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Influence of Market Orientation on the Relationship Between Customer Relationship Management Practices and Performance of Large-Scale Manufacturing Firms in Kenya

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Abstract
The main objective of the study was to measure the influence of market orientation on the relationship between customer relationship management practices and firm performance of large-scale manufacturing firms in Kenya. The population of the study comprised large-scale manufacturing firms that were members of the Kenya Association of Manufacturers (KAM). A descriptive cross-sectional survey was used. The target respondents were three top managers in each firm, and aggregated single scores were computed to lessen single source response bias. Data was analyzed through descriptive statistics and regression analysis. The results revealed that market orientation was a strong statistical predictor of firm performance. In addition, the moderating effect of market orientation on the association between CRM practices and performance ($F=9.138$, $P\text{-value}<0.05$) was found to be statistically significant. The study supported findings of previous studies on the influence of CRM practices on firm performance. In addition, the study found that both CRM practices and market orientation had a positive and significant influence on performance. Further, the findings of the study support the theoretical link between CRM practices, market orientation and performance.

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Keywords: customer relationship management, market orientation, performance, large-scale manufacturing firms

1.1 Background of the Study

Customer relationship management (CRM) is progressively becoming significant to businesses as they strive to progress their marketing performance through customer acquisition, market share, and sales volume through long-lasting relationships with their customers. The current trends in global competition escalated by the recent global financial meltdown have led to the need for manufacturing firms to monitor how customers view their goods and services. In addition, globalization of businesses, internationalization, deregulation, information technology advances, shorter product lifecycle and structural modification of business procedures have led to introduction of the relationship paradigm that focuses on creating long-standing associations among consumers and suppliers. Moreover, market orientation stresses on a trade culture that put the consumer's importance first and market orientation as the arrangement of market intelligence, distribution of the intelligence across sections and organization-wide responsiveness to it. (Kohli & Jowarski, 1990).

Grounded on the relationship marketing literature, the theoretical foundation of CRM suggests that instituting and sustaining long lasting relationships is at the core of the marketing concept (Morgan & Hunt, 1994). Berry (1983) defines relationship marketing as appealing, retaining and improving consumer relations. Payne and Frow (2005) points out that CRM is widely seen as a rounded methodology of handling customer relationships and to generate shareholder value and further asserts that the terms CRM and relationship marketing are used interchangeably. Additionally, CRM is a commercial process in the industrial marketing environment, which prepares the organizational structure to improve and survive in trading and is a strategic process of support against the competitors, providing value to the buyers and sellers in gaining excellent benefits (Mehrdad & Mohammadi, 2011).

Firm performance is a multifaceted concept composed of various related elements (Chakravarthy, 1986). According to Ricardo (2001), performance is the firm's capability to achieve its aims and objectives. On the other hand, Perotti and Javier (2002) defines performance as the low-cost, efficiency and effectiveness of a particular action. Additionally, preceding studies have revealed that a superlative dimension of performance can best be achieved when non-financial and monetary measures of performance are used in a competitive environment (Hoque & James, 2000). In addition, Berrah et al. (2006) argue that the use of assorted performance indicators encompassing monetary and market measures is by and large fairer to firms as it gives them an additional gain of providing superior protection against the magnitudes of uncontrollable externalities.

The concept of Market orientation has been considered by numerous authors using different approaches and various dimensions and it is still an issue under debate. There are two different approaches that seem to prevail, one treating market orientation as behaviors and activities in an organization (Kohli & Jaworski, 1990), while the other regards it as an organizational culture that comprises of three components: the extent of customer alignment, competitor alignment and inter-functional coordination (Narver & Slater, 1990). Additionally, other perspectives of market orientation comprise: decision making perspective (Shapiro, 1988), strategic standpoint (Ruekert, 1992) and customer alignment standpoint (Deshpande et al., 1993). Narver and Slater (1990) refers to market orientation as the organizational dimension that successfully generates essential demeanors to facilitate formation of greater values for consumers and thus, unremitting greater performance for business. Kohli and Jowarski (1990) demarcated market orientation as the arrangement of market intelligence, distribution of the intelligence across sections and organization-wide responsiveness to it. The objective of the study was to establish the influence of market orientation on the relationship between customer relationship management practices and firm performance of large-scale manufacturing firms in Kenya

