Market Orientation and Firm Competitiveness of Energy Firms in Port Harcourt

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Abstract
The study examined the relationship between Market Orientation and Firm Competiveness of Energy firms in Port Harcourt. The study adopted the positivism approach; the correlational survey research design was adopted. The population of the study comprised of 21 energy firms. The primary data were collected from 63 staff of 21 energy firms in Port Harcourt. The researcher issued the questionnaire in a frame of three copies per firm. The Cronbach Alpha (α) was used in the course of this study to determine the reliability coefficient for the dimensions of market orientation. The Spearman Rank-Order Correlation Coefficient was employed to test the various hypotheses formulated. It was confirmed that market orientation showed a positive and significant relationship with firm competiveness of energy firms in Rivers State. The results of this study proved this as the dimensions of market orientation (customer orientation and competitor orientation) were found to be significant predictors of firm competiveness. Since all the dimensions of market orientation are significant predictors' firm competiveness. It is therefore concluded that market orientation are significant predictors of firm competiveness of energy firms in Rivers State. The study recommends that energy firms in Rivers State should be customer oriented as it would help them improve their market competitiveness and they should be competitor's oriented as it would monitor the activities of their rivals and increase their level of competitiveness.

Keywords: *Market Orientation, Customer Orientation, Competitor's Orientation and Firm Competiveness.*

Introduction

Gaining a competitive advantage is something every company strives for since it usually means more profits and more growth (Li & Wang, 2019). Lavy (2008) argues that in a highly competitive market, organisations always aim to increase sales in order to surpass their competitors. According to Yee et al. (2013), businesses may get an edge in the market by catering to their customers' wants and requirements more effectively, which in turn increases sales and keeps market share stable. Being market-oriented greatly helps a company become more competitive in the market, as Lopez-Fernandez (2019) pointed out. According to Hunt and Morgan (1996) and Slater and Narver (1995), organisations may establish a solid basis for long-term competitive advantage by adopting a market orientation strategy, which helps them adapt effectively to market needs. To do this, it is necessary to constantly monitor market demands and competition strengths, and then use this information to provide exceptional value to customers. Decisions are based on the long-term and on profitability, according to Narver and Slater (1990), who defined market orientation as a multidimensional notion that includes customer orientation, competitor orientation, and inter-functional coordination. As stated by Day and Wensley (1988), customer orientation entails consistently providing greater value by understanding customer needs.

On the other hand, competitor orientation involves evaluating competitors' strengths, weaknesses, and behaviour in order to meet customers' changing needs (Narver & Slater, 1990; Shin, 2012). Three behavioural processes—intelligence production, dissemination, and responsive action—were highlighted by Kohli and Jaworski (1990) when they examined market orientation from an information-processing viewpoint. Scholars such as Ogbonna and Ogwo (2013), on the other hand, took a rather different tack. Slater and Narver (1994) investigated the impact of competitive environments on the market orientation-performance relationship, while Bylon and Jerry (2019) incorporated innovation as a moderating variable in the performance of SMEs. Other research have investigated market orientation in different settings. While Grewal and Tansuhaj (2001) discovered that intense competition might diminish this association, Nkowah (2008), citing variables such as government policies and currency devaluation, found no clear correlation between market orientation and success in Nigeria's food and beverage industry. In light of these contradictory results and lack of background information, the current study set out to fill that void by investigating the connection between market orientation and business competitiveness among energy companies operating in Rivers State.

1.2 Statement of the Problem

Improving their competitiveness is one of the main obstacles that energy companies must overcome. The market has grown more competitive due to the huge concentration of energy businesses in Rivers State. In order to stand out in the competitive business landscape, companies need to implement market orientation strategies that prioritise consumers, keep an eye on the competition, provide high-quality service at a competitive price, and come up with new products and services. Energy service prices are very important to consumers in Rivers State and throughout Nigeria, therefore it's important for businesses to find a happy medium between generating a profit and keeping prices low. Another significant challenge in this highly competitive market is sustaining high-quality customer service. When customers contact a business with questions, concerns, or requests for service, the business must respond quickly and effectively. This study set out to address these issues by examining how energy companies in Rivers State fared in regard to their market orientation and level of competition.

