capabilities that act as an action mechanism that facilitates the implementation of strategic orientations at the market level.

In the following subchapters, this study aims to incorporate the SM orientations, MO and IO, as prognosticators and antecedents for attaining successful BP. Both MO and IO are addressed in this work as SM capabilities;

furthermore, it argues that marketing capabilities, specifically the MO and IO, play a mediating role in the BP.

1.1. STRATEGIC MARKETING AND BUSINESS PERFORMANCE

Strategic Marketing (SM) has been in a prominent focus in academic research since 2008 and, in the literature, there are numerous definitions of SM, definitions that reflect different perspectives (Li et al 2000). A traditional concept of SM suggests that it is a plan for pursuing the company's objectives or how the business will obtain its marketing objectives (Theodosiou and Leonnidou, 2003; Kotler and Armstrong, 2009); it determines that SM is the plan for how a company allocates its resources, relates to its environment, and achieves the business objectives so as to generate economic value and keep the company ahead of its competitors. According to Levie (2006), the purpose of developing a marketing strategy for organisations is to establish, build, defend, and maintain their competitive advantage.

Slotegraaf and Dickson (2004, p. 373) positioned SM planning capability as “the ability to anticipate and respond to the market environment in order to direct a firm’s resources and actions in ways that align the firm with the environment and achieve the firm’s financial goals”. Vorhies and Morgan (2005) define this capability as the ability to conceive marketing strategies that optimise the match between the firm’s resources and its marketplace.

The SM literature suggests that the effective implementation of planned SM is a key driver in firm performance (Morgan et al., 2012). Thus, BP effectiveness results from carrying out SM activities (Drucker P., 1966). Increasingly, skills and resources are seen as crucial factors for the development of an organization (Moller and Torronen, 2003). But it should not be forgotten that lots of marketing strategies very well planned do fail because of its poor strategy implementation capability, so, the ability to implement the planned actions is critical, with the role of resource allocation to be an important characteristic in any planning system (Slotegraaf and Dickson, 2004). Successful organisations are distinguished not only by well-conceived marketing strategies outlining where, when, and how the firm will compete but also by their ability to execute the SM decisions options selected (Morgan, 2012; Morgan et al., 2003), that is, its SM implementation capability. Considering the above, it seems consensual that SM is of great importance for BP.

The company's SM orientations constitute an essential part of the SM (Bocconcelli et al., 2016; Frambach and Nijssen, 2017). The leverage of BP relies on SM orientations within the presence of business environmental factors such as socio-political factors, market dynamics and the apprehension of the environment acting as moderating variables (Lovett and MacDonald, 2005). The literature has identified various forms of strategic orientation, and there are

several studies finding a relationship between strategic orientation and BP, but the most preeminent are strategic MO and strategic IO (Mu et al., 2017; Li, 2014).

The study on the Effect of SM on Sustainable BP, which served as inspiration for this chapter, agreed with the findings of previous studies that observed a close association between strategic orientation and BP (Cegarra-Navarro et al., 2016; Sartori and Campos, 2017; Sartori and Campos, 2017; Li et al., 2018; Biswas, 2019). This same study found that strategic orientation plays a decisive role in long-term market position, market value creation, creation of firm goodwill, recognition of customer expectations and preferences, and social and societal well-being of stakeholders. It demonstrates that winning customer trust and retaining existing customers, establishing relationships with potential buyers, exploring new markets, and optimizing market share and market growth as primary objectives of strategic orientation will inevitably drive BP, as business and society are intertwined. The data of this study was collected using structured questionnaires using a validated Likert scale, and the empirical model was tested using structural equation modelling.

Research about the impact of SM on the performance of micro small & medium enterprises, exhibits the importance that companies should give to the SM and provide its top management with a framework for developing strategies for improving innovation performance through SM (Srinivasan, 2018). The research reveals that Place is the element of SM that best contributes to an organization's performance. Although the study does not find significant

evidence of the contribution of the Price variable to BP, they argue that this does not necessarily mean that this variable does not contribute in some way to the performance of the firm, but that it contributes with a very weak significance.

1.2. MARKET ORIENTATION AND BUSINESS PERFORMANCE

1.2.1. Conceptualizations of Market Orientation

Despite the early definitions of Market Orientation (MO) in the 1950s, its literature faced a faster development in the 1990s when Kohli and Jaworski (1990) and Narver and Slater (1990) established its foundations. Jaworski and Kohli (1990, 1993) considered MO as a concept of marketing practice and materialized it as the broad generation of market intelligence and acquisition of information from across the organisation, concerning current and future customer needs; the dissemination of intelligence across departments; and organizational responsiveness (Han et al., 1998; Kohli and Jaworski, 1990; Kohli and Jaworski, 1993). Narver and Slater (1990) argued that MO is essential for firms and defined it as "the organisational culture that most effectively and efficiently creates necessary behaviour for creation of superior value for buyers, thus, continued superior Business Performance (BP)" (p. 21). Despite the several definitions that appear to this day, the Narver and Slater (1990) and Kohli and Jaworski (1990) proposals and their corresponding scales MKTOR (Narver and

Slater, 1990) and MARKOR (Kohli et al., 1993), have shaped the study of MO and its relation with BP to present day.

From a theoretical point of view, two main approaches were established. MO was seen from a cultural perspective or a managerial focus perspective (Lafferty & Hult, 2001). Shapiro (1988), Kohli and Jaworski (1990), and Ruekert (1992) exemplified a more managerial focus, a marketing intelligence perspective, while Narver and Slater (1990) and Deshpandé et al. (1993) studies represented MO as a kind of organisational culture, a culturally based behavioural perspective.

There has been significant debate in the literature regarding which conceptualization is most appropriate (Van Raaij and Stoelhorst, 2008). However, there has been a recognition that considering MO from only one perspective to the exclusion of the other fails to capture the importance and instructive nuances of this construct. With this in mind, Kirca, Bearden, and Hult (2011) consider MO as having behavioural and cultural components. On the behavioural side, they define MO from an organizational learning perspective as “the development of behaviours related to the generation and dissemination of market information and responsiveness to it in organizations” (Kohli & Jaworski, 1990; Kirca et al., 2011, p. 146). These are the tangible and observable behaviours, manifest in the processes within the organization, related to gathering and disseminating market information regarding customers and competitors. On the cultural side, MO refers to the values and norms related to the organization’s commitment and the development of customer value (Narver

& Slater, 1990). These shared values and norms shape the implementation of MO by providing the normative boundaries within which individuals in the organization coordinate their decisions and behaviours and determine the processes through which organizational learning occurs (Kirca et al., 2011).

There are several definitions of different authors of MO; therefore, to introduce the subject under study, some of the most common ones in the literature were selected. MO refers to a business approach that focuses on understanding and meeting the real needs of customers and other relevant stakeholders (Kirca, Jayachandran and Bearden, 2005; Kotler, 2002; Narver and Slater, 1990). Strategic MO means firms' managers' recognition of the need to focus on stakeholders' orientation, customer satisfaction, environmental management initiative, and shareholders' value creation to achieve market standing and remain in competition (Li et al., 2018). Yang (2013), in agreeance with the previous authors, stated that MO can be considered as a systematic system of values that can be classified into customer orientation, cooperation among organizations, and competitor orientation (Kohli and Jaworski, 1990). MO can be considered as the tendency of organizational activities to respond better to market demand than competitors and predict market changes well to create a sustainable competitive advantage and high profits (Jeong, 2017).

The literature suggests that MO has the key objective of providing superior customer value; as firms become increasingly competitive, marketers must

identify pathways for better measuring investments in marketing activities (Narver and Slater, 1994a; Narver and Slater, 1995; Subramanian and Gopalakrishna, 2001). Likewise, Langerak, et al. (2004) have a high customer-focused view, in which MO allows companies to be focused and competitive when multiple departments are fully involved and coordinate with each other, to support the delivery of quality services and products, and promote the interests of their customers. Market-oriented companies tend to build value for customers and commit to the long-term success of the company (Kirca et al., 2005; Langerak et al., 2004). For Day (1994), MO requires a broad commitment to several company processes, beliefs, and values, reflecting the conviction that all decisions begin with the customer. All company behaviours are intended to satisfy its customers better than competitors to achieve superior performance. Narver and Slater (1990) believe that it facilitates continuous market learning through customer and competitor analysis and disclosure processes. Understanding customer needs enables one to assert the identity of the customer value proposition and promote business model innovation (Ramani and Kumar, 2008). MO enables the creation of value for customers and the continuous improvement of BP (Narver and Slater, 1990), further allowing a unifying goal of customer satisfaction across individuals and departments, leading to superior BP. Companies that develop better and more appropriate MO tend to pay more attention to understanding and meeting customer needs, comprehending the economic environment, and responding to changing markets and competitive environments (Narver and Slater, 1990).

1.2.2. Market Orientation's empirical studies

From the perspective of Strategic Marketing (SM), the notion of MO has been recognised widely. The marketing literature has examined the concept extensively, highlighting the effect of MO on BP and generally showing a positive link. According to the marketing view, MO is one of the core factors that satisfies customer needs and wants (Levitt, 1960), particularly in environmental uncertainty, which reflects on the business's ability to deliver superior products for external and internal customers (Lee et al., 2015). The authors Vorhies and Harker (2000) investigated the most relevant marketing capabilities for market-oriented firms. Their findings include market research capability, pricing capability, new product development capability, distribution channel management capability, promotion capability and marketing management capability. From the perspective of business strategy studies, MO was found to have a significant effect on BP in some empirical studies (Campo et al., 2014; Kirca et al., 2005; Lee et al., 2015; McClure, 2010). Park and Lee (2002) reported that the higher the MO, the more improvements in firm competence variables (satisfaction, innovation, selection and implementation of competitive strategies, and organizational learning) and customer response variables (customer satisfaction, service quality, service loyalty, and information sharing).

Although previous empirical research shows a broad consensus about the positive relationship between MO and BP (Agarwal et al., 2003; Baker and Sinkula, 1999a, 2009; Cano et al., 2004; Caruana et al., 2003; Chang et al., 2014;

Dawes, 1999; Deshpandé et al., 1993; Deshpandé and Farley, 2000; Ellinger et al., 2008; Farrell, 2000; Farrell et al., 2008; Harris and Ogbonna, 1999; Harris and Ogbonna, 2001; Haugland et al., 2007; Homburg and Pflesser, 2000; Hooley et al., 2000; Hult et al., 2005; Hult and Ketchen, 2001; Jaworski and Kohli, 1990; Jaworski and Kohli, 1993; Kara et al., 2005; Kirca et al., 2005; Kohli et al., 1993; Langerak, 2003; Lee et al., 2015; Liao et al., 2011; Martín-Consuegra and Esteban, 2007; Narver and Slater, 1990; Narver and Slater, 2000; Nwokah, 2008; Pittet al., 1996; Pulendran et al., 2003; Raju et al., 2000; Ruekert, 1992; Shoham et al., 2005; Wang et al., 2012; Wood et al., 2000), the surveys providing empirical evidence for that argument are relatively recent. Moreover, some studies find out non-significant or negative relationships between MO and BP (González-Benito and González-Benito, 2005; Zhou et al., 2009). As Gonzalez-Benito and Gonzalez-Benito (2005, pp. 808) indicate, “the relationship between MO and BP differs according to the dimension of MO and measures of BP”.

Generally, the adoption of MO seems to generate higher performance as measured through profitability, sales growth, or new product success (Narver and Slater, 1990; Ruekert, 1992; Deshpandé et al., 1993; Jaworski and Kohli, 1993; Narver and Slater, 1994b; Atuahene-Gima, 1996; Pitt et al., 1996; Deshpandé and Farley, 1998; Cano et al., 2004; Liao et al., 2011). Narver and Slater (1990, 2000) found a positive relationship between MO and financial performance, using Return on Assets and Return on Investment as financial indicators. MO was measured along with net income, sales revenue, and

profitability ratios, and a significant relationship was found between MO, customer orientation and financial performance.

A significant relationship was found between the financial performance of firms and MO (increase by 28,46%) in MSMEs in India (Kansal and Bansal, 2018). The study results indicated that MO had a positive effect on BP, though the strength of the predictive model overall was only 15%. Also, beta values show that the MO-performance relationship was stronger in manufacturing firms than in service firms. The Christa et al. (2020) investigation prove that MO has a significant positive effect on BP; from the indicator of 33.4%. This research was conducted on 250 senior employees with quantitative analysis using the PLS-SEM statistical tool. MO is very relevant in building business strategies to improve performance, not from a fully competitive orientation, but from what currently becomes a fundamental need for consumers, such as a trustworthy organization. The results showed that MO could be carried out appropriately by the organization to support performance based on the market and consumer needs (Kajalo and Lindblom, 2015; García-Villaverde and Rodrigo-Alarcón, 2018; Rusydiana and Sanrego, 2018; Pahlevi and Ruslan, 2019).

A study about the role of SM orientation, classified as MO and IO on sustainability in BP (Biswas, 2018), suggest a significant association between strategic MO and IO with sustainability in the environmental, economic, and social performance of pharmaceutical industries. Pharmaceutical companies

recognizing the value of this intertwined relationship and exogenous factors thus makes earnest endeavour to achieve economic (56%), environmental (45%) and social sustainability (35%) in BP. Effective MO strategies with a long-term perspective strongly propagate the firm's profitability, market-standing and market share. Strategic MO has a high impact on the sustainability of environmental and social performance since, with effective estimation and satisfaction of market demand, employment opportunities can be generated and, for want of betterment of company image, environmental initiatives can be taken by the management. The strategic market dynamics play a decisive role in long term market standing, market value creation, firm goodwill creation, the building of green image, recognition of customer expectations and preferences, and on societal and social welfare of the stakeholders. The data of this study was collected using structured questionnaires using a validated Likert scale ranging from 1 strongly disagree to 5 strongly agree, and the empirical model was tested using structural equation modelling (Biswas, 2018).

Vehapi and Milanović's (2017) study provides empirical evidence that the MO of organic food producers has a positive effect on their BP (increased by 37,9%). The positive effect of MO on selected indicators of performance has been confirmed for all the indicators of performance – sales growth (increased by 38,8%), profitability (increased by 45,6%), market share (increased by 31,9%); as well as overall BP (increased by 37,9%). It indicates that customer and competitor orientation, and inter-functional coordination are equally important dimensions of MO, while long-term profitability is the ultimate goal of market-

orientated companies. The authors applied a cultural perspective in measuring the MO by using the MKTOR scale as a basis and a sample of 42 producers.

MO presents itself as a way for SMEs to compete with larger firms in the search for differentiation by improving responsiveness to consumer dissatisfaction, facilitating flexible planning, supporting innovation due to its boundary-spanning role, as well as positively affecting performance in dynamic environments (Keskin, 2015; Lansiluoto et al., 2019; Pelham, 2000). Frösén et al. (2016), when exploring the interaction between MO and marketing performance in large firms and SMEs, confirmed that, overall, the role of MO positively affects performance. Similarly, Miller et al. (2008) found that the long-term MO of SMEs was positively associated with superior firm performance. Considering the combined effects of planning flexibility and MO on SME performance, Alpkhan and Yilmaz (2007) found that MO and an informal approach to planning flexibility influence performance positively.

The findings of Didonet et al. (2019) study indicate that the business approach of the SMEs studied, positively influences performance (increased by 19,7%). The study found that MO plays a positive mediating role in the relationship between SME business approach and performance (increased by 14,7%) (Didonet et al., 2019). This is an empirical study of 122 SMEs from the UK, and to test the hypotheses it was used the procedure of Preacher and Hayes (2008), where the SPSS macro, outlined by Hayes (2013) was used to run the procedure.

Previous research shows that MO represents for SME business approach an enhanced capacity to compete in dynamic environments and support innovative initiatives (Didonet et al., 2016), as well as representing an optimal combination with marketing performance measurements (Frösén et al., 2016).

Laukkanen et al. (2013) show that MO has a positive effect on business growth in SMEs in both Hungary and Finland through brand and market performance. Another study which investigates the mediating effect of innovation on MO and performance relationship (Yadav et al., 2019) found that SMEs do not need to have a high MO to have satisfactory performance; it is more important for them to take care of the relationship with their principal companies. There were 333 owners/managers of SMEs in India surveyed and six research propositions were framed in this study. Confirmatory factor analysis and regression analysis were used for data analysis.

Results from the empirical study of Buli (2017) indicate that success in BP and competitiveness of manufacturing SMEs are greatly influenced by MO (increased by 61,9%). According to the author, this strong effect is partly explained by the superior role of networking in SMEs' strategy and/or their nature. SMEs are highly dependent on their partners and the surrounding network; therefore, MO is not only an internal phenomenon of a firm, but its focus is found in a network of firms. This research had the participation of 171 SME managers, and multiple and linear multiple regression was applied to test the hypotheses.

Although most studies show a positive effect, some don't have the same results. Susanto's study (2019) had negative outcomes, being that his findings show that MO does not have a significant effect on Marketing Performance (increased by 12%) and has a negative effect on Dynamic Marketing Capability (decreased by 35%). The sample of this study is 111 Indonesian SMEs, and the descriptive research design is supported by exploratory research. The structural model is analysed using the Structural Equation Modelling approach with LISREL 8.8 and SPSS 16.00. Uzokurt et al. (2016) researched 117 companies in Turkey's Top 500 Companies and proved that MO does not directly affect performance. Also, Ho et al. (2018) discover that 190 actors in a beef cattle value chain in Vietnam's Central Highlands showed no significant relationship between MO and performance.

A study called "Strategic positioning, the timing of entry, and new product performance in business-to-business markets" (Guo et al., 2018) argue that MO does not directly influence new product performance (increased by 2%). Instead, it shapes a new product's positional strength (increased by 44%), which, in turn, positively influences new product performance in the B2B market (increased by 37%). It was used a sample of 178 B2B firms and the statistical estimation was processed by LISREL8.80 in tracing structural relations.

1.3. INNOVATION ORIENTATION AND BUSINESS PERFORMANCE

1.3.1. Conceptualizations of Innovation Orientation

Few studies have addressed the concept of Innovation Orientation (IO) (Siguaw et al., 2006). One of the first definitions came from Manu (1992), who defines IO “as the total innovation programs of companies and is strategic in nature because it provides direction in dealing with markets”. Manu and Sriram (1996, p. 81) argue that “a multidimensional conceptualization of innovativeness should enable us to consider the interaction among its various aspects, in terms of timing, inputs, and outputs; and their relationships to Strategic Marketing (SM) attribute environments and performance”. IO stands for the tendency of the organization to accept and promote an idea or behaviour that is new to the organization (Vij and Sharma, 2004). Ionescu and Ionescu (2015, p. 300) explain that a company’s success is based on the IO at a global level within the company.

According to Siguaw et al. (2006, p. 1), IO “is composed of learning philosophy, strategic direction, and trans functional beliefs within an organization that define and direct the organizational strategies and actions toward specific innovation enabling competencies and processes”. Similarly, Dobni (2010) defines IO as the intention to be innovative, the infrastructure to support innovation, operational-level behaviours necessary to influence a Market Orientation (MO) and the environment to support the implementation of innovation. Berthon et al. (2004, p.1065) define IO in terms of a technological philosophy: organizations that “devote their energy towards innovation—that are inventing and refining superior products, services, and communications”.

Innovation is considered a driving force of sustainability, both at the firm level and in the economy in general (Siguaw et al., 2006; Volberda et al., 2013; Nguyen et al., 2019). The term “innovation” is notoriously ambiguous and lacks a single definition or measure (Adams et al., 2006, p. 22). Markets are increasingly characterised by shorter product lifecycles, more dramatic changes in customers’ preferences and a tendency for customers to seek newer products (O’Cass and Ngo, 2012a). Because of this, Dobni (2010) highlights that enhancing the innovative ability in organisations is one of the most relevant levers in increasing profitability and growth in organisations, and innovation has been touted as the differentiator that will lead to the next level of competitive advantage. Garcia and Calantone (2002) defined innovation as “[...] the generation, acceptance and implementation of new ideas, processes, products, or services”; and mention that innovation can be classified into four types: product, process, organisational or marketing. In addition, Weerawardena (2003) suggested that innovation is an adjustment of marketing systems, processes, product services, or organizational systems to enhance customer satisfaction through value creation.

Siguaw et al. (2006) declare that a firm’s long-term success may rely more on an overall firm-level IO that produces capabilities that spawn innovations and less on specific innovations. They complement that an IO should facilitate the development of organisational competencies that lead to innovations in all

aspects of the firm: marketing, processes, and administrative activities. Innovation-oriented firms specifically develop operational competencies that facilitate new learning, continuous change and improvement in administrative and work processes and encourage gathering and disseminating information from several sources to improve the mechanisms and processes within the firm (Siguaw et al., 2006).