2.1 Theoretical and empirical review

2.1.1 Resource Advantage Theory

The study was guided by the resource advantage (R-A) theory which is a broad theory of competition that describes the progression of competition (Hunt & Morgan, 1996). R-A theory is an ever changing, disproportion-provoking, rivalry course where invention and learning are endogenic, where business and customers do not have perfect information. The theory assumes that heterogeneous resources that are not perfectly portable when united with diversified consumer expectations, suggest noteworthy differences in the magnitudes, choices and intensities of success of businesses within the same industry.

Within the framework of this theory, CRM is one of the organizational capability whereas market orientation is associated with both informational and relational resources. A firm's relational capability contributes to its organization capital and because relational resources are heterogeneous and immobile, they can result in positions of competitive advantage that persevere through time, resulting in sustained superior performance. In addition, the theory places great emphasis on innovation that pushes firms to learn through appropriate market research, intelligence gathering, benchmarking and trial marketing. The theory has been critiqued for failing to recognize that perfect competition is the ideal competitive form and maintains that superior performance results from pro-competitive factors (Morgan, 2000).

2.1.2 Customer Relationship Management Practices, Market Orientation and Firm Performance

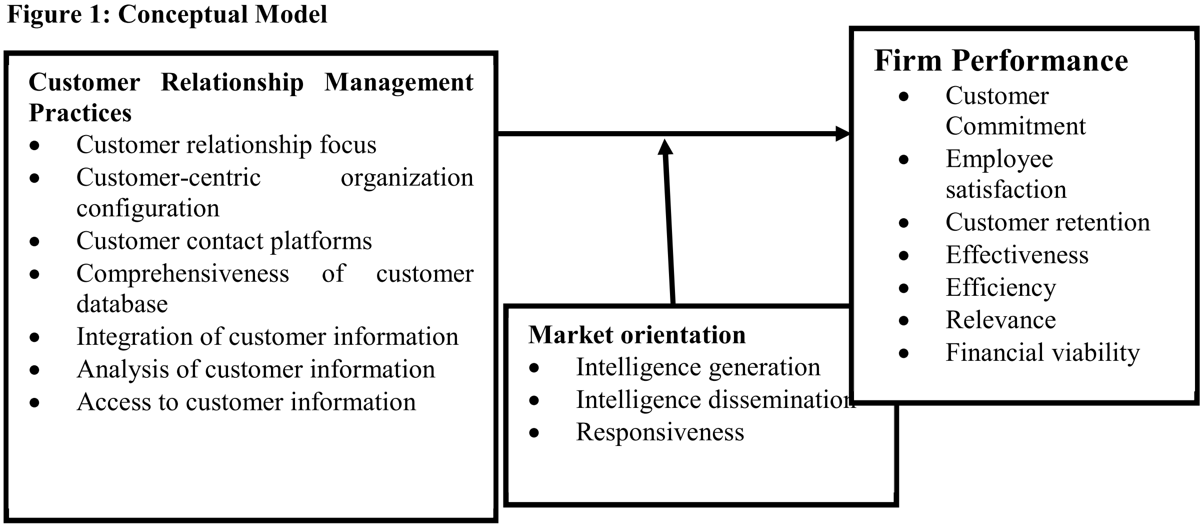
The extant literature indicates that CRM practices have an effect on firm performance. Rust et al. (2000); Berry (1995) among others have argued that CRM implementation improves organizational performance. In addition, Kohli and Jaworski (1990) saw the generation of marketing knowledge, its dissemination, and organizational response to it, as key aspects of an organization's market orientation. Furthermore, a study by Min et al. (2002) established that when an organization combines CRM and other resources business change can positively influence marketing orientation by supporting the marketing activities. According to

