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MARKETING PRACTICES, MARKET ORIENTATION AND PERFORMANCE OF TOUR FIRMS IN KENYA: A MEDIATED APPROACH

Winnie G. Njeru, PhD[1] Francis N. Kibera, PhD[2]

ABSTRACT *The study objectives was to assess the mediating effect of marketing practices on the relationship between market orientation and performance of tour firms in Kenya. Extant literature suggests that the relationship between market orientation and firm performance may be mediated. While the conceptual arguments for such a relationship are well established, empirical evidence on the precise nature of this link has been both limited and ambiguous. The current study provides further evidence on the positive links between market orientation and firm performance through a mediated approach. The study population comprised 104 tour firms registered with Kenya Association of Tour Operators. A descriptive cross-sectional survey was used. Primary data were collected using semi-structured questionnaires. Data were analyzed using descriptive statistics, inferential statistics and regression analysis. The results of the study revealed a mediating effect of marketing practices on the market orientation and firm performance relationship. Specifically, the results show that marketing practices partially mediate the market orientation and firm performance relationship as* R^2 *increased from .307 to .634. The regression coefficient reduced from .575 to .572 and was statistically significant at 0.05 level of significance. The study offered further credence into the positive relationship between market orientation, marketing practices and performance through a mediation approach in Kenyan tour firms.*

Keywords: Marketing practices, market orientation, tourism, tour firms, firm performance

[1] Lecturer, School of Business, University of Nairobi *winnie.njeru@uonbi.ac.ke*
[2] Professor of Strategic Marketing Management, School of Business, University of Nairobi

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Introduction

Market orientation has been recognized by scholars and practitioners as the cornerstone of modern marketing thought, a key source of competitive advantage and one of the determinants of superior firm performance. In a rapidly changing market place characterized by ever changing customer needs and preferences, rapid technological advances, globalization, deregulation of markets and complex competitive landscape, firms must continually anticipate changing customer needs and preferences; monitor competitor activities and configure their internal resources and operations more effectively and efficiently than their competitors.

To achieve this, firms develop a market orientation which facilitates the coordinated application of resources focused on delivering superior customer value, generate, disseminate and utilize market information (Narver & Slater 1994; Kohli & Jaworski, 1990). The concept of market orientation is grounded on the marketing concept and forms the foundation of implementing the marketing concept within the organization (Kirca, et al. 2005). According to Kotler (2003), firms that operate according to the marketing concept create profits through customer satisfaction. The primary objective of market orientation is to deliver superior customer value, which is based on knowledge derived from competitor and customer analyses and the process by which this knowledge is gained and disseminated throughout the organization (Narver & Slater 1990, Kumar, et al. 2011). Firms that are market oriented deliver superior customer value and outperform firms that have low degrees of market orientation (Deshpande et al.1993; Jaworski & Kohli, 1993; Narver & Slater, 1990)

The tourism and travel sector has been seen to grow at a faster rate than both the wider economy and other significant sectors such as financial services and health care among others (World Travel and Tourism Council, 2015). In Kenya, the tourism sector is the largest contributor to GDP after agriculture and manufacturing. In 2014, the sector generated USD 7.6 trillion which translates to 10% of global Gross Domestic Product (GDP) and 277 million jobs for the global economy while in Kenya, the total employment contribution was 543,500 jobs translating to 9.2 % and 10.5 % of the Country's GDP (Travel and Tourism Council, 2015). The performance of the tourism sector in Kenya has however been characterized by fluctuations both in revenue and visitor arrivals, slow-down in the global economy, negative travel advisories by western countries following security concerns, increased global competition and inadequate marketing strategies.

The tourism industry comprises different types and sizes of businesses such as accommodation and transportation providers, catering and entertainment providers, tour firms and travel agencies. According to Budeanu (2009) tour firms have been identified as the central link in the tourism distribution chain and the most influential actors in the industry. As the intensified competition for tourists and the accompanying revenue that they generate for a firm and the economy increases, the emphasis on tourism is evident (Harrison, 2001). It is against this background that countries have continued to accord significant attention to the tourism

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industry. The tourism product is unique in that consumption is at the point of production (in situ) unlike other products and services (Dieke, 2001).

