Market Orientation and Firm Performance on Department Stores

Quimada, Glaydyl C. [a++*], Ibarra, Hiester P. [a] and Lazaro, John Mark B. [b]

[a] *Santo Tomas College of Agriculture Sciences and Technology, Philippines.*
[b] *Faculty, Santo Tomas College of Agriculture Sciences and Technology, Philippines.*

Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Original Research Article

ABSTRACT

This study aimed to examine the relationship between market orientation and firm performance in the context of department stores. A quantitative research design was used. The respondents of this study were the managers and supervisors working in the department stores in the municipality of Davao del Norte through total quota sampling. This study used two adopted survey questionnaires. Mean and Pearson r were used as statistical tools. The market orientation in terms of customer orientation, competitor orientation, interfunctional coordination and profit emphasis is moderately observed. The firm performance in terms of financial performance, customer performance, internal business processes performance and learning and growth performance is moderately observed. The result also revealed that market orientation has significant relationship on firm performance. The department stores owners, policy makers, employees, customers and future researchers are urged to recognize the significance market orientation and its effect on firm performance. Managers and supervisors can help the firm to improve their market performance and develop marketing strategy. This will have a positive impact on the firm's performance and help to better organize and provide customer and market service within the company.

_____

++ *Students;*
Corresponding author: E-mail: glaydylquimada20@gmail.com;

1. INTRODUCTION

"Firm performance is a measure of a company's success in achieving its goals. Firm performance is a key concept in strategic management research and a dependent variable [1]. However, there are problems related to firm performance such as, internal resources due to resource limitation and external factors such as environmental factors, shape the pattern of business operation in to ensure business competitiveness" [2].

"In Indonesia, the implementation of corporate governance in the non-financial sector has a low frequency of board meetings will worsen firm performance, whereas a high frequency of board meetings can improve company performance" (Soesetio, 2023). "While in Vietnam, emphasizes on problem of overinvestment, a phenomenon that worsens firm operation. Furthermore, it clarifies the moderation role of debt and dividend policy in mitigating the negative effect of overinvestment on firm performance in the case of Vietnamese listed firms" [3].

"The Philippines provides relevant context to develop our study because micro, small, or medium enterprises account for over 99% of all firms, about two-thirds of employment, and a third of gross value added (GVA), serving as the backbone of the economy. Access to finance is critical to support the growth of small and medium-sized enterprises (SMEs). However, lack of access to adequate financing is one of the biggest obstacles that SMEs face" [4].

Although several studies have been conducted on market orientation and firm performance construct in the extant literature, the researcher has not come across a study that influence market orientation and firm performance in the local settings. In order to close this gap in the literature on these topics, particularly in the local context, the researcher is urgency to carry out this study. The ultimate objective of this scientific inquiry is to test the significant relationship between market orientation and firm performance. Therefore, the objective of this study was to examine the relationship between market orientation and firm performance in the context of department store in municipality of Davao del Norte. The beneficiaries of this study are the business owners, policy maker, employees, customers and future researchers.

1.2 Statement of the Problem

This study evaluates market orientation and firm performance on department stores.

Specifically, it sought answers to the following questions.

1. What is the level of market orientation in terms of:

1.1 customer orientation;
1.2 competitor orientation;
1.3 Interfunctional coordination; and
1.4 profit emphasis?

2. What is the level of firm performance in terms of:
2.1 financial performance;
2.2 customer performance;
2.3 internal Business Processes Performance; and
2.4 learning and Growth Performance?

3. Is there a significant relationship between market orientation and firm performance on department stores?

2. HYPOTHESIS

The null hypothesis is tested at the 0.05 level of significance, stating that there is no significant relationship between market orientation and firm performance.

2.1 Theoretical Framework

This study is anchored to Resource-Based View (RBV) from the theory of Miller [5]. The Resource-Based View of the firm (RBV) is a set of related theories sharing the assumptions of resource heterogeneity and resource immobility across firms. In this view, a firm is a bundle of resources, capabilities, or routines which create value and cannot be easily imitated or appropriated by competitors due to isolating mechanisms. Empirical research from this perspective addresses both firm performance and firm behavior at the level of business strategy (e.g., within-industry competition) and corporate strategy (e.g., acquisitions). Initially developed through a series of papers by several authors in the 1980s–1990s, major extensions and refinements of the RBV include the knowledge-based view of the firm (KBV),

dynamic capabilities, and the relational view, which recognizes capabilities can be developed and shared through alliances between firms.

2.2 Conceptual Framework

"Presented in Figure 1 was the conceptual framework of the variables of the study. The independent variable of this study market orientation with the following indicators: Customer orientation is a concept of customer orientation can also be interpreted as an understanding that marks the targeted customers by a seller who is able to create the best continuous value for the goods purchased by the buyer. Competitor orientation means that the company understands the short-term strengths, weaknesses, long-term capabilities, and strategies of its potential competitors. Inter-Function Coordination; "Coordination between functions" is defined by as the utilization of coordinated business resources to create higher value for targeted Function coordination refers to characteristics of an organizational structure that allow communication across functions" (Yulianthini, 2021).

The dependent variable was the firm performance with the following indicators: Financial performance which is referred to measure of how well a firm can use assets from its primary mode of business and generate revenues [6], Customer performance referred to the level of customer satisfaction with the product or service and the extent to which customers are willing to repurchase the product or service." (Martin et al., 2022); Internal business processes (IBPs) are the activities and tasks that an organization carries out to deliver its products or services to its customers. These processes are essential for the success of any organization, as they ensure that products and services are delivered in a timely, efficient, and cost-effective manner (Gunasegaram et al.,2020); Learning and growth performance referred to the ability of an organization to continuously improve its knowledge, skills, and capabilities (Mayer et al., 2018).