Liyun et al. (2008) knowledge management has a positive effect on market orientation. Preceding studies offer ambivalent outcomes on the association between customer relationship management, market orientation and performance. On the one hand, previous investigations on the link between market orientation and performance have established a positive association between the two variables (Narver & Slater, 1990; Zebal & Saber, 2014; Njeru and Munyoki, 2014). On the other hand, other investigations have established a negative connection between market orientation and business performance (Pelham, 1997; Ghani & Mahmood, 2011). More recently, Owino (2014) carried out a study which established the indirect effect of market orientation on culture and firm performance. The study findings indicated that market orientation had a mediating effect on the relationship. An investigation by Mohamad et al. (2015) covering 364 Malaysian food manufacturing firms established that market orientation positively influenced the association between customer relationship management and performance. The presence of such ambivalent outcomes underlines the necessity for more research on the nature and magnitude of the association between customer relationship management, market orientation and performance.

2.2 Conceptual Framework

The model is presented in terms of the relationship between CRM practices and firm performance. CRM practices element is conceptualized as the independent variable and Firm performance is conceptualized as the dependent variable. The conceptual framework shows the direct and indirect relationships among CRM practices, market orientation and organization's performance. Market orientation are hypothesized as having a moderating influence on the association between CRM practices and firm performance as shown in figure 1.

Figure 1: Conceptual Model



Hypothesis

H_1: Market orientation have a statistically significant moderating effect on relationship between customer relationship management practices and firm performance

3.1 Methodology

The current study was guided by positivism research philosophy which involves objective testing of empirical hypothesis formulated on predictions of objective phenomena and also enables the operationalization of the hypothesis and generalization of the results. The study adopted a descriptive, cross-sectional survey. The target population of the research comprised large-scale manufacturing firms in Kenya that were registered members of the Kenya Association of Manufacturers (KAM) for the calendar year ended 2016. The KAM directory provides a list of 805 manufacturing firms. Out of this, 513 are classified as large-scale manufacturing firms. The target population for this study was therefore 513 manufacturing firms with over 100 employees. The unit of analysis was the organization.

The study sampling formula recommended by Israel (2009) was used to compute the sample size.

$n = N/1+N\,(e)^2$

Where:

n= Sample size,

N= Population size,

e = Error term (0.05)

$n= 513/1+513(0.05)^2$

n= 225

Proportionate sampling technique was applied to establish the sample from each stratum. A semi-structured questionnaire was used to gather primary data. The target respondents were top managers of large-scale manufacturing firms in Kenya. The questionnaire targeted the Chief Executive Officer, Marketing Managers, Finance Managers and Strategy Managers of the targeted firms. Aggregated individual scores were used to decrease source response bias.

3.2 Response Rate

Out of the 225 questionnaires distributed to the respondents, a total of 179 questionnaires were returned. However three questionnaires were incomplete and were not used in the analysis. Thus, the total number of analyzable questionnaires were 176 bringing the response rate to 78 percent. The response rate was adequate for precision and confidence required in research.

3.3 Demographic Profile of Respondent

The demographic profile of the respondent covered information about length of service of the respondents, gender and age. Results of the respondents are presented in the subsequent sub-sections.

3.3.1 Length of Service of Respondents

The study set out to establish the respondents' length of service in their current organization. This is an important characteristic as it helps organization planners to estimate the labor turnover in the organization and to be in the right frame of mind to plan manpower requirement of the origination at any given point in time. Table 4.7 gives the length of service of employees of the large-scale manufacturing firms as gathered by the researcher.

Table 1. Individual Respondents Length of Service

No of Years	Frequency	Percent
0-5 years	104	59.0
6-10 years	40	22.7
11-15 years	25	14.2
16-20 years	5	3
Above 21 years	2	1.1
Total	**176**	**100.0**

Source: Primary data

From table 1, out the total number of the respondents, 59 percent had been working in the organization from between 0-5 years, 22.7 percent have been working for between 6 -10 years and 14.2 percent between 11-15 years. Those who have worked over 16 years account for 3 percent. Given that majority of employees have worked in the company for less than five years implies there is a high mobility among them. There is a tendency to look for better job opportunities and employees quit whenever an opportunity presents itself.