Research has been conducted on the classification of innovation types, based on the firm's perspective (Schilling, 2008). Darroch and Jardine (2002) classified innovation into radical and incremental innovation. Radical innovations (exploratory innovations) are designed to meet the needs of emerging customers and markets, and offer new designs, create new markets, or develop new channels of distribution (Danneels, 2002; Jansen et al., 2006). Incremental innovations (exploitative innovations) are designed to meet the needs of existing customers or markets and to broaden existing knowledge and skills, to improve established designs, expand existing products and services, and increase the efficiency of existing distribution channels (Danneels, 2002; Jansen et al., 2006). While incremental innovations are an extension of existing offerings and relatively minor modification in existing processes; radical innovations are the development/application of new technology or idea that is new to the current market segment. Various studies have elaborated on exploitative and exploratory innovation (Atuahene-Gima, 2005; Benner and Tushman, 2003; Danneels, 2002; Holmqvist, 2004; Smith and Tushman, 2005). The simultaneous application of the dimensions exploration and exploitation is Ambidexterity; and

is defined as the company's ability to adapt to environmental changes while aligning to today's business demands (Gibson and Birkinshaw, 2004).

No agreed-upon method for characterizing a firm's innovativeness has emerged in the literature (Capon et al., 1992; Han et al., 1998; Hurley et al., 1998; Jiménez-Jiménez and Sanz-Valle, 2011; Wang and Chung, 2013). Jiménez-Jiménez and Sanz-Valle (2011) have argued that a complete innovation should consist of product, process and administrative innovation. In contrast, the OECD-Eurostat (1997) measure is more strategy-oriented, measuring a firm's innovation as compared to its key competitors, including the extension of the product/service range through technologically new and improved products/services (Alegre and Chiva, 2008; Alegre et al., 2006).

The statement of Zaltman et al. (1973) indicates that innovation as "an idea, practice, or material artefact perceived to be new by relevant adoption unit" (Zaltman et al., 1973, p. 10). While they approach innovation as an output, in some other research, it has been handled as a process in which new or significantly improved products are introduced and/or new or significantly improved systems are implemented (Kalmuk and Acar, 2015). Development of new/improved products and implementation of new/improved processes and systems enable organizations to respond to changing markets, technologies, and competition effectively, which is a result of the innovation mechanism (Utterback, 1994; Dougherty and Hardy, 1996). Another process-based

perspective indicates innovation as management of activities consisting of the new idea generation process, technology development, new/improved product or process production and marketing or those new/improved products or processes (Trott, 2008, p. 15; Reulink, 2012, p. 12). From another perspective, innovation is also defined as a strategic asset that helps to improve competitive advantage and firm performance through generating value (Rust et al., 2004).

During the 1990s, Porter (1990) found that innovation was the basis of long-term sustainable competitive advantage. Then, numerous studies have represented evidence for the positive relationship between organizational innovativeness and BP (Zhou et al., 2005a; Lee and Tsai, 2005; Lin et al., 2008; Lichtenthaler, 2009; Cheng and Huizingh, 2014). Innovation can provide higher production efficiency with increased market share, higher productivity growth and rising income (Shefer and Frenkel, 2005). Zahra et al. (2000) and Srinivasan et al. (2009) have expressed that innovation can increase financial performance as a result of creating a large variety of differentiated products. According to this evidence, today, innovation is considered a foremost determinant of superior Business Performance (BP) (Lyon and Ferrier, 2002; Bueno and Ordoñez, 2004). Innovative organizations may employ new technologies and processes to enhance their marketing effectiveness (Gerni, 2013). Accordingly, innovativeness affects corporate performance by producing an improved market position through changing the natural forces of competition and consumption patterns that provide competitive advantage and superior performance (Sharma and Lacey, 2004).

In the past decade, there had been great interest in understanding innovation outcomes on strategies and BP (Dobni, 2010). O'Cass and Ngo (2011) state that competing based on innovation is the key to growth in an increasingly competitive business environment. That demonstrates the importance that innovation exerts over the company's strategy. To create and maintain a competitive advantage in an uncertain environment, the necessity of innovation capability based on an understanding of the market and customers is suggested (Atuahene-Gima, 2001; Park et al., 2011). Firms should attach importance to innovation capability using intangible resources, such as human resources, rather than developing tangible resources based on investment in equipment or environmental changes. The firm's competitiveness can be improved by increasing communication capability in the relationship between industrial customers, even in marketing innovation (Zerbini et al., 2007).

Especially, studies related to marketing innovations have had a lot of interest in innovation types, and emphasized the importance of the consumers' role in the marketing efforts of the firm (Tellis et al., 2009). It is also considered to be an innovation to increase the competitiveness and performance of the firm by providing improvements and radical solutions for the marketing mix related to products, price, distribution, and promotion (Shergill and Nargundkar, 2005). Improvement in customer value creation through marketing innovation is expected to contribute to the competitive advantage of the firm by making

superior implementation of marketing possible (Weerawardena and O’Cass, 2004). Marketing innovation refers to an integrated process of applying knowledge, technology, and resources to create value in the market, and the ultimate goal of marketing capabilities is in increasing the value of the firm and satisfy demand (Vorhies and Morgan, 2005). Tamayo-Torres et al. (2010) reported that such innovative capability comes from resources, and the capability of such a firm is created by the combination of resources rather than by a single resource. Moreover, the innovation capability of the firm can be further strengthened through the mutual synergy of the resources.

The literature presents several studies that assess the relations between innovation, marketing capabilities and performance (Merrilees et al., 2011; Ngo and O’Cass, 2012a; Su et al., 2013; Trez and Luce, 2008; Weerawardena, 2003). Theodosiou et al. (2012) considered innovation through the construct of IO, and they related it to marketing capabilities and BP. Their outcomes show that IO significantly contributes to developing those capabilities that, in turn, have a positive impact on BP. IO is relevant for marketing because provide customers with superior value, and it can contribute to sales growth by converting demand elasticity to inelasticity (Naidoo, 2010). Organizations invest considerable resources in programs designed to improve their innovativeness (Stock and Zacharias, 2011), and previous studies identify various innovation indicators, namely, research and development inputs, patent counts, patent citations and counts of new product announcements that may increase innovative performance (Hagedoorn and Cloudt, 2003).

Morgan and Berthon (2008) argue that exploitative innovation over time has a superior influence on organizational outcomes than explorative innovation. Similarly, Zhou et al. (2005b) state radical innovation has the potential to create markets, shape consumers' preferences, and change consumers' basic behaviours. Thus, radical innovations can contribute more significantly to profitability than incremental innovations. Because radical innovations provide greater benefits to a firm's mainstream customers, while more market-based innovations are embraced by new or emerging markets, Zhou et al. (2005b) conclude that both radical and incremental innovations should positively affect performance. More recently, Lisboa et al. (2011) argued that radical innovation is positively related to a future BP, while incremental innovation is mostly positively related to current performance.

The innovation literature to date has focused on readily calculated outcomes of innovation, with a few studies developing a relationship between IO and its organizational effects that includes performance (Hult et al., 2004; Simpson et al., 2006; Faroque et al., 2017; Wang et al., 2019), research and development expenditure, and order of market entry (Manu and Sriram, 1996) and innovation performance measurement in SMEs (Saunila, 2017).

"Measuring innovation inputs and outputs is difficult but establishing the relationship between these measures of innovation and BP is more problematic"

(Tidd, 2001, p. 170). Kleinknecht et al. (2002) compare the traditional innovation indicators (research and development efforts and patent applications) with new innovation indicators (total innovation expenditures, sales of imitative and innovative products, new product announcements and basic innovations) and conclude that traditional innovation indicators have more weaknesses that are often assumed. Similarly, Freeman and Soete (2009) believe that those frontiers and characteristics of science, technology and innovation indicators that were important in the last century may no longer be so relevant today and indeed may even be positively misleading.

Past research has mentioned different types of innovation, but among those, three have gained more attention when compared to others, viz, administrative, and technical innovation, product and process innovation and radical and incremental innovation (Damanpour, 1991). Managerial innovation constitutes activities like the introduction of a new management system, method, and staff development program. It does not directly link with the development of new products/services slightly; it influences the process of development indirectly (Kimberly and Evanisko, 1981; Damanpour and Evan, 1984). Technical innovation is concerned with the adoption of new ideas for new product/service development or the adoption of a new element in the process of production or service designing and delivery (Kimberly and Evanisko, 1981). Another form of innovation constitutes product and process innovation conceptualisation. Product innovations reflect the introduction of new products/services to fulfil customers' needs, whereas process innovation demonstrates the opening of new

production/service operations (Knight, 1967; Utterback and Abernathy, 1975). As product innovation corresponds to the development of new goods/services, it possesses resemblance with technical innovation in that sense; similarly, processes innovation conceptualisation possesses attributes of organisational innovation (Škerlavaj et al., 2010; Gopalakrishnan and Damanpour, 1997).

1.3.2. Innovation Orientation's empirical studies

Despite the majority of empirical studies proving the positive relationship between innovation and performance (Brown and Eisenhardt, 1995; Damanpour, 1991; Damanpour et al., 1989; Hansen et al., 1999; Thornhill, 2006; Weerawardena et al., 2006). Ionescu and Ionescu (2015) state that IO has a direct, strong, and positive relationship with the market and financial performance. This idea is corroborated in much of the SME literature, where a strong and influential relationship with performance is observed (Verhees & Meulenbergh, 2004; Wolff & Pett, 2006).

Farooq et al. (2020), while studying the relationship of IO and BP, discovered that firm size is an important factor and can be very helpful in determining the relationship between IO and BP. Organizational size is a key contextual variable in the study of management innovation, as it relates to the underlying added complexity of pursuing management innovation in organizations of different sizes (Vaccaro et al., 2012). Farooq et al. (2020) study concluded that IO and BP

are positively related to each other (increased by 62,3%). Innovative firms had a significant increase in profitability and higher market share and productivity. The study also shows that the effect of IO is indifferent and equally desirable for both small and large firms (when analysing the firm size based on the number of employees, it increased by 73,9%). A sample of 278 firms was taken from the National Capital Region and the Punjab state of India. Exploratory and confirmatory factor analyses were used to validate the IO and BP scales. The hypotheses were tested using multi-group moderation analysis and structural equation modelling. His findings are consistent with Govindarajan et al. (2019), who argue that large companies do not innovate, and their business will soon be disrupted by small ones.

The study by Issau (2018) revealed that customer orientation (increased by 39,9%) and inter-functional coordination (increased by 17,2%) had significant positive relationships with IO. Nonetheless, competitor orientation (increased by 13%) did not have a significant relationship with IO. That shows that manufacturing SMEs that search and satisfy the needs of customers and also share information about customers across their organizations stand tall in improving their operational processes, products, and market activities. The simple random sampling technique was adopted to select 346 manufacturing SMEs from the sample frame obtained from NBSSI, while PLS-SEM was employed to analyse the correlation between MO and IO.

When studying if Guanxi networking matters in the relation between MO and innovation in Asian emerging economies (Chung, 2018), the author found that both intelligence generation (increased in one model by 20% and in the other by 28,2%) and responsiveness (increased in one model 41,5% and the other 23,2%) have a positive and direct impact on innovation. Though intelligence dissemination has no direct influence on innovation (increased in one model by 13,7% and in the other by 6,1%), its alignment with business (increased by 29,4%) and political guanxi (increased by 27,6%) still leads to a positive effect on innovation. The coalition of responsiveness and political guanxi has a negative influence on innovation (decreased by 44,3%). This research conclusion is drawn based on the experience of 122 Asian emerging market firms operating in a wide variety of industrial sectors, and this study explores whether the three MARKOR components (intelligence generation, dissemination, and responsiveness) and their interaction with business and political guanxi have a significant effect on firms' strategic innovation success. Innovation was measured following the practice of the OECD.

The study by Akpoviroro and Amos (2021) found a significant relationship between Internationalization networking & innovativeness and BP (increased by 34,9%). Also, it was observed that there was a substantial relationship between marketing and source of information and innovation processes (increased by 35,5%). This research also showed a significant relationship between MO and Product Innovativeness (increased by 20,3%). This research

has a sample size of 120 respondents and adopt Stratified sampling and Purposive sampling. The Cronbach Alpha was employed to assess the reliability of the data and statistical tools, which include SPSS, analysis of variance (ANOVA), and correlation efficiency in testing hypotheses where applicable.

The results of Genc et al. (2019) study indicate that the degree of internationalization positively affects innovation performance and, more importantly, that this relationship is indirect and fully mediated by the market and entrepreneurial orientation for SMEs. The authors tested the model and hypotheses with 235 SMEs in the United Arab Emirates, and the results were obtained from partial least squares.

The research of Cheng and Chen (2017) echoes the study by Oke (2007), indicating that more firms have begun to focus intensively on value creation through innovation, which is supported by the study of Wolff and Pett (2006), who asserted that firms that innovate tend to have greater returns on investment. Cheng and Chen (2017) also concluded that service innovation (increased by 53,2%) exerts significant positive effects on BP. To achieve this data, the authors conducted a structural equation modelling based on a cross-section ($n = 260$) of 5 years of supply chain business data (2009–2013) in China.

The findings of a study about IO and its relationship with BP (2020) support that IO positively affects BP. The results of the multi-group moderation analysis indicate that firm size (based on the number of employees) moderates the

relationship between IO and BP. The findings are consistent with Pellegrino et al. (2012) and Yu and Lee (2017). The results also indicate that firm size (based on investment) does not moderate the relationship between IO and BP.

Biswas (2018) claimed that a firm usually resorts to diversification, modernization, and innovation to remain in the competition. Strategic IO with zeal to make and offer better products and services, superior research and development, product and process innovation, and control of waste and resource usage would enable a firm to achieve sustainability in performance. Suggest a significant association between strategic market IO with sustainability in the environmental (59%) and economic (37%) performance of pharmaceutical industries. But discovers that strategic IO does not significantly influence sustainability in social performance (35%), which may be because innovation usually has a stronger inclination towards improvement in environmental and economic performance. The data of this study was collected using structured questionnaires using a validated Likert scale, and the empirical model was tested using structural equation modelling (Biswas, 2018).

A study about IO's influence on architectural marketing capabilities and the impact on innovation performance (2018), discovered that IO positively influences innovation performance (increased by 51,5%) and both architectural marketing capabilities dimensions (market planning increase by 32,3% and marketing strategy implementation by 47,2%). However, they are not related to

innovation performance (strategic market planning increase by 7,4% and SM implementation increased by 17,5%), nor have they mediated the relation between IO and innovation performance. Therefore, results indicate that marketing capabilities may not contribute to the isolating BP. The relation between IO and strategic market planning capability and between IO and SM implementation capability was also confirmed. This data was gathered through an online survey questionnaire sent to the top manager of 1,181 companies, and the return rate was around 18% (210 questionnaires answered). Vorhies and Morgan (2005) scales were used to measure the two architectural marketing capabilities dimensions. These outcomes are in line with Theodosiou et al. (2012) results as IO contributes significantly to the development of marketing capabilities, even if it is considered each of the architectural marketing capabilities dimensions individually. These results are also in line with Dobni (2010), who states that organisations that possess high IOs engage in value creation strategies such as market segmentation, developing new products/services for new markets, and product/service customisation.

Due to an extraordinarily turbulent and dynamic business environment, companies are facing fierce competition. Consequently, they are forced to renew their offerings accordingly. These situations demand a firm's capability to innovate, to provide a competitive advantage and superior performance (Sanz-Valle et al., 2011; Lipit, 2006). A firm with a better innovative capacity responds more quickly and exploits new opportunities better than non-innovative firms (Brown and Eisenhardt, 1995). The prime focus of innovation revolves around a

firm's understanding of customers' needs/wants; hence, pay attention towards the development of capabilities that are essential to building up learning about customer requirements and ways to fulfil them (Flint et al., 2002). In a much more cultivated view, the above capability is being designated as MO (Narver and Slater, 1990). It insinuates that to vanquish in a competitive and dynamic environment, firms ought to be more innovative, and for this reason, they need to sojourn to their market-orientated strategy (Laforet, 2009). In this sense, while striving to find the answer to how organisations enhance their innovativeness, the outcomes of extensive research posit a direct influence of MO on innovativeness (Farrell and Oczkowski, 2002; Baker and Sinkula, 1999b).

1.4. MARKET ORIENTATION, INNOVATION ORIENTATION AND BUSINESS PERFORMANCE

In the literature, some studies have highlighted the relationship between strategic orientation, innovation, and Business Performance (BP). A study that tries to understand the role of Strategic Marketing (SM) orientation, classified as Market Orientation (MO) and Innovation Orientation (IO) in sustainability in BP (Biswas, 2018) suggest a significant association between strategic MO and IO in the environmental (45%), economic (56%), and social (35%) performance of pharmaceutical industries. Thus, both MO and IO help to contribute towards augmentation of firms' competencies, i.e., pharmaceutical companies in this same study and value in a cumulative manner through impacting sustainability

in BP. A market-oriented strategy complemented by an innovation-oriented strategy will help to realize sustainability in performance and commitment towards various stakeholders in a congruent manner. The effective MO and IO can thus provide a competitive advantage to pharmaceutical firms. The data of this study was collected using structured questionnaires using a validated Likert scale, and the empirical model was tested using structural equation modelling.

Several research studies have shown positive relationships between MO and innovation (Baker and Sinkula, 2002; Küster and Vila, 2011; Naidoo, 2010; Song et al., 2011). They suggest that MO leads to more innovation and greater success with new products (Agarwal et al., 2003; Akman & Yilmaz, 2008; Lado & Maydeu-Olivares, 2001; Verhees & Meulenbergh, 2004). Businesses with a higher degree of MO are more successful innovators and have more new product offerings compared to their competitors (Lado & Maydeu-Olivares, 2001). Numerous authors have concluded that MO may be even more important if innovation is part, or if it serves as a mediator to BP (Baker and Sinkula, 1999b; Baker and Sinkula, 2005; Chang et al., 2014; Han et al., 1998; Menguc and Auh, 2006; Narver and Slater, 1990; Narver et al., 2004).

A study on the market, entrepreneurial, and technology orientations and their impact on innovation and BP (Kocak et al., 2017) conclude that radical MO has a positive impact on incremental innovation (increased by 21%), but it has a negative effect on radical innovation (decreased by 31%). Proactive MO has the largest impact on radical innovation among other parts of the strategic

orientation scale (increased by 43%). It was also found that proactive MO has a negative effect on incremental innovation (increased by 18%). Mostly, MO has a positive effect on innovation (increased by 21%) and entrepreneurial orientation impacts BP directly and indirectly (increased by 21%). This study empirically analyses the impact of strategic orientations on BP through innovation with a sample of 818 enterprises in Turkey. The LISREL was used to test the proposed model. Shih (2018) discovered that factors from either MO (increased by 38,9%) or entrepreneurial orientation (increased by 48,4%) add to a firm's radical innovation capability and adoption. This study had a sample of 86 cultural and creative firms and results from regression analysis and a PLS-SEM model. To achieve superior BP, MO is best deployed simultaneously with complementary strategic orientations (Blankson et al., 2013).

MO is the ability to analyse the market to drive innovation so that the organization can be sustainable and improve the market (Kristinae et al, 2019; Augusto and Torres, 2018; Halawi et al., 2005; Chang, 2019; Limakrisna and Yoserizal, 2016; Dharma, 2017; Nahan, 2019). Capacity-building interventions in MO are relatively related to resource effectiveness in the resource-based theory view to encourage value innovation capabilities which improve BP (Halawi et al., 2005; Chang, 2019; Limakrisna and Yoserizal, 2016; Dharma, 2017; Fauzan et al., 2020; Kristinae et al., 2020; Chen et al., 2015; Alford and Duan, 2018; Cambra-Fierro, 2017; Zehir et al., 2016).

Christa et al. (2020) discovered that the influence of consumer and market needs strongly affects activities in value innovation based on their results (66,2%). Their study proves that the better the innovation capability value supporting MO, the better the business strategy will be able to realize effective and efficient resources for the products offered by Bank Central Kalimantan in Indonesia. This study states that MO is an input driving the value of innovation ability, which is very useful for business units to be able to survive following changes in the business environment. This research was conducted on 250 senior employees with quantitative analysis using the SEM-PLS statistical tool.

Another way in which MO affects innovation is through the relationships developed with customers. A market-oriented firm adjusts its processes and activities intending to establish strong ties with its customers and effectively manage relationships with them in the long run (Park et al., 2013). Additionally, a study on the textile sector found that more market-oriented firms have a positive tendency to innovate, which boosts their success (Küster and Vila, 2011). Likewise, Han et al. (1998) found that the relationship between MO and BP is mediated by innovation. Hult et al. (2004) also found that innovation partially mediates the relationship between MO and BP, as well as between entrepreneurial orientation and BP.

Researchers have been investigating the relationship between firm innovativeness and MO. Most agree that MO acts as an antecedent to innovativeness in a complex relationship that leads to value creation and BP

(Atuahene-Gima, 1996; Berthon et al., 1999; Block et al., 2016; Bodlaj et al., 2012; Beck et al., 2011; Deshpandé and Farley, 2004; Hult et al., 2004; Paladino, 2007). Deshpandé and Farley (2004) confirmed from their multi-country, multi-industry perspective that MO and innovativeness have a consistently positive impact on BP, irrespective of industry type. Thus, innovation can be considered an important variable that aids MO to provide organizations with better BP. The result of Kocak et al. (2017) showed that MO have a positive effect on innovation (increased by 21%). This study empirically analyses the impact of strategic orientations on BP through innovation with a sample of 818 small and medium enterprises in Turkey. They use LISREL to test the proposed model.