According to Sigala (2008), tour firms can influence volume and direction of tourism flows in the chosen destination. The intensified competition for the tourism markets has also led to the relevance of market orientation as an important strategy for the success of tour firms as they market and grow destinations in their tourism packages.

Firms seeking to remain competitive and achieve superior firm performance have to anticipate what their customers want and at the same time determine if they are satisfied with the firm's products and services. A firm's success in today's turbulent and dynamic business environment is dependent on adopting the changing and evolving customer needs and preferences. In a stable market place with unchanging customer needs and preferences, fewer strategic marketing strategies are required and therefore a lower degree of market orientation (Kohli & Jaworski, 1990). The Kenyan business environment in general and specifically the tourism sector cannot be classified as stable and therefore tour firms may are expected to adopt market orientation and marketing practices in order to achieve superior performance.

The concept of market orientation and the positive effect it has on firm performance has received considerable attention in developed economies (Jaworski & Kohli 1993, Slater & Narver 1994, Pulendran et al. 2000). Market orientation has been widely accepted to be a market driver that enhances firm performance in the developed economies (Kirca et al. 2005; Ellis,2006). Conversely, findings from developing economies have been mixed and ambiguous. Where studies have been carried out in developing countries, researchers have occasionally failed to find a positive market orientation and performance relationship and questioned its generalizability (Ngai & Ellis 1998; Appiah-Adu & Singh, 1998). Different scholars and researchers have conceptualized and assessed the construct differently resulting in diverse measurement models and performance implications. When investigating the impact of market orientation on firm or Strategic Business Unit (SBU) performance, some studies have provided mixed results (Harris, 2001; Jaworski & Kohli, 1993); Non-significant or negative relationships (Diamantopoulos & Hart 1993; Greenley, 1995; Kumar, et al. 2011). In addition, there are limited studies on the market orientation and performance in Kenya and Nigeria (Winston &Dazie, 2002; Njeru 2013).

While many scholars have studied and suggested a direct relationship between market orientation and firm performance, others have suggested a moderated link (Matsuno, Mentzer, & Rentz, 2000) or a mediated link (Narver & Slater, 1994a; Day & Wensley, 1988; Han et al., 1998; Hult, et al. 2001). Some studies provide evidence that the market orientation and performance relationship is partially mediated or fully mediated (Baker & Sinkula, 1999; Chang & Chen, 1998; Matear, et al. 2002). There is therefore need to empirically investigate the relationship between market orientation marketing practices and firm performance.

Literature Review

The Resource based view of the firm suggests that performance is based on the resource profile of the firm and explains why some companies enjoy superior financial performance. (Wernerfelt, 1984). For firms to achieve sustainable competitive advantage, they must possess key resources, capabilities and attributes which are valuable rare, difficult to imitate and not substitutable which are in turn effectively deployed in the chosen markets (Baker & Sinkula, 2005). Firms with superior capabilities are better placed to generate information, develop goods and services that meet customer needs and wants. Day (1994) argues that intangible assets such as market orientation, organizational learning and knowledge management allow firms to develop abilities that can enhance performance.

There exist diverse definitions of market orientation by different scholars. According to Shapiro (1988) market orientation is seen from a decision making perspective and represents a set of processes touching on all aspect of the company. Kohli and Jaworski (1990) view market orientation from the information processing activities. They define market orientation as the generation and dissemination of organization wide information and the appropriate responses to customer needs, preferences and competition. On their part, Narver and Slater (1990), view market orientation as a set of behavioral components comprising three behavioral components; customer orientation, competitor orientation, and inter-functional co-ordination and two decision criteria; long-term focus and profitability that most effectively and efficiently develops necessary behaviors for the creation of superior customer value.