Independent Variables

Dependent Variables

Market Orientation

- Customer orientation
- Competitor orientation
- Interfunctional coordination
- Profit emphasis

Firm Performance

- Financial performance
- Customer performance
- Internal Business Processes Performance
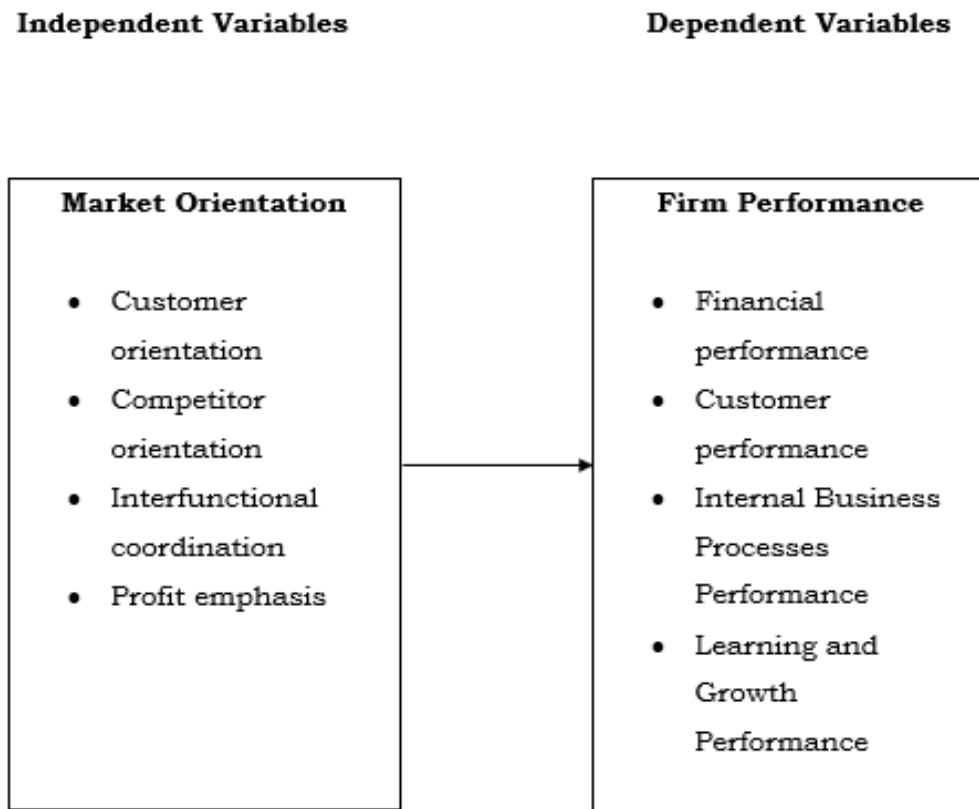- Learning and Growth Performance

Fig. 1. Conceptual framework of the study

2.3 Definition of Terms

The following terms were defined conceptually and operationally to facilitate the understanding of this study.

"Market Orientation is an approach to business that prioritizes identifying the needs and desires of consumers and creating products and services that satisfy them. Companies that have a market orientation consider the opinions and needs of their target market as a critical component of their research development (R&D) for new products" (Kopp et al., 2021).

"Firm Performance is emphasized as the outcome of a company's strategic efforts. It encompasses the company's ability to translate its strategic goals into concrete achievements and attain a competitive advantage in the market" (Amit et al., 2018).

3. METHODOLOGY

This chapter presents the research design, research subject, research instrument, data gathering procedure, and statistical treatment of data to gather data and information relevant to the relationship between market orientation and firm performance on department stores.

3.1 Research Design

The descriptive correlation method was used to conduct the statistical analysis of the collected data. This approach was a quantitative, non-experimental research design that studied social issues without directly influencing the individuals' conditions (Devlin, 2020). Descriptive-correlational research aimed to explain the relationship between two or more variables without speculating on the reasons and effects of the association. It required collecting and analyzing data on at least two independent variables to determine whether there was a relationship between them (Bhat, 2023).

Additionally, this study used the quantitative method to examine market orientation and firm performance, which was explained through the gathering of numerical data. Quantitative research was defined as the systematic analysis of phenomena through the collection of numerical data and the application of mathematical, statistical, or computational methodologies. A systematic research process

based on specified principles began with the development of research questions, went through study design, data selection, and analysis, and culminated with interpretations and conclusions with the quantitative method (Kaiser, 2019).

In turn, this study put significant value on data processing in variable experiments in order to find meaningful correlations between market orientation and firm performance. This study employed a descriptive-correlation design, as the primary focus of the researcher was to ascertain the relationships between variables rather than to establish a causal relationship (Katzukov, 2020) [7]. Descriptive and correlations that naturally arose between and among them were provided by a descriptive correlation study.

3.2 Research Subject

The respondents of the study were the managers and supervisors working in the department stores in Davao del Norte. The researchers utilized quota sampling method, a non-probability sampling method where the researcher selected participants based on specific characteristics, ensuring they represented certain attributes in proportion to their prevalence in the population. Researchers assigned quotas to a group of people in order to create subgroups of individuals that represented characteristics of the target population as a whole (Simkus, 2023).