Among the ways to obtain a firm's innovation objectives, MO is suggested as an important antecedent to achieving a firm's innovation (Deshpandé et al., 1993; Narver and Slater, 1990; Narver and Slater, 1994; Wang and Chung, 2013; Shan et al., 2016). Likewise, MO has been presented as an important antecedent of innovation performance (Atuahene-Gima & Ko, 2001; Jaworski & Kohli, 1993). Based on organizational learning theory, firms with a high level of MO learn from their customers, which enhances their innovativeness (García et al., 2012; Love & Ganotakis, 2013). Companies that become market-oriented through effectively managing interactions with customers put a priority on satisfying the needs and wants of customers, which enhances their networking capability. Moreover, market-oriented firms better utilize environmental forces such as technology, regulations, and competitors to satisfy their customers' needs in the best way.

Though useful, extant MO-innovation research still has several research gaps, which need to be filled in future research. First, existing MO-innovation research tends to rely primarily on the MKTOR scale, that is, customer orientation, competitor orientation and inter-functional coordination, when carrying out investigations (Narver and Slater, 1990; Narver and Slater, 1994; Chung, 2011). This line of research has reached an inconclusive result in the MO-innovation dyad. For instance, customer orientation and inter-functional coordination are revealed to have a significant influence on innovation, while competitive orientation is confirmed as having no direct effect on innovation (Han et al., 1998; Wang and Chung, 2013). Firms must adopt greater innovation, including new operations, services, customers, and markets, to remain competitive (Avolnitis et al., 2001). According to Kirca et al. (2005), firms cannot be successful when innovating to increase customer satisfaction and competitiveness is absent during MO. More importantly, valuing MO highly and transforming market changes into innovation are the most critical capabilities in value creation and tend to have high financial rewards.

Findings in Roach et al. (2018) article indicate that tight integration between the technical and marketing functions of a firm makes MO infuse the innovation process. MO interacts with these integrated capabilities to form a dynamic marketing capability that enhances the organization's innovativeness. A positive relationship between MO and innovativeness was predicted, but differences were found depending on the type of MO. For manufacturers the measures of MO

were positively related to innovativeness (Implementation increased by 12%, and Internalization increased by 32%). The authors concluded that a robust MO not only provides market knowledge but also infuses the innovation process with a greater sensitivity to the customer, which sets in motion a process of learning where deep market insights can be generated and disseminated.

Han et al. (1998, p. 35) indicated that the strong and direct relations between both dimensions of organizational innovativeness and the market-growth dimension of BP may stem from the chain of MO–innovation–BP. By proposing the “MO–innovation–BP” process, found that MO has a significant impact on organizational innovation in terms of technical and administrative innovation, which in turn positively influences BP outcomes. In other words, market-oriented firms tend to have an innovative culture at work, driven by customer needs in the industrial supply chain (Nasution et al., 2011; Ngo and O’Cass, 2012). Han et al. (1998) rationalizes a strong and positive relation between innovativeness and BP by indicating that innovations serve to accommodate the uncertainties a firm confronts in its entrepreneurial environment. Being that, by using innovations, firms deal with the environmental changes and uncertainties successfully, which in turn improves their effectiveness in the market. Past research has also revealed that culture-related factors are important moderation factors in the MO-innovation-BP paradigm when exploring the MO practice in Asian emerging economies (Luo et al., 2008; Su et al., 2009; Chung, 2011; Wang and Chung, 2013). It is worthwhile to note that the MO–innovation–BP linkage

may be moderated by environmental variables, such as technological turbulence (Kohli and Jaworski, 1990), level of market uncertainty (Han et al., 1998) and competitive intensity (Jaworski and Kohli, 1993; Slater and Narver, 1994).

A study about the Influence of MO on Exploration and Exploitation Innovation Strategies and BP (2019) indicate that market-oriented companies can achieve both innovation strategies (exploitation = β 0,278, $t > 2,59$ and exploration = β 0,109, $t > 1,04$). Another finding indicates that market-oriented firms can enhance BP by developing both exploration and exploitation innovation strategies. The survey was conducted with owners/managers of companies in the food industry in Brazil through questionnaire and personal data gathering. The final sample consisted of 112 companies in southern and south-eastern Brazil. The data were first analysed through descriptive statistics using SPSS software. Structural equation modelling by SMART PLS software was applied to test hypotheses.

An empirical study about MO and supply chain performance (Cheng and Chen, 2017) concludes that firm MO (increased by 51,4%) and innovation (increased by 53,2%) exert significantly positive effects on BP. In addition, the results show that MO is mediated by the effect of innovation on BP (increased by 84,7%). MO and innovation (increased by 96,4%) had a stronger combined effect on BP than MO alone did. Consequently, the authors argue that when firms increase innovative integration, they can improve innovation in support of MO, yielding more value for customers and achieving higher financial performance. In this

study, the authors conduct a structural equation modelling based on a cross-section (n=260) of 5 years of supply chain business data (2009-2013) in China.

A study of Italian small and medium-sized firms, by Hall, et al. (2009), further indicate that businesses using integrated innovation initiatives have more market opportunities and higher BP than businesses that do not use these initiatives. In addition, Avlonitis et al. (2001) and Weerawardena (2003) argue that firms' concentration of their business-specific knowledge on MO and subsequent linking of innovation to order fulfilment is paramount to creating superior value for customers. MO may also lead to more innovation (LaForet, 2008) or better innovation launch marketing capabilities and BP (Calantone and Di Benedetto, 2012). Marketing and innovation capabilities may also contribute to innovation performance (Ngo and O'Cass, 2012).

2. RESEARCH METHODOLOGY

2.1. RESEARCH DESIGN

The research goal of this study is to understand how the variables of Market Orientation and Innovation Orientation, considered as part of Strategic Marketing, affect Business Performance. Thus, it is intended to answer the following research questions:

RQ1. To what extent does Market Orientation have a direct and positive effect on Business Performance?

RQ2. To what extent does Innovation Orientation have a direct and positive effect on Business Performance?

RQ3. To what extent does Strategic Marketing (Market Orientation and Innovation Orientation) have a direct and positive effect on Business Performance?

This thesis is a quantitative research study focusing on empirically investigating the effect of Market Orientation and Innovation Orientation on Business Performance. More specifically, this is a Survey Research with self-administered online questionnaires as data collection instruments. It is proper because this research method involves the use of statistical and mathematical tools to derive results, and the use of quantifiable data enables the articulation of facts and the uncovering of patterns in this research.

2.2. INDUSTRIAL BACKGROUND, SAMPLE AND DATA COLLECTION

According to the website infoempresas, developed by Jornal de Notícias (eInforma, 2022), in the Braga district, there are about 23 146 industrial manufacturing companies. Braga has 14 municipalities and 347 parishes where it is possible to find Industrial companies operating in the most varied areas. In the Clothing Industry there are about 9 500; in the Manufacturing of Metallic Products, Except Machines and Equipment about 2 300; in the Furniture and Mattress Manufacturing about 740; in the Food Industries about 1 130; in the Wood and Cork Industries and Their Works, Except Furniture, about 1 272; in the Manufacture of Basketry and Spartan Works about 1 300; in the Manufacture of Textiles about 3600; in the Manufacture of Machinery and Equipment around 400; Printing and Reproduction of Recorded Media around 460; in the Manufacture of Other Non-Metallic Mineral Products around 900; in the Leather Industry and Leather Products around 1 060; in Other Manufacturing Industries around 390; in the Repair, Maintenance and Installation of Machinery and Equipment around 260; in Basic Metallurgical Industries around 140; in the Manufacture of Rubber and Plastic Articles around 240; in the Manufacture of Electrical Equipment around 120; in the Manufacture of IT Equipment, Communication Equipment, Electronic and Optical Products around 90; in the Manufacture of Motor Vehicles, Trailers, Semi-trailers and Components for Motor Vehicles around 90; in the Manufacture of Chemical Products and Synthetic or Artificial Fibres, except Pharmaceutical Products, about 160; in the Manufacture of Pulp, Paper, Cardboard and related Articles about 170; in the

Beverage Industry about 120; finally, in the Manufacture of other transport equipment about 15.

This research was conducted using a sample of existing industrial companies from Braga district. The sampling framework was constructed from research on google targeting industrial companies from Braga district. The sample design was carried out randomly to maintain the quality of the results that refer to the previous theory and empirical studies so that the results can be trusted (Hair et al., 2011; 2010). The sample consists of 250 companies, that are part of the 23 146 industrial manufacturing companies in the Braga region. This sample corresponds to 1,1% of the total number of companies. It should be noted that a larger percentage would lead to a lower sample error and to a greater precision.

The method of data collection was a self-administered questionnaire, whose application was carried out online with a Google Forms link. Respondents were asked to provide their opinion on several generic statements related to Market Orientation, Innovation Orientation and Business Performance. The research scale was a Likert scale, which is a survey scale for selecting approval (answers) to questions on the instrument ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire has an average ten-minute response time, and its distribution was carried out concerning the company's Business Performance during the last three years. Questionnaire collection was subjective and received directly via email to the researcher. Before the questionnaire was distributed, the measurement instrument was tested and evaluated on ten respondents to

obtain a good questionnaire instrument with acceptable validity and reliability tests (Saerang et al., 2018; Suseno, 2018; Hair et al., 2010; Hair et al., 2011).

The potential respondents were informed about the objectives of the study to ensure informed and quality responses and assured about the confidentiality and anonymous treatment given to the data collected. The empirical data was collected from various employees, managers, agents, representatives, and intermediaries of different industrial companies in the Braga district engaged in different scales of production and offering a different variety of products, generating thirty-seven valid responses.

Initially, the online survey questionnaire was sent to the email of 250 companies, chosen randomly, and the response rate was 14,8% (in total, 37 questionnaires were answered). This data was gathered between January and March of 2022, covering small, medium, and large industries from the Braga district. The first contact with the target informants was usually by an email letter, that described the research objectives and presented the link to the online survey. A week later, another email was sent to those companies that have not answered the questionnaire, highlighting the importance of this research. Thirty days later, a new and final e-mail was sent informing the last opportunity to take part in this research. To encourage companies to respond, it was promised to send them the final results and conclusions of this study.

Based on the questionnaires returned, the descriptive statistics of the industries show the following business types. The industry types are clothing manufacture, carpentry, metalworking, furniture manufacture, textile finishing, components and accessories for motor vehicles, paper and cardboard manufacture, and ceramics. They are all mostly exporters where eight industries have been in existence for twenty-five years, sixteen for less than five years, and thirteen of the responding industries have been in existence for six to ten years. In addition, the number of employees in the responding industry range from 5 to 500 employees.

2.3.DEFINITIONS AND MEASUREMENT MODEL

To perform the online survey, a questionnaire was developed based on related literature. The survey instrument used in this study was derived from existing scales, from previous studies, for Market Orientation, Innovation Orientation and Business Performance.

2.3.1. Market Orientation

The Market Orientation definition considered more complete for the purpose of this study comprises customer orientation and competitor orientation with a long-term goal of profit maximization focusing on customer needs and market opportunities (Narver and Slater, 1990; Menguc and Auh, 2006). Market-

oriented companies obtain information on buyer needs and competitor activities and then coordinate them to create superior customer value (Narver and Slater, 1990; Chabowski et al., 2017; Masa'deh et al., 2018). Market Orientation equips companies with the ability to focus their business approach on customers and competitors and guides them to improve the quality of market knowledge (Hernández-Linares et al., 2018).

The Market Orientation measures used were developed by Deshpandé and Farley (1998) as a more parsimonious measure of the Market Orientation construct, aggregating the three most widely used measures of Market Orientation, namely Narver and Slater (1990), Jaworski and Kohli (1993) and Deshpandé et al. (1993). Deshpandé and Farley (1998), based on a factor analysis of the forty-four individual items from the three original scales (fifteen from MKATOR, twenty from MARKOR, and nine from the scale proposed by Deshpandé et al. (1993)), created a final ten-item scale, referred to as the MORTN summary scale. This scale is considered highly reliable and has been used by numerous later studies (Deshpandé & Farley, 1999; Baker & Sinkula, 2009; Roach et al., 2018; Hernández-Linares et al., 2020; Soltwisch, 2021). From the established Market Orientation scales, the MORTN measure (Deshpandé & Farley, 1998) is considered the most powerful (Baker & Sinkula, 2009). For the purpose of this study, were added four more items that will provide valuable information.

The questions for the first part of the questionnaire (Market Orientation) are presented in Annex 1 – Questionnaire, A1. Market Orientation. In short, these questions consist of seven driven and influenced by customer focus, four dedicated to competition concern and three with particular attention to data and market knowledge and opportunities. With the compilation of the data obtained by them, the Market Orientation will be assessed in its entirety, following the definition of Market Orientation defined for the purpose of this study.

2.3.2. Innovation Orientation

Innovation Orientation is defined in this study as a guiding principle for strategy making and implementation with the purpose of increasing a company's innovativeness, and it involves all the internal variables that constitute an organisation's Innovation Orientation: strategy, structures and process, Human Resources systems, culture, and leadership (Stock and Zacharias, 2011). According to Stock and Zacharias (2011), Innovation Orientation strategy refers to the degree to which a company's strategy focuses on driving innovativeness; Innovation Orientation of structures/processes entails the degree to which structural and procedural elements promote the generation of innovations; Innovation Orientation of Human Resources systems is the degree to which these systems foster a company's innovativeness; Innovation Orientation of the culture is the degree to which values, norms, and artefacts support the company's innovativeness; and Innovation Orientation of leadership refers to

the degree to which leaders promote subordinates' Innovation Orientation (Stock and Zacharias, 2011).

Firms' success can largely be resorted to the firm's capacity to engage in innovative practices such as product innovation, process innovation and development of technological capabilities (Hult et al., 2004). Strategic Innovation Orientation largely relies upon the knowledge structure for identification of market dynamics and eventual development or modification in business capabilities providing leverage to firms' overall performance (Siguaw et al., 2006).

To measure Innovation Orientation, it was used an adaptation of the scale used by Farooq and Vij (2021) because their study wants to understand the same thing as this one, that is, if Innovation Orientation has a relationship with Business Performance. Innovation Orientation has been measured using an eighteen-item scale, where twelve of these items were selected by Farooq and Vij (2021) from other studies that had done the same research and six were developed specifically for this research. The questions for the second part of the questionnaire (Innovation Orientation) are presented in Annex 1 – Questionnaire, A2. Innovation Orientation.

2.3.3. Strategic Marketing (Market Orientation and Innovation Orientation)

Several definitions can be found for Strategic Marketing; however, in this paper, Strategic Marketing is defined as a driver that focuses on a firm's long-term vision to achieve a successful Business Performance through Market Orientation and Innovation Orientation. In other words, Strategic Marketing is an activity and set of processes whose objectives are to create, communicate, deliver, and exchange value with customers, partners, and society in general. Hence, it is up to the companies and marketing to rely on resources that contribute to achieving competitive advantage through valuable market offerings, rare and impossible to copy, always aiming to innovate (Barney, 1991; Hunt & Morgan, 1995).

Especially, studies related to marketing innovations have considered that innovation increases the competitiveness and performance of the firm by providing improvements and radical solutions for the marketing mix related to products, price, distribution, and promotion (Shergill and Nargundkar, 2005). Improvement in customer value creation through marketing innovation is expected to contribute to the competitive advantage of the firm by making superior implementation of marketing (Weerawardena and O'Cass, 2004). With this information in mind, ten of the questions added to this study aimed to assess how the 4P's of Marketing (Price, Place, Product and Promotion) influence Business Performance. The data for each of these variables are for Product the

questions 15, 16 and 17; for Promotion the questions 10, 20 and 21; for Price the questions 18 and 19; and for Place the questions 22 and 23. These questions are presented in Annex 1 – Questionnaire, in the part of A1. Market Orientation and A2. Innovation Orientation. The data from these questions should reveal important information that can be used by companies in their marketing and business strategies.

2.3.4. Business Performance

Business Performance reflects the way a company manages its resources and the results of its efforts in terms of financial and non-financial measures (Franco-Santos et al., 2007; Lee et al., 2015; Simon et al., 2015; Venkatraman and Ramanujam, 1986). Business Performance in this research is defined as the perceived financial and non-financial performance achieved during the last three years. To measure Business Performance, eleven statements were developed from the Balanced Scorecard perspectives of Kaplan and Norton (2004). Eight more were added to tackle the specificities of this study. The statements representing the perspectives of financial, customer, internal business process, and learning and growth, are presented in Annex 1 - Questionnaire, A3. Business Performance. Out of the eighteen questions, five focus on financial performance and thirteen on non-financial performance. It was decided to focus the questionnaire a little more on the non-financial questions so that companies

would not feel so hindered in answering them, as it is known that, in general, companies feel great concern in answering the financial questions.

2.3.5. Analysis Method

In this study, data analysis methods include the use of descriptive statistics and reliability and validity analysis. Following Chin (1998a, 1998b), Nitzl (2016) Tjahjadi et al. (2020), Shih (2018), and Kava and Didonet (2019), this research used the Partial Least Squares Method (PLS-SEM) to analyse the data and respond to the research questions. PLS-SEM is considered suitable because of its capability to simultaneously process several independent and dependent variables, test for mediation relationships, and handling a relatively small sample size and treat multicollinearity problems (Hair et al., 2017).

Due to the fact that, in the first analysis, ten questions presented invalid cross-loading results, some changes made to the questionnaire should be noted. Four of the questions, after the outliers were identified and changed, were kept in the statistical analysis; however, six of them, even after this analysis, continued to present errors and, therefore, were not considered.

3. ANALYSIS AND RESULTS/FINDINGS

The data source for this chapter was a questionnaire created for the purpose of this study. The survey was sent to 250 companies, and only 37 have responded. The respondent companies are manufacturing industries in the district of Braga and comprise clothing manufacture; carpentry; metalworking; furniture manufacture; textile finishing; components and accessories for motor vehicles; paper and cardboard manufacture; and ceramics. They are mostly exporting industries, with distinct operating ages and sizes.

The data obtained from the questionnaire are in the form of a Likert scale; that is, the values vary from 1 to 5 being 1, strongly disagree, and 5, strongly agree. The average response values of the questionnaire are displayed in Table 1 and show that in Market Orientation, the answer with the highest percentage of response was 5, followed by 4, 3, 2 and 1. In Innovation Orientation, the answer with the highest percentage of response was 5, followed by 4, 3, 2 and 1. Finally, in the Business Performance, the answer with the highest percentage of response was 5, followed by 4, 3, 1 and 2. With the analysis of this data, it is possible to understand that the high answers (4 and 5) are more common in Market Orientation than in Innovation Orientation; that is, the companies in the study have more actions dedicated to Market Orientation than to Innovation Orientation. It is also noticeable that in Business Performance, the highest

answers (4 and 5) are the majority which can be seen as an indicator of good Business Performance in most of the responding companies.

Table 1. Average Responses

	Market Orientation	Innovation Orientation	Business Performance
1	8,2%	15,04%	10,25%
2	7,34%	10,96%	8,31%
3	22,58%	21,16%	22,41%
4	24,71%	25,53%	27,31%
5	37,25%	27,31%	31,72%

To evaluate interesting information for companies, statistical data was used to obtain more specific information on the 4Ps of marketing (Price, Place, Product and Promotion). The data for each of these variables are for Product the questions 15, 16, and 17; for Promotion the questions 10, 20, and 21; for Price the questions 18, and 19; and for Place the questions 22, and 23. The average responses to these questions are present in Table 2 and show that in Product, the answer with the highest percentage of response was 4, followed by 5, 3, 2 and 1. In the Promotion, the answer with the highest percentage of response was 5, followed by 3, 4, 2 and 1. In the Price, the answer with the highest percentage of response was 4, followed by 5, 3, 1 and 2. Finally, the Place the answer with the highest percentage of response was 1, followed by 3, 2, 5 and 4. With the analysis of this data, it is possible to understand that the high answers (4 and 5)

are more common in Product, followed by Price, Promotion and Place. That means that the companies in the study have more actions dedicated to Product than to all the others.

Table 2. Average Responses on 4P's

	Product	Promotion	Price	Place
1	3,61%	10,8%	8,1%	27%
2	8,11%	11,7%	1,35%	21,6%
3	10,81%	29,7%	24,3%	22,96%
4	40,56%	19,8%	35,1%	13,5%
5	36,91%	27,91%	31,06%	14,85%

The results of the descriptive statistics show the values of the original sample, sample average, standard deviation, and confidence intervals of each indicator, which are presented in Tables 3 and 4. The average value of 0,420 demonstrates that the respondents strongly agree with the Market Orientation questionnaire items. The average value of 0,489 means that the respondents strongly agree with the Innovation Orientation questionnaire items. The average value of 0,409 means the respondents agree with the Business Performance questionnaire items. The standard deviations are somewhat low, so the results of the sample size are considered reliable. The significance level of 0,95, as the most usual Confidence Interval on Literature, seems to have a very wide range of data which is related to the small number of responses to the questionnaire.