3.3.2 Respondent's Gender

The study pursued to establish the gender of the respondent. The respondents gender in this study was relevant due to the immense role that gender plays when it comes to the type of work both male and female engage in. it is against this background that respondents were asked about their gender. The purpose was to get perspectives from both sides of the divide. The frequency distributions of respondents by gender are presented in Table 2.

Table 2: Respondent's Gender

Gender	Frequency	Percent
Male	120	68.2
Female	56	31.8
Total	176	100.0

Source: Primary data

Table 2, reveals that 68.2 out of a hundred of the respondents were male while 31.8 percent were female. The results established that there were more males than females and this indicates that the males still dominate the top management positions in the large-scale manufacturing sector. Although the percentage of women in management positions is smaller than males in the large–scale manufacturing firms, previous studies have indicated that females in leadership are linked with higher profits. According to a study by Calyst (1997) of the fortune 500 organizations, where the topmost 100 organizations by profits are two times likely to have more females on board compared to the top 100 lowermost companies. Additionally, Campbell and Vera (2008) in their study on firms in Spain using panel data analysis established that gender has a positive influence on firm value.

3.3.3 Respondent's Age

Respondent's age was assessed to understand their distribution among top management in the large-scale firms. Individual's age is expected to influence strategic decision making choices and perspectives (Hitt & Tyler, 1991). The frequency distribution of the research participants by age is presented in Table 3.

Table 3: Respondent's Age

Age bracket	Frequency	Percent
Below 25 years	9	5.1
26 - 35 years	77	43.7
36-45 years	74	42.0
46-55 years	14	8
Above 55 years	2	1.2
Total	176	100.0

Source: Primary data

As shown in Table 3, more than three quarter (90.8 %) of the respondents in the top management were between the age of 26 years and 45 years while the respondent below 26 years and above 46 years accounted for 9.2 %. This point outs that most of the respondents are in the early adult to adult years, it is the period of time where they have gained work experiences and have taken further trainings to establish their careers.

3.4 Respondent Firm Characteristics

3.4.1 Distribution of Firms by Subsectors

Large-scale manufacturing firms are classified into twelve key sectors. Table 4 presents the results of distribution of firms by sector of the economy.

Table 4 Distribution of Firms by Subsector

Sub Sector	Frequency	Percent
Building and construction	5	2.8
Chemical and allied products	21	11.9
Energy, electrical and electronics	11	6.3
Food, beverages and tobacco	45	25.6
Leather and foot wear	2	1.1
Metal and allied	17	9.7
Motor vehicle and accessories	6	3.4
Paper and board sector	20	11.3
Pharmaceuticals and medical equipment	6	3.4
Plastics and rubber	22	12.5
Textile and apparels	16	9.2
Timber, wood and furniture	5	2.8
Total	**176**	**100.0**

Source: Primary data

As shown in the results in Table 4, above all subsectors of the large-scale manufacturing firms were represented in the study hence chances of misrepresentation were minimized. Firms operating in the food, beverage and tobacco had the largest portion accounting for 25.6 percent followed by plastic and rubber that accounted for 12.5 percent, chemical and allied (11.9 percent), paper and board (11.3 percent), metal and allied (9.7 percent), energy, electrical and electronics (6.3 percent), building and construction (2.8 percent), motor vehicle and accessories (3.4 percent) timber, wood and furniture had 2.8 percent while leather and foot wear had 1.1 percent. These findings indicate the diverse nature of large-scale manufacturing firms. The results are similar with previous studies in which food, beverage and tobacco had the largest representation. (Kidombo 2007; Magutu, 2013).