Ruekert (1992) observes market orientation as an organizational strategy process and defines the level of market orientation in a business unit as the degree to which the business unit obtains and uses information from customers; develops a strategy which will meet customer needs; and implements that strategy by being responsive to customer needs and wants. Deshpande et al. (1993), defines market orientation as customer orientation and is viewed as the business culture. Customer orientation is therefore a set of beliefs that puts the customer's interest first while not excluding those of other stakeholders. Day (1994) emphasizes superior organizational skills in understanding and satisfying customers while Homburg and Pflesser, (2000) put forth an integrationist approach.

The indicators of measuring firm performance are not universally agreed upon. Different scholars have used different definitions of the term performance which is tailored to fit the individual research purpose (Langfield-Smith & Chenhall, 2007). Venkatraman and Ramanujam (1986) classify performance measures according to different firm levels such as financial indicators (purely economic indicators), non-economic indicators (such as market share), product development or production efficiency and organizational effectiveness. On their part, Kaplan and Norton's (1996) balance scorecard, firm performance is viewed as a multi-dimensional construct which include financial, operational and customer-related performance measures. Lusthaus et al. (1999) propose the

organizational assessment (OA) framework to measure firm performance. They suggest that performance can be measured in terms of effectiveness, efficiency, relevance and financial viability. They define effectiveness as the degree to which an organization moves towards the attainment of its mission and realization of its goals; efficiency as the firm's ability to maximize the use of resources to reach its purpose; relevance as the ability to change to meet stakeholder requirements over time and financial viability as the ability to generate and manage resources adequately to ensure ongoing existence. Similary, Ruekert and Walker (1987) opine that firm performance is based on three dimensions; effectiveness (success of procedures such as changes of sales growth rate and market), efficiency (ratio of input to output such as investment return and pre-tax profit) and adaptability (responsiveness to opportunities afforded by changes in the business environment for example, number of new products that succeed during a particular time).

Economic and non-economic performance measures have also been considered over time in an effort to assist marketers fully understand the performance consequences of their strategies (Matsuno & Mentzer, 2000). Economic firm performance dimensions in the market orientation literature include return on investment, return on assets, profit, sales volume, market share, revenues, product or service quality and overall financial position. Non-economic measures encompass customer loyalty, customer satisfaction and employees' organizational commitment, company image and social acceptance (Narver & Slater, 1990; Jaworski &Kohli, 1993). Bourne et al. (2003) view performance measurement as the process of quantifying the efficiency and effectiveness of an action. They argue that effectiveness is the extent to which customer requirements are met, while efficiency is a measure of how cost-effectively the firm's resources are utilized when providing a given level of customer satisfaction. According to Hubbard‘s (2009) Sustainable Balanced Score Card, organizational performance is measured in terms of financial, internal process, customer/market, learning and development, social and environment.

Marketing is a business practice that focuses on the importance of having a profound appreciation for the customer so that the marketer can match or surpass the needs of the intended customer better than the competition and as a result provide the organization with a sustainable competitive advantage (Moloney et al. 2005). Marketing mix is a fundamental concept in marketing, a major determinant of any firm's short and long- term success and a differential advantage in any marketing environment.

Majority of firms have adopted the traditional concept of marketing mix elements which consists of product, price, place and promotion. Ghouri et al. (2011) opine that efficient practice of implementing marketing practices can contribute to the growth of a business in terms of sales volumes, goodwill, market share and competitiveness. Organizations with a well-integrated marketing programme can transform resources into valuable inputs which enable firms to achieve a competitive advantage (Day, 1994; Vorhies & Morgan, 2005).

According to Avlonitis and Gournatis, (1999) marketing practices are defined in terms of marketing capabilities, competencies, efficiency, strategies and marketing orientation. Kotler (2003) asserts that marketing strategies are procedures by which firms react to situations of market and internal forces that enable firms to achieve their goals and objectives in their target markets through product, price, place and promotion decisions. Ellis (2005) contends that marketing practices comprises the firm's management of the marketing mix variables, the value of its market research, the appropriateness of its positioning strategies and the nature of its marketing goals. To deploy market orientation and achieve superior firm performance, a well-designed marketing functional process comprising the Ps of marketing is required for superior firm performance. Firms with distinctive marketing practices can outdo their competitors by reaching and satisfying target customers more effectively and efficiently.