Conceptual Framework

The conceptual framework of market orientation and firm competiveness of energy firms in Rivers State.

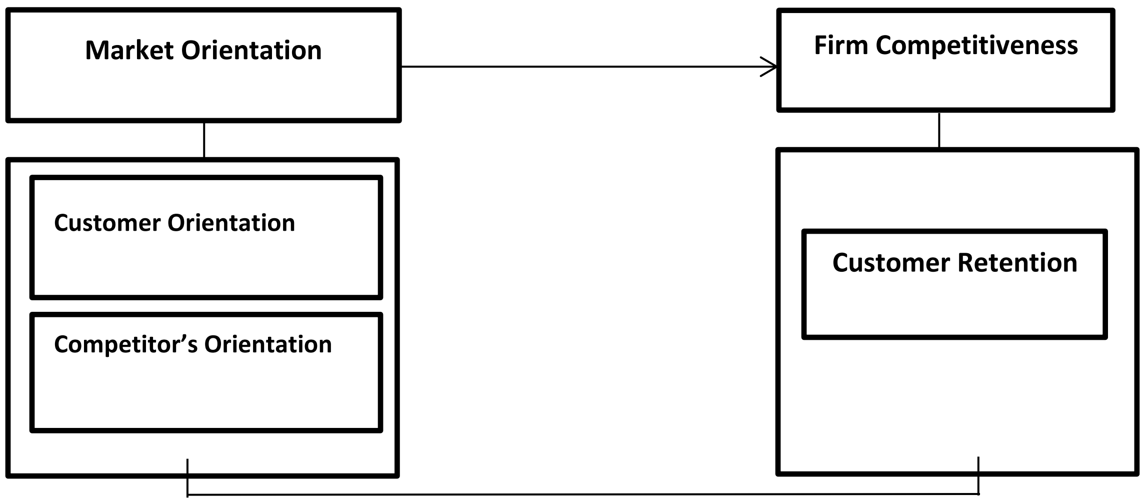

Fig.1.1: Conceptual framework showing the relationship between market orientation and firm competiveness of Energy firms in Port Harcourt.

Source: Ogbonna & Ogwo (2013); Kohli & Jaworski (1990).

1.3 Aim and Objectives of the Study

The aim of this study was to examine the relationship between Market Orientation and Firm Competiveness of Energy firms in Port Harcourt. In order to achieve this broad aim, the study intends to:

i. ascertain the relationship between customer orientation and customer retention of energy firms in Rivers State.
ii. determine the relationship between competitor's orientation and customer retention of energy firms in Rivers State.

1.4 Research Hypotheses

The following hypotheses were formulated and tested:

$H0_1$: There is no significant relationship between customer orientation and customer retention energy firms in Rivers State.

$H0_2$: There is no significant relationship between competitor's orientation and customer retention energy firms in Rivers State.

2.0 Review of Related Literature

2.1 Conceptual Review

2.1.1 Market Orientation

The importance of a market orientation strategy in improving a company's performance and competitive advantage has been discussed more and more in academic and management circles. A market orientation is defined by Kohli and Jaworski (1990) as the following: the creation of market intelligence about present and future client demands, its transmission across departments, and the organization's reaction to this intelligence. To successfully anticipate and respond to consumer expectations, this concept highlights the behavioural processes and cross-departmental cooperation that are necessary. Likewise, market orientation is defined by Narver and Slater (1990) as an organisational culture that efficiently and effectively fosters the actions that lead to the production of higher buyer value and, by extension, superior company success. Customer orientation, competitor orientation, and inter-functional coordination are the three pillars upon which their framework rests. Two decision-making criteria, long-term focus and profitability, round out their framework. Strategic results are driven by this definition's emphasis on customer demands, competitive awareness, and internal alignment.

