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MELBOURNE

# **Market Orientation and Business Performance: Empirical Evidence from Thailand**

Wichitra Ngansathil

Department of Management  
Faculty of Economics and Commerce  
The University of Melbourne

Submitted in total fulfilment of the requirements of the degree of  
Doctor of Philosophy

**2001**

## **Declaration**

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

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**Wichitra Ngansathil**

2 January 2001

I dedicate this thesis to two great women in my life,

***my mom and my godmother***

who inspire me to take on this journey.

## Acknowledgments

I would like to thank all those who have contributed in so many ways to the completion of this thesis:

To my two great supervisors: Associate Professor Gregory Whitwell and Professor Robert E Widing II, for their valuable time and advice; as well as for their intellectual support and encouragement throughout the journey. I would never have made it this far without their help. Especially, Greg's help during the last few months in reading my work and meeting with me on a weekly basis needs to be recognised.

To my two academic mentors: Associate Professor Pip Pattison from the Department of Psychology and Associate Professor Douglas Dow from Melbourne Business School who have to put up with my ignorance in terms of statistics and data analysis and are willing to share their knowledge and experience with me. Their invaluable guidance helps to make this project success.

To all respondents, who freely gave their valuable time to share their experiences with me. Their contributions are much appreciated.

To Associate Professor Buarat Srinil and her team, for their help in the translation of the questionnaire used in this study and help during the pilot test and field work.

To Professor Sak Onkvisit, for his initial guidance when I first started the PhD project. His advice is highly valued.

To Clare Rhoden from Learning Skills Unit for having painstakingly proof read this thesis and for her valuable comments.

To my personal mentor and godmother, Lydia Yap, who constantly lends her ears to my complaints and other issues in life during my study. She has been a pillar of strength and a source of good advice to me. Her inspiration, encouragement and generosity will not be forgotten.

To my family in Thailand, they have been a great emotional support to me. I would like to thank them for their love and concern, and for taking pride in whatever success I may have had.

Last but not least, I would like to thank God for his grace, blessings and wisdom.

## **Abstract**

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

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

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

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

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

Finally, both export and domestic market orientation can be facilitated by:

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

## **Table of Contents**

Declaration	i
Acknowledgments	iii
Abstract	v
Table of Contents	vii
List of Tables and Figures	x

### **Chapter One: Introduction**

1.1	Objectives and Structure of the Chapter	1
1.2	Origins of the Research	1
1.3	Research Questions and Objectives	2
1.4	The Importance of the Topic	4
1.5	The Organisation of the Thesis	5

### **Chapter Two: Thai Exporters: The Survey Sample in Context**

2.1	Objectives and Structure of the Chapter	7
2.2	Country Profile: Thailand	7
2.3	Economic Development and Export History of Thailand	10
2.4	Exporters Participating in the Survey	22
2.5	Chapter Summary	36

### **Chapter Three: Literature Review**

3.1	Objectives and Structure of the Chapter	37
3.2	Review of the Export Performance Literature	37
3.3	Review of the Market Orientation Literature	57
3.4	Chapter Summary	78

### **Chapter Four: Conceptual Framework and Research Questions**

4.1	Objectives and Structure of the Chapter	79
-----	---	----



4.2	Proposed Conceptual Framework	79
4.3	Key Components of the Model	82
4.4	Research Questions and Hypotheses	84
4.5	Chapter Summary	98

## **Chapter Five: Research Methodology**

5.1	Objectives and Structure of the Chapter	99
5.2	Research Design	99
5.3	Data Collection Procedure	106
5.4	The Survey Instrument	109
5.5	Data Preparation Procedures	115
5.6	Data Analysis Procedures	120
5.7	Chapter Summary	120

## **Chapter Six: Tests of Measures and Correlation Analysis**

6.1	Objectives and Structure of the Chapter	121
6.2	Reliability and Validity Tests	121
6.3	Descriptive Statistics	134
6.4	Correlation Analysis	138
6.5	Chapter Summary	151