Table 3. Descriptive Statistics

	Original Sample	Sample Average	Standard Deviation	T Statistics	P Values
Market Orientation	0,418	0,420	0,070	5,303	0,000
Innovation Orientation	0,486	0,489	0,055	2,122	0,000
Business Performance	0,400	0,409	0,053	11,106	0,000

Table 4. Confidence Intervals

	5% Confidence Interval	95% Confidence Interval
Market Orientation	0,299	0,528
Innovation Orientation	0,397	0,576
Business Performance	0,321	0,528

3.1.MEASUREMENT MODEL ASSESSMENT: RELIABILITY AND VALIDITY

The reliability (consistency) of the variables was tested using Cronbach's Alpha, Rho_A and Composite Reliability. The validity (accuracy) was assessed through the Average Variance Extracted (AVE) and through Factor Loading, which evaluates how well each question is representing its underline construct.

The results for reliability and validity are presented in Tables 5 and 6 below for the overall sample. Table 5 shows that the Cronbach's Alpha, rho_A and Composite Reliability values were higher than the recommended value of 0,700, indicating adequate reliability (Nunnally, 1978; Hair et al., 2013). However, the AVE and some of the Factor Loading values (Tables 5 and 6) were lower than 0,500, the minimum recommended value, which indicates a low convergent validity (Fornell and Larcker, 1981; Segars, 1997; Hulland, 1999).

Table 5. Reliability and AVE

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted
Market Orientation	0,871	0,900	0,896	0,418
Innovation Orientation	0,911	0,948	0,927	0,486
Business Performance	0,888	0,920	0,907	0,400

Table 6. Factor Loading

Market Orientation		Innovation Orientation		Business Performance	
Q1	0,712	Q15	–	Q33	0,215
Q2	0,614	Q16	0,857	Q34	0,777
Q3	0,522	Q17	0,830	Q35	0,842
Q4	0,703	Q18	0,418	Q36	0,479
Q5	0,858	Q19	0,313	Q37	0,334
Q6	0,855	Q20	0,794	Q38	0,374
Q7	–	Q21	0,803	Q39	0,538
Q8	0,648	Q22	0,631	Q40	0,565
Q9	0,684	Q23	0,549	Q41	–
Q10	0,718	Q24	0,796	Q42	0,779
Q11	0,565	Q25	0,893	Q44	0,790
Q12	0,530	Q26	0,836	Q45	0,753
Q13	0,556	Q27	0,886	Q46	0,789
Q14	0,101	Q28	0,261	Q47	0,521
		Q29	0,248	Q48	0,611
		Q30	0,756	Q49	0,673
		Q31	–	Q50	0,657
		Q32	–		

The discriminant validity was performed in this research to find out whether a construct shared more variance with its measures as compared to other constructs; this was assessed through cross-loadings. Table 7 reports the cross-

factor loadings of all the items. It is observed that all of the factor loadings in the analysis are greater than their cross-loadings, which is a sign of discriminant validity. Discriminant validity was also tested using the criterion suggested by the Heterotrait-Monotrait Method. The results are reported in Table 8 and show a good correlation of the indicators for each construct and between constructs, with the exception between Innovation Orientation and Business Performance as it is higher than 0.85/90; so, the discriminant validity was not totally established according to this method. Concluding the measurement model met the requirements of being reliable and nearly valid. Moreover, non-response bias does not appear to be an issue in this study since the analysis of responses from initial and later respondents shows insignificant differences. Thus, the next step, namely structural model analysis, can be carried out.

Table 7. Cross-loadings

	Market Orientation	Innovation Orientation	Business Performance
Q1	0,712	0,496	0,434
Q2	0,614	0,391	0,305
Q3	0,522	0,293	0,414
Q4	0,703	0,481	0,576
Q5	0,858	0,707	0,669
Q6	0,855	0,719	0,657
Q7	0,636	0,660	0,689

Q8	0,648	0,537	0,497
Q9	0,684	0,618	0,478
Q10	0,718	0,490	0,523
Q11	0,565	0,509	0,533
Q12	0,530	0,475	0,445
Q13	0,556	0,264	0,386
Q14	0,101	-0,028	0,049
Q15	0,592	0,723	0,734
Q16	0,725	0,857	0,766
Q17	0,705	0,830	0,746
Q18	0,401	0,418	0,340
Q19	0,132	0,313	0,227
Q20	0,528	0,794	0,607
Q21	0,566	0,803	0,762
Q22	0,422	0,631	0,487
Q23	0,318	0,549	0,328
Q24	0,538	0,796	0,613
Q25	0,727	0,893	0,733
Q26	0,609	0,836	0,650
Q27	0,653	0,886	0,740
Q28	0,186	0,261	0,247
Q29	0,109	0,248	0,240
Q30	0,728	0,756	0,683

Q31	0,036	0,246	0,268
Q32	0,579	0,524	0,556
Q33	0,084	0,209	0,215
Q34	0,710	0,736	0,777
Q35	0,609	0,718	0,842
Q36	0,324	0,304	0,479
Q37	0,266	0,266	0,334
Q38	0,212	0,274	0,374
Q39	0,447	0,490	0,538
Q40	0,491	0,419	0,565
Q41	0,657	0,432	0,512
Q42	0,631	0,612	0,779
Q43	0,756	0,700	0,724
Q44	0,657	0,656	0,790
Q45	0,484	0,722	0,753
Q46	0,613	0,628	0,789
Q47	0,419	0,402	0,521
Q48	0,382	0,434	0,611
Q49	0,390	0,543	0,673
Q50	0,464	0,592	0,657

Table 8. Heterotrait-Monotrait Method

	Innovation Orientation	Market Orientation	Business Performance
Innovation Orientation		0,821	0,901
Market Orientation	0,821		0,833
Business Performance	0,901	0,833	

3.2. STRUCTURAL MODEL ANALYSIS

Once the construct validity and reliability criteria have been confirmed, the next step in the analysis was to assess the questions, to access if Innovation Orientation and Market Orientation have a significant impact on Business Performance or not. As illustrated in the correlation matrix presented in Tables 7 and 8, it appears there is no evidence of multicollinearity among the independent variables (Grapentine, 1997), and the results indicate that it is appropriate to use the regression analysis. Nevertheless, to verify the absence of multicollinearity, it was performed the Variance Inflation Factor (VIF) test aimed to ensure that the independent variables are not correlated (Cenfetelli & Bassellier, 2009; Petter et al., 2007; Hair et al., 2009). The results presented VIF

values lower than 3,3, which demonstrates that there is no multicollinearity (Innovation Orientation, VIF = 2,398; Market Orientation, VIF = 2,398).

The direct relationships were tested, and the results from this analysis are presented in detail in Tables 9 and 10 below. Tables 9 and 10 present the basic descriptive statistics and correlations of the variables.

Table 9. Descriptive Statistics (Path Coefficient)

	Original Sample	Mean	Standard Deviation	T Statistics	P Values
MO -> BP	0,277	0,298	0,131	5,303	0,000
IO -> BP	0,627	0,629	0,118	2,122	0,017
BP (R Square)	0,735	0,782	0,066	11,106	0,000

In Table 9, concerning the main subject of the study, the Path Coefficient shows the rate of impact from the Market Orientation (MO→BP = 0,277; t = 2,122; p = 0,017) and Innovation Orientation (IO→BP = 0,627; t = 5,303; p = 0,000) to Business Performance. Individually, both values have a great influence on Business Performance, being that Market Orientation brought a change of 27,7% and Innovation Orientation 62,7% in this case, Innovation Orientation has a stronger relationship with Business Performance because it has a higher rate

of impact. Together, both Market Orientation and Innovation Orientation have a great influence on Business Performance because they brought a change of 73,5% (0,735 R²). Consequently, these results show strong support for RQ1, RQ2 and RQ3.

Table 10. Descriptive Statistics of 4P's (Path Coefficient)

	Original Sample	Simple Mean	Standard Deviation	T Statistics	P Values
Place -> BP	-0,092	-0,062	0,125	0,735	0,231
Price -> BP	-0,064	-0,042	0,112	0,569	0,285
Product -> BP	0,738	0,694	0,154	4,790	0,000
Promotion -> BP	0,266	0,285	0,181	1,469	0,071
BP (R Square)	0,786	0,815	0,053	14,732	0,000

The statistical data obtained, which gives specific information on the 4Ps of Marketing (Price, Place, Product and Promotion), is presented in Table 10. The Path Coefficient shows the rate of impact from the Price (Price→ BP = -0,064; t = 0,569; p = 0,285), Place (Place→ BP = -0,092; t = 7,735; p = 0,231), Product (Product→ BP = 0,738; t = 4,790; p = 0,000), and Promotion (Promotion→ BP = 0,266; t = 1,469; p = 0,071) to Business Performance. Individually, the values have a great influence on Business Performance being that Price brought a change of -6,4%; Place -9,2%; Product 73,8%; and Promotion 26,6%, In this case, the Product has a stronger, positive, and significant relationship between Business Performance followed by the Promotion. The coefficient of interaction

between Price and Business Performance; and Place and Business Performance are significantly negative, which indicates that the variables Price and Place weaken the positive effect of the 4P's of Marketing. The variables of 4P's as a whole have a great influence on Business Performance because they brought a change of 78,6% (0,786 R²).

Briefly, the findings presented in Table 9 show strong support for RQ1, RQ2 and RQ3 as they were positive and significant. Additionally, the findings in Table 10 show a positive and significant impact of the variables Product and Promotion from the 4P's on Business Performance. However, the variables Price and Place showed a negative and significant impact.

4. DISCUSSION

The focus of this quantitative research was to investigate the mediating role of Market Orientation and Innovation Orientation, considered part of Strategic Marketing, on Business Performance. It used a self-administered online questionnaire as a data collection instrument, and this survey was sent to 250 companies from the Braga district. There were 37 respondent companies from the manufacturing industries (the response rate was 14,8%) that comprise clothing manufacture; carpentry; metalworking; furniture manufacture; textile finishing; components and accessories for motor vehicles; paper and cardboard manufacture; and ceramics. The data was gathered between January and March of 2022, covering small, medium, and large industries with distinct operating ages and sizes, but all mostly exporters.

The average response values of the questionnaire show that the high answers (4 and 5) are more common in Market Orientation than in Innovation Orientation; that is, the companies in the study have more actions dedicated to Market Orientation than to Innovation Orientation. It is also noticeable that in Business Performance, the highest answers (4 and 5) are the majority which can be seen as an indicator of good Business Performance in most of the responding companies. The average responses to the questions about the 4P's of Marketing show that the high answers (4 and 5) are more common in Product, followed by

Price, Promotion and Place. That means that the companies in the study have more actions dedicated to Product than to all the others.

The results of the descriptive statistics show that the respondents strongly agree with the Market Orientation (with the average value of 0,420) and Innovation Orientation (with the average value of 0,489) questionnaire items; and agree with the Business Performance (with the average value of 0,409) questionnaire items. It also indicates that the standard deviations are somewhat low, so the results of the sample size are probably reliable. The significance level of 0.95 indicates a wide range of data that is related to the small number of responses to the questionnaire.

The Cronbach's Alpha, rho_A and Composite Reliability values were higher than the recommended value of 0,700, indicating adequate reliability (Nunnally, 1978; Hair et al., 2013). However, the AVE and some of the Factor Loading values were lower than 0,500, the minimum recommended value, which indicates a low convergent validity (Fornell and Larcker, 1981; Segars, 1997; Hulland, 1999).

The discriminant validity was assessed, and all of the factor loadings in the analysis are greater than their cross-loadings, which is a sign of discriminant validity. Discriminant validity was also tested using the criterion suggested by the Heterotrait-Monotrait Method that showed a good correlation of the indicators for each construct and between constructs, except for Innovation

Orientation and Business Performance as it is higher than 0,85/90; so, the discriminant validity was not totally established according to this method. Concluding, the measurement model met the requirements of being reliable and was nearly valid.

During the analysis, there was no evidence of multicollinearity among the independent variables (Grapentine, 1997), and the results indicate that it is appropriate to use the regression analysis. To testify to the absence of multicollinearity, it was performed the Variance Inflation Factor (VIF); the test presented VIF values lower than 3,3, which demonstrates that there is no multicollinearity (Innovation Orientation, VIF = 2,398; Market Orientation, VIF = 2,398).

In Figure 1, it is possible to verify through the path coefficient the results of the tests of the research questions that analysed the influence of Market Orientation and Innovation Orientation on Business Performance. The direct relationships were tested and the Path Coefficient results are for Market Orientation to Business Performance 0,277 ($t = 2,122$; $p = 0,017$), and for Innovation Orientation to Business Performance 0,627 ($t = 5,303$; $p = 0,000$). Innovation Orientation has a higher rate of impact on Business Performance with a change of 62,7%, and Market Orientation brought a change of 27,7%. Together, both Market Orientation and Innovation Orientation have a great influence on Business Performance with a change of 73,5%. Briefly, the findings show strong support for RQ1, RQ2 and RQ3 as they were positive and significant.

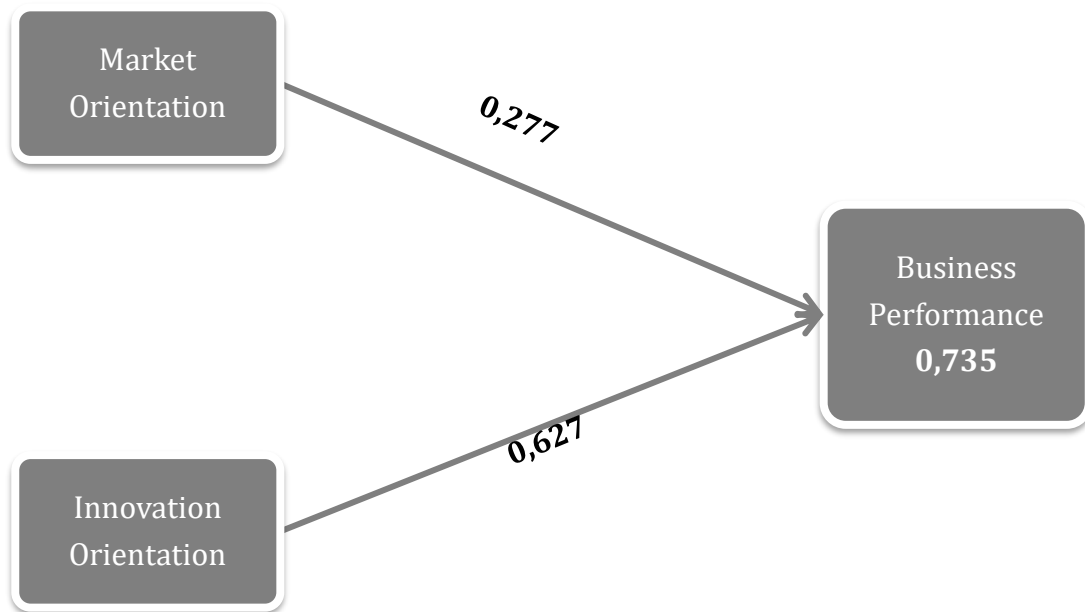


Figure 1. Study model

The Path Coefficient from the data about 4Ps of Marketing showed a rate of impact from the Price to Business Performance of -0,064 ($t = 0,569$; $p = 0,285$), from Place to Business Performance of -0,092 ($t = 7,735$; $p = 0,231$), from the Product to Business Performance of 0,738 ($t = 4,790$; $p = 0,000$), and from Promotion to Business Performance of 0,266 ($t = 1,469$; $p = 0,071$). Individually, the values have a great influence on Business Performance, being that Product has a stronger, positive, and significant relationship between Business Performance followed by the Promotion. The coefficient of interaction between Price and Business Performance; and Place and Business Performance are significantly negative, which indicates that the variables Price and Place weaken

the positive effect of the 4P's of Marketing. The variables of 4P's as a whole have a great influence on Business Performance with a change of 78,6%.

Using a sample of 37 manufacturing industries in Braga, Portugal, this research proves that Market and Innovation Orientation has a positive and direct effect on Business Performance. Furthermore, it has proven that the 4P's of Marketing positively affect the Business Performance in the Braga's manufacturing industry. Given the firms' Strategic Marketing orientations, this study suggests that it would be valuable for firms to consider the application of Market Orientation and Innovation Orientation strategies for developing innovations, competitive advantages, and performances in their business operations.

The first research question, which enquires to what extent Market Orientation has a direct and positive effect on Business Performance, is supported – it increased by 27,7%. The positive effect of Market Orientation on Business Performance has been evaluated in several studies, with similar results. Some examples are Kansal and Bansal's (2018) study, where it increased by 28,46%; in the study of Christa et al. (2020), it increased by 33,4%; and in the study of Vehapi and Milanović's (2017) it increased by 37,9%. There were however three studies with significant differences in the results. Didonet et al.'s (2019) study obtained a smaller effect with an increase of only 14,7%; and Cheng and Chen (2017) and Buli's (2017) study obtained highly positive results with a percentage of 53,2% and 61,9% respectively. All these studies prove the direct and positive

effect of Market Orientation on Business Performance, though with different percentage weights. However, the achieved results are in line with the average results of the other studies.

According to numerous studies, market-oriented strategies are more likely to provide quality, contribute to customer satisfaction and attain organizational goals more efficiently and effectively than competitors. Satisfied customers are more likely to engage in sustained business transactions than dissatisfied customers. Firms should be more aware of competitors' activities in advance and mitigate possible risks in launching new operations or services in the market to increase competitiveness (Lukas and Ferrell, 2000; Ramani and Kumar, 2008). In addition, the researchers Kandampully and Duddy (1999) and Ramani and Kumar (2008) have hypothesized that market-oriented firms have more specific business competencies, which can be used to anticipate market changes and customer preferences, than firms that are not market-oriented. From all these definitions, one can predict that Market Orientation plays a central role in management and marketing strategies (Urde et al., 2013). Market Orientation as a type of Strategic Marketing will enhance Business Performance if it is properly managed.

The results provide additional empirical evidence for previous research (Agarwal et al., 2003; Baker and Sinkula, 1999a, 2009; Campo et al., 2014; Cano et al., 2004; Caruana et al., 2003; Chang et al., 2014; Dawes, 1999; Deshpandé et

al., 1993; Deshpandé and Farley, 2000; Ellinger et al., 2008; Farrell, 2000; Farrell et al., 2008; Harris and Ogbonna, 1999; Harris and Ogbonna, 2001; Haugland et al., 2007; Homburg and Pflesser, 2000; Hooley et al., 2000; Hult et al., 2005; Hult and Ketchen, 2001; Jaworski and Kohli, 1990; Jaworski and Kohli, 1993; Kara et al., 2005; Kirca et al., 2005; Kohli et al., 1993; Langerak, 2003; Lee et al., 2015; Liao et al., 2011; Martín-Consuegra and Esteban, 2007; McClure, 2010; Narver and Slater, 1990; Narver and Slater, 2000; Nwokah, 2008; Park and Lee, 2002; Pittet al., 1996; Pulendran et al., 2003; Raju et al., 2000; Ruekert, 1992; Shoham et al., 2005; Wang et al., 2012; Wood et al., 2000). These results indicate that, in an era of great market demands and constant competition, the role of Market Orientation is crucial for Industrial companies. Market Orientation enables industrial companies to be competitive, have great relationships with customers and contribute to performance achievement. Market Orientation as a type of Strategic Marketing will enhance Business Performance if it is properly managed. The implementation of Market Orientation will produce a better Business Performance, such as cost efficiency, increased profit, improved product quality, and better reputation. Thus, the owners/managers of Industrial companies need to better understand their need to continuously work in Market-Oriented strategies that lead them to achieve better Business Performance.

The second research question, which enquires to what extent Innovation Orientation has a direct and positive effect on Business Performance, is also supported – it increased by 62,7%. This result is in line with the previous studies

(Brown and Eisenhardt, 1995; Damanpour, 1991; Damanpour et al., 1989; Faroque et al., 2017; Hansen et al., 1999; Hult et al., 2004; Nguyen et al., 2019; Siguaw et al., 2006; Simpson et al., 2006; Thornhill, 2006; Volberda et al., 2013; Wang et al., 2019; Weerawardena et al., 2006). The positive effect of Innovation Orientation on Business Performance has been evaluated in some studies with close percentages. Some examples are the study of Farooq et al. (2020), where it increased 62,3%; or Cheng and Chen (2017), in which it increased by 53,2%. However, the study by Akpoviro and Amos (2021) obtained significant difference in results, with a smaller effect, with an increase of 34,9%.

Rosenbusch et al. (2011) and Prajogo et al. (2013) argue that Innovation Orientation and innovation activities play a significant role in creating value for new, established small-medium enterprises and in improving their Business Performance. Gunday et al. (2011) state that innovation is an important predictor of firm performance in manufacturing industries. The study further reveals that innovative performance mediates the relationship between innovation types and Business Performance. Innovation Orientation as a type of Strategic Marketing will enhance Business Performance if it is properly managed. In today's era of constant evolution and innovation, consumers tend to be more demanding and cautious in each purchase. Therefore, industrial companies need to focus on the creation of Innovation Orientation strategies to meet market needs. Innovation Orientation drives companies to improve product and process innovations and to invest in more creative and bold

workers. Thus, owners/managers of industrial companies need to have an understanding that the increase in Innovation Orientation strategies will drive a better Business Performance.