3.3 Research Instrument

The researcher had used an adapted survey questionnaire for the independent variable (Aydogdu et.al., 2021) and for the dependent variable (Al-Haroon et. al., 2020) to determine the relationship and to establish the perception of market orientation results firm performance. The questionnaires were tested for validity and reliability by the panelists and by external validators. A questionnaire was used to collect information from respondents about their pain points, aspirations, and unmet needs. Quantitative data were gathered through questionnaires (Bhandari, 2023). The survey questionnaire measured the independent variable: market orientation and the dependent variable: firm performance. This study used five orderable gradations of market orientation and firm performance with their respective means as follows.

List 1. Gradations of market orientation

Scale	Range	Descriptive Equivalent	Interpretation
5	4.20-5.00	Very High	This indicates that Market Orientation Experience is always manifested.
4	3.40-4.19	High	This indicates that Market Orientation Experience is oftentimes manifested.
3	2.60-3.39	Average	This indicates that Market Orientation Experience is sometimes manifested.
2	1.80-2.59	Low	This indicates that Market Orientation Experience is rarely manifested.
1	1.00-1.79	Very Low	This indicates that Market Orientation Experience is least manifested.

List 2. Gradations of firm performance

Scale	Range	Descriptive Equivalent	Interpretation
5	4.20-5.00	Very High	This specify that Firm Performance is always Evident.
4	3.40-4.19	High	This specify that Firm Performance is oftentimes Evident.
3	2.60-3.39	Average	This specify that Firm Performance is sometimes Evident.
2	1.80-2.59	Low	This specify that Firm Performance is rarely Evident.
1	1.00-1.79	Very Low	This specify that Firm Performance is least Evident.

3.4 Data Gathering Procedure

In gathering the data, the researchers will follow the following steps.

Seeking Permission to conduct the study: The researcher had asked permission from the Vice President for Research to allow the researchers to conduct their study outside the premises of college. Permission through a letter was submitted to the establishments where the respondents were taken for access to a specific population for the study. The letter was submitted to The Human Resources Department or to whoever was in charge of the needed data.

Collection of Data: The researcher had requested validation from the assigned evaluator to check and validate the questionnaire to ensure its validity and reliability. Then, the questionnaire was reproduced depending on the number of the sample size. Next, the researchers personally coordinated with the respondents to conduct the survey and were able to collect the data. Data collection enabled the researchers to gain first-hand knowledge and unique Insights into the topic being studied (Bhandari, 2022).

Distribution and retrieval of the Questionnaire: The researchers distributed the questionnaire to the respondents in their vacant time. Upon the completion of the forms, the researchers gathered the questionnaires.

Tabulation of Data: After collecting the questionnaires, the researchers retrieved and tabulated data with the guidance from a statistician to analyze and interpret the data.

3.5 Statistical Tool

The following statistical tools were used in the computation of data and testing the hypothesis at the alpha 0.05 level of significance.

Mean was utilized, also known as the average, calculated as the total sum of values in a sample divided by the number of values in the sample (Hurley et al., 2023). Specifically, it answered questions 1 and 2.

"Pearson r was employed to measure the strength and direction of association between two variables measured on at least an interval scale. A Pearson's correlation attempted to draw a line of best fit through the data of two variables, and the Pearson's correlation coefficient, r, indicated how far away all these data points were from this line of best fit" (Obilor & Amadi, 2018). This tool was used to answer question 2 only.

4. RESULTS AND DISCUSSION

This chapter presents the analysis and interpretation of data gathered from the department stores in the Municipality of Davao del Norte, on the level of market orientation and firm performance on department stores. The arrangement of the data was based on the statement of the problem.

4.1 Level of Market Orientation in terms of Customer Orientation

Showed in Table 1 is the level of market orientation in terms of customer orientation. As indicated in the table, the overall mean is 4.42 with a standard deviation of 0.67, with a very high descriptive level. It intends that the level of customer orientation on departments store, is always manifested.

Item number 1 "considers price as the most important selling features for the customer" has the highest mean of 4.61, the second highest are item number 2 "considers sales service as an important part of the business strategy" with a mean of 4.52, followed by the item number 4 "I define product quality in terms of customer satisfaction" with a mean of 4.27. All items in the customer orientation have a range of 4.27-4.61 with a descriptive level of very high. However, the item number 3 "I measure customer satisfaction on a regular basis" got the lowest mean which was 4.27, it still has a descriptive level of high that indicates that customer orientation is oftentimes manifested.

The result confirmed by the previous study of Domi et al., [8]. This showed customer orientation has become a widespread topic in the fields of marketing, organizational behavior, and

psychology, and been regarded as a key determinant of business success. Another research that was conducted of Nurhilalia et al., (2018) stated that, "customer-oriented companies generate intelligence about the current and future needs of targeted customers and disseminate market orientation throughout the organization". "Meanwhile, another stream of studies investigates how customer orientation has potential significant influences on employee attitudes and behaviors, such as employee job satisfaction, commitment selling behavior" [9].

4.2 Level of Market Orientation in terms of Competitor Orientation

Reflected in Table 2 is the level of market orientation in terms of a competitor orientation. The overall mean is 4.08, with a descriptive level of very high, as shown in the table with a standard deviation of 0.88. It means that the level of market orientation in terms of competitor orientation on department stores, is oftentimes manifested.