3.4.2 Market Share of the Firms

The outcomes in Table 5 point out that 27.3 percent of the manufacturing firms studied command 10 to 19 percent of the market share within their industry, 24.4 percent have 20 to 29 percent of the market share

Table 5 Market Share of the Firms

Percentage of Market Share	Frequency	Percent
Less than 10%	16	9
10 to 19 %	48	27.3
20 to 29 %	43	24.4
30 to 39 %	33	18.8
40 to 49 %	11	6.3
More than 50 %	25	14.2
Total	**176**	**100.0**

Source: Primary data

3.5 Descriptive Statistics for Customer Relationship Management Practices

The study pursued to establish the degree of customer relationship management of participating large-scale manufacturing firms. The respondents were questioned on the degree to which they agreed with several statements concerning activities their organizations engaged in so as to establish their level of customer relationship management practices. The overall mean scores of CRM practices variables are presented in Table 6.

Table 6: Descriptive Statistics for Customer Relationship Management Practices

	Customer Relationship Management Items	N	Mean	Std. Deviation	Cv (%)
1	Extent of customer relationship focus/orientation	176	4.37	0.484	11.08
2	Aspects of customer-centered organizational configuration/structure	176	4.09	0.574	14.05
3	Customer contact platforms/touch points	176	4.07	0.574	14.09
4	Comprehensiveness of customer database	176	4.20	0.524	12.47
5	Integration of customer information	176	4.16	0.834	20.05
6	Analysis of customer information	176	4.04	0.837	20.71
7	Access to customer information	176	4.08	0.678	16.63
	Average Mean	**176**	**4.24**	**0.644**	

Source: Primary data

The results in Table 6 indicate that the extent of customer relationship focus/orientation recorded the highest means amongst the variables that were measuring CRM practices at mean score of 4.37 indicating that majority the respondents were in agreement that focusing on enhancing customer relationships within the firm was important to the firm. The lowest mean score of 4.04 was observed in analysis of customer information which was over 3 indicating that analysis of information was also key to most of the firms. The overall mean score was 4.24 which imply that majority of the respondents agreed to a great extent that they were carrying out activities that relate to CRM practices in their respective firms.

3.6 Descriptive Statistics for Market Orientation

Market orientation has been regarded as a way of implementing the marketing culture of the firm that necessitates customer fulfillment be placed at the epicenter of business processes and consequently produces higher value for customers and exceptional performance for the organization (liu et al., 2002). The investigation pursued to establish the degree to which large-scale manufacturing firms were practicing market orientation within the firm. The current study adopted Kohli and Jaworski (1990) conceptualization of market orientation comprising intelligence gathering, intelligence dissemination and responsiveness. The study covered variables that were according to Kohli and Jowarski (1990) contributed to market orientation. A 5-point likert type rating gauge was used to measure the variables. The gauge ranged from 1 at the extreme end standing for "not at all" to 5 which signified "to a very large extent". The gauge was designed to measure the level to which large-scale manufacturing firms have adopted market orientation. Mean scores for each item were computed and the outcomes are shown in the subsequent sub-sections.

3.6.1 Intelligence Gathering

Intelligence gathering denotes the generation of information about the market. Kohli and Jowarski (1990) debate that intelligence generating activities should be supported in all sections and at all ranks of the organization and that this should not be left to the marketing department. While the marketing department will execute old-style market research and customer fulfillment inquiries, employees in other departments within the firm will easily obtain other kinds of reports regarding clients and their inclinations and experiences, about technological improvements and so on. Intelligence gathering was measured using an 8 question items. Outcomes of descriptive analysis are displayed in Table 7.

Table 7. Respondents Scores on Intelligence Gathering

	Intelligence Gathering	N	Mean	Std. Deviation	Cv (%)
1	We carry out market research at least once a year	176	3.96	0.860	22
2	We monitor customer satisfaction regularly	176	3.87	0.795	21
3	Our Senior managers from every department regularly interact with existing and future customers	176	3.95	0.771	20
4	We collect customer complaints daily	176	4.03	0.720	18
5	We communicate with customers on a regular basis	176	4.28	0.662	15
6	Our sales people are trained to spot and report marketing intelligence	176	4.10	0.766	19
7	Our firm is quick in identifying the variations in consumer's inclinations.	176	4.09	0.793	19
8	We seek customer views about our products	176	3.97	0.805	20
	Average mean	**176**	**4.03**		

Source: Primary data

Items 1 to item 8 pursued to establish the extent to which the firms were interacting with customers, these items had a high mean scores ranging from between 3.87 and 4.28. A mean score of 3.96 and a coefficient of 22% were obtained for item 1 while on item 5 a mean score of 4.28 and a coefficient of variation of 15% were obtained. The results show that large-scale manufacturing firms were engaged in regular communications and interactions with customers. The frequency of interaction with customers is an indication of good relationships between the customer and firm.