The third research question, which enquires to what extent Strategic Marketing (Market Orientation & Innovation Orientation) has a direct and positive effect on Business Performance, is supported – it increased by 73,5%. The positive effect of Market Orientation and Innovation Orientation on Business Performance was evaluated, for example, in the study by Cheng and Chen (2017) and obtained a significant difference in the results with a larger effect, since it had an increase of 96.4%. As Zhou et al. (2005b) mentioned, strategic orientations, like capabilities, can lead to competitive advantage. In a study focused on the relationship between strategic orientations, organizational innovativeness, and Business Performance (2018) it was concluded that organizational innovativeness positively moderates the strategic orientations–Business Performance relationship. The results of this research confirm that Market Orientation and Innovation Orientation have a direct and positive effect on Business Performance, confirming the importance of these variables in enhancing the business performance of industrial companies. Additionally, provides additional empirical evidence for previous studies (Agarwal and Erramilli, 2008; Agarwal et al., 2003; Akman & Yilmaz, 2008; Alford and Duan, 2018; Atuahene-Gima, 1996; Baker and Sinkula, 2002; Blankson et al., 2013; Cambra-Fierro, 2017; Chang, 2019; Chen et al., 2015; Deshpandé and Farley, 2004; Dharma, 2017; Fauzan et al., 2020; Grinstein, 2008; Halawi et al., 2005;

Hult et al., 2004; Kristinae et al., 2020; Küster and Vila, 2011; Lado & Maydeu-Olivares, 2001; Limakrisna and Yoserizal, 2016; Naidoo, 2010; Paladino, 2007; Verhees & Meulenberg, 2004; Zehir et al., 2016). The owners/managers of Industrial companies need to implement Market and Innovation Oriented strategies to stay relevant in the future, stay ahead of the competition, and coordinate opportunities in the market.

Lastly, the complementary analysis to the 4P's of Marketing reveals that the most interesting areas for investment for the industries should be Product (increased by 73,8%) and Promotion (increased by 26,6%). This result confirms and provides empirical evidence for the importance of investment in these areas by industrial companies. This analyse convinces the owners/managers of Industrial companies regarding the mediating role of Product and Promotion investments on Business Performance. Therefore, it is crucial to encourage Product and Promotion innovations and encourage the collection of more market data on Product and Promotion to meet consumers' needs, as well as to compete with competitors more effectively. The negative results on the Price (decreased 6%) and Place (decreased 9%) are understandable when analysing successful, innovative companies like Apple or Tesla for instance. When there is an innovative factor and a competitive advantage from the historical point of view of innovation, their customers, like in other cases, are willing to pay a higher price and even buy somewhere further away or less exquisite because they recognise the value of that particular product. They value the innovative value

and the feeling that these products provide. They want the products because of what they are and what they represent, proving, once again, the great importance of perceived value of innovation and investment in Product and Promotion.

At the beginning of the data analysis chapter, it was discovered that, on general average results, the companies under study were more concerned and carried out more actions oriented towards the Market than towards Innovation. After the previous conclusion, that in fact, Innovation Orientation has greater positive significance on Business Performance than Market Orientation, it is expected that when planning the next strategy, these companies will change this scenario. It does not mean that they should stop with some of the market actions; they should only invest in more Innovation Orientation strategies and at least maintain the strategies that they have already been implementing in Market Orientation. That because it was also possible to understand that with the strategies they had, they were already receiving good Business Performance results. The increased investment in Innovation Oriented strategies will be a way to further improve these results.

Additionally, concerning the statistical data of the response averages, the same process was carried out to evaluate the 4P's of Marketing. It was found that the companies under study were more concerned and performed more actions oriented toward Product followed by Price, Promotion and Place. Taking into consideration these data and the data collected before, in general, companies

should continue to invest insistently in Product and strongly increase their investment in Promotion. This investment can even be taken away from the Price strategies which as was proven above has no positive impact on Business Performance. It is suggested, however, that the strategic plan continuously includes actions that boost all the 4P's of Marketing, having only special attention and concern for the Product and Promotion dimensions.

5. CONCLUSIONS

The exigency, competitiveness, and complexity in which the market, be it global or just national, finds itself has been compelling companies to be more flexible and adapt to changes; these can simultaneously provide both opportunities and threats. With this insight in mind, it is not enough for companies to apply operational tools to satisfy the increasingly demanding customers. Companies must also combine a solid, long-term strategy to obtain good results in the short term (Lambin, 2000). Hence, both the marketing concept and its function in the company have undergone constant evolution since it now integrates a strategic dimension, and the emphasis on strategy in marketing is growing (Piercy, 1995); thus, emerged Strategic Marketing alongside operational marketing.

Market Orientation is an organizational strategy that is a very effective and efficient way to build behaviour necessary for creating superior value and continuous superior performance for buyers (Narver and Slater, 1990). Market-oriented companies will obtain information on buyer needs and competitor activities and then coordinate them to create superior customer value (Narver and Slater, 1990; Chabowski et al., 2017; Masa'deh et al., 2018). In other words, companies need to collect information from their customers and competitors in a way that is internally coordinated and allows them to respond by taking action to adjust to customer needs (Kohli and Jaworski, 1990; Narver and Slater, 1990).

Market Orientation is a competency that helps companies obtain, locate, store, and disseminate market information, increasing awareness of business opportunities (Day and Van den Bulte, 2002).

The 21st Century has been witnessing that firms tend to find new markets, launch new products or services, and try unusual ways to serve their customers to compete in the market rather than force themselves to shrink their costs to gain above-average returns. According to this tendency, innovation and innovative concepts are rising as the biggest carriers of industrial competitiveness. Today, innovativeness has been considered a vital strategic asset and capability (Rust et al., 2004) for developing world-class standards of production and service performance as well as sustaining and persisting in global markets. Christensen (2013) suggested that innovation is critical to the firm's long-term competitiveness and strategic goal achievement. Innovation has been long recognized as a relevant factor for a firm's long-term development and financial success (Capon et al., 1990; Capon et al., 1992; Gatignon and Xuereb, 1997; Kim and Pennings, 2009; Jiménez-Jiménez and Sanz-Valle, 2011; Wang and Chung, 2013). In this regard, Narver and Slater (1994b) considered innovation as one of the capabilities to create core value in supporting company performance.

This thesis is based on a quantitative research method that has a self-administered online questionnaire as a data collection instrument. It used a

sample of 250 existing industrial companies from the Braga district to send emails asking to fulfil the questionnaire where only 37 respondents (the response rate was 14,8%). In the survey, they were asked to provide their opinion on several generic statements related to Market Orientation, Innovation Orientation and Business Performance during the last three years. The data obtained from the questionnaire are in the form of a Likert scale; that is, the values vary from 1 to 5, with 1 strongly disagree and 5 strongly agree. The data was gathered between January and March of 2022, covering small, medium, and large industries.

The research explores the theoretical bases and interactive relationships of the various dimensions through an analysis of questionnaire results containing the viewpoints of the manufactory industry where the respondents work. The respondents are from a wide variety of positions within the company, being managers, agents, representatives, and intermediaries of different industrial companies in the Braga district engaged in different scales of production and offering a different variety of products. The number of employees ranges from 5 to 500 employees; eight industries have been in existence for twenty-five years, sixteen for less than five years, and thirteen of the responding industries have been in existence for six to ten years. They are all mostly exporters, and the industry types are clothing manufacture, carpentry, metalworking, furniture manufacture, metalworking, textile finishing, components and accessories for motor vehicles, paper and cardboard manufacture, and ceramics.

The survey instrument used in this study was derived from existing scales from previous studies, for Market Orientation, Innovation Orientation and Business Performance. The Market Orientation measures used were developed by Deshpandé and Farley (1998), aggregating the three most widely used measures of Market Orientation, namely Narver and Slater (1990), Jaworski and Kohli (1993) and Deshpandé et al. (1993). These questions consist of seven driven and influenced by customer focus, four dedicated to competition concern and three with special attention to data and market knowledge and opportunities. To measure Innovation Orientation, it was used an adaptation of the scale used by Farooq and Vij (2021) in their study to investigate the same situation. Innovation Orientation was measured using an eighteen-item scale, where twelve of these items were from Farroq and Vij's (2021) scale, and six were developed specifically for this research. Additionally, ten of the questions added to this study aimed to assess how the 4P's of marketing (Price, Place, Product and Promotion) influence Business Performance. To measure Business Performance, eleven statements were developed from the Balanced Scorecard perspectives of Kaplan and Norton (2004), and eight more were added to tackle the specificities of this study.

The Market Orientation definition considered more complete for this study comprises customer orientation and competitor orientation with a long-term goal of profit maximization focusing on customer needs and market opportunities (Narver and Slater, 1990; Menguc and Auh, 2006). The Innovation

Orientation is defined in this study as a guiding principle for strategy making and implementation with the purpose of increasing a company's innovativeness, and it involves all the internal variables that constitute an organisation's Innovation Orientation: strategy, structures and process, Human Resources systems, culture, and leadership (Stock and Zacharias, 2011). Strategic Marketing is defined as a driver that focuses on a firm's long-term vision to achieve a successful Business Performance through Market Orientation and Innovation Orientation. For the purpose of this study, Business Performance reflects the way a company manages its resources and the results of its efforts in terms of financial and non-financial measures (Franco-Santos et al., 2007; Lee et al., 2015; Simon et al., 2015; Venkatraman and Ramanujam, 1986).

This research provides more comprehensive knowledge of the importance of Strategic Marketing, Market Orientation and Innovation Orientation, on Business Performance. To do so, it used the Partial Least Squares Method (PLS-SEM) to analyse the data and respond to the research questions and the data analysis methods include the use of descriptive statistics and reliability and validity analysis. Due to the fact that, in the first analysis, ten questions presented invalid cross-loading results; four of them, after the outliers were identified and changed, were kept in the statistical analysis; however, six of them were not considered.

In the analyse of the data collected, it was discovered that, on general average results, the companies in the study have more actions dedicated to Market

Orientation than to Innovation Orientation. Additionally, is also noticeable that in Business Performance the highest answers (4 and 5) are the majority, which can be seen as an indicator of good Business Performance in most of the responding companies. With the previous conclusion that in fact, Innovation Orientation has greater positive significance on Business Performance than Market Orientation; it is recommended that when planning the next strategy, these companies will start to invest more in Innovation Orientation strategies, but always maintain their previous market-oriented strategies as these strategies were already receiving good Business Performance results. The increased investment in innovation-oriented strategies will be a way to further improve these results.

The results of the descriptive statistics comprise the sample average for Market Orientation (0,420) and Innovation Orientation (0,489), demonstrating that the respondents strongly agree with the questionnaire items. The value for Business Performance (0,409) demonstrates that the respondents agree with the questionnaire items. The standard deviations are somewhat low, so the results of the sample size are presumably reliable. The significance level of 0.95 seems to have a very wide range of data which is related to the small number of responses to the questionnaire.

The Cronbach's Alpha, rho_A and Composite Reliability indicate adequate reliability (Nunnally, 1978; Hair et al., 2013). However, the AVE values and some

of the Factor Loading values indicate a low convergent validity (Fornell and Larcker, 1981; Segars, 1997; Hulland, 1999). The discriminant validity was assessed, and all of the factor loadings in the analysis are greater than their cross-loadings, which is a sign of discriminant validity. Discriminant validity was also tested using the criterion suggested by the Heterotrait-Monotrait Method that showed a good correlation of the indicators for each construct and between constructs, except for Innovation Orientation, and Business Performance; so, the discriminant validity was not totally established according to this method. Concluding, the measurement model met the requirements of being reliable and is nearly valid.

During the analysis, there was no evidence of multicollinearity among the independent variables (Grapentine, 1997), but to testify to its absence was performed the Variance Inflation Factor (VIF) test which results demonstrates that there is no multicollinearity (Innovation Orientation, VIF = 2,398; Market Orientation, VIF = 2,398).

The direct relationships were tested, and it was proven that Innovation Orientation has a higher rate of impact on Business Performance with a change of 62,7%, and Market Orientation brought a change of 27,7%. Together, both Market Orientation and Innovation Orientation have a great influence on Business Performance with a change of 73,5%. The findings show strong support for RQ1, RQ2 and RQ3 as they were positive and significant.

It was proven that individually, the values of 4Ps of Marketing have a great influence on Business Performance, being that Product has a stronger, positive, and significant relationship between Business Performance (73,8%) followed by the Promotion (26,6%). The coefficient of interaction between Price and Business Performance (-6%) and Place and Business Performance (-9%) are significantly negative, which indicates that the variables Price and Place weaken the positive effect of 4P's of Marketing. The variables of 4P's, as a whole, have a great influence on Business Performance with a change of 78,6%. It was also discovered that the companies in the study have more actions dedicated to Product followed by Price, Promotion and Place, respectively. These results, compared to the previous findings, mean that companies should continue to invest insistently in Product and strongly increase their investment in Promotion. This investment can even be taken from the Price strategies, which as was proven above, has no positive impact on Business Performance. It is suggested, however, that the strategic plan continuously includes actions that boost all the 4P's of Marketing, having only special attention and concern for the Product and Promotion dimensions.

This research proves that Market Orientation and Innovation Orientation have a positive and direct effect on Business Performance, meaning all hypotheses studied are supported. This thesis provides empirical evidence for the development of both Market and Innovation Orientations and empirical evidence in the research setting of Braga manufacturing Industries. More

specifically, Innovation Orientation has a crucial role in enhancing Business Performance as Market Orientation is an additional great strategy to do so. Given the firms' Strategic Marketing orientations, this study suggests that it would be valuable for firms to consider the application of Market Orientation and Innovation Orientation strategies for developing innovations, competitive advantages, and performances in their business operations.

The first research question enquires to what extent Market Orientation has a direct and positive effect on Business Performance, and it was supported, with an increase of 27,7%. Market Orientation, as a type of Strategic Marketing, will enhance Business Performance if it is properly managed. That is, companies should have special and constant attention to customer orientation and competitor orientation with a long-term goal of profit maximization focusing on customer needs and market opportunities. The implementation of Market Orientation will produce a better Business Performance, such as cost efficiency, increased profit, improved product quality, and better reputation.

The second research question enquires to what extent Innovation Orientation has a direct and positive effect on Business Performance, and it was also supported, with an increase of 62,7%. Innovation Orientation as a type of Strategic Marketing will enhance Business Performance if it is properly managed. Industrial companies need to focus on the creation of Innovation Orientation strategies to meet market needs as it drives companies to improve product and process innovations and to invest in more creative and bold

workers. The increase in Innovation Orientation strategies will drive a better Business Performance as it will increase a company's innovativeness, with the involvement of all the internal variables that constitute an organisation's Innovation Orientation: strategy, structures and process, Human Resources systems, culture, and leadership.

The third research question enquires to what extent Strategic Marketing (Market Orientation & Innovation Orientation) has a direct and positive effect on Business Performance, and this was supported, with an increase of 73,5%, confirming the importance of these variables in enhancing the Business Performance of industrial companies. Industrial companies need to implement Market and Innovation Orientation strategies to stay relevant in the future, stay ahead of the competition, and coordinate opportunities in the market. Strategic Marketing has to be seen as an activity and set of processes whose objectives are to create, communicate, deliver, and exchange value with customers, partners, and society in general; contributing to achieving competitive advantage through valuable market offerings, rare and impossible to copy, always aiming to innovate.

Furthermore, it has proven that the 4P's of Marketing positively affect the Business Performance in Braga's manufacturing industry. The complementary analysis to the 4P's of Marketing reveals that industries should invest especially in Product (BP increased by 73,8%) and Promotion (BP increased by 26,6%) as

it confirms and provides empirical evidence for the importance of investment in these areas by the industrial companies. It is recommended the encouragement on Product and Promotion innovations and the collection of more market data on Product and Promotion to meet consumers' needs, as well as to compete with competitors more effectively. The negative results on the Price (BP decreased by 6%) and Place (BP decreased 9%) are understandable when analysing other successful and innovative companies, like Apple or Tesla, from which can be verified that their clients are willing to pay a higher price and even buy somewhere further away or less exquisite because they recognize the value in the products they provide. They want their products because of what they are and what they represent, proving, once again, the great importance of investment in Product and Promotion.

6. CONTRIBUTIONS, LIMITATIONS AND FUTURE RESEARCH

This research model offers comprehensive knowledge for the owners/managers of manufacturing Industries who need to improve their Business Performance in the era of great market demands, constant competition, and constant evolution and innovation, based on the study of companies from the Braga district. This research indicates that they need to review their Strategic Marketing and investigate the role of strategic orientations in their companies. More specifically, the investment in Market Orientation and Innovation Orientation and in the execution of those strategies accordingly. This new perspective of Strategic Marketing also demands changes in production processes, supplier selection, production, distribution processes, communication, and pricing, for instance, to become more prominent in the market and improve their Business Performance.

Some of the common Strategic Marketing ideas revealed by this research are the need to consider Product, Promotion, Price, and Place centred activities to achieve a successful Business Performance. The research reveals that Product is the element of Strategic Marketing that best contributes to an organization's performance, followed by Promotion. Although the study does not find significant evidence of the contribution of the Price and Place variables to Business Performance, a previous study, which has a similar result, argues that this does not necessarily mean that these variables do not contribute in some

way to the performance of the firm, but that contributes with a very weak significance (Srinivasan, 2018).

To conclude, this study contributes to the literature in different ways. This study, as performance studies in general, contributes to both managerial decision making and academic discussion by offering important empirical evidence about key company success factors. This article will mainly allow to have more recent and specific data on Strategic Marketing and Business Performance in Braga. It revealed a positive effect of Market Orientation and Innovation Orientation on Business Performance. Clarifies which components of 4P's are more influential on Business Performance. Finally, contributes to management literature that suggests Market Orientation and Innovation Orientation ensure Business Performance success. Deutscher et al. (2016) note that firms regularly employ multiple strategic orientations to achieve a competitive advantage in dynamic markets. Concerning the practical contribution of this research, with this knowledge, the owners, and managers of the analysed companies can direct their resources to invest in market-oriented strategies and adopt innovation-oriented actions. This way, it will be possible to increase the results of companies, mainly in Business Performance.

This research is not without limitations. During the theoretical survey and based on the results found, some aspects identified may be considered limitations and, therefore, the object of future research. First, it heavily relied on the survey method. The survey method has weaknesses related to the ability of

respondents to provide the required information and human bias in filling out the questionnaire. Future studies are encouraged to use secondary data. Second, it employed PLS–SEM to test the hypotheses. Future studies are encouraged to use an alternative method, such as an experimental method, to get a better cause-effect relationship. Third, it focused on manufacturing Industries in Braga, Portugal, with a relatively small sample size due to the poor adherence of respondents in answering the questionnaire. It was difficult to convince the companies to fulfil the questionnaire. Fourth, not all responders have the same expertise in responding to electronic questionnaires, making data collection even more difficult. Fifth, this study uses cross-sectional data and gives a static picture of the studied relationships. It does not measure these relationships over a period of time. The results of the study may differ if longitudinal data is used. Finally, there was a limited time framework for this research. Therefore, the researcher could not conduct in-depth interviews to better portray the real situation faced by their company. Although this research has limitations, it still offers both theoretical and practical benefits and supports the owners/managers by providing a mechanism of how Market Orientation and Innovation Orientation play a crucial role in the Business Performance of their company.

In response to the above-mentioned limitations, a number of future studies are proposed. First, industry type as a moderator in the relationship between Market Orientation, Innovation Orientation and Business Performance is highly worthy of future research. Second, it would be interesting to consider further the

combination of Market Orientation and Innovation Orientation with other strategic orientations. Third, more studies on Strategic Orientations concerning Market Orientation and Innovation Orientation to increase Business Performance are highly recommended. Fourth, more studies on Strategic orientations concerning others orientations strategies to increase the Business Performance are also highly recommended. Other strategic dimensions may play important roles in Business Performance. Therefore, further research should investigate the effects of such other strategic factors on Business Performance. Fifth, it is suggested that future research use this model in different contexts and with different samples. To generalize these findings, further research within different countries, different levels of economic development, and different industrial sectors are needed. Sixth, objective, quantifiable measures of performance (such as ROI, ROA, and so on) could be added to support the subjective measures of Business Performance. Future research should address multiple dimensions of performance, which could reduce the potential bias believed to result from the close relationship between some market-oriented and innovation-oriented behaviours and Business Performance. Lastly, since in many sectors, the market is becoming more competitive and dynamic, a greater understanding of the organizational resources to overcome these challenges is necessary. Future research should explore resources that help capture and understand these turbulent market characteristics, such as the Market Orientation, along with other strategic orientations, like Innovation Orientation and organizational capabilities.