Item number 3 "instructs salespeople to monitor and report on competitive actions" has the highest mean of 4.12, the second highest are item number 1 'regularly recognized our competitors' marketing programs" with a mean of 4.09, followed by the item number 4 "respond rapidly to competitors' actions" with a mean of 4.06 and the item that obtains the lowest mean is item number 2 "frequently collect market data to help direct our new product plans" with a mean of 4.03. All items in the competitor orientation have a range of 4.03-4.12. with a descriptive level of high. Although item number 2 is ranked as the lowest, it still has a descriptive level of high that indicates that informativeness is oftentimes manifested.

Table 1. Level of market orientation in terms of customer orientation

Items	Mean	SD	Descriptive Equivalent
The Department store… 1. considers price as the most important selling features for the customer.	4.61	0.50	Very High
2. considers sales service as an important part of the business strategy.	4.52	0.62	Very High
3. I measure customer satisfaction on a regular basis.	4.27	0.76	Very High
4. I define product quality in terms of customer satisfaction.	4.30	0.81	Very High
Average	**4.42**	**0.67**	**Very High**

Table 2. Level of market orientation in terms of competitor orientation

Items	Mean	SD	Descriptive Equivalent
The Department store… 1. regularly recognized our competitors' marketing programs.	4.09	0.84	High
2. frequently collect market data to help direct our new product plans.	4.03	0.92	High
3. instructs salespeople to monitor and report on competitive actions.	4.12	0.82	High
4. respond rapidly to competitors' actions.	4.06	0.93	High
Average	**4.08**	**0.88**	**High**

Table 3. Level of market orientation in terms of interfunctional coordination

Items	Mean	SD	Descriptive Equivalent
The Department store has… 1. marketing people that has a strong development input of the new products.	4.27	0.84	Very High
2. market information is shared with all departments.	4.30	0.92	Very High
3. all departments are involved in preparing company plans.	4.18	0.82	High
4. marketing is seen as a guiding philosophy for the entire organization.	4.18	0.93	High
Average	**4.23**	**0.77**	**Very High**

The result was supported by the previous study of Yulianthin [10], which said that "competitor orientation knowing how their competitors run their firms and the strategy model they utilize market orientation. Market orientation increases marketing performance, because of free commerce and global competition, every company must be ready to compete". "In addition, the competitive orientation of companies that play a role in marketing products, there are also salespeople who work optimally to achieve sales achievements or performance in accordance with their respective targets. Usually, the goal or orientation of the sales organization's competition will be more on competitive prices, product advantages and in terms of service to customers so that competitive advantages between sales organizations can be achieved" [11].

4.3 Level of Market Orientation in Terms of Interfunctional Coordination

Displayed in Table 3 is the level of market orientation in terms of Interfunctional Coordination. As stated in the table, the overall mean is 4.23 with a very high descriptive level, with a standard deviation of 0.77. It is projected that the level of market orientation in terms

interfunctional coordination on department stores, is always manifested.

Item number 2 "market information is shared with all departments" has the highest mean of 4.30, the second highest are item number 1 "marketing people that has a strong development input of the new products" with a mean of 4.27, followed by the item number 4 "marketing is seen as a guiding philosophy for the entire organization" with a mean of 4.18, and the item that obtains the lowest mean is item number 3 "all departments are involved in preparing company plans" with a mean of 4.18. All items in the accountability have a range of 4.18-4.30. with a descriptive level of high. Although item number 3 is ranked as the lowest, it still has a descriptive level of high that indicates that informativeness is oftentimes manifested.

The result was supported by the previous research study of Tomaskova [12]. IFC encourage the coordination of all processes and activities in a company and allow the effective flow of information within and outside of the company. IFC is often mentioned with market orientation; IFC creates one of the significant parts of market orientation coordination to coordinate all functions of the organization and

operation of customer and market in order to create value for the customer. Furthermore, interfunctional co-ordination plays a critical role in improving the transforming of market knowledge and insights into organisational capabilities and processes in order to enable their exploitation for commercial ends and value add, based on Patel (2018).

4.4 Level of Market Orientation in terms of Profit Emphasis

Showed in Table 4 is the level of market orientation in terms of profit emphasis. As specified in the table, the overall mean is 4.32 with a very high descriptive level, with a standard deviation of 0.75. It indicates that the profit emphasis on the department store, is always manifested.

Item number 1 "marketing people that has a strong development input of the new products" has the highest mean of 4.58, the second highest is item number 2 "market information is shared with all departments" with a mean of 4.33, followed by the item number 4 "marketing is seen as a guiding philosophy for the entire organization" with a mean of 4.24 and the item that obtains the lowest mean is item number 3 "all departments are involved in preparing company plans" with a mean of 4.12. All items in the profit emphasis have a range of 4.12-4.58 with a descriptive level of high. Although item number 3 is ranked as the lowest, it still has a descriptive level of high that indicates that profit emphasis always manifested and oftentimes manifested.

Based on the result, this in line with the research study conducted of Charan (2019) which stated that, with company's power generation actively evolving into the market orientation, effectively improving market profits of business while

ensuring system reliability. Additionally, it was found in the study of Cadogan [13] that a vast body of literature attends to the market orientation of businesses, and much of that literature appears to show that market orientation and profitability are linked and consequently, Narver and Slater claim that "the greater a business's market orientation, the greater the business's profitability" and "businesses having the highest degree of market orientation are associated with the highest profitability".

4.5 Level of Market Orientation

Presented in Table 5 is a summary on market orientation. It can be seen from the table that the overall mean is 4.26, with a very high descriptive level. It means that the level of market orientation on department stores, is always manifested.