3.6.2 Intelligence Dissemination

The dissemination of market intelligence refers to how and to what level the generated market intelligence is communicated to other employees within the organization so as to create a mutual understanding and fusing focus within the firm. The dissemination is imperative in order for the organization to react successfully to new information about the market. Dissemination of market intelligence is a necessary step that enables relevant actors to access and utilize market information for the purpose of making decisions. Intelligence dissemination was measured using an 8 question items. A 5 point likert-type rating gauge stretching from 1 to 5 was used. Findings are displayed in Table 8.

Table 8. Respondents Scores on Intelligence Dissemination

	Intelligence Dissemination	N	Mean	Std. Deviation	Cv (%)
1	We hold interdepartmental gatherings at least once every three months to deliberate market tendencies and progresses	176	4.22	0.816	19.35
2	Marketing employees in our organization devote time discoursing client's impending requirements with our other sections within the firm	176	4.17	0.633	15.19
3	We hold joint opportunity analysis on new product development process	176	4.18	0.679	16.24
4	The top management in our firm consistently analyses the rivals strengths and feebleness	176	3.97	0.837	21.06
5	The firm's sales people share information about our clients and rivals consistently within the organization.	176	4.24	0.793	18.68
6	Information on client fulfillment is disseminated at all ranks in our business at systematic intervals	176	4.00	0.806	20.15
7	There is negligible interaction between marketing and other sections within the firm regarding market changes	176	4.08	0.818	20.07
8	Our marketing department sporadically distributes documents that deliver information on our consumers	176	3.74	0.797	21.28
	Average Mean	**176**	**4.07**		

Source: Primary data

The outcomes presented in Table 8, demonstrate that the mean scores for items ranged from 3.74 to 4.24. Item 5 recorded the highest score (Mean= 4.24, Cv= 18.68 %). The item was aimed at establishing the extent to which sales people share information within the organization concerning customers. It was also established that in majority of the firm's employees in sales shared information about customers openly within the firm. The findings implies that dissemination of market intelligence was encouraged by the management of large-scale manufacturing firms in Kenya.

3.6.3 Responsiveness

Responsiveness refers to the combined efforts made by the organization to conform to the circumstances in the market that involve choosing target markets, developing products and services. Efficient application of marketing intelligence improves the quality of marketing decisions and hence higher chances organizational success. Research participants were questioned on the extent to which they responded to information within the firm. The outcomes are displayed in Table 9.

Table 9. Respondents Scores on Responsiveness

	Responsiveness	N	Mean	Std. Deviation	Cv %
1	Our organization uses digital means to reach its online customers	176	4.27	0.817	19.13
2	We respond fast to our competitors product development initiatives	176	3.99	0.798	20.00
3	It takes us long to adopt on how to react to our rivals price deviations	176	3.99	0.764	19.17
4	We continuously review our products to certify that they comply with changing client needs and preferences	176	3.92	0.849	21.65
5	All departments within our organization regularly hold meetings to react to variations in the business environment	176	4.12	0.806	19.57
6	If a major rival were to introduce an rigorous program directed to our clients, we would immediately device a reaction strategy	176	3.87	0.779	20.12
7	We respond to customer complains in a coordinated manner	176	3.97	0.789	19.86
8	When we discover that our clients would like us to alter products or services, the concerned subdivisions take intensive efforts to do so	176	4.08	0.802	19.67
9	The product lines are subject to in-house politics than actual market wants	176	3.99	0.830	20.81
	Average Mean	**176**	**3.99**		

Source: Primary data

The outcomes in Table 9, display that the overall mean score observed for statements on responsiveness was 3.99 indicating that large-scale manufacturing firms in Kenya responded moderately on issues pertaining market intelligence. Organizations using digital means to reach their online customers had the highest mean score (Mean score=4.27, Cv= 19.13%) followed by the item 5 on how regularly organizations held meetings to react to variations in the business environment (Mean score=4.12, Cv=19.57%) with item 6 on how the firm would respond if a major rival were to launch a rigorous program directed to their clients, the item on implementing a reaction strategy revealed the lowest mean score (Mean score=3.87, Cv=20.12%). The results also revealed that despite the high mean scores, low variations amongst the organizational were also observed.