The extant literature indicates a blurred link between market orientation and marketing practices (Akimova, 2000). As a result, some scholars have used the market orientation and marketing mix interchangeably (Oyedijo, et al. 2012). However, Ellis (2005) argues that market orientation is external as it is concerned with markets and the implementation of the marketing concept while marketing practices are concerned with the performance of the marketing functions and activities within the firm. Specifically, marketing practice is concerned with the efficient management of the marketing mix elements. Marketing practices have also been described as the connecting link that can transform a new solution, develop new approaches of communication, and provide the right range of the pricing strategies and places products at the right time and for the target customers (Shin, 2012). In this regard, previous scholars suggested that market orientation influences firm performance indirectly through intervening variables and this relationship should be explored further (Pelham, 1997; Slater & Narver, 1994b).

Extant literature shows that firms with a high degree of market orientation leads to outcomes such as short term improvement in sales and profitability growth, market share, new product success, customer satisfaction, efficiency, effectiveness and return on assets (Kirca, et al. 2005; Langat et al. 2012; Njeru & Kibera, 2014). While the initial studies hypothesized a direct market orientation and performance relationship (Kohli & Jaworski, 1990; Narver & Slater, 1990), later studies proposed a mediated (Day & Wensley, 1988; Han et al. 1998; Hult, et al. 2005) or moderated (Chou, 2009; Matsuno, Mentzer, & Rentz, 2000; Njeru & Munyoki, 2014) approach. Market orientation has been found to indirectly influence performance through innovativeness, customer outcomes (loyalty and perceived quality) and new product development proficiency (Kirca et al. 2005). Some studies further suggest that factors such as superior customer value, lower relative costs, proficiency in customer relationship management and supply chain management mediate the market orientation and performance relationship (Narver & Slater, 1994; Martin & Grbac, 2003; Srivastava et al.1999).

Akimova (2000) studied 221 Ukranian firms and combined market orientation measures as a guiding philosophy of the firm and

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marketing practices measures such as product promotion and positioning. The study findings showed that managers who placed extra emphasis on marketing activities such as product, promotion and positioning strategies scored significantly higher on competitive advantage measures than those who emphasized on production or selling activities. Moreover, firms adopting the marketing practices enjoyed higher profits, greater sales volume and better return on investments. The study concluded that firms require well-designed marketing functional strategies and processes to implement the market orientation so as to achieve superior performance.

In another study, Bodlaj and Rojsek (2010) studied 325 manufacturing and selected services industries companies in Slovenia and concluded that firms should raise their level of market orientation by timely recognition of changes in customer needs and wants and buying behaviour of existing and potential customers in order to enhance knowledge about customers. They suggested that this can only be done through effective adoption of marketing mix to selected target markets; taking corrective steps in the case of customer complaints as soon as possible; and quick response to competitor activities. Shin's (2012) study on 285 Korean organizations also concluded the link between market orientation and business performance is indirect. The findings indicated that without the marketing mix capabilities, market orientation measured by customer orientation, competitor orientation or inter-functional coordination dimension did not directly contribute to better firm performance. The study concluded that, as critical mediators, the product and marketing communication capabilities adequately link market orientation and business performance.

Oyedijo at al., (2012) study investigated the impact of marketing practices on firm performance of 160 small business enterprises in Lagos Nigeria and found a strong positive relationship between the marketing practices and organization performance measured in terms of customer satisfaction and retention. In the same vein, Ayanda and Adefemi's (2012) study investigated the relationship between marketing practices and performance of 117 businesses in Nigeria and concluded entrepreneurial businesses that had good marketing practices performed more efficiently than those without.