REFERENCES

- Acar, A. , and Özşahin, M. (2018). The Relationship Among Strategic Orientations, Organizational Innovativeness, and Business Performance. *International Journal of Innovation Management*, 22(01):1850009, 1-27. doi:10.1142/s1363919618500093.
- Adams, R., Bessant, J. and Phelps, R. (2006). Innovation management measurement: a review. *International Journal of Management Reviews*, 8(01), 21-47.
- Agarwal, S., Erramilli, M. , and Dev, C. (2003). Market orientation and performance in AL- service firms: Role of innovation. *Journal of Services Marketing*, 17(01), 68-82.
- Akman, G., and Yilmaz, C. (2008). Innovative capability, innovation strategy and market orientation: An empirical analysis in Turkish software industry. *International Journal of Innovation Management*, 12(1), 69–111.
- Akpoviroro, K., and Amos, A. (2021). Efficacy of Marketing in Innovation Processes. *Revista CIMEXUS*, 16(01), 121-142.
- Alegre, J. and Chiva, R. (2008). Assessing the impact of organizational learning capability on product innovation performance: an empirical test. *Technovation*, 28(06), 315-326.
- Alegre, J., Lapiedra, R. and Chiva, R. (2006). A measurement scale for product innovation performance. *European Journal of Innovation Management*, 09(04), 333-346.

- Alford, P. and Duan, Y. (2018). Understanding collaborative innovation from a dynamic capabilities' perspective. *International Journal of Contemporary Hospitality Management*, 30(6), 2396–2416. doi:10.1108/IJCHM-08-2016-0426.
- Alpkan, L. and Yilmaz, C. (2007). Market orientation and planning flexibility in SMEs. *International Small Business Journal*, 25(2), 152–172.
- Atuahene-Gima, K. (1996). Market orientation and innovation. *Journal of Business Research*, 35(2), 93–103. doi:10.1016/0148-2963(95)00051-8
- Atuahene-Gima, K. (2005). Resolving the capability-rigidity paradox in new product innovation. *Journal of Marketing*, 69(04), 61-83.
- Atuahene-Gima, K. and Ko, A. (2001). An empirical investigation of the effect of market orientation and entrepreneurship orientation alignment on product innovation. *Organization Science*, 12(1), 54–74.
- Augusto, M. and Torres, P. (2018, May). Effects of brand attitude and eWOM on consumers' willingness to pay in the banking industry: Mediating role of consumer-brand identification and brand equity. *Journal of Retailing and Consumer Services*, 42(01), 1–10. doi:10.1016/j.jretconser.2018.01.005.
- Avlonitis, G., Papastathopoulou, P. and Gounaris, S.P. (2001). An empirically based typology of product innovativeness for new financial services: success and failure scenarios, *Journal of Product Innovation Management*, 18(5), 324-342.
- Baker, W. and Sinkula, J. (1999a). The synergistic effect of market orientation and learning orientation on organizational performance. *Journal of the Academy of Marketing Science*, 27(01), 411-427.

- Baker, W. and Sinkula, J. (1999b). Learning orientation, market orientation, and innovation: Integrating and extending models of organizational performance. *Journal of Market-Focused Management*, 4(04), 295-308.
- Baker, W. and Sinkula, J. (2002). Market orientation, learning orientation and product innovation: Delving into the organization's black box. *Journal of Market-Focused Management*, 5(01), 5-23.
- Baker, W. and Sinkula, J. (2005). Market orientation and the new product paradox. *Journal of Product Innovation Management*, 22(06), 483-502.
- Baker, W. and Sinkula, J. (2009). The complementary effects of market orientation and entrepreneurial orientation on profitability in small businesses. *Journal of Small Business Management*, 47(04), 443-464.
- Barney, J. (1991, March 01). Firm resources and sustained competitive advantage. *Journal of Management*, 17(01), 99-120. doi: 10.1177/014920639101700108.
- Beck, L., Janssens, W., Debruyne, M. and Lommelen, T. (2011, August). A study of the relationships between generation, market orientation, and innovation in family firms. *Family Business Review*, 24(03), 252-272. doi:10.1177/0894486511409210
- Benner, M. and Tushman, M. (2003). Exploitation, exploration, and process management: the productivity dilemma revisited. *Academy of Management Review*, 28(02), 238-256.

- Berthon, P., Hulbert, J. and Pitt, L. (1999). To serve or create? Strategic orientations toward customers and innovation. *California Management Review*, 42(01), 37-58.
- Berthon, P., Hulbert, J. and Pitt, L. (2004). Innovation or customer orientation? An empirical investigation. *European Journal of Marketing*, 38(9/10), 1065-1090.
- Biswas A. (2018). Effect of Strategic Marketing on Sustainable Business Performance–A Study of Pharmaceutical Industries in India. *Indian Journal of Pharmaceutical Education and Research*, 53(01), 21-27.
- Blankson, C., Cowan, K., Crawford, J., Kalafatis, S., Singh, J., and Coffie, S. (2013). A review of the relationships and impact of market orientation and market positioning on organizational performance. *Journal of Strategic Marketing*, 21(06), 499–512. doi:10.1080/0965254X.2013.804857.
- Block, J., Fisch, C., Van Praag, M. (2016). The Schumpeterian entrepreneur: A review of the empirical evidence on the antecedents, behavior, and consequences of innovative entrepreneurship. *Industry and Innovation's New Focus Themes*, 24(01), 61–95. doi:10.1080/13662716.2016.1216397.
- Bocconcelli R, Cioppi M, Fortezza F, Francioni, B., Pagano, A., Savelli, E. and Splendiani, S. (2016). SMEs and marketing: A systematic literature review. *International Journal of Management Reviews* 20(2), 227–254. doi:10.1111/ijmr.12128
- Bodlaj, M., Coenders, G. and Zabkar, V. (2012). Responsive and proactive market orientation and innovation success under market and technological turbulence. *Journal of Business Economics and Management*, 13(04), 666-687.

- Brown, S. and Eisenhardt, K. (1995). Product development: past research, present findings, and future directions. *Academy of Management Review*, 20(02), 343-378.
- Bueno, E. and Ordoñez, P. (2004). Innovation and learning in the knowledge-based economy: Challenges for the firm. *International Journal of Technology Management*, 27(6/7), 531-533
- Buli, B. (2017). Entrepreneurial orientation, market orientation and performance of SMEs in the manufacturing industry. *Management Research Review*, 40(3), 292-309. doi:10.1108/mrr-07-2016-0173.
- Cadogan, J. (2012, July 13). International marketing, strategic orientations, and business success: reflections on the path ahead. *International Marketing Review*, 29(04), 340-348.
- Calantone, R. and Di Benedetto, C. (2012). The role of lean launch execution and launch timing on new product performance. *Journal of the Academy of Marketing Science*, 40(04), 526-538.
- Cambra-Fierro, J., Pérez, L. and Grott, E. (2017, January). Towards a co-creation framework in the retail banking services industry: Do demographics influence? *Journal of Retailing and Consumer Services*, 34(01), 219-228. doi:10.1016/j.jretconser.2016.10.007
- Campo, S., Díaz, A., and Yagüe, M. (2014). Market orientation in mid-range service, urban hotels: How to apply the MKTOR instrument. *International Journal of Hospitality Management*, 43(01), 76-86. <https://doi.org/10.1016/j.ijhm.2014.08.006>

- Cano, C., Carrillat, F. and Jaramillo, F. (2004). A Meta-analysis of the relationship between market orientation and business performance: evidence from five continents. *International Journal of Research in Marketing*, 21(02), 179-200. <https://doi.org/10.1016/j.ijresmar.2003.07.001>.
- Capon, N., Farley, J. and Hoenig, M. (1990). Determinants of financial performance: a Meta-analysis. *Management Science*, 36(10), 1143-1159.
- Capon, N., Farley, J., Lehmann, D. and Hulbert, J. (1992). Profiles of product innovators among large US manufacturers. *Management Science*, 38(02), 157-169
- Capon, N., Farley, J., Lehmann, D. and Hulbert, J. (1992). Profiles of product innovators among large US manufacturers. *Management Science*, 38(02), 157-169.
- Caruana, A., Pitt, L. and Ewing, M. (2003). The market Orientation-Performance link: the role of service reliability. *The Service Industrial Journal*, 23(04), 25-41.
- Cegarra-Navarro, G., Carmelo, R., Gómez-Melero, E., Wensley, A. (2016). Linking social and economic responsibilities with financial performance: The role of innovation. *European Management Journal*, 34(5), 530-9.
- Cenfetelli, R. and Bassellier, G. (2009). Interpretation of formative measurement in information systems research. *MIS Quarterly*, 33(4), 689-708.
- Chabowski, B. and Mena, J. (2017, December 1). A Review of Global Competitiveness Research: Past Advances and Future Directions. *Journal of International Marketing*, 25(01), 1-24. doi:10.1509/jim.16.0053.

- Chandler, A. (1962). *Strategy and Structure: Chapters in the History of American Industrial Enterprise*. Boston: The M.I.T. Press.
- Chang, C.-H. (2019). Do green motives influence green product innovation? The mediating role of green value co-creation. *Corporate Social Responsibility and Environmental Management*, 26(02), 330–340.
- Chang, W., Franke, G., Butler, T., Musgrove, C. and Ellinger, A. (2014). Differential mediating effects of radical and incremental innovation on market orientation-performance relationship: a Meta-analysis. *Journal of Marketing Theory and Practice*, 22(03), 235-250. doi:10.2753/MTP1069-6679220301.
- Chen, A., Peng, N., Hung, K.-P. (2015). Managing salespeople strategically when promoting new products—Incorporating market orientation into a sales management control framework. *Industrial Marketing Management*, 47(01), 147–155. doi:10.1016/j.indmarman.2015.02.041.
- Cheng, C., and Huizingh, E. (2014). When is open innovation beneficial? The role of strategic orientation. *Journal of Product Innovation Management*, 31(6), 1235–1253.
- Cheng, D. and Chen, V. (2017). Does service innovation matter? An empirical study on market orientation and supply chain performance. *South African Journal of Business Management*, 48(01), 11-22.
- Chin, W. (1998a). Issues, and opinion on Structural Equation Modeling. *MIS Quarterly*, 22(01), 7-16.
- Chin, W. (1998b). *The Partial Least Squares Approach to Structural Equation Modelling*. London: Lawrence Erlbaum Associates Publisher. 295–336.

- Christa, U., Wardana, I., Dwiatmadja, C., and Kristinae, V. (2020). The Role of Value Innovation Capabilities in the Influence of Market Orientation and Social Capital to Improving the Performance of Central Kalimantan Bank in Indonesia. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(04), 140. doi:10.3390/joitmc6040140
- Christensen, C. (2013). *The innovator's dilemma: When new technologies cause great firms to fail*. Boston, MA: Harvard Business Review Press.
- Chung, H. (2011). Marketing orientation, guanxi, and business performance. *Industrial Marketing Management*, 40 (04), 522-533.
- Chung, H. (2018). How Guanxi networking matters in the relation between market orientation and innovation in Asian emerging economies – the case of Markor. *Journal of Business & Industrial Marketing*. doi:10.1108/jbim-05-2017-0115.
- Chung, H., Wang, C., Huang, P. and Yang, Z. (2016). Organizational capabilities and business performance: when and how does the dark side of managerial ties matter?. *Industrial Marketing Management*, 55(01), 70-82. doi:10.1016/j.indmarman.2016.02.014.
- Damanpour, F. (1991). Organizational innovation: a Meta-analysis of effects of determinants and moderators. *Academy of Management Journal*, 34(03), 555-590.
- Damanpour, F. and Evan, W. (1984). Organizational innovation and performance: the problem of organizational lag. *Administrative Science Quarterly*, 29(03), 392-409.

- Damanpour, F., Szabat, K. and Evan, W. (1989, November). The relationship between types of innovation and organizational performance. *Journal of Management Studies*, 26(6), 587–602. doi:10.1111/j.1467-6486.1989.tb00746.x.
- Danneels, E. (2002). The dynamics of product innovation and firm competences. *Strategic Management Journal*, 23(12), 1095-1121.
- Darroch, J. and Jardine, A. (2002, October 25-27). *Combining firm-based and consumer-based perspectives to develop a new measure for innovation*. Proceeding of 3rd International Symposium on Management of Technology and Innovation. 271-275.
- Dawes, J. (1999, January). The relationship between subjective and objective company performance measures in market orientation research: further empirical evidence. *Marketing Bulletin*, 10(01), 65-75.
- Day, G. (1994). The capabilities of market-driven organizations. *Journal of Marketing*, 58(04), 37-52.
- Day, G. (2011, July). Closing the marketing capabilities gap. *The Journal of Marketing*, 75(04), 183–195. doi:10.1509/jmkg.75.4.183.
- Day, G. and Van den Bulte, C. (2002, January). *Superiority in Customer Relationship Management: consequences for Competitive Advantage and Performance*. Marketing Science Institute, Cambridge, MA. 1-123.
- Deshpandé, R. and Farley, J. (1998) Measuring market orientation: generalization and synthesis. *Journal of Market-Focused Management* 2(03), 213–232. doi:10.1023/A:1009719615327

- Deshpandé, R. and Farley, J. (1999). Corporate Culture and Market Orientation: Comparing Indian and Japanese Firms. *Journal of International Marketing* 7(04), 111–127.
- Deshpandé, R. and Farley, J. (2000). Market-Focused organizational transformation in China. *Journal of Global Marketing*, 14(1/2), 7-35.
- Deshpandé, R., and Farley, J. (2004). Organizational culture, market orientation, innovativeness, and firm performance: An international research odyssey. *International Journal of Research in Marketing*, 21(1), 3–22.
- Deshpandé, R., Farley, J. and Webster, F. Jr. (1993). Corporate culture, customer orientation, and innovativeness in Japanese firms: a quadrat analysis. *Journal of Marketing*, 57(01), 23-27. doi:10.1177/002224299305700102.
- Deutscher, F., Zapkau, F., Schwens, C., Baum, M. and Kabst, R. (2016) Strategic orientations and performance: A configurational perspective. *Journal of Business Research*, 69(2), 849–861.
- Dharma, Y. (2018). *The effect of work motivation on the employee performance with organization citizenship behaviour as intervening variable at Bank Aceh Syariah*. Bingley, UK: Emerald Publishing Limited. doi:10.1108/978-1-78756-793-1-00065.
- Didonet, S., Fearne, A. and Simmons, G. (2019). Determining the presence of a long-term/short-term dilemma for SMEs when adopting strategic orientation to improve performance. *International Small Business Journal: Researching Entrepreneurship*, 026624261987936. doi:10.1177/0266242619879369.

- Dobni, C. (2010). The relationship between an innovation orientation and competitive strategy. *International Journal of Innovation Management*, 14(02), 331-357.
- Dougherty, D. and Hardy, C. (1996). Sustained product innovation in large, mature organizations: Overcoming innovation-to-organization problems. *Academy of Management Journal*, 39(5), 1120-1153.
- Drucker, P. (1966). *The effective executive*. New York: Harper and Row.
- Eggers, J. and Kaul, A. (2016). When big firms are most likely to innovate. *Harvard Business Review*. Consulted on 16 November 2021. Available at <https://hbr.org/2016/10/when-big-firms-are-most-likely-to-innovate>.
- eInforma (2022). Empresas por Atividade. *Infoempresas.JN*. Consulted on 30 May 2022. Available at https://infoempresas.jn.pt/C_INDUSTRIAS-TRANSFORMADORAS/Concelho_BRAGA.html.
- Ellinger, A., Ketchen, D., Hult, G., Elmadag, A. and Richey, R. (2008). Market orientation, employee development practices, and performance in logistics service provider firms. *Industrial Marketing Management*, 37(04), 353-366.
- Erdem, B., Gül, K., and Gül, M. (2013). The Relationship between market orientation, innovation orientation and firm performance: A research in four- and five-star hotels in Ankara. *Journal of Business Research-Türk*, 5(2), 74-104.
- Faroque, A., Morrish, S. and Ferdous, A. (2017). Networking, business process innovativeness and export performance: the case of South Asian low-tech industry. *Journal of Business & Industrial Marketing*, 32(06), 864-875.

- Farooq R., Vij S., Kaur J. (2021). Innovation orientation and its relationship with business performance: moderating role of firm size. *Measuring Business Excellence*, 25(03). doi:10.1108/MBE-08-2020-0117.
- Farrell, M. (2000). Developing a Market-Oriented learning organisation. *Australian Journal of Management*, 25(02), 201-222.
- Farrell, M. and Oczkowski, E. (2002). Are market orientation and learning orientation necessary for superior organizational performance?. *Journal of Market-Focused Management*, 5(03), 197-217.
- Farrell, M., Oczkowski, E. and Kharabsheh, R. (2008). Market orientation, learning orientation and organisational performance in international joint ventures. *Asia Pacific Journal of Marketing and Logistics*, 20(03), 289-308.
- Fauzan, M., Yuniarsih, T. and Santoso, B. (2020, February). Subjective Well-Being: A Case Study on Outsourcing Workers of Pt Bank Rakyat Indonesia Office of the Jambi Province Branch Coordinator. *Semantics Scholar*. Consulted on 16 November 2021. Available at <https://www.semanticscholar.org/paper/Subjective-Well-Being%3A-A-Case-Study-On-Outsourcing-Fauzan-Disman/782361758ea73cb7af73544f7a4fb30b240866e5>.
- Flint, D., Woodruff, R. and Gardial, S. (2002). Exploring the phenomenon of customers' desired value change in a business-to-business context. *Journal of Marketing*, 66(04), 102-117.
- Fornell, C. and Larcker, D. (1981). Evaluating structural equation models with unobservable variables and measurement error. *Journal of Marketing Research*, 18(01), 39-50.

- Frambach, R. and Nijssen, E. (2017) *Marketing strategie: praktische inzichten voor een succesvol marketing-plan* (6^a ed.). Groningen/Houten: Noordhoff.
- Freeman, C. and Soete, L. (2009). Developing science, technology, and innovation indicators: what we can learn from the past. *Research Policy*, 38(04), 583-589.
- Frösén, J., Luoma, J., Jaakkola, M., Tikkanen, H. and Aspara, J. (2016). What counts versus what can be counted: The complex interplay of market orientation and marketing performance measurement. *Journal of Marketing*, 80(03), 60–78. doi:10.1509/jm.15.0153.
- García, F., Avella, L. and Fernández, E. (2012). Learning from exporting: The moderating effect of technological capabilities. *International Business Review*, 21(6), 1099–1111.
- Garcia, R. and Calantone, R. (2002). A critical look at the technological innovation typology and innovativeness terminology: a literature review. *The Journal of Product Innovation Management*, 19(2), 110-132.
- García-Villaverde, P., Rodrigo-Alarcón, J., Ruiz-Ortega, M. and Parra-Requena, G. (2018). The role of knowledge absorptive capacity on the relationship between cognitive social capital and entrepreneurial orientation. *Journal of Knowledge Management*, 22(5), 1015-1036. doi:10.1108/JKM-07-2017-0304
- Gatignon, H. and Xuereb, J. (1997). Strategic orientation of the firm and new product performance. *Journal of Marketing Research*, 34(1), 77-90.
- Genc, E., Dayan, M., and Genc, O. (2019). The impact of SME internationalization on innovation: The mediating role of market and entrepreneurial orientation.

- Industrial Marketing Management*, 82(1), 253-264.
doi:10.1016/j.indmarman.2019.01.008.
- Gerni, G. (2013). Evaluating the effects of market and innovation orientations on family-owned firms' performance: An empirical study in Istanbul. *Advances in Management & Applied Economics*, 3(5), 139-150.
- Gibson, C. and Birkinshaw, J. (2004). The antecedents, consequences, and mediating role of organizational ambidexterity. *Academy of Management Journal*, 47(2), 209-226.
- Gieseler, T., Didonet, S., Toaldo, A., and Martins, T. (2018). The innovation orientation influence on architectural marketing capabilities and the impact on innovation performance. *International Journal of Business Innovation and Research*, 15(3), 277. doi:10.1504/ijbir.2018.089749.
- González-Benito, Ó. and González-Benito, J. (2005). Cultural vs. operational market orientation and objective vs. subjective performance: Perspective of production and operations. *Industrial Marketing Management*, 34(8) 797-829.
- Gopalakrishnan, S. and Damanpour, F. (1997). A review of innovation research in economics, sociology, and technology management. *Omega*, 25(1) 15-28.
- Govindarajan, V., Lev, B., Srivastava, A. and Enache, L. (2019). The gap between large and small companies is growing. Why?. *Harvard Business Review*. Consulted on 16 November 2021. Available at: <https://hbr.org/2019/08/the-gap-between-large-and-small-companies-is-growing-why>.
- Grapentine, T. (1997). Managing multicollinearity. *Marketing Research*, 9(1), 10-20.

- Grinstein, A. (2008). Relationships between market orientation and alternative strategic orientations: a Meta-analysis. *European Journal of Marketing*, 42(1/2), 115-134.
- Gunday, G., Ulusoy, G., Kilic, K. and Alpkan, L. (2011). Effects of innovation types on firm performance. *International Journal of Production Economics*, 133(2), 662-676.
- Guo, C., Wang, Y., Hao, A., and Saran, A. (2018). Strategic positioning, timing of entry, and new product performance in business-to-business markets: do market-oriented firms make better decisions?. *Journal of Business-to-Business Marketing*, 25(1), 51-64. doi:10.1080/1051712x.2018.1424690.
- Hagedoorn, J. and Cloudt, M. (2003). Measuring innovative performance: is there an advantage in using multiple indicators?. *Research Policy*, 32(8), 1365-1379.
- Hair, J., Black, W., Babin, B. and Anderson, R. (2010). *Multivariate Data Analysis* (7th ed.). Upper Saddle River, NJ, USA: Prentice Hall.
- Hair, J., Black, W., Babin, B. and Anderson, R. (2013). *Multivariate Data Analysis* (7th ed.). Harlow, UK: Pearson Education Limited, illustrated, and revised.
- Hair, J., Hult, G., Ringle, C. and Sarstedt, M. (2017). *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. Thousand Oaks, California: Sage Publications.
- Hair, J., Ringle, C. and Sarstedt, M. (2011). PLS-SEM: Indeed, a Silver Bullet. *Journal of Marketing Theory and Practice*, 19(1), 139-152.