Item 4 that sought to identify the degree to which the firm reviewed its products to certify that they comply with the changing client needs and preferences and item 9 on whether the product lines depend on internal politics were the main concern for most firms with standard deviations of 0.849 and 0.830 respectively. Most firms concentrated on responding fast to competitor's prices changes. The overall mean scores of market orientation variables is presented in Table 10.

Table 10 Summary of Market Orientation

Market Orientation		N	Mean	Std. Deviation	Cv %
1	Intelligence gathering	176	4.03	0.457	11.35
2	Intelligence Dissemination	176	4.07	0.425	10.45
3	Responsiveness	176	3.99	0.449	11.24
	Average mean	**176**	**4.03**		

Source: Primary data

From Table 10, It is observed that intelligence dissemination had the highest mean among the variables measuring market orientation at mean score =4.07 indicating that these activities were largely carried out by most respondents in large-scale manufacturing firms. The lowest mean score among the variables measuring market orientation was 3.99 on responsiveness indicating that deployment of market orientation was a limiting factor. The overall mean score for market orientation was 4.03 implying that majority of the firms carried out the activities regarding market orientation to a great extent.

4.1 The Moderating Influence of Market Orientation on the Relationship between Customer Relationship Management Practices and firm Performance

The study assessed whether market orientation influenced the association between CRM practices and organizational performance. Market orientation was conceptualized as a moderating variable in the association between CRM practices and organizational performance. The hypothesis tested was stated as follows:

The relationship between Customer Relationship Management Practices and Financial Performance is moderated by Market Orientation

The regression results for the moderating effects of market orientation on the relationship between CRM practices and performance are displayed in Table 11.

Table 11: Regression analysis results for CRM practices, Market Orientation and Firm performance

(a) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.480[a]	.230	.210	.48457	.230	11.230	2	75	.000
2	.520[b]	.270	.241	.47503	.040	4.044	1	74	.048

(b) ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5.274	2	2.637	11.230	.000[b]
	Residual	17.611	75	.235		
	Total	22.885	77			
2	Regression	6.186	3	2.062	9.138	.000[c]
	Residual	16.698	74	.226		
	Total	22.885	77			

(c) Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coelk fficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.158	.928		1.247	.216
	CRM practices	.056	.256	.027	.219	.827
	Market orientation	.755	.185	.494	4.080	.000
2	(Constant)	6.065	2.605		2.329	.023
	CRM practices	.982	.524	.465	1.873	.065
	Market orientation	.587	.692	.384	.848	.399
	Interaction term (CRM practices and Market orientation)	.260	.129	1.194	2.011	.048

a. Dependent Variable: Firm performance
b. Predictors: (Constant), Market orientation, CRM practices
c. Predictors: (Constant), Market orientation, CRM practices, Interaction term (CRM practices and Market orientation)

Source: Primary data

The results presented in Table 11 show that market orientation and CRM practices together elucidate 21% of the change in firm performance (R^2=.210). Upon the introduction of the interaction term, the model is significant at p=0.048 implying that market orientation significantly moderates the relationship between CRM practices and firm performance. The regression coefficients for CRM practices and market orientation factors were statistically significant (β=.1.194, p-value=.048). This indicates that market orientation had a moderating effect on the association between CRM practices and firm performance.