Out of all the indicators, customer orientation has the highest mean of 4.42, which has a descriptive equivalent of very high. This means that manager responsibility & decision making is always manifested. On the other hand, competitor orientation items has the lowest mean of 4.08, which has a descriptive equivalent of high.

The result was aligned with the study of Rizky, et al. (2023), it was explained that Market orientation significantly becomes an important factor that allows companies to understand the market and develop product and service strategies to meet customer needs and market needs and through customer orientation, it will shape market orientation and perception of the values it builds and feels, which in turn will result in customer satisfaction. Another research that was conducted of Mathieu [14] stated that, making customer orientation on a customer orientation is a response to the challenges of marketing and a powerful level for achieving the promises of a customer culture in the company.

Table 4. Level of market orientation in terms of profit emphasis

Items	Mean	SD	Descriptive Equivalent
The Department store has… 1. marketing people that has a strong development input of the new products.	4.58	0.50	Very High
2. market information is shared with all departments.	4.33	0.78	Very High
3. all departments are involved in preparing company plans.	4.12	0.89	High
4. marketing is seen as a guiding philosophy for the entire organization.	4.24	0.83	High
Average	**4.32**	**0.7**	**Very High**

Table 5. Summary on the level of market orientation

Indicators	Mean	SD	Descriptive Equivalent
1. Customer Orientation	4.42	0.67	Very High
2. Competitor Orientation	4.08	0.88	High
3. Competitor Orientation.	4.23	0.77	Very High
4. Profit Emphasis	4.32	0.75	Very High
Overall	**4.26**	**0.77**	**Very High**

4.6 Level of Firm Performance in terms of Financial Performance

Showed in Table 6 is the level of firm performance in terms of financial performance. As specified in the table, the overall mean is 3.55 with a very high descriptive level, with a standard deviation of 1.53. It indicates that the financial performance on the department store, is oftentimes evident.

Item number 1 "a gain in market share" has the highest mean of 3.79, the second highest is item number 4 "a generated more income relative to its cost" with a mean of 3.52, followed by the item number 2 "a high sales revenue of a new product" with a mean of 3.48 and the item that obtains the lowest mean is item number 3 "a high sales revenue of all products" with a mean of 3.42. All items in the profit emphasis have a range of 3.42-3.79 with a descriptive level of high. Although item number 3 is ranked as the lowest, it still has a descriptive level of high that indicates that financial performance always manifested and oftentimes evident.

The result was aligned with the study of Nafasati et al., (2021), it was explained that financial performance effect as measured using ROA on firm value. It demonstrates that if a company's financial performance is getting better, its ability to generate profits will be higher. It becomes a positive signal for investors who invest capital in the company because they will get a significant investment return if their profits increase. Another

study of Sapiri (2022), explained that the level of a company's ability to generate profits has a significant positive effect on firm value. The increase in share price will also have a direct impact on firm performance. The higher the profit that the company manages to obtain, the market will give the perception that the company is doing well and will increase the demand for the company's shares which has a direct impact on the increase in stock prices.

4.7 Level of Firm Performance in Terms of Customer Performance

Showed in Table 7 is the level of firm performance in terms of customer performance. As specified in the table, the overall mean is 3.66 with a high descriptive level, with a standard deviation of 1.34. It indicates that the financial performance on the department stores, is oftentimes evident.

Item number 1 "new customer everyday" has the highest mean of 3.85, the second highest is item number 3 "high sales to a current customers" with a mean of 3.76, followed by the item number 2 "high sales to a new customers" with a mean of 3.73 and the item that obtains the lowest mean is item number 4 "few customers who left the firm" with a mean of 3.30. All items in the customer performance have a range of 3.30-3.85 with a descriptive level of high. Although item number 4 is ranked as the lowest, it still has a descriptive level of high that indicates that profit emphasis always manifested and oftentimes evident.

Table 6. Level of Firm Performance in terms of financial performance

Items	Mean	SD	Descriptive Equivalent
The Department store has…			
1. a gain in market share.	3.79	1.62	Very High
2. a high sales revenue of a new product.	3.48	1.50	High
3. a high sales revenue of all products.	3.42	1.54	Very High
4. a generated more income relative to its cost.	3.52	1.46	Very High
Average	**3.55**	**1.53**	**Very High**

Table 7. Level of firm performance in terms of customer performance

Items	Mean	SD	Descriptive Equivalent
The Department store has a…			
1. new customer everyday	3.85	1.62	High
2. high sales to a new customer	3.73	1.50	High
3. high sales to a current customer	3.76	1.54	High
4. few customers who left the firm	3.30	1.46	High
Average	**3.66**	**1.34**	**High**

Table 8. Level of Firm Performance in terms of Internal Business Processes Performance

Items	Mean	SD	Descriptive Equivalent
The Department store…			
1. implements new technology for optimizing inventory management processes.	3.58	1.39	High
2. emerges technologies for the process of new product development.	3.70	1.19	High
3. invests an innovative technology in improving product quality.	3.85	1.35	High
4. reduces the duration of production cycles for new products.	3.52	1.44	High
Average	**3.66**	**1.34**	**High**

Table 9. Level of firm performance in terms of learning and growth performance

Items	Mean	SD	Descriptive Equivalent
The Department store has a…			
1. implements new technology for optimizing inventory management processes.	3.61	1.52	High
2. emerges technologies for the process of new product development.	3.64	1.52	High
3. invests an innovative technology in improving product quality.	3.30	1.51	High
4. reduces the duration of production cycles for new products.	3.27	1.53	High
Average	**3.45**	**1.52**	**High**

Table 10. Summary on the level of firm performance

Indicators	Mean	SD	Descriptive Equivalent
1. financial performance	3.55	1.53	High
2. customer performance.	3.66	1.34	High
3. internal business processes Performance	3.66	1.34	High
4. learning and growth performance	3.45	1.52	High
Average	**3.58**	**1.43**	**High**

The result is aligned with the study of Otto et al., [15] emphasizing customer satisfaction as a strategic lever for enhancing business performance is a widespread business practice. Additionally, customer performance is more appropriately depicted as mediating the effects of selected marketing strategy on firm performance outcomes. Moreover, Pekovic and Rolland

revealed that customer-performance has been recognized as an important catalyst of business organization performance [16] and a primary emphasis for any business organization's relationship to its target market [17].