The reviewed extant literature shows diverse definitions of what constitutes market orientation, marketing practices and firm performance. While some scholars draw a clear distinction between market orientation and marketing practices constructs (Ellis, 2005), others fail to distinguish between the two concepts (Akimova, 2000) and have used the term interchangeably. Firm performance definition and measurements have also been controversial with some scholars advancing a direct relationship between market orientation and performance and others supporting the view of an indirect relationship. There is therefore a theoretical and practical need for empirically investigation this relationship.
The hypothesis to be tested is:

The relationship between market orientation and firm performance is significantly mediated by marketing practices

Research Methodology

A descriptive-cross sectional survey design was used in this study. The study targeted a sample of 104 firms in category A and D of firms registered with the Kenya Association of Tour Operators as at July 2012. Secondary data were collected from publicly available sources while primary data were collected using a semi-structured questionnaire anchored on a 5 point Likert type scale ranging from 1 (not at all) to 5(to a very large extent). The respondents were the chief executives, marketing managers and owners of the tour firms.

Cronbach's Alpha coefficient was used to test reliability of the research instrument. A pilot test was conducted to enhance validity of the study. The research instruments were developed using measures from previous studies with minor adjusts to reflect the Kenyan tourism context (Narver & Slater, 1990; Lasthaus et al.1999; Morgan et al. 2009; Lada, 2009).

Results and Discussion

The study set out to establish the influence of marketing practices on the market orientation and performance relationship of tour firms in Kenya. The pertinent responses were analyzed using mean scores and the corresponding standard deviation. Table 1 summarizes the pertinent results.

Table 1: Summary of Market Orientation, Marketing Practices and Firm Performance

Thematic Area	Item Description	N	Mean Score	SD
Market Orientation	Customer orientation	59	4.32	.692
	Competitor orientation	59	4.33	.712
	Inter-functional coordination	58	4.31	.718
Average score		**59**	**4.32**	**.707**
Marketing Practices	Product	60	4.14	.666
	Price	59	4.01	.782
	Place	59	4.43	.682
	Promotion	59	4.07	.756
	Probe	60	4.29	.724
Average score		**59**	**4.19**	**.722**
Firm Performance	Customer satisfaction	59	4.18	.766
	Customer retention	59	4.23	.964
	Employee satisfaction	59	3.62	1.25
	Effectiveness	58	4.15	.880
	Efficiency	59	4.13	.871
	Relevance	59	4.19	.876
	Financial viability	59	4.32	.773
Average score		**58**	**4.18**	**.911**
Overall mean scores			**4.23**	**.780**

Source: Primary data

The results in Table 1 reveal that the average mean scores for the selected study variables were 4.23 and SD .780. The results show that market orientation had highest mean scores of 4.32, SD=.707 (to a large extent) followed by marketing practices with an average mean score of M=4.19, SD=.722. The relatively low overall mean score was recorded by firm performance (M=4.18, SD=.911). The implies that the tour firms have developed on organizational culture that delivers superior value to customers, implemented marketing mix practices effectively and efficiently and recorded high performance.

Regression Analysis and Hypothesis Testing

The study set out to assess the influence of marketing practices on the relationship between market orientation and firm performance. Baron and Kenny's (1986) method was used to test for mediation.
The pertinent results are shown in Table 2.

Table 2: Results of Firm Performance on Market Orientation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.575(a)	.330	.310	.04353

Anova

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.031	1	.031	16.272	.000
	Residual	.063	33	.002		
	Total	.093	34			

Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.456	.101		4.499	.000
	market orientation	.458	.114	.575	4.034	.000

Predictors: (Constant), Market Orientation
Dependent Variable: Firm Performance

Source: Primary Data.

The results in Table 2 show that market orientation explained 33 % of the variation in firm performance (R^2=.330). The results indicate that the overall model is statistically

significant at α=.05. The first step implies that market orientation is significant predictor of firm performance.

In the second step, a regression analysis to assess the relationship between market orientation and marketing practices was conducted. In this step, market orientation was treated as the independent variable and marketing practices as the dependent variable. The results are summarized in Table 3.

Table 3: Regression Results of Marketing Practices on Market Orientation

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
	.201	.040	.020	.08813

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
	Regression	.015	1	.015	1.941	.170
	Residual	.357	46	.008		
	Total	.372	47			

Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	.607	.160		3.788	.000
	Market Orientation	.254	.182	.201	1.393	.170

Predictors: (Constant), Market Orientation
Dependent Variable: Market Mix Practices

Source: Primary Data.

