



UGANDA MANAGEMENT INSTITUTE

**MARKET ORIENTATION AND PERFORMANCE OF THE UGANDAN TEXTILE
INDUSTRY: A CASE OF SOUTHERN RANGE NYANZA (SRN)**

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**A Dissertation Submitted to the Higher Degrees Department in Partial Fulfillment of the
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Planning and Management) of Uganda Management Institute**

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DECLARATION

I, Sarah Nabachwa, declare that this dissertation is original and has never been published or submitted to any university or any other institution of learning for any academic award.

Signed.....

Date.....

APPROVAL

We certify that Sarah Nabachwa carried out this study and wrote this dissertation under our supervision. This dissertation has been submitted with our approval as the supervisors.

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DEDICATION

I dedicate this work to my dear parents, Mr. and Mrs. Ssejjemba, to all my siblings: Lillian, Eva, Irene, John and Julia and to my husband Mr. John Kyeyune.

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LIST OF ACRONYMS

AGOA.....	Africa Growth Opportunity Act
ATM.....	Africa Textile Mill
CAD.....	Computer Aided Design
CAM.....	Computer Aided Manufacturing
CRM	Customer Relationship Management
JIT.....	Just-in-time
LTV.....	Lifetime Value
RBV.....	Resource Based View
ROA.....	Return on Assets
ROI.....	Return on Investments
SRN.....	Southern Range Nyanza
QR.....	Quick Response
USA	United States of America

ABSTRACT

The study examined the relationship between market orientation (customer orientation, competitor orientation and inter-functional coordination) and performance of SRN. The problem was that sales of many of the SRN products were constantly dropping because of the stiff competition from the cheap Chinese textiles and the second hand clothes (mivumba) that are brought into the country as humanitarian aid.

The specific objectives of the study were: (i) assess whether customer orientation improves performance in Southern Range Nyanza. (ii) Establish the effect of competitor orientation on performance of Southern Range Nyanza. (iii) Investigate the relationship between inter-functional coordination and performance of Southern Range Nyanza. And (iv) Analyze the influence of trade facilitation on performance of Southern Range Nyanza. The sample size was 205 respondents taken out a population of 1450 employees using the krejcie and Morgan table. However 167 questionnaires were returned, making it 81.46% response rate. Stratified and simple random sampling techniques were used while a triangulation of both qualitative and quantitative data collection methods and data analysis techniques was employed. The questionnaire was the main instrument because it was cheaper and quicker to administer but was supplemented with the interview guide and the documentary review checklist.

It was discovered that SRN is not customer oriented nor inter-functionally coordinated but was very competitive. It is its competitiveness (aggressive marketing) and monopoly in producing pure cotton products that drives its business. It was recommended that information should not

only be shared among managers but also with other employees to enable them be part of the solution to whatever could be affecting the organization.

CHAPTER ONE

INTRODUCTION

1.0. Introduction

The study examined the effect of market orientation on performance of Southern Range Nyanza limited. Market orientation was the independent variable while performance was the dependent variable. The chapter presents the background to the study, the statement of the problem, the purpose of the study and the objectives, the research questions, the hypotheses, the scope of the study, the significance, justification and operational definitions of terms and concepts.

1.1. Background to the Study

In an increasingly competitive global business environment characterized by accelerating technological developments which have shortened product life cycles, the ability to adapt and respond to evolving needs of customers is critical to business success (Appiah-Adu and Singh, 1998). There is need to constantly be alert to opportunities, maintain a high degree of flexibility in business operations and to respond rapidly to change (Kim, 2003). To be able to achieve this, successful corporations have introduced the idea of ‘market orientation’ which is one of the most important trends (Lee and Tsai, 2005).

The advantages of market orientation are generally argued to be improved market-sensing capabilities, and, thus, improved market responsiveness, particularly in more hostile and unpredictable environments (Sorensen, 2008). Market orientation creates a sustainable

competitive advantage that any competitive organization needs to have to be able to survive in the market place. The phenomenon has hence widely been accepted and used in the manufacturing industries especially in the developed countries and particularly in their textile and apparel industries.

1.1.1. Historical Background

The textile industry in developed countries like USA, Canada and Europe are performing well because of their competitiveness, organizational-wide generation of market intelligence pertaining to customers, competitors and good textile policies among others.

This however cannot be said for the African textile industries especially those in the sub-Saharan Africa. The countries of sub-Saharan Africa are in their infancy stages since most of them gained their independence from 1960 through 1975. Equipped with good cotton crops and large numbers of cheap and potential workers, many of these countries pinned their hopes for economic self-sufficiency on the textile industry, (Schrand, 2007). However, the growing trends of the global used clothing trade have threatened the industry in sub-Saharan Africa. Although it is not fully responsible for the decline in textile production, it undermines both hand and mechanized textile production and endangers the self-sufficiency. Joyce Rwakasis the Textile Development Agency Co-coordinator, (as cited in Jaspars, 2009) also commented that the sector cannot develop in Uganda when second hand clothes, (Mivumba) as commonly known, take up 85% of the market.

However, Kisambira, (2007), argues that unlike other sub-Saharan countries like Nigeria and Zambia, Uganda's textile industry collapsed long before the influx of used clothing. He adds that in the country's early years of independence, cotton was part of the renowned 3C's of the

Uganda's- coffee, copper and cotton. During the military coup and regime of Idi Amin in the 1970's and the subsequent mismanagement of the economy, the growth of cotton plummeted and the Ugandan textile industry collapsed as a result.

1.1.2. Theoretical Background

Market orientation can be positioned within the Resource Based View of the Firm (RBV), which focuses on internal resource arrangements and firm value creation (Schlosser and McNaughton, 2009). The authors assert that adherents of the RBV conceptualize firms as bundles of resources, heterogeneously distributed across departments (inter-functionally coordinated) and they argue that market-oriented behaviors provide information resources that are important to a firm's success. The other theory is the Dynamic Capabilities Theory, which according to Teece et al., (1997) is the firm's process that uses resources – specifically the processes to integrate, reconfigure, gain and release resources – to match and even create market change. As a dynamic capability, the focus of market orientation on internal information sharing contributes to firm value by integrating resources through inter-functional co-ordination and information sharing routines (Schlosser and McNaughton, 2009).

The Capabilities Theory and Resource Based View perspective according to Foley and Fany (2009) are proposed as providing a meaningful framework to further develop understanding of market orientation. The authors assert that these approaches are important in explaining the development of competitive advantage and relate the activities of companies directly to performance. Sustained competitive advantage comes from a firm's resources and capabilities and includes management skills, organizational processes and skills, information and knowledge (Runyan, Huddleston and Swinney, 2007).

There are four key attributes that a resource must have in order to yield a sustainable competitive advantage: a) it should be valuable (worth something), b) rare (unique), c) imperfectly mobile (cannot be easily sold or traded), and d) non-substitutable (is not easily copied) (Barney, 1991) as cited in Runyan et, al; (2007). These resources if deployed in an effective manner by the management team will lead to competitive advantage, Foley and Fany (2009). The authors add that capabilities can be defined as complex bundles of skills and collective learning, exercised through organizational processes that ensure superior coordination of functional activities. This is where market orientation presents a competitive edge to any organization because it has a positive relationship with a number of capabilities such as the customer-linking capability and the market-sensing capability.

According to Foley and Fany (2009), market-sensing is an anticipatory capability which enables the firm to track the way that the market is moving in advance of its competitors through an open approach to market information development and interpretation, and the capture of market insights. The authors argue that modelling market orientation within a capabilities perspective may facilitate a more satisfactory prescriptive approach – rather than simply measuring the status of market orientation. The emphasis is hence on identifying key capabilities, such as customer orientation, competitor orientation and inter-functional coordination, which the organization must develop in order to be market-driven.

1.1.3. Conceptual Background

The concepts of market orientation and performance were studied as the independent and dependent variables respectively, while trade facilitation was studied as the moderator variable. Although there is no consensus on what a market orientation is, the definitions of Kohli and

Jaworski (1990) and Narver and Slater (1990) appear to be gaining wide acceptance (Gray, Matear, Boshoff and Matheson, 1998). According to Kohli and Jaworski (1990) market orientation is the set of behaviors associated with the acquisition, dissemination and processing of market information. The authors identified three structural components of market orientation to include the generation and analysis of all information about the market, the dissemination of this information among the various departments of the organization in order to coordinate and arrange strategic planning, and; the implementation of strategic initiatives designed to satisfy the market.