4.8 Level of Firm Performance in terms of Internal Business Processes Performance

Showed in Table 8 is the level of firm performance in terms of internal business processes performance. As specified in the table, the overall mean is 3.66 with a high descriptive level, with a standard deviation of 1.34. It indicates that the internal business processes performance on the department stores, is oftentimes evident.

Item number 3 "invests an innovative technology in improving product quality" has the highest mean of 3.85, the second highest is item number 2 "emerges technologies for the process of new product development" with a mean of 3.70, followed by the item number 1 "implements new technology for optimizing inventory management processes" with a mean of 3.58 and the item that obtains the lowest mean is item number 4 "reduces the duration of production cycles for new products" with a mean of 3.52. All items in the internal business processes performance have a range of 3.52-3.85 with a descriptive level of high. Although item number 4 is ranked as the lowest, it still has a descriptive level of high that indicates that internal business processes performance always manifested and oftentimes evident.

The result confirmed by the previous study of Rafiq et al., [18] which claimed that internal business process perspective shows how well a business organization is performing based on actions that are AJEMS 15,1 38 pivotal to the meeting of financial and customer purposes. They also involve activities such as core competencies, methodologies and procedures for executing work, and essential technologies the business organization must undertake internally to fulfill its customer and market expectations. With that, the result is supported by the study of Aque et al. [19] which implied that it is evident especially nowadays that the online products are proportionally increasing due to this pandemic [20]. This study result contradicts with the finding of Islami et al.'s [21] research.

4.9 Level of Firm Performance in Terms of Learning and Growth Performance

Showed in Table 9 is the level of firm performance in terms of learning and growth performance. As specified in the table, the overall mean is 3.45 with a high descriptive level, with a standard deviation of 1.52. It indicates that the learning and growth performance on the department stores, is oftentimes evident.

Item number 2 "emerges technologies for the process of new product development" has the highest mean of 3.64, the second highest is item number 1 "implements new technology for optimizing inventory management processes" with a mean of 3.61, followed by the item number 3 "invests an innovative technology in improving product quality" with a mean of 3.30 and the item that obtains the lowest mean is item number 4 "reduces the duration of production cycles for new products" with a mean of 3.27. All items in the learning and growth performance have a range of 3.27-3.64 with a descriptive level of high. Although item number 4 is ranked as the lowest, it still has a descriptive level of high that indicates that learning and growth performance and oftentimes evident.

Furthermore, the result confirmed of Abrokwah-Larbi [22] which claimed that, learning and growth performance enables a business organization to detect appropriate infrastructure that they can develop in order to generate growth and improvement in the long term. Another study explained of Hamdy [23] that, asserts that a business organization's learning and growth originate from three cardinal foundations: people, systems and organizational procedures. In addition, learning and growth perspective has a strong commitment from management to adapt the change and most of employees are ready to adjust themselves with the change. Meanwhile, handicapped factor of implementation of learning and growth perspective performance is resistant from certain employees [24].

4.10 Level of Firm Performance

Showed in Table 10 is the level of firm performance in terms. As specified in the table,

Table 11. Significance of the relationship between market orientation and firm performance

Variables Correlated	r	p-value	Decision on H_o	Decision on Relationship
market orientation and firm performance	0.724	0.000	Rejected	Significant

the overall mean is 3.58 with a high descriptive level, with a standard deviation of 1.43. It indicates that the firm performance on the department stores, is oftentimes evident.

Out of all the indicators, customer performance and internal business processes performance has the highest mean of 3.66, which has a descriptive equivalent of high. This means that customer orientation and business processes performance on department store is oftentimes manifested. On the other hand, learning and growth performance item has the lowest mean of 4.08, which has a descriptive equivalent of high. This means that learning and growth performance on department store is oftentimes manifested.

The result was supported by the previous study of Ekadjaja (2021) explained that, company performance is the overall success of the company in achieving the strategic goals that have been set by the company. These strategic goals are planned through the company's vision, mission and strategy. Another study supported of Omar et al., [25], it was stated in study that firms face severe competitive pressure to do things better, faster, and low-priced. Continuous performance is the objective of any firm. This is because it is only through performance that companies are able to experience development and make progress. Successful firms represent a key ingredient for developing nations and to survive in a competitive business environment, every firm should operate in conditions of performance.

5. SIGNIFICANCE OF THE RELATIONSHIP BETWEEN CORPORATE GOVERNANCE AND SERVICE QUALITY

Table 11 showed the correlation between market orientation and firm performance. It can be derived from the table that the overall r-value of 0.724 with a p-value of 0.000 which was more than 0.05 signifies rejection of the null hypothesis. It means that there is a significant relationship between market orientation and firm performance. It shows that the market orientation has a significance and influence on firm performance.