- Halawi, L., Aronson, J. and McCarthy, R. (2005). Resource-Based View of Knowledge Management for Competitive Advantage. *Electronic Journal of Knowledge Management*, 3(2), 75–86.
- Han, J., Kim, N. and Srivastava, R. (1998). Market orientation and organizational performance: is innovation a missing link. *Journal of Marketing*, 62(4), 30-45. doi:10.1177/002224299806200403.
- Kandampully, J. and Duddy, R. (1999). Competitive advantage through anticipation, innovation, and relationships. *Management Decision*, 37(1), 51-56.
- Hansen, M., Nohria, N. and Tierney, T. (1999). What's your strategy for managing knowledge?. *Harvard Business Review*, 77(2), 106–116.
- Harris, L. and Ogbonna, E. (1999). Developing a market-oriented culture: a critical evaluation. *Journal of Management Studies*, 36(2), 177-196.
- Harris, L. and Ogbonna, E. (2001). Strategic human resource management, market orientation, and organizational performance. *Journal of Business Research*, 51(2), 157-166.
- Hart, M. (2006). Customer relationship management: Are software applications aligned with business objectives?. *South African Journal of Business Management*, 37(2), 17-32.
- Haugland, S., Myrtveit, I. and Nygaard, A. (2007). Market orientation and performance in the service industry: a data envelopment analysis. *Journal of Business Research*, 60(11), 1191-1197. doi: 10.1016/j.jbusres.2007.03.005.

- Henseler, J., Ringle, C., and Sinkovics, R. (2009). *The use of partial least squares path modeling in international marketing. In New Challenges to International Marketing*. Bingley, UK: Emerald Group Publishing Limited. 277–319.
- Hernández-Linares, R., Kellermanns, F. and López-Fernández, M. (2018). A note on the relationships between learning, market, and entrepreneurial orientations in family and nonfamily firms. *Journal of Family Business Strategy*, 9(3), 192–204.
- Hernández-Linares, R., Kellermanns, F. and López-Fernández, M. (2021). Dynamic Capabilities and SME Performance: The Moderating Effect of Market Orientation. *Journal of Small Business Management*, 59(1), 162 - 195. doi:10.1111/jsbm.12474.
- Ho, K., Nguyen, C., Adhikari, R., Miles, M. and Bonney, L. (2018). Exploring market orientation, innovation, and financial performance in agricultural value chains in emerging economies. *Journal of Innovation and Knowledge*, 3(3), 154–163. doi: 10.1016/j.jik.2017.03.008.
- Holmqvist, M. (2004). Experiential learning processes of exploitation and exploration within and between organizations: an empirical study of product development. *Organization Science*, 15(1), 70-81.
- Homburg, C. and Pflesser, C. (2000, November). A Multiple-Layer model of Market-Oriented organizational culture: measurement issues and performance outcomes. *Journal of Marketing Research*, 37(4), 449-462.
- Hooley, G., Cox, T., Fahy, J., Shipley, D., Beracs, J., Fonfara, K. and Snoj, B. (2000). Market orientation in the transition economies of Central Europe: tests of the

- narver and slater market orientation scales. *Journal of Business Research*, 50(3), 273-285.
- Hsu, S., Wang, Y., and Tzeng, S. (2007). The source of innovation: Boundary spanner. *Total Quality Management*, 18(10), 1133-1145.
- Hulland, J. (1999). Use of partial least squares (PLS) in strategic management research: A review of four recent studies. *Strategic Management Journal*, 20(1), 195-204.
- Hult, G., Hurley, R. and Knight, G. (2004). Innovativeness: its antecedents and impact on business performance. *Industrial Marketing Management*, 33(5), 429-438.
- Hult, G. and Ketchen, D. (2001). Research notes and commentaries: does market orientation matter?: A test of the relationship between positional advantage and performance. *Strategic Management Journal*, 22(9), 899-906.
- Hult, G., Ketchen, D. and Slater, S. (2005). Market orientation and organizational performance: An Integration of disparate approaches. *Strategic Management Journal*, 26(1), 259-276.
- Hunt, S. and Morgan, R. (1995). The comparative advantage theory of competition. *The Journal of Marketing*, 59(2), 1-15.
- Hurley, R., Hult, G. and Tomas, M. (1998). Innovation, market orientation, and organizational learning: an integration and empirical examination. *Journal of Marketing*, 62(3), 42-54
- Ionescu, A. and Ionescu, C. (2015). The relationship between the innovation orientation and organization's performance in Romania. *Romanian Journal of Economics*, 40(49), 299-312.

- Issau K. (2018). Role of Market Orientation on Innovation Orientation of Manufacturing SMEs in the Accra Metropolis, Ghana. *Journal of Entrepreneurship and Business*, 7(1), 40-51
- Jansen, J., Van Den Bosch, F. and Volberda, H. (2006). Exploratory innovation, exploitative innovation, and performance: effects of organizational antecedents and environmental moderators. *Management Science*, 52(11), 1661-1674.
- Jaworski, B. and Kohli, A. (1993). Market orientation: Antecedents and consequences. *The Journal of Marketing*, 57(3), 53-70. doi:10.1177/002224299305700304.
- Jeong, G. (2017). The effect of entrepreneurial orientation on marketing capability. *Korean Corporation Management Review*, 24(1), 75-106.
- Jiménez-Jiménez, D. and Sanz-Valle, R. (2011). Innovation, organizational learning, and performance. *Journal of Business Research*, 64(4), 408-417.
- Kahn, K. (1996). Interdepartmental integration: A definition with implications for product development performance. *Journal of Product Innovation Management*, 13(2), 137-151.
- Kahn, K. (2001). Market orientation, interdepartmental integration, and product development performance. *Journal of Product Innovation Management*, 18(5), 314-323.
- Kajalo, S. and Lindblom, A. (2015). Market orientation, entrepreneurial orientation, and business performance among small retailers. *International*

- Journal of Retail & Distribution Management*, 43(7), 580-596.
doi:10.1108/IJRDM-04-2014-0044.
- Kalmuk, G. and Acar, A. (2015). The mediating role of organizational learning capability on the relationship between innovation and firm's performance: A conceptual framework. *Procedia—Social and Behavioural Sciences*, 210(1), 164–169.
- Kansal, P. and Bansal, J. (2018). The Impact of Market Orientation on the Performance of MSMEs: A Cross-Sectional Analysis of Manufacturing and Service Firms in India. *IUP Journal of Business Strategy*, 15(4), 57-74.
- Kaplan, R. and Norton, D. (2004). *Strategy Maps: Converting Intangible Assets into Tangible Outcomes*. Brighton, UK: Harvard Business Press.
- Kara, A. and Kaynak, E. (2004). Market orientation and organizational performance: A comparison of industrial versus consumer companies in mainland China using market orientation scale (MARKOR). *Industrial Marketing Management*, 33(8), 743–53.
- Kara, A., Spillan, J. and Deshields, O. (2005). The effect of a market orientation on business performance: a study of Small-Sized service retailers using MARKOR scale. *Journal of Small Business Management*, 43(2), 105-118.
doi:10.1111/j.1540-627x.2005.00128.x.
- Kava, L. and Didonet, S. (2019). The Influence of Market Orientation on Exploration and Exploitation Innovation Strategies and Organizational Performance. *Brazilian Journal of Marketing*, 19(1), 1-16.
doi:10.5585/remark.v18i1.3565C.

- Keskin, H. (2015). Market orientation, learning orientation, and innovation capabilities in SMEs. *European Journal of Innovation Management*, 9(4), 396–417.
- Kim, H. and Pennings, J. (2009). Innovation and strategic renewal in mature markets. *Organization Science*, 20(2), 368-383.
- Kimberly, J. and Evanisko, M. (1981). Organizational innovation: the influence of individual, organizational, and contextual factors on hospital adoption of technological and administrative innovations. *Academy of Management Journal*, 24(4), 689-713.
- Kirca, A., Bearden, W., and Hult, G. (2011). Forms of market orientation and firm performance: A complementary approach. *Academy of Marketing Science Review*, 1(1), 145–153
- Kirca, A., Jayachandran, S. and Bearden, W. (2005, April) Market orientation: a Meta-Analytic Review and assessment of its antecedents and impact on performance. *Journal of Marketing*, 69(2), 24-41.
doi:10.1509/jmkg.69.2.24.60761
- Kleinknecht, A., Van Montfort, K. and Brouwer, E. (2002). The non-trivial choice between innovation indicators. *Economics of Innovation and New Technology*, 11(2), 109-121.
- Knight, K. (1967). A descriptive model of the intra-firm innovation process. *The Journal of Business*, 40(4), 478-496.

- Kocak, A., Carsrud, A., and Oflazoglu, S. (2017). Market, entrepreneurial, and technology orientations: impact on innovation and firm performance. *Management Decision*, 55(2), 248–270. doi:10.1108/md-04-2015-0146
- Kohli, A. and Jaworski, B. (1990). Market orientation: The construct, research propositions, and managerial implications. *Journal of Marketing*, 54(2), 1-18. doi:10.1177/002224299005400201
- Kohli, A. and Jaworski, B. (1993). Market orientation: antecedents and consequences. *Journal of Marketing*, 57(3), 52-70.
- Kohli, A., Jaworski, B. and Kumar, A. (1993). MARKOR: a measure of market orientation. *Journal of Marketing Research*, 30(4), 467-477.
- Kotler, P. (2002). *Marketing places*. New York: Simon and Schuster.
- Kotler, P. and Armstrong, G. (2009). *Principles of marketing*. (13th Ed.). USA: Pearson Education.
- Kristinae, V., Sambung, R., and Sahay, M. (2019, September). The Role of Entrepreneurial Orientation in Product Innovation in Emerging Markets on The Local Products. *Oradea Journal of Business and Economics*, 4(2), 35–44.
- Kristinae, V., Wardana, I., Giantari, I. and Rahyuda, A. (2020). The role of powerful business strategy on value innovation capabilities to improve marketing performance during the COVID-19 pandemic. *Uncertain Supply Chain Management*, 8(4), 675–684. doi:10.5267/j.uscm.2020.8.005
- Küster, I. and Vila, N. (2011). Successful SME web design through consumer focus groups. *International Journal of Quality & Reliability Management*, 28(2), 32–154.

- Lado, N. and Maydeu-Olivares, A. (2001). Exploring the link between market orientation and innovation in the European and US insurance markets. *International Marketing Review*, 18(2), 130–145.
- Lafferty, B. and Hult, G. (2001). A synthesis of contemporary market orientation perspectives. *European Journal of Marketing*, 35(1/2), 92–109.
doi:10.1108/03090560110363364
- Laforet, S. (2008). Size, strategic, and market orientation effects on innovation. *Journal of Business Research*, 61(7), 753-764.
- Laforet, S. (2009). Effects of size, market, and strategic orientation on innovation in non-high-tech manufacturing SMEs. *European Journal of Marketing*, 43(1/2), 188-212.
- Lambin, J. (2000). *Marketing Estratégico*. Lisboa: McGraw-Hill de Portugal, Lda.
- Langerak, F. (2003). An appraisal of research on the predictive power of market orientation. *European Management Journal*, 21(4), 447-464.
- Langerak, F., Hultink, E. and Robben, H. (2004). The impact of market orientation, product advantage, and launch proficiency on new product performance and organizational performance. *Journal of Product Innovation Management*, 21(2), 79-94.
- Laukkanen, T., Nagy, G., Hirvonen, S., Reijonen, H. and Pasanen, M. (2013). The effect of strategic orientation on business performance in SMEs. *International Marketing Review*, 30(6), 510-535.

- Lee, T. and Tsai, H. (2005). The effects of business operation mode on market orientation, learning orientation and innovativeness. *Industrial Management & Data Systems*, 106(3), 325–348.
- Lee, Y.-K., Kim, S.-H., Seo, M.-K., and Hight, S. (2015). Market orientation and business performance: Evidence from franchising industry. *International Journal of Hospitality Management*, 44(1), 28-37. doi:10.1016/j.ijhm.2014.09.008.
- Levitt, T. (1960). Marketing myopia. *Harvard Business Review*, 38(1), 24-47.
- Li, Y. (2014) Environmental innovation practices and performance: moderating effect of resource commitment. *Journal of Cleaner Production*, 66(1), 450-458.
- Li, S., Kinman, R., Duan, Y. and Edwards, J. (2000). Computer-based support for marketing strategy development, *European Journal of Marketing*, 34(5/6), 551-575. doi:10.1108/03090560010321938.
- Li, Y., Ye, F., Sheu, C. and Yang, Q. (2018). Linking green market orientation and performance: Antecedents and processes. *Journal of Cleaner Production*, 192(29), 924-931.
- Liao, S., Chang, W., Wu, C. and Katrichis, J. (2011). A survey of market orientation research (1995–2008). *Industrial Marketing Management*, 40(2), 301-310. doi:10.1016/j.indmarman.2010.09.003
- Lichtenthaler, U. (2009). Outbound open innovation and its effect on firm performance: Examining environmental influences. *R&D Management*, 39(1), 317–330.

- Limakrisna, N. and Yoserizal, S. (2016, October). Determinants of marketing performance: Empirical study at National Commercial Bank in Jakarta Indonesia. *SpringerPlus*, 5(1), 1693. doi: 10.1186/s40064-016-3362-3
- Lin, C., Peng C. and Kao, D. (2008). The innovativeness effect of market orientation and learning orientation on business performance. *International Journal of Manpower*, 29(8), 752–772.
- Lipit, M. (2006). Patterns in innovation: goals and organization life cycle. *Human Resource Planning Society Journal*, 75(3), 226-235.
- Lisboa, A., Skarmeas, S. and Lages, C. (2011). Entrepreneurial orientation, exploitative and explorative capabilities, and performance outcomes in export markets: a resource-based approach. *Industrial Marketing Management*, 40(8), 1274-1284.
- Love, J. and Ganotakis, P. (2013). Learning by exporting: Lessons from high-technology SMEs. *International Business Review*, 22(1), 1–17.
- Lovett, M. and MacDonald, J. (2005) How does financial performance affect marketing? Studying the marketing–finance relationship from a dynamic perspective. *Journal of the Academy of Marketing Science*, 33(4), 476–485.
- Lukas, B. and Ferrell, O. (2000). The effect of market orientation on product innovation. *Journal of Academy of Marketing Science*, 28(2), 239-247.
- Luo, X., Hsu, M. and Liu, S. (2008). The moderating role of institutional networking in the customer orientation-trust/commitment-performance causal chain in China. *Journal of the Academy of Marketing Science*, 36(2), 202-214.

- Lyon, D. and Ferrier, W. (2002). Enhancing performance with product-market innovation: The influence of the top management team. *Journal of Management Issues*, 14(1), 452-469.
- Manu, F. (1992). Innovation orientation, environment, and performance: a comparison of US and European markets. *Journal of International Business Studies*, 23(2), 333-359.
- Manu, F. and Sriram, V. (1996). Innovation, marketing strategy, environment, and performance. *Journal of Business Research*, 35(1), 79-91.
- Martín-Consuegra, D. and Esteban, Á. (2007). Market orientation and business performance: an empirical investigation in the airline industry. *Journal of Air Transport Management*, 13(6), 383-386.
- Masa'deh, R., Al-Henzab, J., Tarhini, A. and Obeidat, B. (2018). The associations among market orientation, technology orientation, entrepreneurial orientation, and organizational performance. *Benchmarking*, 25(1), 3117-3142.
- McClure, R. (2010). The influence of organizational culture and conflict on market orientation. *Journal of Business & Industrial Marketing*, 25(7), 514-524.
doi:10.1108/08858621011077745
- McDonough III, E. (2000). Investigation of factors contributing to the success of cross-functional teams. *Journal of Product Innovation Management*, 17(3), 221-235
- Menguc, B. and Auh, S. (2006). Creating a firm-level dynamic capability through capitalizing on market orientation and innovativeness. *Journal of the Academy of Marketing Science*, 34(1), 63-73.

- Miller, D., Le Breton-Miller, I. and Scholnick, B. (2008). Stewardship vs. stagnation: An empirical comparison of small family and non-family businesses. *Journal of Management Studies*, 45(1), 51–77.
- Moller, K. and Torronen, P. (2003). Business suppliers' value creation potential: A capability - based analysis. *Industrial Marketing Management*, 32(2), 109-118.
- Morgan, N. (2012). Marketing and business performance. *Journal of the Academy of Marketing Science*, 40(1), 103–119.
- Morgan, N., Katsikeas, C. and Vorhies, D. (2012). Export marketing strategy implementation, export marketing capabilities, and export venture performance. *Journal of the Academy of Marketing Science*, 40(2), 271–289.
- Morgan, N., Zou, S., Vorhies, D. and Katsikeas, C. (2003). Experimental and informational knowledge, architectural marketing capabilities, and the adaptive performance of export ventures: a cross-national study. *Decision Sciences*, 34(2), 287–321.
- Morgan, R. and Berthon, P. (2008). Market orientation, generative learning, innovation strategy and business performance inter-relationships in bioscience firms. *Journal of Management Studies*, 45(8), 1329-1353.
- Mu, J., Thomas, E., Peng, G. and Anthony, D. (2017). Strategic orientation and new product development performance: The role of networking capability and networking ability. *Industrial Marketing Management*, 64(1), 187–201.
- Nahan, N., Kristinae, V. and Leiden, R. (2019, December). The Strength of a Business Strategy with Value Innovation for Rattan Handicraft Entrepreneurs

- in Central Kalimantan, Indonesia. *The International Journal of Business & Management*, 7(12), 11-17.
- Naidoo, V. (2010). Firm survival through a crisis: The influence of market orientation, marketing innovation and business strategy. *Industrial Marketing Management*, 39(8), 1311–1320.
- Narver, J. and Slater, S. (1990). The effect of a market orientation on business profitability. *The Journal of Marketing*, 54(4), 20-35. doi:10.1177/002224299005400403
- Narver, J. and Slater, S. (1994a). Does Competitive Environment Moderate the Market Orientation Performance Relationship?. *Journal of Marketing*, 58(1), 46-55. doi:10.1177/002224299405800104.
- Narver, J. and Slater, S. (1994b). Market orientation, customer value, and superior performance. *Bus Horiz* 37(2), 22–28.
- Narver, J. and Slater, S. (1995). Market Orientation and the Learning Organization. *Journal of Marketing*, 59(1), 63-74.
- Narver, J. and Slater, S. (2000). The Positive Effect of a Market Orientation on Business Profitability: A balanced Replication. *Journal of Business Research*, 48(1), 69-73.
- Nasution, H., Mavondo, F., Matanda, M. and Ndubisi, N. (2011). Entrepreneurship: Its relationship with market orientation and learning orientation and as antecedents to innovation and customer value. *Industrial Marketing Management*. 40(3), 336–345. doi: 10.1016/j.indmarman.2010.08.002.

- Neter, J., Wasserman, W. and Kutner, M. (1985). *Applied linear statistical models: Regression, analysis of variance, and experimental designs*. Homewood, Illinois: Richard D. Irwin, Inc.
- Newman, A., Prajogo, D. and Atherton, A. (2016). The influence of market orientation on innovation strategies. *Journal of service theory and practice*, 26(1), 72-90.
- Ngo, L. and O'Cass, A. (2012). In search of innovation and customer-related performance superiority: the role of market orientation, marketing capability, and innovation capability interactions. *Journal of Product Innovation Management*, 29(5), 861-877. doi: 10.1111/j.1540-5885.2012.00939.x.
- Nguyen, M., Lei, H., Vu, K. and Le, P. (2019). The role of cognitive proximity on supply chain collaboration for radical and incremental innovation: a study of a transition economy. *Journal of Business & Industrial Marketing*, 34(3), 591-604.
- Nitzl, C. (2016, September). The use of partial least squares structural equation modelling (PLS-SEM) in management accounting research: Directions for future theory development. *Journal of Accounting Literature*, 37(1), 19-35.
- Noble, C., Sinha, R. and Kumar, A. (2002). Market orientation and alternative strategic orientation: a longitudinal assessment of performance implications. *Journal of Marketing*, 66(4), 25-39.
- Nunnally, J. (1978). *Psychometric Theory* (2nd ed.). NewYork: McGraw-Hill.