The starting point of market orientation according to Kohli and Jaworski (1990) is market intelligence. They conceptualize market intelligence as a broader concept going beyond the verbalized needs and preferences of customers. They also state that market intelligence includes monitoring competitors' actions and their effect on customer preferences as well as analyzing the effect of other exogenous factors such as government regulation, technology and environmental forces. Mechanisms, therefore, should be in place to ensure that this information is disseminated effectively to all departments (Lafferty and Hult, 2001). Part of the organization's ability to adapt to market needs is how effectively it communicates and disseminates market intelligence among the functional areas.

This dissemination of market intelligence is important because it provides a shared basis for concerted actions by the different departments (Kohli and Jaworski, 1990). The third key element of a market orientation is responsiveness to market intelligence. The first two elements have no value if the organization is not able to respond to market intelligence and the market needs. According to Kohli and Jaworski (1990), as cited in Lafferty and Hult (2001) all

departments need to be responsive and this can take the form of selecting the appropriate target markets, designing, producing, promoting and distributing products that meet current and anticipated needs.

Narver and Slater (1990) define market orientation as the organizational culture that most efficiently and effectively creates the necessary behaviors for the creation of superior value for buyers and, thus, continuous superior performance for the business. They also conceptualized three behavioral components to include: customer orientation, competitor orientation, and inter-functional coordination. Customer orientation include all the activities involved in acquiring information about the customer throughout the organization (Narver and Slater, 1990), whereas Inter-functional coordination involves coordinated efforts, which typically involves more than the marketing department, to use this information to create superior customer value. Other leading scholars in the study include Deshpande, Farley and Webster (1993) who defined market orientation as a set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable enterprise.

Despite their minor differences, all groups of researchers identified the construct as consisting of collecting information about the task environment, disseminating the information to all organizational units, and readying the organization to act on the information to provide value to the customer (Pulendran, Speed and Widing II, 2000). Perry and Shao (2002) assert that a firm with a strong market orientation would engage in the above behaviors to a greater extent and more systematically than one with a weak market orientation. Empirical studies also confirm its positive relationship (market orientation) with measures of performance (Osuagwu, 2006;

McNaughton and Imries, 2001; Ngai and Ellis, 1998; Narver and Slater, 1990; Kohli and Jaworski, 1990).

1.1.3.1. Performance Measures

It is acknowledged that performance is a multi-dimensional construct, consisting of two broad measures: judgmental performance (e.g. customer loyalty) and objective performance (e.g. ROA) (Javalgi, Whipple, Ghosh and Young, 2005). The authors add that while judgmental measures of performance are important to profitability, objective measures of performance provide the link to profitability. Earlier studies have primarily examined three performance criteria which include: Return on investments/assets (ROI/ROA), new product success, and sales growth when examining the market orientation –performance relationship. ROI/ROA is the earnings stream that is at the disposal of the firm as a percentage of assets (or equity) employed to earn the return. Sales growth on the other hand is a measure of the firm's size and its ability to support increases in operating and other expenditures. The use of the two above is justified on the ground that they measure important aspects of performance. In the specific context of market orientation, the success of new products/services indicates how well the organization responds in the form of bringing new products on the market that customers want and that competitors cannot offer at all, or offer only at a higher cost/benefit ratio.

A firm's judgmental and objective performance according to Javalgi et.al; (2005) can be enhanced by improving the organization's customer relationship management (CRM), retention, satisfaction, loyalty, and lifetime value (LTV). Specific customer-focused strategies for each performance type depend on the organization's strategic flexibility, adaptability to environmental turbulence, and achievement of a competitive advantage. Conclusively when investigating the

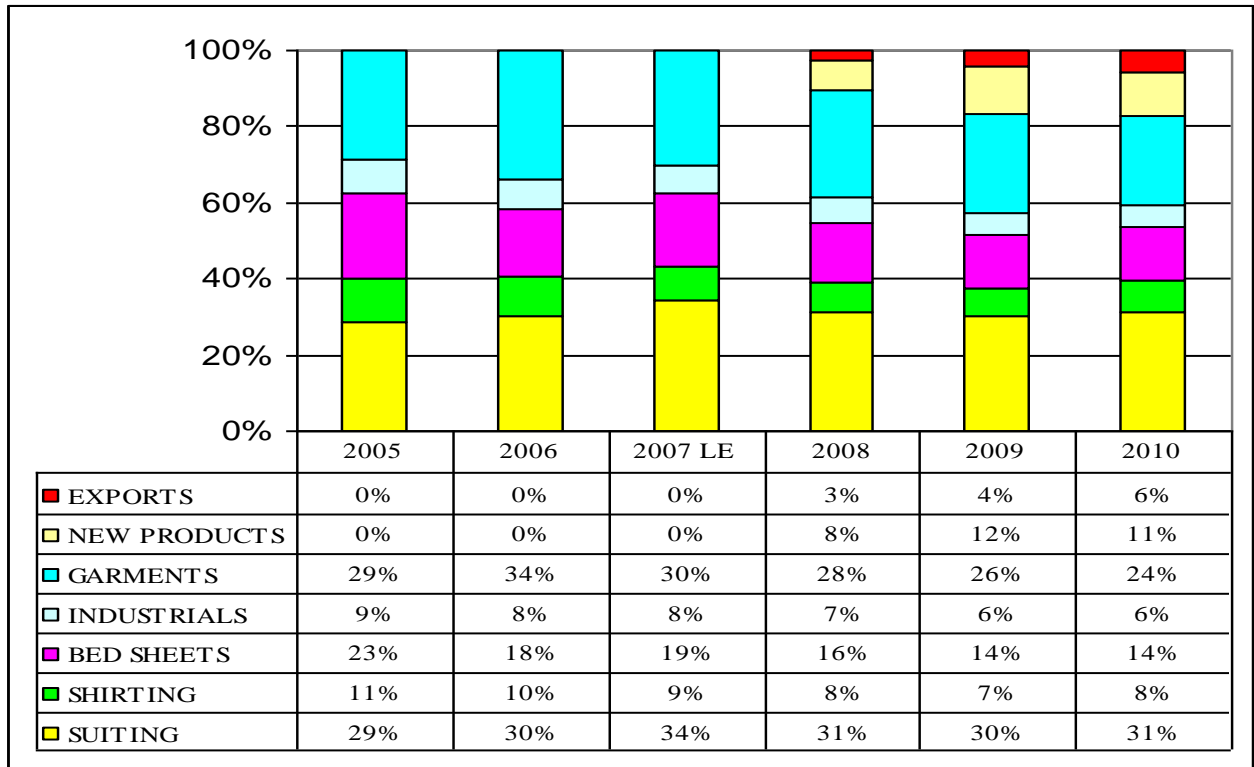
relationship between market orientation and performance, Narver and Slater, (1990) as well as Kohli and Jaworski, (1900) found that return on assets, sales, profitability, and new product success were all related to market orientation. The study therefore was to investigate whether market orientation improves performance of Southern Range Nyanza.

1.1.4. Contextual Background

Southern Range Nyanza founded in 1954 and formally known as Nytil is one of the oldest and biggest textile company in Uganda, (Jasper, 2009). The company like any other textile industry in Uganda has suffered from costs of production attributed to strong dependence on imported fabrics i.e. viscous and polyester, high energy and transport costs, low production capacity i.e. lack of use of Computer aided design (CAD) and Computer aided manufacturing (CAM), poor access to credit in addition to competition from cheap clothes from china and second hand clothing (Mivumba), from developed countries. Due to the above challenges, a number of factories like MULCO, ATM-Mbale, Lira Spinning Mill and Rayon Textiles have been converted into warehouses because they could not compete with the cheap textiles from Asia, especially China, (Kasita 2009, the new vision).

SRN has for long produced much apparel for the Ugandan market to include bed sheets, shirts, and garments, school T-shirts among others. However due to its expensive and less quality apparel compared to those imported from china and second hand clothes, not very many Ugandans are willing to buy them. As a result many of the company products are performing poorly and others like under wears have been scrapped off the product line.