A more dynamic view is offered by Hult, Ketchen, and Slater (2005), who define market orientation as an organisational competence that describes the firm's capacity to collect, communicate, and utilise market data to direct strategy and execution. Their perspective highlights the knowledge-based and adaptable parts of market orientation in the current unpredictable economic climate. They contend that competing forces can be better managed and that companies with a strong market orientation will be better able to weather shifts in the market. Market orientation, according to Kirca et al. (2005), is an approach that involves many departments working together to identify and meet consumer demands. They show how important it is for a company's marketing efforts to be in sync with what customers want and what the market is doing. In addition, their research shows that market orientation has a major effect on financial and non-financial performance metrics for businesses in different industries. In light of the above, we define market orientation in this research as the concerted effort to better serve customers, gain an advantage over the competition, and strengthen our company's position in the market via the coordinated efforts of all relevant departments. This concept highlights the importance of market orientation in maintaining company competitiveness in a continually shifting marketplace, but also capturing its cultural and behavioural essence (Narver & Slater, 1990; Kohli & Jaworski, 1990; Hult et al., 2005; Kirca et al., 2005).

2.1.2 Customer Orientation

Market orientation is incomplete without customer orientation, which is a cornerstone of customer orientation and a well-respected strategic instrument for increasing customer happiness and maintaining company performance over the long run. One definition of customer orientation offered by Narver and Slater (1990) is the ability to consistently provide higher value to target purchasers through a thorough awareness of their needs. Using this notion as a guide, businesses should always try to guess what their customers want and then tailor their operations to meet those demands more effectively than the competition. One of the key components of market orientation, according to Kohli and Jaworski (1990), is customer orientation. This entails gathering market data about consumer wants, sharing this knowledge throughout the organisation, and responding coordinatedly to it. The behavioural component of customer orientation and the necessity of promptly responding to evolving consumer preferences are emphasised by their method. From a cultural point of view, Deshpandé, Farley, and Webster (1993) describe customer orientation as the belief system that prioritises the needs of customers over those of other stakeholders, including owners, managers, and workers. According to this point of view, the principles and tenets that govern the way a business operates and makes decisions should centre around the needs of its customers.

In addition, customer orientation is defined by Brady and Cronin (2001) as the capacity of an organisation to identify, comprehend, and fulfil the changing demands and expectations of consumers through proactive involvement and adaptable tactics. The ever-changing needs of customers and the need for swift strategic responses are central to their definition. Homburg, Müller, and Klarmann (2011) expand on these views by arguing that customer orientation is best understood as the actions of individuals who are dedicated to providing value to customers in all their dealings with the company. At the individual and organisational levels, this exemplifies how customer orientation is becoming more operational. Drawing from the aforementioned definitions and scholarly insights, this study proposes customer orientation as the organisational commitment to understanding, anticipating, and satisfying customer needs in a manner that enhances competitive positioning and delivers superior value (Narver & Slater, 1990; Kohli & Jaworski, 1990; Deshpandé et al., 1993; Brady & Cronin, 2001; Homburg et al., 2011).

2.1.3 Competitor orientation

Understanding the present and future rivals' strengths, weaknesses, plans, and activities in order to get a lasting competitive advantage is the primary goal of competitor orientation, a crucial component of market orientation. When a company is competitor-oriented, it knows its rivals' short- and long-term strengths and weaknesses, as well as their plans and capabilities (Narver and Slater, 1990). With this knowledge, businesses can foresee what their competitors will do next and adjust their tactics appropriately. A crucial component of market intelligence, according to Kohli and Jaworski (1990), is a focus on competitors. They imply that in order for businesses to stay ahead of the competition, they need to keep tabs on what their rivals are up to, exchange this information across divisions, and act swiftly when faced with new information. Both information gathering and interdepartmental reaction to rival behaviour are emphasised in this method. Alternatively, Day and Wensley (1988) state that, in order to provide more value for customers, a competitor orientation must include studying and assessing rival products. They believe that businesses should not rest on their laurels but instead constantly evaluate how their value offers stack up against the competition in the perspective of their target audience.