Various studies have explored the correlation between market orientation and firm performance in medium and large businesses. Market-oriented companies can predict changes in the expectations, demands, and needs of existing or potential customers, resulting in increased customer satisfaction, profitability, productivity, and competitive advantage (Aydin, 2021) [26]. Market orientation is an activity carried out by companies in creating superior customer value [27]. Firm performance is one economic category that reflects the company's ability to utilize resources to achieve firm targets (Nguyen et al., 2021). Firms need to know performance as an evaluation and assessment of firm performance [28]. Market orientation carried out by MSMEs in the manufacturing sector in Serang, Indonesia, has a positive effect on company performance [29-32].

6. SUMMARY, CONCLUSION, AND RECOMMENDATION

This chapter presented the summary of the findings, it also displayed the conclusion and recommendation.

6.1 Summary of Findings

The major findings of the study were the following:

1. The level of market orientation had an descriptive equivalent of very high. It means market orientation was always evident.
2. The level of firm performance had an descriptive equivalent of high. It means firm performance was always evident.
3. The relationship between market orientation and firm performance showed a positive correlation with an r-value of 0.724 and p-value of 0.000 which was lower than the level of significance 0.05. The result indicated the rejection of the null hypothesis.

6.2 Conclusions

Based on the findings of this study, the following statements were constructed:

1. The level of market orientation was very high. The results of this study showed that market orientation had a great influence on firm performance. It was one of the most important factors that resulted in higher levels of organizational performance. The results of the analysis showed that implementation of market orientation needs a holistic approach of the organization and should take into account organizational culture and behavior, strategy, organizational structure, processes and operations meaning the business model.

   a. 2.The level of firm performance was high. The result of this study showed that it depends on the number of factors including financial performance, customer performance, internal business processes and learning and growth performance. The findings of this study demonstrated that a variety of criteria affects the firm performance. Furthermore, it was found that with market orientation, demonstrate a strong focus on understanding and meeting customer needs, competitor awareness, and cross-functional collaboration within the organization. Accordingly, it follows that department stores that prioritize understanding and meeting customer needs, keeping an eye on competitors, and working together across departments tend to perform better. This customer focus leads to happier customers, more sales, and a stronger position in the market.

   b. 3.There is a significant relationship between the level of digital market orientation and firm performance. It meant that the higher the market orientation, the higher the firm performance. Based on the results of this study, the relationship between market orientation and firm performance was found significant. For managers and supervisor on department stores, it is hoped that this study could influence them implement practices that foster a positive work environment, leading to increased productivity and better customer service. It will improve department store operations by motivating staff, enhancing customer experience, and

adapting to industry changes through data-driven decisions.

6.3 Recommendations

Based on the findings and conclusions of the study, the following recommendations are offered:

1. The low level of competitor orientation may enhanced department store managers a systematic processes like, regulary collecting market data to monitor competitor's methods and make more informed decisions towards actionable strategies for product plans and development.

2. 2.The low level of learning and growth performance may enhance department store managers a supplier collaboration, work closely with suppliers to ensure on-time delivery of materials and components. Furthermore, maintain an optimal inventory levels to avoid stockouts while minimizing holding costs.

3. Based on the results, there is a positive correlation between market orientation and firm performance. Therefore, this study recommends to the department stores managers an specific actions like market research, competitor analysis, and employee training provides a practical approach to enhance market orientation and potentially lead to better performance.

4. 4.Future researchers are recommended to further examine the effectiveness of market orientation and how they impact firm performance and conduct similar studies for wider scope and include variables not covered in this research.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

REFERENCES

1. Taouab O, Issor Z. Firm performance: Definition and measurement models. European Scientific Journal ESJ. 2019;15(1):93–106. Available:http://dx.doi.org/10.19044/esj.2019.v15n1p93

2. Samad S. Unravelling factors influencing firm performance: Evidence from the smes

in tourism industry. International Journal of Financial Studies. 2022;10(3):77. Available:https://doi.org/10.3390/ijfs100300 77

3. Nguyen Trong N, Nguyen CT. Firm performance: The moderation impact of debt and dividend policies on overinvestment. Journal of Asian Business and Economic Studies. 2020;28(1):47–63. Available:https://doi.org/10.1108/jabes-12-2019-0128

4. Flaminiano JP, Francisco JP. Firm characteristics and credit constraints among SMEs in the Philippines. Small Business International Review. 2021;5(1):e332. Available:https://doi.org/10.26784/sbir.v5i1. 332

5. Miller D. The resource-based view of the firm. Oxford Research Encyclopedia of Business and Management; 2019. Available:https://doi.org/10.1093/acrefore/9 780190224851.013.4

6. Kenton W. Borrowed funds; 2021. Available:https://www.investopedia.com/ter ms/b/borrowed-capital.asp

7. Katzukov Y. What is a descriptive correlational study design. Retrieved on June, 21, 2021; 2020.

8. Domi S, Capelleras JL, Musabelliu B. Customer orientation and SME performance in Albania: A case study of the mediating role of innovativeness and innovation behavior. Journal of Vacation Marketing. 2019;26(1):130–146. Available:https://doi.org/10.1177/13567667 19867374

9. Shu L, We H, Peng L. Making the customer orientation of salespeople unsustainable—the moderating effect of emotional exhaustion. Sustainability. 2019;11(3):735. Available:https://doi.org/10.3390/su110307 35