Table 1.1: SRN Business Profile for 2005-2010



Source: SRN management report 2010

According to the SRN business profile for 2005-2010 there was a 10% drop in sales of the garment product line from 2006-2010, a 9% drop in the bed sheets sales, 3% drop in industrials, 3% drop in suiting and 3% drop in shirting sales since 2005. The performance of many of SRN's products are declining possibly due to stiff competition from the Chinese cheap textiles and the second hand clothes (Mivumba) which come in the disguise of humanitarian aid to the less developed countries from U.S.A. and Europe.

With market orientation and the support of trade facilitation from government, textile firms can be able to understand the target buyers, understand the short-term strengths and weaknesses and

the long-term capabilities of both current and potential competitors plus coordinate the utilization of company resources for creating superior value for target customers.

1.2. Statement of the Problem

In a highly competitive business environment like the textile industry in Uganda, customers tend to have several different options to satisfy their needs and wants. In such conditions companies step-up their game to become more sensitive and responsive to the changing needs of customers in their business environments, (Appiah-Adu et al. 1998). They also expend a great deal of effort in an attempt to exploit potential business opportunities, (Kim, 2003). This however seems not the case among many Ugandan companies especially the textile industry particularly SRN.

Southern Range Nyanza is experiencing stiff competition from cheap and second hand clothes from developed countries, (Jasper, 2009), little has also been done to compete effectively. Many opportunities of cheap labor costs, access to cheaper raw materials like cotton grown locally, water from the Nile, loans from the Ugandan Government, new technologies and an ever increasing consumer market among others, have not fully been embraced. As a result many of the company's products have had dropped sales. There was a 10% drop in sales of the garments from 2006-2010, a 9% drop in the bed sheets sales, 3% drop in industrials, 3% drop in suiting and 3% drop in shirting sales since 2005, (SRN report, 2010).

It is also worth noting that although the Ugandan government supports the revival of local textile production, it has not imposed a ban or quota system on used clothing imports, (Slotterback, 2007). Without an alternative solution to the increasing competition therefore, SRN has got to embrace the market orientation phenomenon in totality in its daily operations. The company

should understand its target customers, know the strengths and weaknesses of its competitors and effectively coordinate the utilization of its resources. Otherwise the company in the long-run may close and many employees may be laid off. The research therefore intended to establish the effect of market orientation on performance of SRN.

1.3. Purpose of the Study

The purpose of the study was to establish the relationship between market orientation and performance of the textile industry in Uganda.

1.4. Specific Objectives of the Study

1. To establish whether customer orientation improves performance at Southern Range Nyanza.
2. To establish the effect of competitor orientation on performance of Southern Range Nyanza.
3. To investigate the relationship between inter-functional coordination and performance of Southern Range Nyanza.

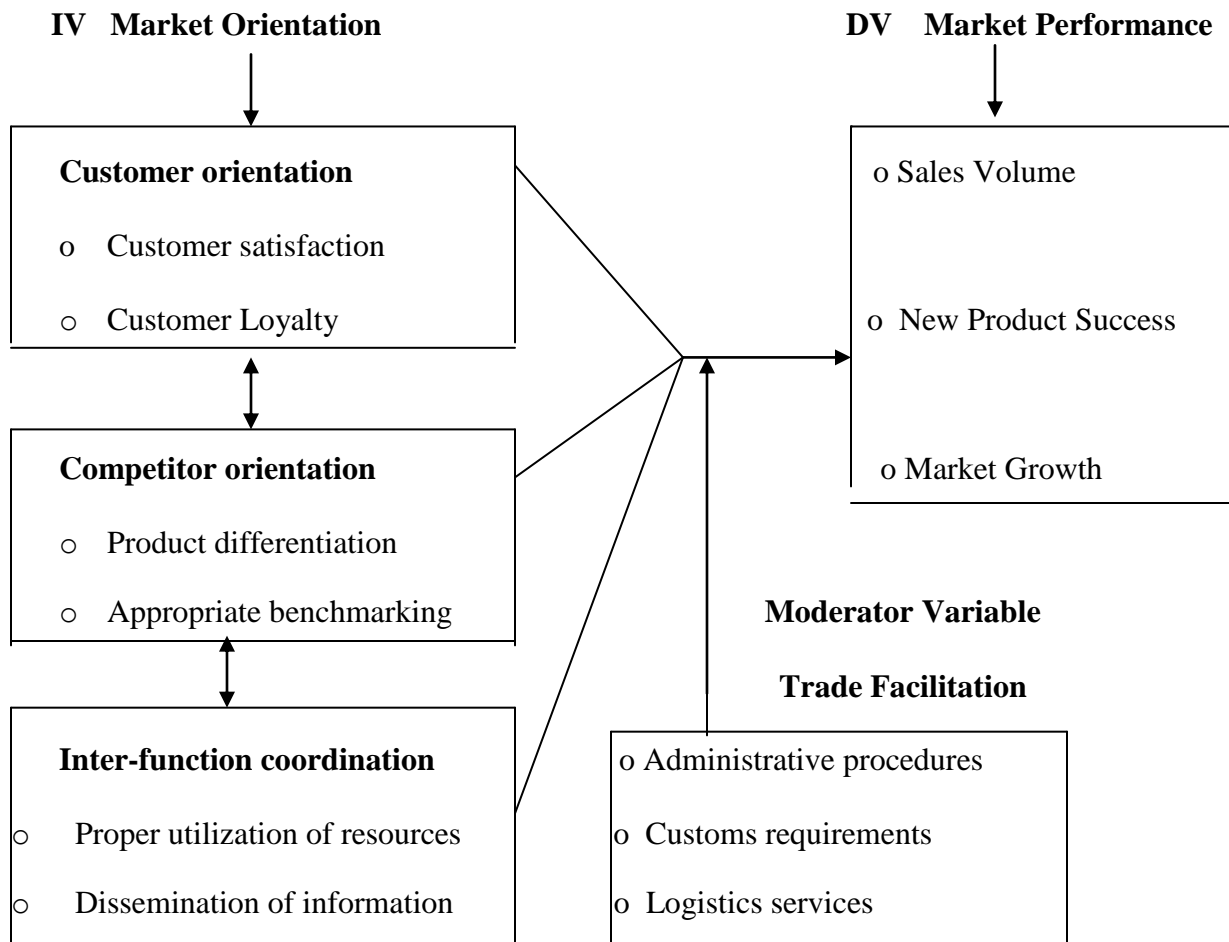
1.5. Research Questions

1. Does customer orientation improve performance in Southern Range Nyanza?
2. What effect does competitor orientation have on performance of Southern Range Nyanza?
3. What relationship exists between inter-functional coordination and performance of Southern Range Nyanza?

1.6. Hypotheses of the study

1. *H1*. Customer orientation improves performance of Southern Range Nyanza.
2. *H2*. There is a positive impact of competitor orientation on performance of Southern Range Nyanza.
3. *H3*. There is a positive relationship between inter-functional coordination and performance of Southern Range Nyanza.

1.7. Figure 1: A Conceptual Framework Showing the Relationship between Market Orientation and Performance as Moderated by Trade Facilitation.



Source: Adapted from Kim's Model, (2003) and modified by the researcher

As shown in figure 1 above, the study had Market Orientation and performance as the independent and dependent variables respectively and trade facilitation as the moderator variable. Empirically, market orientation has been found to have a positive relationship with performance. This means that for a company to perform effectively, it should be: *a)* Customer oriented i.e., take customer complaints and criticism positively and handle it thereafter hence creating loyal and satisfied customers. *b)* Competitor oriented i.e., monitor all current and potential competitors' activities and act ahead of them through effective benchmarking and product differentiation and *c)* being Inter-functionally coordinated hence have well organized and coordinated resources; particularly the human resources plus disseminate all relevant information to all departments concerned.

SRN can become market oriented if its management adopts the above behaviors and looks out for opportunities as well as receive adequate support from government i.e. the government should facilitate legitimate trade and ensure compliance. It should also enforce the tax regulations to be imposed on cheap and second hand clothes hence reducing the competition, thus, favor growth of the textile industry in Uganda.

1.8. Significance of the Study

The findings of this study were meant to benefit management and employees of SRN, together with other textile firms and prospects by enlightening them about market orientation and how they can effectively compete despite the numerous challenges of the industry.