A company's market-oriented culture should also have a competition orientation, according to Homburg and Pflesser (2000). They say it's the degree to which a company makes its workers pay attention to what their competitors are doing and react accordingly, fostering an environment where everyone is encouraged to make proactive strategic decisions. A more current study by Wang et al. (2019) highlights the importance of competitor orientation in helping businesses to foresee shifts in their competitive landscape and quickly implement novel and flexible tactics to deal with them. According to their findings, focussing on the competition improves a company's responsiveness and placement in the long run. This study derives its definition of competitor orientation from the following sources: Narver & Slater (1990), Kohli & Jaworski (1990), Day & Wensley (1988), Homburg & Pflesser (2000), and Wang et al. (2019). It is a continuous and intentional process through which a firm gathers and uses intelligence about its competitors to stay ahead of the competition, provide better value to its target market, and establish a strategic position.

2.1.4 Firm competitiveness

A competitive firm is one that can outperform its competitors in the marketplace time and time again via providing better value to consumers, streamlining internal operations, and sustaining profitability over the long run. To be successful, a company must be able to differentiate itself from the competition, achieve cost leadership, or concentrate on a certain market niche, argues

Porter (1985). A more modern definition of firm competitiveness by D'Aveni, Dagnino, and Smith (2010) is a company's ability to develop, sustain, and use strategic skills to maintain success in the face of dynamic industry changes. According to Haseeb et al. (2019), a company may be considered competitive if it can use its resources and competencies to get a long-term advantage over rivals in local and international marketplaces. Similarly, Rasheed et al. (2020) defined it as the extent to which a company can thrive in its industry by drawing in and keeping consumers, coming up with new ideas, and adjusting to changes in technology and the surrounding environment. A company's competitiveness is enhanced by its strategic direction, innovation capability, customer responsiveness, and operational excellence; these factors, according to Aremu, Ogunnaike, and Olabode (2021), contribute to the firm's market position.

Firm competitiveness is defined for this study as the strategic capacity of a company to attain better performance and sustainable advantage in a dynamic business environment by using its internal strengths, such as innovation, service quality, and customer responsiveness.

2.1.5 Customer Retention

A company's capacity to keep its current consumers around for the long haul depends on its ability to meet or above their expectations on a consistent basis. Kotler and Keller (2016) state that maintaining loyal consumers via the provision of constant value and satisfaction is the process of customer retention. Because returning customers are more likely to make repeat purchases and spread the word about the company, they are generally thought of as a more cost-effective investment than acquiring new ones. The goal of client retention, according to Kumar and Reinartz (2018), is to increase lifetime value by fostering customer loyalty and encouraging repeat purchases. Customer retention, according to Hapsari, Clemes, and Dean (2017), is the propensity of a client to continue doing business with a company over the long run. This propensity is impacted by factors such as trust, customer happiness, and the quality of the service that the client perceives.

Emotional connection, brand experience, and customer engagement are relational elements that promote customer retention, according to Hanaysha (2018). These characteristics greatly impact a consumer's decision to remain loyal to a company. In addition, new research by scholars like Rather, Hollebeek, and Islam (2019) emphasises the significance of relational value, experience fulfilment, and brand trust in improving customer retention, especially in service industries that are fiercely competitive. Nguyen et al. (2020) notes that in the digital era, elements like consistent service delivery, personalisation of communication, and speed of service are becoming more important in determining whether customers would continue to do business with a company. The capacity of a business to maintain connections with its customers over time through the cultivation of happiness, trust, emotional connection, and the regular provision of value is defined as customer retention in the context of this research.