The results in Table 3 reveal that market orientation explains 4 % of the variation in marketing practices (R^2=.040). The results of the overall model indicates that the relationship between market orientation and marketing practices is positive though not statistically significant at α=.05 (F=1.941, p-value=.170). This means that market orientation may not predict marketing practices outcome of the tour firms. The beta coefficients indicate that no statistically significant linear relationship between marketing practices and market orientation was detected (β=.201, p=.170).

In the third step a regression analysis was performed and the betas examined for the strength, direction and significance of the relationship. In step one, firm performance was regressed on the marketing practices and in step two, and firm performance was regressed on market orientation to assess if there was a significant change. When controlling for the effects of the marketing practices on firm performance, the effect of the market orientation on the firm performance should no longer be statistically significant at α=.05. The relevant results are summarized in Table 4.

Table 4: Regression Results of Firm Performance on Marketing Practices and Market Orientation

Model Summary

Model	R	R^2	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R^2 Change	F Change	df 1	df 2	Sig. F Change
1	.554(a)	.307	.286	.04492	.307	14.193	1	32	.001
2	.796(b)	.634	.611	.03317	.327	27.698	1	31	.000

ANOVA

Model		Sum of Squares	Df	Mean Square	F	Significance p-value
1	Regression	.029	1	.029	14.193	.001
	Residual	.065	32	.002		
	Total	.093	33			
2	Regression	.059	2	.030	26.867	.000
	Residual	.034	31	.001		
	Total	.093	33			

Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t-value	Significance p-value
	B	Std. Error	Beta		
(Constant)	.173	.095		1.815	.079
Marketing practices	.337	.067	.551	5.073	.000

Market Orientation	.459	.087	.572	5.263	.000
Predictors: Marketing Practices, Market Orientation **Dependent Variable: Firm performance**					

Source: Primary Data.

The results in Table 4 show that marketing practices explained 31% of the variation in firm performance (R^2 =.307). At step 2, market orientation, added significantly to the firm performance as the variation increased from .307 to .634 (R^2 change=.327 p-value=.000). The results revealed that the variance explained by marketing practices is significant (F=14.193, p-value=.001). The results also revealed that the regression coefficients for market orientation reduced from .575 to .572 when marketing practices were added to the regression model suggesting that marketing practices may be exerting a partial mediating effect. Table 5 presents a summary of the mediated regression analysis.

Table 5: Summary of Mediating Effect of Marketing Practices on the Relationship between Market Orientation and Firm Performance

Step	R	R^2	R Square change	B	Significance (p-value)
Analysis one: Firm performance on market orientation	.575	.330		.575	.000
Analysis two: Marketing practices on market orientation	.201	.040		.201	.170
Analysis three: Step 1:Firm performance on marketing practices	.554	.307		.551	.000
Step 2: Firm performance on market orientation	.796	.634	.327	.572	.000

Source: Primary Data.

The results in Table 5 show that the correlation between market orientation and performance was moderate and statistically significant at α=.05 (r=.575, p-value=.000) while that of marketing practices on market orientation was weak and not statistically significant (r=.201, p-value=.170).

The mediated relationship is represented in Figure 1.