The study was to remind policy and decision makers that the textile industry was still very viable so that they do something to revive it, since it used to employ many Ugandans both in the companies and the supply chain

Additionally the study was meant to contribute to the existing knowledge in market orientation and performance in the Ugandan manufacturing industries plus suggest to future researchers areas of interest in this industry and to direct them accordingly.

1.9. Justification of the Study

The Ugandan textile industry used to employ more than 500,000 people and earn \$100 million in annual exports but has since reduced due to imported cheap clothes which have discouraged the production of locally made clothes (Jasper, 2009). The previous annual exports should and can still be realized if the textile industry particularly SRN became market oriented and with the help of government trade facilitation. This research therefore intended to establish the effect of market orientation on performance of SRN.

1.10. Scope of the Study

The scope of the study was in three sections, that is, geographical, time and content scope.

1.10.1. Geographical Scope

The study was carried out at Southern Range Nyanza limited. SRN is a textile industry in Uganda, located at the banks of River Nile in Jinja district on +136 acres, (SRN profile, 2010). Employees in Jinja and those at the sales office in Kampala (Uganda House) were interviewed.

1.10.2. Time Scope

The study was carried out from the period of May 2010 to February 2011. However, the performance data on Southern Range Nyanza that was used for comparison covered the periods from 2005 to 2010.

1.10.3. Content Scope

The content of this research was market orientation and performance of Southern Range Nyanza. Literature on market orientation was studied from secondary sources like documentary reviews, journals, research papers, news paper articles among others. Information on performance of SRN was from primary sources like SRN profiles, reports and other documents.

1.11. Operational Definitions

Market Orientation: A competitive strategy that most efficiently generates the right kinds of behavior to create enhanced value for the consumer and therefore assures better long-term results for the corporations (Moliner, et al., 2009).

Customer orientation: the sufficient understanding of target buyers so as to be able to create superior value for them continuously (Kohli & Jaworski, 1990).

Competitor orientation: understanding the short-term strengths and weaknesses and the long-term capabilities of both current and potential competitors (Kohli & Jaworski, 1990).

Inter-functional coordination: the coordinated utilization of company resources for creating superior value for target customers (Kohli & Jaworski, 1990).

Trade facilitation: reforms aimed at improving the chain of administrative and physical procedures involved in the transport of goods and services across international borders i.e. improvements to a country's trade infrastructure - logistics services, port capacity, administrative procedures, customs requirements etc (Akinkugbe, 2006).

CHAPTER TWO

LITERATURE REVIEW

2.0. Introduction

This chapter includes literature related on market orientation and performance of Southern Range Nyanza (SRN), as explored and studied by other scholars. The sources of data were journals, research/conference papers, documentary reviews, text books and news paper articles. It was organized under three major sections to include: market orientation and performance of SRN, the components of market orientation (customer orientation, competitor orientation and inter-functional coordination) and performance of SRN and the moderate effect of trade facilitation on performance of SRN.

2.1. Market Orientation and Performance of SRN

There has been substantial amount of systematic studies examining the market orientation and performance link, (Erdil, 2005). Market orientation according to Hooley, Piercy and Nicoulaud, (2008), entails:

- One or more departments engaging in activities geared toward developing an understanding of customers' current and future needs and the factors affecting them.
- Sharing of this understanding across departments, and
- The various departments engaging in activities designed to meet select customer needs.

According to Alikara, Spillan and Deshield (2005), market orientation assures a customer focused strategy for market knowledge base generation, followed by coordinated and inter-functional marketing efforts to achieve long term firm success. An organization that is market

oriented possesses a strong long-term orientation to ensure that preferences of current and potential customers are identified, as well as the abilities of current and potential competitors. The authors add that the use of intelligence-gathering of information and acting on it thereafter is the key to market orientation. Additionally, Fritz (1997) asserted that to be market oriented, an organization has to communicate, disseminate, and often 'sell' market intelligence to relevant departments and individuals in the organization.

Finally, a market oriented organization also exhibits a determined orientation toward profitability to ensure that the resources necessary to support the information collection, dissemination, and organizational response activities are available, (Kumar, Yauger and Subramanian, 1998). This expected link was predicted earlier by McKitterick, (1958) as cited by Dawes, (2000) who highlighted that in a competitive environment, organizations must be highly cognizant and responsive to customer needs, or else rivals will devise products more attuned to those needs and capture their business. SRN is not very market oriented according to the study, as there lacks inter-functional coordination among the company's different departments in addition to not competing effectively with the Chinese textiles.

2.2. Customer Orientation and Performance of SRN

The concept of customer orientation includes understanding customers' needs and satisfying them, as well as perceiving and reducing their perceived sacrifices, (Mueller and Gemunden, 2009). It is the set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long-term profitable enterprise, (Deshpande et al; 1993). It is defined as actions designed to understand buyers so as to create superior value for them, (Narver and Slater, 1990).

Customer orientation is the focus for all business planning and strategy according to Deshpande et al; (1993) and the organization-wide emphasis on evaluating and addressing customer needs (Appiah-Adu and Singh, 1998). It encompasses customer analysis and customer responsiveness (Dawes, 2000) where customer analysis comprises the analysis of customer needs and the wider forces that shape those needs.

Consequently, a customer-oriented company has to establish continuous communication with its actual and potential customers and create a customer-focused environment within a company, (Hartline et al., 2000). Therefore if the firm has greater understanding of customer preferences, it can construct offering that appeal to customers and which are also financially attractive for the firm to offer, (Dawes, 2000). Additionally, efficient product development and innovation, effective marketing activities and especially an increased willingness of customers to accept higher process for products with high customer value are the outcomes of consequently implemented customer orientation, (Mueller and Gemunden, 2009). On this argument, the proposition is that both customers analysis and customer responsiveness must be positively associated with profitability at Southern Range Nyanza. This however, is not the case. Information about customer needs and preferences is often collected by the company's sales team but there seems slow implementation due to untimely decisions made by top management. As such, customers find themselves switching to other alternatives especially second hand apparel which is cheaper and more fashionable.

2.2.1. Customer Satisfaction and Performance of SRN

Customer orientation requires that a seller understands a buyer's entire value chain, not only as it is today but also as it will evolve over time subject to internal and market dynamics (Narver and Slater, 1990). The concept of customer orientation includes understanding customers' needs and

satisfying them, as well as perceiving and reducing their perceived sacrifices. Consequently, a customer-oriented company has to establish continuous communication with its actual and potential customers and create a customer-focused environment within a company (Mueller and Gemunden, 2009). The integral involvement of the consumer within the service process suggest the need to develop close and trusting relationships to increase customer perceived value hence customer satisfaction (McNaughton and Imrie, 2001).

Customer satisfaction is the accumulated experience of a customer's purchase and consumption experiences and it is influenced by two factors: expectations and experienced service performance. Perceived performance is influenced by the consumers' perception of service quality, marketing mix, brand name and image of the company. Because satisfied customers tend to maintain their consumption pattern or consume more of the same product or service, customer satisfaction has become an important indicator of quality and future revenue (Andreessen, 1994). Many SRN customers seem not satisfied with the company products because of the inferior quality products compared to some imported products like T-shirts. Many customers complain that the T-shirts elongate after a few washes, which is not value for money.

2.2.2. Customer Loyalty and Performance of SRN

In the present competitive market environment characterized by globalization, with rapid market entry of new products and maturity conditions in many products and services, attaining a high level of customer loyalty has emerged as a central managerial concern, (Maydeu-Olivares and Lado, 2003). While it is critical to replace lost customers and discover expanding markets, this objective should be secondary to the primary goal of maintaining relationships and retaining existing customers, (Javalgi et. al; 2005).

Customer loyalty constitutes an important objective for strategic marketing planning and represents an important basis for developing a sustainable competitive advantage; an advantage that can be realized through being customer oriented. This is further supported by both the Dynamic Capability Theory and the Resource Based View. The dynamic capabilities advocate for effective management of resources to allow the organization to cope with a changing environment hence the market-sensing capability (Foley and Fany, 2009).