2.2 Theoretical Review

2.2.1 Porter's Strategic Management Theory

How strategic management techniques may drive a firm's success is at the heart of the strategy orientation notion. Cost leadership, differentiation, and focus strategies are the three general competitive approaches that most organisations use to obtain an advantage in the market (Porter, 1980). According to Kumar et al. (2011), one strategy for achieving cost leadership is to provide goods and services at rock-bottom prices. This allows you to attract a large client base and secure a substantial portion of the market. According to Porter, cutting costs at every point in the value chain is the surest way to win money (Graham, 2008). In contrast, differentiation is providing clients with distinctive goods or services that they will pay more for, which increases the firm's profit margin. Superior quality, new features, first-rate customer service, and quick product development are all ways to put this plan into action (Porter, 2008). One way to obtain an advantage in a niche market is to narrow your attention to a certain demographic, region, or kind of product (Namusonge, 2014). Firms, according to Porter, need to make a decision on their approach or risk being "stuck in the middle." On the other hand, according to Besanko et al. (2009), businesses can combine strategies by capitalising on various activities that create value (Porter, 1996). By studying how customers perceive Optiven Limited's strategic orientation, Porter's theory of strategic management provides a useful framework for assessing the company's strategic methods (Porter, 2008).

2.3 Empirical Review

The correlation between market orientation and company performance has been the subject of several studies, with contradictory findings attributable to different research settings. Using 52 different insurance companies in Nigeria, Ogbonna and Ogwo (2013) looked at the effects of customer orientation, competitor orientation, and inter-functional coordination on key performance measures such sales volume, profitability, and market share. According to their research, companies that prioritised the market outperformed those that did not.
The MKTOR scale was created by Narver and Slater (1990) and used by Han et al. (1993) to evaluate 134 banks' performance (growth and profitability), however they could not find a significant correlation between market orientation and performance. Similarly, Au and Tse (1995) found only a minor correlation between a hotel's market orientation and its performance in their research of 148 New Zealand properties and 41 Hong Kong properties. They pointed out that this association might be impacted by variables such as business size, price, market volatility, technology advancements, level of competition, and general economic conditions.
Limited evidence was also discovered by Slater and Narver (1994) to support the idea that environmental factors, such competitive pressure and market volatility, shape the market orientation-performance connection. In a similar vein, Greenley (1995) noted that the nature of the competitive environment determines whether this link is favourable or negative. The impact of market orientation on performance outcomes like sales growth and return on investment is moderated by business environment circumstances, as Appiah-Adu (1998) further verified.

3.0 Methodology

The study used a correlational survey methodology and was based on positivist research theory. According to the source: https://www.finelib.com/cities/port-harcourt/business/energy-and-environment, the sample population included 21 energy companies based in Port Harcourt. Primary data were acquired from a total of 63 individuals across these 21 enterprises, with three questionnaires issued to each employer. To ensure the reliability of the measurement items linked to market orientation, the Cronbach Alpha (α) coefficient was applied. Furthermore, the Spearman Rank-Order Correlation Coefficient was utilised to test the assumptions made for the study.

4.0 Data Presentation

This section provides an interpretation of the tabular data obtained from the questionnaires that were conducted. The participants, who work for different energy companies in Port Harcourt, were given 63 questionnaires in all.

Questionnaire Distribution and Retrieval

Questionnaire Distribution	Questionnaire Retrieval	Useful Questionnaire	Not Useful
63	56	50	6

Results of the questionnaires' distribution and retrieval are shown in the table. The response rate was 88.9 percent, with 56 out of 63 surveys returned to energy company employees in Port Harcourt. Fifty questionnaires were determined to be filled out correctly and useful for analysis out of the ones that were recovered; six were judged useless because of mistakes, missing information, or contradictions. This means that out of all the questionnaires that were sent out, 79.4 percent were legitimate and could be used for statistical analysis.

Data Analysis and Results

The results of the statistical analysis of the survey data are presented in this section. Participant demographics, as well as univariate, bivariate, and multivariate statistical tests, are all a part of the investigation. Meaningful inferences for the study were drawn from the interpreted results of these studies.