The results show that market orientation has a positive and statically significant contribution to the connection between CRM practices and organizational performance of large-scale manufacturing firms. The regression coefficient of 0.027 implies that a unit change in CRM practices would result to a 0.027 increase in performance of large-scale manufacturing firms while a unit upsurge in market orientation would lead to a 0.494 upsurge in organizational performance of large-scale manufacturing firms. In addition, the coefficient of 1.194 indicates that change in performance when CRM practices and market orientation interact with each other.

4.2 Discussion

Numerous investigations have focused on the examining the linkage between market orientation and performance (Ghani & Mahmood, 2011; Zebal & Saber, 2014; Njeru and Munyoki, 2014) while little research have focused on establishing the moderating effects of market orientation on the association between CRM practices and firm performance. The current study demonstrates that market orientation moderates the connection between CRM practices and firm performance.

The results of the current study backs the opinion that market oriented firms and their personnel tend to be extra probable towards identifying and embracing the outcomes of market orientation that bring forth the rewards of CRM that include intelligence production, intelligence distribution and reaction inside the CRM system (Kohli et al., 1993). This infers that organizations that are not extensively market oriented may perhaps fail to realize the entire relations value that result from the enactment of CRM systems. The findings accentuate the vital role played by market orientation as an important influence in fruitful enactment and implementation of CRM practices. In the same vein, CRM implementation by an organization gives value to client connections via precise implementation of CRM practices, the associations with clients can also improve. Of specific attention is the outcome that market orientation influences and forecasts the strength of firm performance via implementation of CRM.

Although CRM practices and market orientation individually contributes towards firm performance, market orientation makes a bigger influence than CRM practices when interacting together. In order to establish and cultivate customer relationships, a market oriented culture in an organization is seen as a necessity. The findings underscore the significance of market orientation as a crucial element in fruitful execution of a CRM system. These outcomes support Gummeson's (2004) opinion that customer relationship is basically the practical use of relationship marketing ideologies that include technical competences necessary to achieve success.

The effect of market orientation functioning via CRM could aid in expounding the differing outcomes of CRM studies and market orientation. CRM execution does not at all times confirm positive outcomes or fruitful execution (Arnold, 2002; Doherty & Lockett, 2007) and market orientation is not consistently regarded as a useful predictor of firm performance (Langerak, 2003). The findings of the current study show that businesses with a robust market orientation tend to magnificently embrace and implement CRM practices to bring forth market oriented significance to clients, thereby improving relationship strength and performance. In contrast, organizations with feeble Market oriented firms are more probable to magnificently implement CRM practices to produce consumer value and increase CRM strength. The inference is that for a firm to successfully enjoy the benefits of CRM, both CRM and market orientation have to work together since none of them is adequately valuable on its own. This research makes a noteworthy input to the resource advantage theory that suggest that a firm's relational capability contribute to its organizational capital (Morgan, 2000), the current study confirmed that customer relationship management practices forms part of a firm's relational resource that result in positions of competitive advantage that result to superior performance within the firm.

4.3 Conclusion

The research investigated the moderating influence of market orientation on the relationship between CRM practices and firm performance. The outcomes established that market orientation had a moderating effect on the connection among CRM practices and firm performance. Additionally, even though both CRM practices and market orientation had an independent and positive influence on performance, market orientation had a greater contribution to performance compared with CRM practices. Based on results, it was concluded that the combined influence of CRM practices and market orientation on performance is significant. Therefore, the combined effect of CRM practices and market creates a combined effect that delivers superior firm performance. Furthermore, study supports the resource advantage theory propositions that suggest that a firm's relational capability contribute to its organization capital (Morgan, 2000), the current study confirmed that customer relationship practices forms part of a firm's relational resources that result in positions of competitive advantage that result to superior performance within the firm.

4.4 Suggestions for Further Research

The study adopted a cross-sectional research and this limits assessing the long-term influence of CRM practices and market orientation on organizational performance. Forthcoming studies could use longitudinal methodology as is more vigorous in defining the causality associations particularly in studies that are generally dynamic and long term in nature. In addition, further studies should seek to establish the antecedents of CRM practices as this would aid in enhancing a better understanding of the determinants of CRM practices in firms thereby permit organizations to make more informed decisions with regard to CRM investments.

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