Empirically, it was also found that a customer oriented company would better satisfy and retain its customers who will willingly pay a price premium, spread positive word-of-mouth and are likely not to alternate among brands/service providers (Weinstein, 2002). Additionally Maydeu-Olivares and Lado (2003) assert that customer loyalty is expected to have a positive impact on business economic performance since market-oriented firms have a large number of satisfied customers and therefore a higher rate of repeated purchases. However, although production has improved at SRN over the years, loyalty and customer retention has not been achieved to a reasonable percentage due to the changing tastes and preferences of their customers, according to the study. Management's untimely responsiveness to customer demands has led many customers to keep switching to different options which are cheaper and available especially the Chinese textiles.

2.3. Competitor Orientation and Performance of SRN

Creating superior customer value requires more than just focusing on customers, (Fritz, 1997). There is need to know the competitors, the technologies they use, and whether target customers perceive them as alternate satisfiers. Competitors are those firms offering products or services that are close substitutes, in the sense that they serve the same customer need, (Kotler, 2006) and,

thus, to be competitor-oriented is to have an understanding of their strengths, weaknesses, capabilities and strategies, (Narver and Slater, 1990).

The need of monitoring, understanding and responding to competitors has long been recognized as a significant aspect of marketing activities, (Nwokah, 2009). The author adds that competitive focus extends the role to include consideration of competitor responses to customer/consumer needs and perceptions and one's own responses in the strategic decision-making process. Determination of consumer's need is the first step of competitive focus followed by the recognition of competitor strengths and weaknesses, assessment of likely activity and finally the identification of the company's own strengths and weaknesses, (Nwokah, 2009).

The purpose of a competitor orientation is to provide a solid basis of intelligence pertaining to present and potential competitors for executive actions, (Sorensen, 2008). The author asserts that competition in an industry continually works to drive down firm-level performance and that higher level of competitive intensity within an industry tend to lower a firm's overall performance. In their study of market orientation and incumbent performance in dynamic market, Perry and Shao (2001) found that the greater the competition from traditional competitors when market orientation is high, the greater the performance and vice versa. Likewise the company under greater competitive environments could become more market oriented than a lesser competitive one, (Narver and Slater, 1990; Kohli and Jaworski, 1990). These empirical findings are supported by Kumar et al; (1998) who argued that higher competitive intensity requires a competitor orientation for establishing the necessary firm infrastructure for identification of competitors' strengths and weaknesses and anticipation of competitive moves.

Taplin and Winterton (2004) suggested that for firms that need to compete both globally or maintain domestic production in the current competitive environment there is need to increase the use of just-in-time (JIT) and quick response (QR) techniques to meet shorter lead times, together with a systematic use of teamwork and multi-skilling amongst operatives.

There are several reasons why a competitor orientation might assist company performance (Dawes, 2000). First, the organization must not only consider how well its products suit customer needs but how well they perform relative to competitor products. Second, competitors may sometimes be a source of good ideas for new products. Third, understanding competitor strengths or strategies might help the organization to know which product markets or parts of those markets to enter or avoid. Last, the actions of competitors may adversely affect the organization and a focus on trying to understand their strengths, weaknesses and strategies may allow the organization to prepare for competitor activity and so minimize its adverse effects. Southern Range Nyanza is a very competitive company according to the study. Management quickly responds to any competitors activities such as reductions in prices. Additionally a lot of research on competitors' activities is often carried out to know the potential and current competitors, their strengths and weaknesses and counter- strategies are often designed to compete effectively. This seems to drive profitability in the long-run.

2.3.1. Product Differentiation and Performance of SRN

Offered under different brands by competing firms, products fulfilling the same need typically do not have identical features. The differentiation of goods along key features and minor details is an important strategy for firms to defend their price from leveling down to the bottom part of the price spectrum (Piana, 2003). Products are considered differentiated if customers perceive

significant differences in the features and benefits of competitive products, (Pelham, 1997). At market level, differentiation is the way through which the quality of goods is improved over time through creativity and innovation. Southern Range Nyanza has managed to differentiate its products over the years by producing pure cotton clothes which are preferred by some customers. This has enabled the company to beat its competitors hence tremendously improved performance over the years.

2.3.2. Competitive Benchmarking and Performance of SRN

It's the process of measuring one company's strategies and operations against 'best-in-class' companies, both inside and outside one company's industry. The purpose is to identify best practices that can be adopted or adapted to improve the company performance. It involves four steps (Hooley, Piercy and Nicoulaud, 2008), to include:

- Identifying who to benchmark against (what is it they do differently from others, what makes the difference to their operations and why are they winners)
- Identifying what aspects of business to benchmark (either learning to use scarce resources, manage time constraints or processes that account for costs etc)
- Collecting relevant data to enable processes and operations to be compared
- Compare and contrast the processes of the identified 'best-in-class' with the firm's own processes, to identify actions that need to be taken as a consequence, and the setting up of processes to measure and monitor improvement.

Southern Range Nyanza benchmarks from different textile industries in the world but because of old machinery and poor management styles, lessons learnt are not appropriately implemented.

2.4. Inter-Functional Coordination and Performance of SRN

The third of the core components of market orientation is the coordination of personnel and other resources from throughout the company to create value for buyers. There should be market information sharing among the various departments which leads to higher company performance (Dawes, 2000). The author adds that sharing information relating to customers, competitors or other market place trends will help each department to adjust its operations to suit external conditions. This is further supported by the Dynamic Capability Theory that states that winners in the global marketplace have been firms demonstrating timely responsiveness plus rapid and flexible product innovation, along with management capability to effectively coordinate and redeploy internal and external competences which is the source of competitive advantage. At SRN, this seems not the case, as timely responsiveness and flexible product innovation especially to the emerging young trendy customers is lacking.

2.4.1. Proper Utilization of Resources and Performance of SRN

According to Michael Porter (1985) as cited in Kara, Spillan and Deshilds (2005), every department, facility, branch office, and other organizational unit has a role that must be defined and understood. All employees, regardless of their distance from the strategy formulation process, must recognize their role in helping a firm achieve and sustain competitive advantage. When all functions contribute to creating buyer value this way, more creativity is brought to bear on increasing effectiveness and efficiency for customers.

Thus, the main strategic focus of a company should not be on standardized products or different product offerings, but on how the company can create maximum value for its customers based on its resources (Foley and Fany, 2009). By adapting a Resource Based Approach, the main role of

the sales personnel at Southern Range Nyanza should not be to promote specific products to customers. Instead, the sales function should match the needs of the customers and the resources of the company, which is not the case.

2.4.2. Dissemination of Information and Performance of SRN

Dissemination of information is defined as market information sharing of the market-related information between departments or functions (Kohli and Jaworski 1990). It would be expected that companies that exhibit more extensive sharing of marketplace information between their various functions would enjoy higher company performance. This is because the sharing of information relating to customers, competitors or other marketplace trends will help each function to adjust its operations to suit external conditions, (Kohli & Jaworski 1990). This sharing therefore could pay off in terms of sales outcomes (maintaining or increasing sales levels) or profit outcomes at Southern Range Nyanza. However there is lack of information sharing across all departments at SRN especially among the employees, and only managers and heads of departments get to sharing this information.

2.5. Moderate Effect of Trade Facilitation on Performance of SRN

In his research of Trade Facilitation and Africa's Manufactured Goods Export, Akinkugbe (2006) found that despite significant reductions in tariff and non-tariff barriers in many African countries in recent times, government policies, including restrictive trade and poor customs regulations and administration--all related issues of trade facilitation--still continue to discourage exporting. In many African countries, it takes a relatively long time for exports and imports to clear customs procedures and in some cases, additional informal payments to customs officers are needed to ensure timely processing. In addition to long processing time, the paper work associated with importing and exporting can be burdensome, (Milner et al; 2000).

Many of the textile industries like SRN in Uganda import machinery and raw materials like viscous and polyester from Indonesia, India among other countries and they also export some of their outputs to neighboring countries like Rwanda, Kenya and Burundi and internationally to USA through AGOA. However due to inevitable delays at the border due to the above mentioned problems production is delayed resulting to longer lead times hence loss of customers. Trade facilitation is hence required as it can improve efficiency in administration and procedures, along with improving logistics at ports and customs, streamlining regulatory environment, deepening harmonization of standards, and conforming to international regulations, in the drive to attaining free movement of goods and global trade competitiveness, (US Newswire, 2008, <http://www.freetrade.org/pubs/pas/tpa-037es.html>).