Bivariate Analysis

Hypothesis one

$H0_1$: There is no significant relationship between customer orientation and customer retention energy firms in Rivers State.

			customer orientation	customer retention
Spearman (rho)	customer orientation	Correlation Coefficient	1.000	.588**
		Sig. (2 tailed)	.	.001
		N	50	50
	customer retention	Correlation Coefficient	.588**	1.000
		Sig. (2 tailed)	.001	.
		N	50	50

**Correlation is significant at 0.01 levels (2 tailed)
Source: SPSS-generated Output

A statistically significant positive association between customer orientation and customer retention is revealed by the Spearman Rank-Order Correlation analysis, which is displayed in the table. The two variables are moderately to strongly positively correlated, as indicated by the correlation coefficient (rho) of 0.588. The association is statistically significant, since the p-value (Sig. 2-tailed) is 0.001, which is lower than the standard significance criterion of 0.05. This suggests that there is a positive correlation between customer orientation and customer retention. Fifty valid replies formed the basis of the study, as shown by the sample size (N) of 50 for both variables. In energy enterprises in Port Harcourt, client orientation is key to improving retention rates, according to the overall conclusion.

Hypothesis two

$H0_2$: There is no significant relationship between competitor's orientation and customer retention energy firms in Rivers State.

			competitor's orientation	customer retention
Spearman (rho)	competitor's orientation	Correlation Coefficient	1.000	.644**
		Sig. (2 tailed)	.	.001
		N	50	50
	customer retention	Correlation Coefficient	.644**	1.000
		Sig. (2 tailed)	.001	.
		N	50	50

**Correlation is significant at 0.01 levels (2 tailed)
Source: SPSS-generated Output

A robust and statistically significant positive correlation between competitor orientation and customer retention is shown in the table using the Spearman Rank-Order Correlation study. There is a very strong relationship between the two variables, as indicated by the correlation coefficient (rho) of 0.644. There is a statistically significant link since the p-value (Sig. 2-tailed) is 0.001, which is far lower than the 0.05 criterion. This indicates that businesses are more likely to increase their customer retention rate if they prioritise competition orientation, which is defined as recognising and responding to rival strategies. With 50 valid replies, we can say that this analysis has a sample size (N) of 50. Generally speaking, the findings support the idea that a competitive orientation is an important strategic component for energy companies in Port Harcourt when it comes to client retention.

4.1 Discussion of Findings

Market orientation significantly and positively affects company competitiveness, according to the bivariate study. Energy companies in Rivers State were seen to have a significant and positive correlation between client orientation and customer retention. In a similar vein, client retention was positively and significantly correlated with competition orientation in these businesses. This confirms what Ogbonna and Ogwo (2013) found when they studied 52 insurance companies in Nigeria and looked at how market orientation (which includes customer orientation, competitor orientation, and inter-functional coordination) correlated with organisational performance (as measured by sales volume, profitability, and market share). According to their findings, market-oriented businesses outperformed their non-oriented counterparts. The study is also in line with that of Appiah-Adu (1998), who looked at 74 Ghanaian enterprises to see how market orientation correlated with subjective performance metrics including sales growth and return on investment. Environmental variables impact the strength of the market orientation-performance relationship, according to his results.

4.2 Conclusion

According to the results, energy companies in Rivers State are more competitive when they have a market orientation. Customer orientation and competitor orientation, two aspects of market orientation, were found to be significant determinants of company competitiveness. We can infer that market orientation is vital in boosting the competitiveness of energy enterprises within the area, given that all characteristics of market orientation indicated a substantial influence.

Recommendations

The following recommendations are provided based on the findings and conclusions:

i. Energy companies in Rivers State would do well to take a customer-centric strategy, as this would help them better satisfy their customers' demands and, in turn, increase their market competitiveness.

ii. Rivalry orientation should be a top priority for energy companies in Rivers State. By keeping an eye on and reacting to the moves made by their competitors, these businesses may fortify their position as market leaders.

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