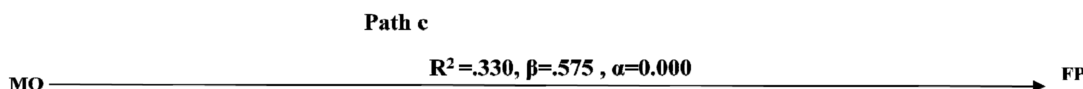

Figure 1 (a): Part A: Overall Direct Effect

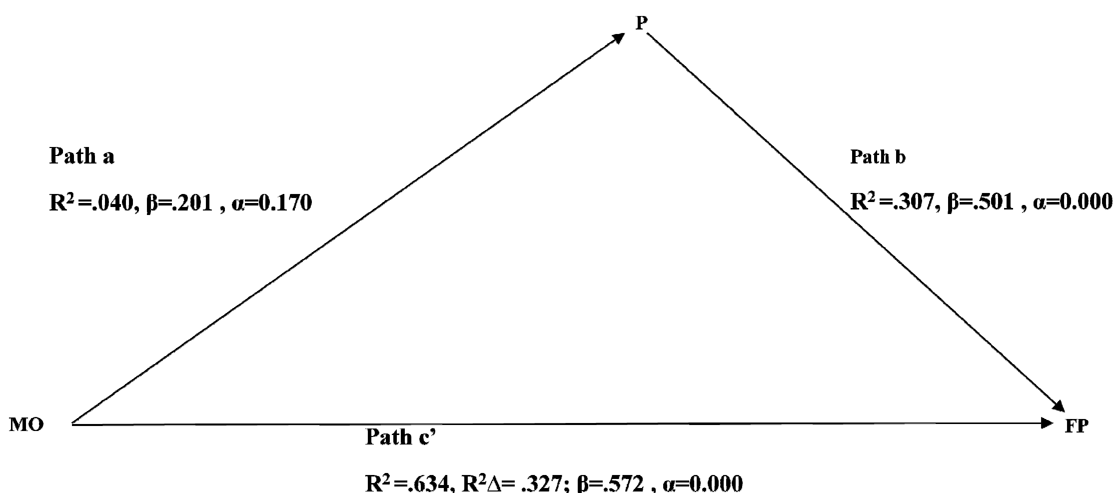

Figure 1 (b) Part B: Path Diagram for Mediation Effect of Marketing Practices

The results support the hypothesis that market orientation significantly influences performance through marketing practices. The pertinent results show that R^2 increased from .307 to .634 when marketing practices were included (.307+.327=.634). The results imply that marketing practices explain an additional 32.7% of the variation in firm performance. The results indicate that the effect of market orientation on firm performance in the final step of the analysis (path c') is statistically significant at α=0.05. The regression coefficient declined from β=.575 in path "a" to β=.572 in path c' and was statistically significant at α=0.05. This implied partial mediation. That is, marketing practices influence the relationship between market orientation and firm performance.

Discussions

The objective of the study was to assess the influence of marketing practices on the market orientation and performance relationship. The study established a positive and statistically significant relationship between market orientation and performance of the tour firms surveyed in Kenya. This implies that to achieve superior performance, firms need to be operate on a customer lead approach, be competitor oriented and strengthen inter-functional integration so as to create superior customer value and enhance performance.

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Marketing practices are the controllable factors that managers can alter to meet company goals and objectives leading a firm's competitive position. The study established the influence of marketing practices on the relationship market orientation and performance relationship. This calls managers to efficiently and effectively implement marketing practices which in turn can enable firms achieve a competitive advantage and superior performance.

Conclusions

The study provides support for the hypothesized relationship between market orientation, marketing practices and performance. The study validates previous assertion that firms that are market orientated firms are better equipped to satisfy customer needs and preferences and have superior performance. This is consistent with extant literature that increased market orientation leads to increased firm performance (Narver & Slater, 1990; Mahmoud, 2011). The framework of the mediated model gives a deeper understanding on the market orientation and performance relationship in a developing country context.

The sample of this study is confined to the tour firms thus limits generalizability of results to other firms. Future research should consider examining whether the relationships reported differ across sectors, non- profit organization, include additional variables and other business orientations which would provide better understanding of market orientation and performance relationship in a developing economy such as Kenya.

Implications of the research findings

The study adds to the existing market orientation literature by assessing the influence of marketing practices on the market orientation and performance relationship. The results suggest that market orientation is likely to predict firm performance through intermediate routes such as marketing practices which in turn result to enhanced firm performance. The study also underscores the importance of managerial emphasis on the creation of market oriented firms. The market orientation concept can assist managers develop an organization culture that supports behaviors that are consistent with market orientation to develop relevant marketing strategies to are geared towards creating customer value, desired levels of growth; market share and as a result achieve desirable levels of firm performance. The tourism industry plays a key economic factor in delivering the vision 2030 agenda. The market orientation concept as a strategic marketing model and implementation of marketing practice is of great interest to policy makers whose objective is to growth and sustainability of the tourism sector.

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