2.6. Summary of the Literature Review

A lot of research has been done on market orientation and performance in the western world and there is empirical evidence that the two are positively related. However many of these studies were moderated by environmental variables such as the market turbulence, technology turbulence and competitive intensity, which influenced market orientation and business performance. In Africa particularly Uganda, little research has been done on market orientation and especially how it impacts on performance of the textile industry. The cultural, political, economic and legislative regulations are obviously different from those of developed countries where these studies have been done which has led to different outcomes got in this study.

Trade facilitation and its impact on performance of the textile industry is an important area of study that has not fully been explored in Uganda. There was hence need to study how the phenomenon influences or motivates performance given our Ugandan cultural, political, and

economic situations. The study was to investigate the relationship between market orientation and performance of the textile industry in Uganda as moderated by trade facilitation and it had the following findings: SRN is not very customer oriented and there is less inter-functional coordination, which is attributed to poor management styles. However, the company is very competitive and will always design counter-competitive strategies to beat competition. Additionally, Government is doing all it can to improve the conditions of trade plus motivate the local textile firms in any way it can in order to improve performance.

CHAPTER THREE

METHODOLOGY

3.0. Introduction

The chapter presents the methodology that was used in the study. It includes how the research study was designed, the study population, the sample size and sampling techniques that were used, the data collection methods, procedure for data collection and instruments that were used, validity and reliability tests, data analysis and measurements of variable.

3.1. Research Design

The research adopted a Case Study design because the researcher wanted to gain a rich understanding of the context of market orientation and performance of textile industries (SRN) in Uganda. The case study provided her with an opportunity to observe and analyze a single phenomenon that few have studied before, (Bryman and Bell, 2007).

The research design was also exploratory since the interest was on studying a situation in order to explain the relationship between variables (market orientation and performance of the textile industries in Uganda). Both qualitative and quantitative sample size selection, data collection methods and data analysis techniques were employed. Triangulation of the two approaches enabled the researcher to achieve a higher degree of validity and reliability, (Amin, 2005).

3.2. Study Population

The population of the study was SRN employees, and sampling was carried out as shown in table 2 below. SRN employees work in three shifts and this study focused on the first-shift employees (target population) due to time and financial limitations.

Table 2: Study Population

Element of the population	Population	Target population (first -Shift)	Sample size	Sampling technique
Spinning Department	125	42	20	Stratified and Simple random
Knitting department	72	24	8	Stratified and Simple random
Processing department	116	38	16	Stratified Simple random
Weaving department	130	43	20	Stratified and Simple random
Parking department	55	18	8	Stratified and Simple random
Garment department	600	200	72	Stratified and Simple random
Quality control dep't	20	7	4	Stratified and Simple random
Engineering department	60	20	8	Stratified and

				Simple random
Support staff (logistics, accounts and finance, security, dispensary, cafeteria, fire and rescue, IT, design studio)	150	50	25	Stratified and Simple random
Warehousing	25	8	4	Stratified and Simple random
Marketing(sales, branding and distribution)	60	20	20	Census
TOTAL	1,413	470	205	

Source: *SRN Human Resource Employee Manual (2010) and modified by researcher*

3.2.1. Sample Size and Selection

As shown in table 2, the actual sample size was 205 respondents taken from a target population of 470 respondents (first shift) and a population of 1450 employees. 15 managers, 35 heads of departments/sections, 20 employees from sales, branding and distribution department, 20 administrators (support staff) and 115 employees from other departments of SRN as shown in the table 2 above were sampled. However, the questionnaire response rate was 173 participants of which 6 were eliminated for being incomplete. There were 167 respondents who fully completed and returned the questionnaires, making it 81.46% response rate. This is above 70% which is a good response rate, (Nunnally, 1994). A total of 32 questionnaires were not returned.

3.2.2. Sampling Techniques

Census, simple random and stratified sampling techniques were used in the study. Stratified random sampling was used to exhibit a proportional representation of the different departments in SRN and to ensure inclusion in the sample by all sub-groups in the study (Mugenda and Mugenda, 1999). In each stratum (department), a simple random technique was used using the human resource manual. The census technique was used with respondents who were more informative and knowledgeable about the organization and its activities and these included the marketing department.

3.3. Data Collection Methods

A number of data collection methods were used, and they included both Primary and Secondary data.

3.3.1. Primary Data

Face-to-face interviews were carried out with the SRN managers and employees to collect first hand information. Interviews are recommended for collecting qualitative data and where it is required to collect detailed information from key informants. The researcher also analyzed the company reports and other documents using the documentary review checklists. Questionnaires (self administered, pre-tested, closed ended) were used as a collection method for all respondents

3.3.1.1. Key Informant Interviews (KII)

Interviews were used for the management team and the sales team who as key informants provided first hand information on market orientation and the company performance and how trade facilitation moderates the two variables. This was based on the fact that by virtue of their

positions and expertise, they are able to determine the level of market orientation of their company. They also explained further their views and identified what they regard as crucial factors. The Key informant interviews were exclusively done by the researcher to ensure objectivity in providing responses to the specific objectives. That is, one-on-one interviews were carried out between the researcher and the management personnel.

3.3.2. Secondary data

Journals, documentary review, previous research works, that is; theses and news papers were used in the secondary data collection plus text books and government publications on the topic were also used.

3.3.3. Data Collection Instruments

3.3.3.1. Documentary Review Check list

Documents were used to supplement information from the questionnaires and interviews, (Amin, 2005). The researcher had a documentary review checklist which was used when reviewing company reports, profiles and other official documents. This guided the researcher on the relevant information pertaining to market orientation and performance. A review of sales reports, technical reports and market share records were reviewed.

3.3.3.2. Interview Guide

An interview schedule was used when interviewing managers and the SRN sales employees, and it guided the interviewer in the interview process hence ensuring uniformity and consistency in the data collected. Key informants interviews were undertaken with people responsible for

making decisions in the company and this was done to get in-depth information around the topic, (Amin, 2005).

3.3.3.3. Questionnaires

Questionnaires were the main data collection instruments. They were used to collect information from both managers and other employees at SRN.

3.4. Validity and Reliability

Both Validity and Reliability tests were carried out, (see appendix 5).

3.4.1. Validity

Validity is the degree to which the results obtained from the analysis of data actually represents the phenomenon under study. For the market orientation components the researcher adapted several existing scales from MAKTOR (Kohli and Jaworski, 1990) and MKTOR scale developed by Narver and Slater, (1990). Both scales have been tested for their validity and have been widely used by a number of researchers in their market orientation studies. For this study, a pre-test was carried out, that is, the instruments were first presented to a few participants at Phenix Logistics (a competitor company) and the response to both the questionnaire and the interview guide were found to be satisfactory. There was no need for adjustments except for the deletion of item 43 of section 9 of the questionnaire.

3.4.2. Reliability

The instruments were subjected to a Coefficient of Stability and Cronbach's Coefficient Alpha reliability tests. The test-retest reliability strategy was applied to evaluate the instruments consistence and dependability to measure market orientation and performance, (Bryman and

Bell, 2007). Reliability is the measure of the degree to which the research instrument yields consistent results or data after repeated trials and a coefficient of 0.70 or more implies that there is a high degree of data reliability (Nunnally and Bernstein 1994)). Data collected was recorded using Epi-info and then analyzed using SPSS (Statistical Package for Social Science). The reliability coefficient (alpha) was calculated and the results were as indicated: customer orientation and performance (0.7394), competitor orientation and performance (0.942), inter-functional coordination and performance (0.9131) and trade facilitation and performance (0.8245) (see appendix 5).

3.5. Procedure for Data Collection

After the approval of the research proposal, the researcher obtained an introductory letter from Uganda Management Institute that enabled her conduct the study. The questionnaire was piloted on 3 managers, 5 heads of department and 10 workers at Phenix Logistics since this is a competitor company to SRN. Comments and advice on key changes were made plus it prevented the researcher's instruments from being contaminated by the actual respondents.

The researcher then employed two research assistants both of whom were employees of SRN to conduct the research at SRN factories in Jinja while the researcher conducted research at the sales offices located on Uganda House in Kampala. The researcher and the research assistants then circulated the questionnaires to the actual respondents at Southern Range Nyanza.