## **Chapter Seven: Empirical Results (Export Market Orientation)**

7.1	Objectives and Structure of the Chapter	152
7.2	The Relationship between Export Market Orientation and Export Performance	154
7.3	The Antecedents to Export Market Orientation	163
7.4	The Moderator Effect in the Relationship between Export Market Orientation and Export Performance	180
7.5	Export Market Orientation and the Quality of the Decision to Modify Marketing Strategies in Export Markets	186
7.6	Chapter Summary	187

## **Chapter Eight: Empirical Results (Domestic Market Orientation)**

8.1	Objectives and Structure of the Chapter	189
8.2	The Relationship between Domestic Market Orientation and Domestic Business Performance	189
8.3	The Antecedents to Domestic Market Orientation	197
8.4	The Moderator Effect in the Relationship between Domestic Market Orientation and Domestic Performance	214
8.5	Chapter Summary	220

## **Chapter Nine: Discussion**

9.1	Objectives and Structure of the Chapter	222
9.2	Consequences of Market Orientation	222
9.3	Environmental Moderators	228
9.4	Antecedents to Market Orientation	232
9.5	Limitations and Recommendations for Future Research	238
9.6	Chapter Summary	241

## **Chapter Ten: Conclusions**

10.1	Objectives and Structure of the Chapter	243
10.2	Overview of the Thesis	243
10.3	Contributions of the Study	245
10.4	Managerial Implications	247
10.5	Conclusions	251

<b>Bibliography</b>	254
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<b>Appendix One</b>	286
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<b>Appendix Two</b>	301
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## **List of Tables and Figures**

### ***Tables***

Table 2.1	Thailand Key Economic Indicators	9
Table 2.2	Percentage of Total Exports Accounted for by Four Commodities from 1867-1951	13
Table 2.3	Key Features of the Thai Economy (1970 –1990)	17
Table 2.4	Major Export Market Shares	19
Table 2.5	Export Structure	20
Table 2.6	Top Ten of Export Products from Thailand from 1994-1998	21
Table 2.7	Industries of Thai Firms Participating in the Survey	23
Table 2.8	Number of Employees	23
Table 2.9	Company’s Age	24
Table 2.10	Number of Years of Operations before Exporting	25
Table 2.11	Export Department	26
Table 2.12	Export Manager	26
Table 2.13	Who Handles Export Activities in Firms without Export Managers?	26
Table 2.14	Export Destinations	27
Table 2.15	Factors which Motivate Firms to Initiate Export Operations	28
Table 2.16	How Firms Get their Early Customers	29
Table 2.17	Competitive Advantages of Exporting Firms from Thailand	29
Table 2.18	Educational Level and Export Performance	30
Table 2.19	Area of Top Manager’s Expertise and Export Performance	31
Table 2.20	Top Manager Lived or Studied Overseas and Export Performance	32
Table 2.21	How Often Top Manager Travelled Abroad	32
Table 2.22	Number of Languages Spoken	33
Table 2.23	Experience in Export Activities and Export Performance	34
Table 2.24	Proportion of Top Manager’s Time Spent on Export Operations and Export Performance	34
Table 2.25	Top Manager’s Age and Export Performance	35
Table 3.1	Summary of Selected Reviewed Articles	49
Table 3.2	Export Performance Measures Used in Previous Research	55