10. Yulianthini, Ni, Made Amanda Dewanti, Rahutama Atidira. Customer Orientation and Competitor Orientation Influence on the Marketing Performance of Restaurants MSEs in the Buleleng District. Advances in Economics, Business and Management Research/Advances in Economics, Business and Management Research; 2021. Available:https://doi.org/10.2991/aebmr.k.2 11124.058

11. Siam ST, Shaari JAN, Heriyadi H. The relationship of organizational competition orientation, marketing capability and customer networks in achieving seller achievement. European Journal of Business and Management Research. 2022;7(2):168–175. Available:https://doi.org/10.24018/ejbmr.20 22.7.2.1219

12. Tomaskova E. Interfunctional coordination and its influence on customer success. Open Economics. 2018;1(1):105–114. Available:https://doi.org/10.1515/openec-2018-0004

13. Cadogan JW. Market orientation and profitability. Routledge EBooks. 2020;407–421. Available:https://doi.org/10.4324/97813510 38669-32

14. Mathieu V. A Customer-oriented Manager for B2B Services; 2022. Available:https://doi.org/10.1002/97811199 02430

15. Otto AS, Szymanski DM, Varadarajan R. Customer satisfaction and firm performance: insights from over a quarter century of empirical research. Journal of the Academy of Marketing Science. 2019;48(3):543–564. Available:https://doi.org/10.1007/s11747-019-00657-7

16. Kumar V, Reinartz W. Customer relationship management. In springer texts in business and economics. Springer Berlin Heidelberg; 2018. Available:https://doi.org/10.1007/978-3-662-55381-7

17. Li S, Peng G, Xing F, Zhang J, Zhang B. Value co-creation in industrial AI: The interactive role of B2B supplier, customer and technology provider. Industrial Marketing Management. 2021;98:105–114. Available:https://doi.org/10.1016/j.indmarm an.2021.07.015

18. Rafiq M, Zhang X, Yuan J, Naz S, Maqbool S. Impact of a balanced scorecard as a strategic management system tool to improve sustainable development: Measuring the mediation of organizational performance through Pls-smart. Sustainability. 2020;12(4):1365.Available:https://doi.org/1 0.3390/su12041365

19. Aque, A. J. A., Madronero, I. M., Nabasca, R. B., Edig, M. M. N., & Buladaco, M. V. M. (2021). Relationship between Digital

Marketing and Economic Stability of Online Sellers in Panabo City. International Journal of Scientific Research and Engineering Development, 4(1), 805-815.

20. Pekovic S, Rolland S. Customer orientation and firm's business performance: A moderated mediation model of environmental customer innovation and contextual factors. European Journal of Marketing. 2016;50(12):2162-2191.
Available:https://doi.org/10.11114/ijsss.v4i7.1662

21. Islami X, Mulolli E, Mustafa N. The effect of industrial and internal factors to the firm's performance. 2018;14:154–166

22. Abrokwah-Larbi K, Awuku-Larbi Y. The impact of artificial intelligence in marketing on the performance of business organizations: Evidence from SMEs in an emerging economy. Journal of Entrepreneurship in Emerging Economies; 2023.
Available:https://doi.org/10.1108/jeee-07-2022-0207

23. Hamdy A. Balanced scorecard role in competitive advantage of Egyptian banking sector. Business and Management Review. 2018;9(3):424-434.

24. Utomo St D, Machmuddah Z, Setiawanta Y. Balanced scorecard: Learning and growth perspective. Jurnal Inovasi Ekonomi. 2019;4(2).
Available:https://doi.org/10.22219/jiko.v4i2.9852

25. Omar, Ahmed HM, Hamdy W. Investigation of Egyptian banks' competition through a riesz–caputo fractional model. Fractal and Fractional. 2023;7(6):473–473.
Available:https://doi.org/10.3390/fractalfract7060473

26. Aydin H. Market orientation and product innovation: The mediating role of technological capability. European Journal of Innovation Management, ahead-of-print(ahead-of-print); 2020.

Available:https://doi.org/10.1108/ejim-10-2019-0274

27. Yakin AH, Suhaeni T. Peranan orientasi pasar dalam meningkatkan keunggulan bersaing pada umkm lampu gentur cianjur. Jurnal Riset Bisnis Dan Investasi. 2020;6(1):15–22.
Available:https://doi.org/10.35313/jrbi.v6i1.1876

28. Hastuti RT. Faktor yang mempengaruhi firm performance pada perusahaan manufaktur yang terdaftar di bei. Jurnal Muara Ilmu Ekonomi Dan Bisnis. 2018;2(1):181.
Available:https://doi.org/10.24912/jmieb.v2i1.1741

29. Suryanto T, Mukhsin, Moh. Mediation of supply chain integration on the relationship between market orientation with company performance. Uncertain Supply Chain Management. 2020;739–744.
Available:https://doi.org/10.5267/j.uscm.2020.7.006

30. Good Corporate Governance Mechanisms and Financial Performance in Controlling Financial Distress. Adpebi International Journal of Business and Social Science. 2023;3(1):14–26.
Available:https://doi.org/10.54099/aijbs.v3i1.542

31. Lal B, Unny B. Linking the CEO personality and firm performance in micro, small and medium enterprises based in western India: measuring the mediating effect of learning and growth intentions. International Journal of Globalisation and Small Business. 2023;13(3):229.
Available:https://doi.org/10.1504/ijgsb.2023.130312

32. Nadila Rizky, Rosulin A, Fajar Sidiq M, Panaroma M. The effect of market orientation and customers convection business marketing performance in the city of Palembang. Bisnis: Jurnal Bisnis Dan Manajemen Islam. 2023;11(1):111–111.