3.6. Data Analysis

Both qualitative and quantitative methods were used in the analysis. Both methods supplemented each other in that qualitative methods provided the in-depth explanations and detailed description

of the study while quantitative methods provided the hard data needed to meet required objectives and to test hypotheses.

3.6.1. Quantitative Analysis

The research adopted a bivariate analysis since there were two variables under study, that is, market orientation and performance. Among the methods of bivariate analysis, spearman's rank correlation coefficient was applied. It is a recommended statistical data analysis technique for a study that seeks to establish if there is a relationship between variables being measured by ordinal scale (Bryman and Bell, 2007). Descriptive statistics such as measures of central tendency (mean, mode and median) were also used to describe and summarize the data hence made deductions from the data collected. This enabled the researcher to analyze the degree of the relationship in order to explain how the variables were related, (Amin, 2005).

3.6.2. Qualitative Analysis

Qualitative data was analyzed into a manageable form and a narrative constructed around it. The data was classified into simple content categories, themes and sub-themes, closely examined and compared for similarities and differences, (Shuttleworth, 2008). The interview schedule data results analyzed using inductive and deductive strategy recommended for qualitative data analysis and used to verify the statistical data analysis results, (Amin, 2005).

3.7. Measurements of Variables

3.7.1. Quantitative Measurement of Variables

The ordinal likert scale, ranked in order of being strongly in agreement through to strongly in disagreement was the quantitative data scale to measure the study variable. The ordinal scale was

recommended for this study since it intended to draw conclusions based on percentage of respondents' judgments and correlation coefficient of the study variable, (Sekaran, 2006). The nominal scale was also used to measure gender while the ordinal scale was again used to measure age, academic qualifications and response rate of the respondents.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND INTERPRETATION OF FINDINGS

4.0. Introduction

This chapter presents the analysis and interpretation of the finding of the study regarding market orientation and performance of SRN. Data has been organized in accordance with the specific objectives of the study and is presented in table form. It also presents the sample characteristics and social-economic factors that impact the findings and analysis. Data has been analyzed statistically in form of tables, graphs, pie charts and other illustrative notes in order to draw accurate deduction about the topic undertaken for the study.

4.1. Demographic Characteristics of Respondents

4.1.1. Response Rate

The sample size was 205 respondents taken from a population of 1450 employees using the krejcie and Morgan table. One hundred sixty seven questionnaires were returned, making it 81.46% response rate. Additionally, 42 interviews were got out of the 50 interviews intended. These were got from the sales representatives, heads of departments and the managers.

4.1.2. Composition of Respondents by Gender

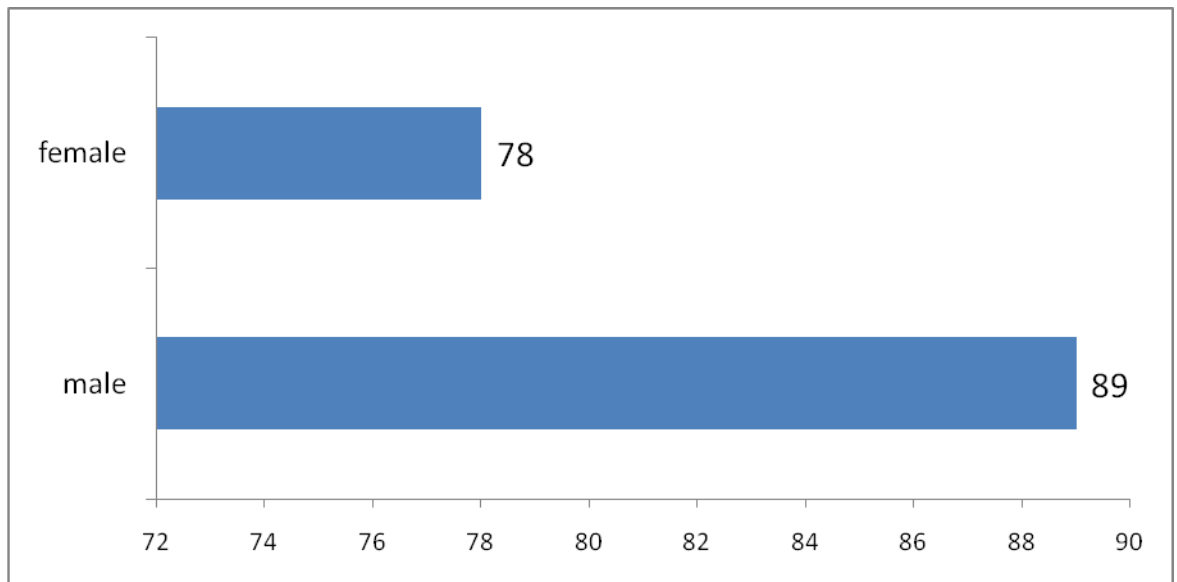
Table 3: Distribution of Gender from the Study

		gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 male	89	53.3	53.3	53.3
	2 female	78	46.7	46.7	100.0
Total		167	100.0	100.0	

Source: primary data

From table 3 above, 89 of respondents were males and 78 were females out of the 167 respondents considered as the sample size. Many departments like spinning, weaving, and engineering were composed of only males because of the nature of the work load. Their jobs require manual lifting bales of cotton, loading, moving heavy machines and many others.

Figure 2: The Gender Distribution.



Source: primary data

Figure 2 above shows participation of 89 males and 78 females in the study. More departments at SRN hire males possibly due to the nature of work involved (more manual labour such as lifting heavy material, loading and off loading) while majority of females are in the garment department (which is also the biggest department at SRN). (Mean = 83.7)

4.1.3. Composition of Respondents by Department

Table 4: Distribution of Various Departments

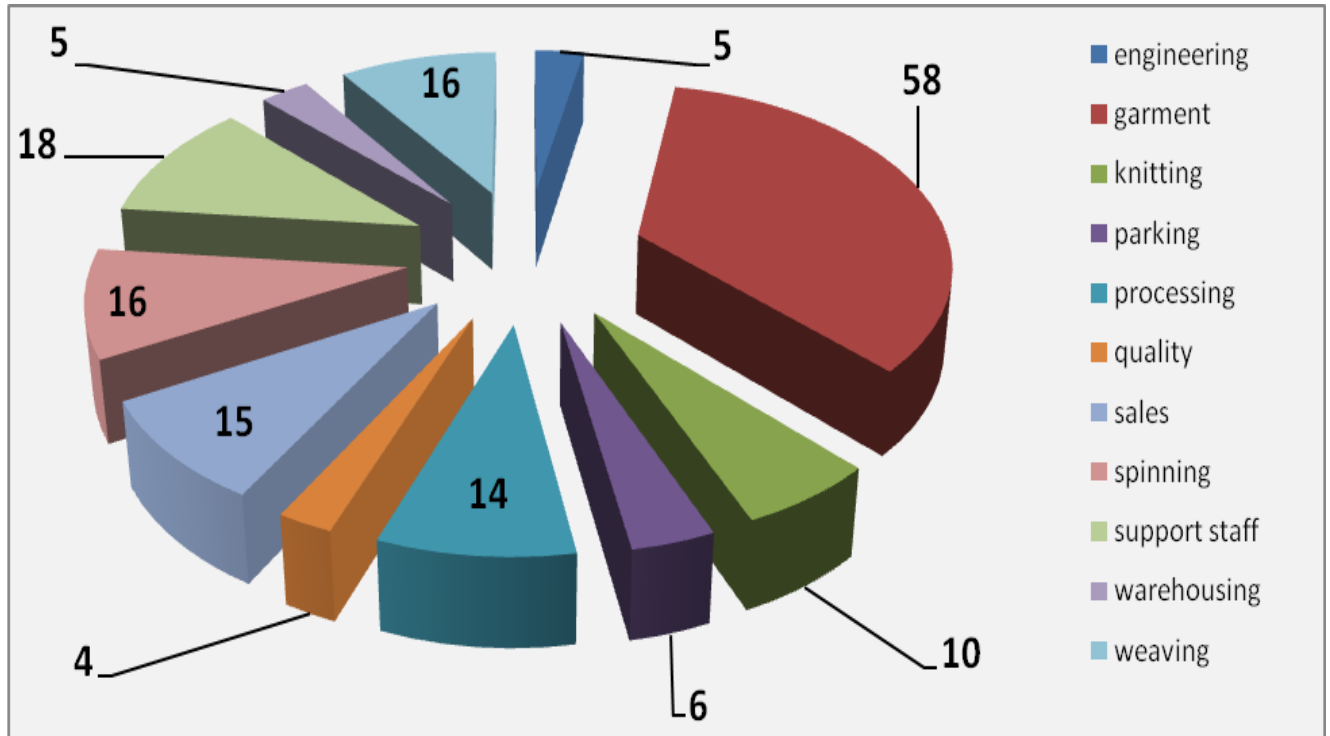
		department			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	engineering	5	3.0	3.0	3.0
	garment	58	34.7	34.7	37.7
	knitting	10	6.0	6.0	43.7
	parking	6	3.6	3.6	47.3
	processing	14	8.4	8.4	55.7
	quality	4	2.4	2.4	58.1
	sales	15	9.0	9.0	67.1
	spinning	16	9.6	9.6	76.6
	support staff	18	10.8	10.8	87.4
	warehousing	5	3.0	3.0	90.4
	weaving	16	9.6	9.6	100.0
	Total	167	100.0	100.0	