- Nwokah, N. (2008). Strategic market orientation and business performance. *European Journal of Marketing*, 42(3/4), 279–286.
doi:10.1108/03090560810852922
- O’Cass, A. and Ngo, L. (2011). Winning through innovation and marketing: lessons from Australia and Vietnam. *Industrial Marketing Management*, 40(8), 1319–1329.
- O’Cass, A. and Ngo, L. (2012). Creating superior customer value for B2B firms through supplier firm capabilities. *Industrial Marketing Management*, 41(1), 125–135.
- OECD-Eurostat (1997). *The Measurement of Scientific and Technological Activities: Proposed Guidelines for Collecting and Interpreting Technological Data*. Oslo, Norway: OECD.
- Pahlevi, C. and Ruslan, A. (2019). Effect of Market Structure and Financial Characteristics on Bank Performance in Indonesia. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 9(3), 128–139.
- Paladino, A. (2007). Investigating the drivers of innovation and new product success: A comparison of strategic orientations. *The Journal of Product Innovation Management*, 24(6), 534–544
- Park, C., Eisingerich, A. and Park, J. (2013). Attachment–aversion (AA) model of customer–brand relationships. *Journal of Consumer Psychology*, 23(2), 229–248.

- Park, J., Choi, S. and Hong, S. (2011). The effects of market orientation, marketing capability on competitive advantage and performance in SME. *Korean Journal of Business Administration*, 24(1), 1115–1137.
- Park, M. and Lee, D. (2002). The role of integrating mediators between market orientation and performance of hotels. *Asia Marketing Journal*, 4(1), 55–78.
- Pelham, A. (2000). Market orientation and other potential influences on performance in small & medium sized manufacturing firms. *Journal of Small Business Management*, 38(1), 48–67.
- Pellegrino, G., Piva, M. and Vivarelli, M. (2012). Young firms and innovation: a micro econometric analysis. *Structural Change and Economic Dynamics*, 23(4), 329-340.
- Petter, S., Straub, D. and Rai, A. (2007). Specifying formative constructs in information systems research. *MIS Quarterly*, 31(4), 623-656.
- Piercy, N. (1995). Marketing and Strategy Fit Together (in spite of what some management educators seem to think!). *Management Decision*, 33(1), 42-47.
- Pitt, L., Caruana, A. and Berthon, P. (1996). Market orientation and business performance: some European evidence. *International Marketing Review*, 13(1), 5-18. doi:10.1108/02651339610111317.
- Porter, M. (1980). *Estratégia Competitiva: Técnicas para Análise de Indústrias e da Concorrência*. Rio de Janeiro: Campus.
- Porter M. (1990, March-April). The Competitive Advantage of Nations. *Harvard Business Review*. Consulted on 16 November 2021. Available at: <https://hbr.org/1990/03/the-competitive-advantage-of-nations>.

- Prajogo, D., McDermott, C. and McDermott, M. (2013). Innovation orientations and their effects on business performance: Contrasting small-and medium-sized service firms. *R&D Management*, 43(5), 486-500.
- Pulendran, S., Speed, R. and Robert, E. (2003). Marketing planning, market orientation and business performance. *European Journal of Marketing*, 37(3/4), 476-497.
- Raju, P., Lonial, S., Gupta, Y. and Ziegler, C. (2000). The relationship between market orientation and performance in the hospital industry: a structural equation modelling approach. *Health Care Management Science*, 3(3), 237-247.
- Ramani, G. and Kumar, V. (2008). Interaction orientation and firm performance. *Journal of Marketing*, 72(1), 27-45.
- Reulink, R. (2012). *Strategic Orientation and Innovation Performance at Dutch Manufacturing SME's: The Overrated Role of Market Orientation and Entrepreneurial Orientation*. University of Twente, Netherlands.
- Roach, D., Ryman, J., Jones, R., and Ryman, H. (2018, December). Enhancing Innovativeness: The Role of Dynamic Marketing Capabilities. *Canadian Journal of Administrative Sciences / Revue Canadienne Des Sciences de l'Administration*, 35(4), 563-576. doi:10.1002/cjas.1473.
- Rosenbusch, N., Brinckmann, J. and Bausch, A. (2011). Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in SMEs. *Journal of Business Venturing*, 26(4), 441-457.

- Ruekert, R. (1992). Developing a market orientation: an organizational strategy perspective. *International Journal of Research in Marketing*, 9(3), 225-245.
doi:10.1016/0167-8116(92)90019-H
- Rust, R., Ambler, T., Carpenter, C., Kumar, V. and Srivastava, R. (2004). Measuring marketing productivity: Current knowledge and future directions. *Journal of Marketing*, 68(4), 76–89.
- Rusyiana, A. and Sanrego, Y. (2018, May). Measuring the performance of Islamic banking in Indonesia: An application of Maslahah-efficiency quadrant (MEQ). *Journal of Islamic Monetary Economics and Finance*, 3(Special Issue), 1–20.
- Saerang, D., Tulung, J. and Ogi, I. (2018). The influence of executives' characteristics on bank performance: The case of emerging market. *Journal of Governance & Regulation*, 7(4), 13-18.
- Sartoria, S., Witjes, S. and Campos, L. (2017). Sustainability performance for Brazilian electricity power industry: An assessment integrating social, economic, and environmental issues. *Energy Policy*, 111(1), 41-51.
- Saunila, M. (2017). Understanding innovation performance measurement in SMEs. *Measuring Business Excellence*, 21(1), 1-16.
- Schilling, M. (2008). *Strategic Management of Technological Innovation*. New York, USA: McGraw-Hill.
- Segars, A. (1997). Assessing the unidimensionality of measurement: a paradigm and illustration within the context of information systems research. *Omega*, 25(1), 107-121.

- Shan, P., Song, M. and Ju, X. (2016). Entrepreneurial orientation and performance: is innovation speed a missing link?. *Journal of Business Research*, 69(2), 683-690.
- Shapiro, B. (1988). What the Hells Is “Market Oriented”?. *Harvard Business Review*, 66(6), 119-125
- Sharma, A. and Lacey, N. (2004). Linking product development outcomes to market valuation of the firm: The case of the US pharmaceutical industry. *Journal of Product Innovation Management*, 21(5), 297-308.
- Shefer, D. and Frenkel, A. (2005). R&D, firm size, and innovation: An empirical analysis. *Technovation*, 25(1), 25-32.
- Shergill, G. and Nargundkar, R. (2005). Market orientation, marketing innovation as performance drivers: Extending the paradigm. *Journal of Global Marketing*, 19(1), 27-44. doi:10.1300/J042v19n01_03
- Shih, T.-Y. (2018). Determinants of Enterprises Radical Innovation and Performance: Insights into Strategic Orientation of Cultural and Creative Enterprises. *Sustainability*, 10(6), 1871. doi:10.3390/su10061871
- Shoham, A., Rose, G. and Kropp, F. (2005). Market orientation and performance: a Meta-analysis. *Marketing Intelligence & Planning*, 23(5), 435-454.
- Siguaw, J., Simpson, P. andENZ, C. (2006). Conceptualizing innovation orientation: A framework for study and integration of innovation research. *Journal of Product Innovation Management*, 23(6), 556-574.
- Škerlavaj, M., Song, J. and Lee, Y. (2010). Organizational learning culture, innovative culture, and innovations in South Korean firms. *Expert Systems with Applications*, 37(9), 6390-6403.

- Slotegraaf, R. and Dickson, P. (2004). The paradox of a marketing planning capability. *Journal of the Academy of Marketing Science*, 32(4), 371–385.
- Smith, B. (2002). The Effectiveness of Marketing Strategy Making Processes: A Critical Literature Review and Research Agenda. *Journal of Targeting, Measurement and Analysis for Marketing*, 11(3), 273-290.
- Smith, W. and Tushman, M. (2005). Managing strategic contradictions: a top management model for managing innovation streams. *Organization Science*, 16(5), 522-536.
- Soltwisch, B. (2021). When the Quest for the Best Pays Off: How Maximising Entrepreneurs Improve Performance by Creating Entrepreneurial and Market Oriented Businesses. *The Journal of Entrepreneurship*, 30(2), 223–248.
doi:10.1177/09713557211025648
- Srinivasan R. (2018). The impact of Strategic Marketing on the performance of micro small & medium enterprises-An Indian scenario. *The Business and Management Review*, 9(4), 404-410.
- Srinivasan, S., Pauwels, K., Silva-Risso, J. and Hanssens, D. (2009). Product innovations, advertising, and stock returns. *Journal of Marketing*, 73(1), 24–43.
- Stock, R. and Zacharias, N. (2011). Patterns and performance outcomes of innovation orientation. *Journal of the Academy of Marketing Science*, 39(6), 870-888.

- Su, Y., Tsang, E. and Peng, M. (2009). How do internal capabilities and external partnerships affect innovativeness?. *Asia Pacific Journal of Management*, 26(2), 309-331.
- Subramanian, R. and Gopalakrishna, P. (2001). The Market Orientation-Performance Relationship in the Context of a Developing Economy: An Empirical Analysis. *Journal of Business Research*, 53(1), 1-13.
- Suseno, Y. (2018). Disruptive innovation and the creation of social capital in Indonesia's urban communities. *Asia Pacific Business Review*, 24(2), 174-195.
- Susanto, Y. (2019). The Impact of Market Orientation and Dynamic Marketing Capability on the Marketing Performance of 'Make-To-Order' SMEs. *Journal of Management and Marketing Review*, 4(3), 157-170.
- Tamayo-Torres, I., Ruiz-Moreno, A. and Verdu, A. (2010). The moderating effect of innovative capacity on the relationship between real options and strategic flexibility. *Industrial Marketing Management*, 39(7), 1120-1127.
- Tellis, G., Yin, E. and Bell, S. (2009). Global consumer innovativeness: Cross-country differences and demographic commonalities. *Journal of International Marketing*, 17(2), 1-22.
- Theodosiou, M. and Leonnidou, L. (2003). Standardization versus adaption of international marketing strategy: an integrative assessment of the empirical research. *Journal of international Business Review*, 12(3), 141-171.
- Theodosiou, M., Kehagias, J. and Katsikea, E. (2012). Strategic orientations, marketing capabilities and firm performance: an empirical investigation in the context of frontline managers in service organizations. *Industrial Marketing Management*, 41(7), 1058-1070

- Thornhill, S (2006). Knowledge, innovation, and firm performance in high- and low technology regimes. *Journal of Business Venturing*, 21(5), 687–703.
- Tidd, J. (2001). Innovation management in context: environment, organization, and performance. *International Journal of Management Reviews*, 3(3), 169-183.
- Trez, G. and Luce, F. (2008). *Capabilities de Marketing, Inter-funcionalidade e Redes de Empresas na Implementação de uma Estratégia de inovação de produto*, Communication presented at the III Encontro de Marketing da ANPAD, Curitiba, Brasil.
- Trott, P. (2008). *Innovation Management and New Product Development*. New Jersey, US: Pearson Education.
- Urde, M., Baumgarth, C. and Merrilees, B. (2013). Brand orientation and market orientation: From alternatives to synergy. *Journal of Business Research*, 66(1), 13–20.
- Utterback, J. (1994). *Mastering the Dynamics of Innovation: How Companies can Seize Opportunities in the Face of Technological Change*. Boston, USA: Harvard Business School Press.
- Utterback, J. and Abernathy, W. (1975). A dynamic model of the process and product innovation. *Omega*, 3(6), 639-656.
- Uzkurt, C., Kimzan, H. and Yilmaz, C. (2016). A case study of the mediating role of innovation on the relationship between environmental uncertainty, market orientation, and firm performance. *International Journal of Innovation and Technology Management*, 13(6), 1750003.

- Vaccaro, I., Jansen, J., Van Den Bosch, F. and Volberda, H. (2012). Management innovation and leadership: the moderating role of organizational size. *Journal of Management Studies*, 49(1), 28-51.
- Van Raaij, E. and Stoelhorst, J. (2008). The implementation of a market orientation: A review and integration of the contributions to date. *European Journal of Marketing*, 42(11/12), 1265–1293. doi:10.1142/S0219877017500031.
- Vehapi S. and Milanovic M. (2017). The Effect of Market Orientation on Business performance of Serbian Organic Producers. *Economics of Agriculture*, 64(4), 1651-1668.
- Verhees, F. and Meulenbergh, M. (2004). Market orientation, innovativeness, product innovation, and performance in small firms. *Journal of Small Business Management*, 42(2), 134–154.
- Vij, S. and Sharma, D. (2004). Knowledge management orientation model—an empirical study. Consulted on 16 November 2021. Available at: <http://ssrn.com/abstract=1826523>.
- Volberda, H., Van Den Bosch, F. and Heij, C. (2013). Management innovation: management as fertile ground for innovation. *European Management Review*, 10(1), 1-15.
- Vorhies, D. and Harker, M. (2000). The capabilities and performance advantages of Marketing driven firms: An empirical Investigation. *Australian Journal of Management*, 25(2), 145-171.
- Vorhies, D. and Morgan, N. (2005). Benchmarking marketing capabilities for sustainable competitive advantage. *Journal of Marketing*, 69(1), 80–94.

- Wang, C., Chen, K.-Y. and Chen, S.-C. (2012). Total quality management, market orientation and hotel performance: the moderating effects of external environmental factors. *International Journal of Hospitality Management*, 31(1), 119-129. doi:10.1016/j.ijhm.2011.03.013.
- Wang, C. and Chung, H. (2013). The moderating role of managerial ties in market orientation and innovation: an Asian perspective. *Journal of Business Research*, 66(12), 2431-2437.
- Wang, J., Yang, N. and Guo, M. (2019). Dynamic positioning matters: uncovering its fundamental role in organization's innovation performance. *Journal of Business & Industrial Marketing*, 35(5), 785-793.
- Weerawardena, J. (2003). The role of marketing capabilities in innovation-based competitive strategy. *Journal of Strategic Marketing*, 11(1), 15-35.
- Weerawardena, J. and O'Cass, A. (2004, July). Exploring the characteristics of the market-driven firms and antecedents to sustained competitive advantage. *Industrial Marketing Management*, 33(5), 419-428.
- Weerawardena, J., O'Cass, A. and Julian, C. (2006). Does industry matter? Examining the role of industry structure and organizational learning in innovation and brand performance. *Journal of Business Research*, 59(1), 37-45.
- Wolff, J. and Pett, T. (2006). Small-firm performance: Modelling the role of product and process improvements. *Journal of Small Business Management*, 44(2), 268-284.

- Wood, V., Bhuian, S. and Kieker, P. (2000). Market orientation and organizational performance in not-for-Profit Hospitals. *Journal of Business Research*, 48(3), 213-226.
- Yang, Y. (2013). The relationships of market orientation, marketing/R&D interface, strategic flexibility and performance, and the moderating effect of environmental turbulence in the domestic manufacturing firms: From the perspective of CEO. *Journal Prof. Manag.*, 16(1), 141-167.
- Yang, Z., Huang, Z., Wang, F. and Feng, C. (2018). The double-edged sword of networking: Complementary and substitutive effects of networking capability in China. *Industrial Marketing Management*, 68(3), 145-155.
- Yu, G. and Lee, J. (2017). When should a firm collaborate with research organizations for innovation performance? The moderating role of innovation orientation, size, and age. *The Journal of Technology Transfer*, 42(6), 1451-1465.
- Zahra, S., Ireland R. and Hitt, M. (2000). International Expansion by new venture firms' international diversity, mode of market entry, technology learning, and performance? *Academy of Management Journal*, 43(5), 925-950.
- Zaltman, G., Duncan, R. and Holbeck, J. (1973). *Innovations and Organizations*. New York, US: Wiley.
- Zehir, C., Yıldız, H., Köle, M. and Başar, D. (2016). Superior Organizational Performance through SHRM Implications, Mediating Effect of Management Capability: An Implementation on Islamic Banking. *Procedia – Social and Behavioral Sciences*, 235(1), 807-816.

- Zerbini, F., Goldetto, F. and Gilbert, M. (2007). Marketing of competence: Exploring the resource-based content of value for customers through a case study analysis. *Industrial Marketing Management*, 36(6), 784–798.
- Zhang, J. and Duan, Y. (2010). The impact of different types of market orientation on product innovation performance: evidence from Chinese manufacturers. *Management Decision*, 48(6), 849-867.
- Zhou, K., Brown, J. and Dev, C. (2009). Market orientation, competitive advantage, and performance: A demand-based perspective. *Journal of Business Research*, 62(11), 1063–1070.
- Zhou, K., Gao, G., Yang, Z. and Zhou, N. (2005a). Developing strategic orientation in China: Antecedents and consequences of market and innovation orientations. *Journal of Business Research*, 58(8), 1049–1058.
- Zhou, K., Yim, C. and Tse, D. (2005b). The effects of strategic orientations on technology- and market- based breakthrough innovations. *Journal of Marketing*, 69(2), 42-60.

APPENDICES

ANNEX 1 - QUESTIONNAIRE

In the scope of a research that is being carried out at IPAM Porto, with the aim of understanding how the variables "market orientation" and "innovation orientation", considered as part of Strategic Marketing, affect the performance of companies, this questionnaire has been prepared and your collaboration is requested.

With the contribution of your responses, it is intended to answer the following research questions:

RQ1. To what extent does Market Orientation have a direct and positive effect on Business Performance?

RQ2. To what extent does Innovation Orientation have a direct and positive effect on Business Performance?

RQ3. To what extent does Strategic Marketing (Market Orientation and Innovation Orientation) have a direct and positive effect on Business Performance?

The questionnaire has a maximum response time of 10 minutes. The responses consist of a Likert scale where the respondent selects from 1 (strongly disagree) to 5 (strongly agree) how much they agree with each statement.

In this study, the data analysis methods include the use of descriptive statistics, factor and reliability analysis, correlation analysis, the linear regression method, and the Partial Least Squares Method (PLS-SEM) to analyze the data and answer the research questions.

A1. Market Orientation

Does my company develop strategic actions for market orientation?

1. We measure customer satisfaction systematically and frequently.
2. We have routine or regular measures of customer service.
3. We poll end users at least once a year to assess the quality of our products and services.
4. Data on customer satisfaction are disseminated at all levels of the unit on regular basis.
5. We constantly monitor our level of commitment and orientation to serving customer needs.
6. Our strategy for competitive advantage is based on our understanding of customers' needs.
7. I believe this business exists primarily to serve customers.
8. We are more customer-focused than our competitors.
9. Our business objectives are driven primarily by customer satisfaction.
10. We freely communicate information about our successful and unsuccessful customer experiences across all business functions.
11. We have a good understanding of who our competitors are.

- 12. We use market information to understand our competitors' strategies.
- 13. Different parts of our business use market information to inform their decisions.
- 14. Our business strategy is influenced by our assessment of our competitors' products and activities.

A2. Innovation Orientation

- Does my company develop strategic actions for innovation orientation?
- 15. Our new products and services introduction have increased over past three years.
 - 16. Within our company people are constantly thinking about new product or services that serve future needs.
 - 17. Strategy of our organization is regularly renewing products services and processes.
 - 18. Our company has a price strategy (based on what customers willing to pay, on the prices in the market segment...) that is regularly evaluated.
 - 19. We change our prices regularly considering our analysis.
 - 20. Our company always try to keep up to date with the latest promotion techniques (social media, Ads, CRM, Artificial Intelligence...).
 - 21. Our promotional strategy influences the rate of purchase positively.
 - 22. Our company uses multi-distribution channels to deliver our product.
 - 23. We regularly search and analyse for new distributors.
 - 24. Our company frequently tries out new ideas.
 - 25. Our organization cultivates and promotes innovations.

26. Innovation, based on research result is readily accepted in our organization.

27. My organization gives freedom to use some of our time to explore new ideas and hunches without having to ask for permission.

28. Our culture does not reward behaviour that relates to creativity and innovation.

29. I am not allowed to implement changes in my work style even if I have the conviction that it will improve the productivity.

30. Our organization is willing to try new ways of doing things and seek unusual and novel solutions.

31. People are penalized for new ideas that do not work.

32. Honest and original mistake are recognized as an indication of initiative and courage.

A3. Business Performance

How has the Company's Performance developed over the last 3 years?

33. The company's sales tend to increase (1 não cresceu, 2 cresceu ligeiramente, 3 cresceu em 10%, 4 cresceu entre 10 e 50%, cresceu mais de 50%).

34. The company has succeeded in making various efforts for cost efficiency.

35. The company's profit tends to increase.

36. Did the introduction of new products have practical results? (Not introduced, introduced, and had negative impact, introduced and had no

impact, introduced and had low impact, introduced and had medium/high impact)

37. Did studying/testing different prices have impact? (We did not, we did, and it had negative impact, we did and it had no impact, we did and it had low impact, we did and it had medium/high impact)

38. Does switching distributors had an impact on sales/profits? (We did not switch, we switched, and it had a negative impact, we switched, and it had no impact, we switched and it had a low impact, we switched and it had a medium/high impact)

39. Did the change in communication strategy impact the company's financial results? (Not changed, changed and had negative impact, changed and had no impact, changed and had low impact, changed and had medium/high impact)

40. Customer complaints tend to decrease.

41. The company has been able to build an image and reputation so that loyal customers have increased.

42. The company has been able to improve the quality of production and services.

43. The company has been able to acquire new customers and retain old customers.

44. Employees' skills tend to improve.

45. The ability to process information using new technology tends to improve.

46. Cooperation among employees tends to be better.

47. We have higher customer satisfaction when comparing with other competitors.

48. We are more profitable than our competitors.

49. We have higher sales growth when comparing with other competitors.

50. We have better product and process innovation than other competitors.