Table 3.3	Summary of Empirical Studies	68
Table 3.4	Empirical Studies on Moderating Effects	74
Table 5.1	Review of Research Methodologies Used in the Past	104
Table 5.2	Non Response Bias Test by Comparing Mean Differences between Early and Late Respondent Firms	119
Table 6.1	Reliability of Scales	124
Table 6.2	Factor Analysis of the Main Construct: Market Orientation	130
Table 6.3	Factor Analysis: Antecedents to Market Orientation	131
Table 6.4	Factor Analysis: Environmental Moderators	133
Table 6.5	Descriptive Statistics for the Export Market	135
Table 6.6	Descriptive Statistics for the Domestic Market	137
Table 6.7	Correlation Analysis of Export Market Orientation and Its Components	140
Table 6.8	Correlation Analysis of Domestic Market Orientation and Its Components	141
Table 6.9	Correlation Analysis of Export Market Orientation, Domestic Market Orientation, Export Performance and Domestic Performance	142
Table 6.10	Correlation Analysis of Antecedents to Export Market Orientation	144
Table 6.11	Correlation Analysis of Antecedents to Domestic Market Orientation	146
Table 6.12	Correlation Analysis of Export Environmental Moderators	148
Table 6.13	Correlation Analysis of Domestic Environmental Moderators	150
Table 7.1	Assessment of Research Hypotheses	153
Table 7.2	Relationship between Export Market Orientation and Export Performance	158
Table 7.3	Relationship between Export Customer Orientation and Export Performance	160
Table 7.4	Relationship between Export Competitor Orientation and Export Performance	161
Table 7.5	Relationship between Export Inter-functional Coordination and Export Performance	162
Table 7.6	Priori Expectations: Summary of Antecedents	164

Table 7.7	Antecedents to Export Market Orientation	166
Table 7.8	Antecedents to Export Customer Orientation	169
Table 7.9	Antecedents to Export Competitor Orientation	172
Table 7.10	Antecedents to Export Inter-functional Coordination	175
Table 7.11	Summary of Antecedents to Export Market Orientation: Standardised Regression Coefficients ( $\beta$ )	177
Table 7.12	Antecedents to Export Market Orientation: Comparison of Regression Results	179
Table 7.13	The Relationship between Export Performance, Export Market Orientation and Environmental Moderators	183
Table 7.14	Pearson Correlations of the Relationship between Export Market Orientation, Export Performance, and Environmental Moderators	185
Table 7.15	The Relationship between Export Market Orientation (EMO) and the Quality of the Decision to Modify Marketing Strategies in Export Markets	187
Table 8.1	Relationship between Domestic Market Orientation and Domestic Performance	192
Table 8.2	Relationship between Domestic Customer Orientation and Domestic Performance	194
Table 8.3	Relationship between Domestic Competitor Orientation and Domestic Performance	195
Table 8.4	Relationship between Domestic Inter-functional Coordination and Domestic Performance	196
Table 8.5	Priori Expectations: Summary of Antecedents	198
Table 8.6	Antecedents to Domestic Market Orientation	200
Table 8.7	Antecedents to Domestic Customer Orientation	203
Table 8.8	Antecedents to Domestic Competitor Orientation	206
Table 8.9	Antecedents to Domestic Inter-functional Coordination	209
Table 8.10	Summary of Antecedents to Domestic Market Orientation: Standardised Regression Coefficients ( $\beta$ )	211
Table 8.11	Antecedents to Market Orientation: Comparison of Regression Results	213

Table 8.12	The Relationship between Domestic Performance, Domestic Market Orientation and Environmental Moderators	216
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Table 8.13	Pearson Correlations of the Relationship between Domestic Market Orientation, Domestic Performance, and Environmental Moderators	217
------------	--	-----

### ***Figures***

Figure 3.1	Environmental Context as a Moderator	73
------------	--------------------------------------	----

Figure 3.2	Antecedents to Market Orientation	77
------------	-----------------------------------	----

Figure 4.1	A Conceptual Model of Market Orientation and Business Performance	81
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**Author/s:**

Ngansathil, Wichitra

**Title:**

Market orientation and business performance: empirical evidence from Thailand

**Date:**

2001

**Citation:**

Ngansathil, W. (2001). Market orientation and business performance: empirical evidence from Thailand. PhD thesis, Department of Management, The University of Melbourne.

**Publication Status:**

Unpublished

**Persistent Link:**

<http://hdl.handle.net/11343/39434>

**File Description:**

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