Source: primary data

From table 4 above, there were 11 departments that participated in the study. The garment department has the majority of workers 58 (34.7%), while the support staff was represented by 10.8% of the proportion of the sample size. Engineering (3%), knitting (6%), parking (3.6%),

processing (8.4%), quality (2.4%), sales (9%), spinning (9.6%), warehousing with 5 employees, and weaving having 16 workers that participated in the study.

Figure 3: Participation of Employees on Departmental Level.



Source: primary data

From figure 3 above, the garment department participated more than any other department because it also has the biggest population at SRN (about 600 employees). The support staff was a combination of many small departments such as logistics, procurement, accounts and finance, security, dispensary, cafeteria, fire and rescue, design studio IT department among others. The marketing and sales department had 15 respondents who participated out of the 20 that were censured, making it a 75% response rate.

4.1.4. Years of Service in SRN

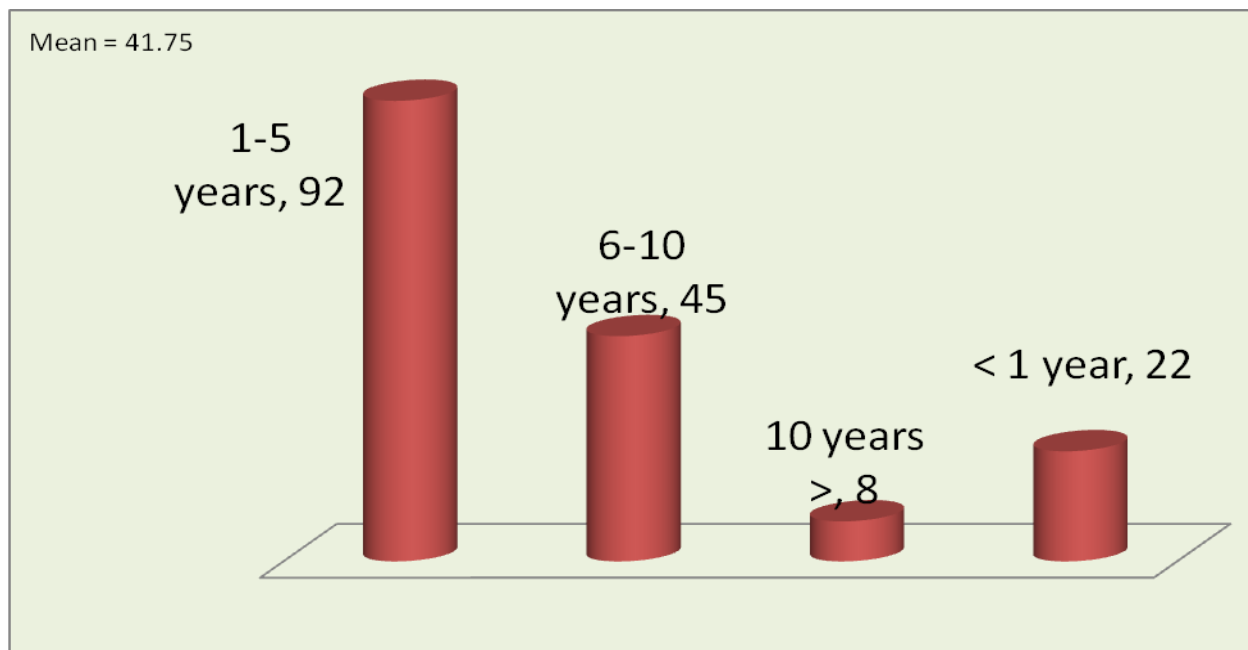
Table 5: Years of Service

		Frequency	Percent
Valid	1-5 years	92	55.1
	10 years and above	8	4.8
	6-10 years	45	26.9
	less than a year	22	13.2
	Total	167	100.0

Source: primary data

Table 5 above shows the number of years spent in service at SRN. Ninety two employees had spent 1-5 years in service indicating there were many workers with a lot of experience in this industry, 45 employees had spent 6-10 years while 22 had spent less than a year, 8 workers had spent more than 10 years in service which depicts the vast experience the company owns.

Figure 4: Years of Services by Various Employees



Source: primary data

Figure 4 above shows years of services by various employees with an average of 41.75 implying that on average 6-10 years have been spent in service by corresponding workers in different departments.

4.1.5. Educational Background of Respondents

Table 6: Educational Background of Respondents

			education					Total
			a Primary	b Secondary	c Diploma	d Undergraduate	e Graduate	
gender	1 male	Count	2	13	45	17	12	89
		% of Total	1.2%	7.8%	26.9%	10.2%	7.2%	53.3%
	2 female	Count	1	22	39	10	6	78
		% of Total	.6%	13.2%	23.4%	6.0%	3.6%	46.7%
Total		Count	3	35	84	27	18	167
		% of Total	1.8%	21.0%	50.3%	16.2%	10.8%	100.0%

Source: primary data

1.2% males had not gone beyond primary level of education, 7.8% secondary level, 26.9% holding a diploma, 10.2% under-graduates, and 7.2 were graduates. 0.6% females were of primary level of education, 13.2% secondary level, 23.4% holding diplomas, 6% and 3.6% were undergraduates and graduates respectively. This implies that the respondents were knowledgeable enough to answer the questionnaire and therefore their answers were dependable and reliable.

4.2. Findings of the Study

4.2.1. Customer Orientation

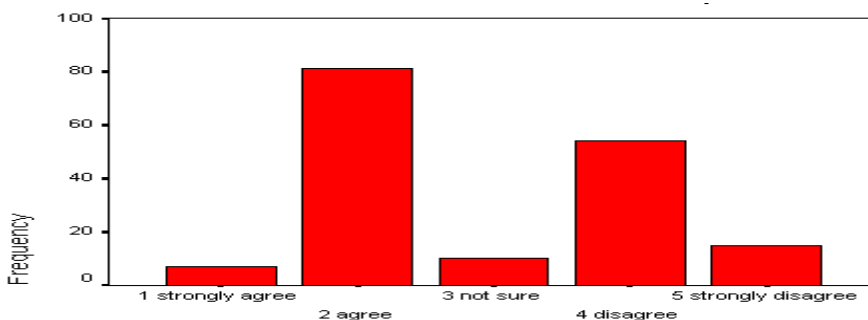
Table 7: Customer Information as Distributed to all Departments

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 strongly agree	7	4.2	4.2	4.2
2 agree	81	48.5	48.5	52.7
3 not sure	10	6.0	6.0	58.7
4 disagree	54	32.3	32.3	91.0
5 strongly disagree	15	9.0	9.0	100.0
Total	167	100.0	100.0	

Source: primary data

Table 7 above shows that 81 respondents agree that customer information is distributed to all departments while 54 respondents disagree. There are departments in SRN that receive information about customers (like the marketing and production departments) while others (like weaving, spinning and garment departments) receive little or no information about customers. In such departments, information is only shared among heads of departments/sections and other employees are only expected to do whatever the heads of departments tell them. As a result many of these employees never know who their clients or what their preferences are.

Figure 5: Diagrammatic Distribution of Customer Information to all Departments at SRN.



Source: primary data

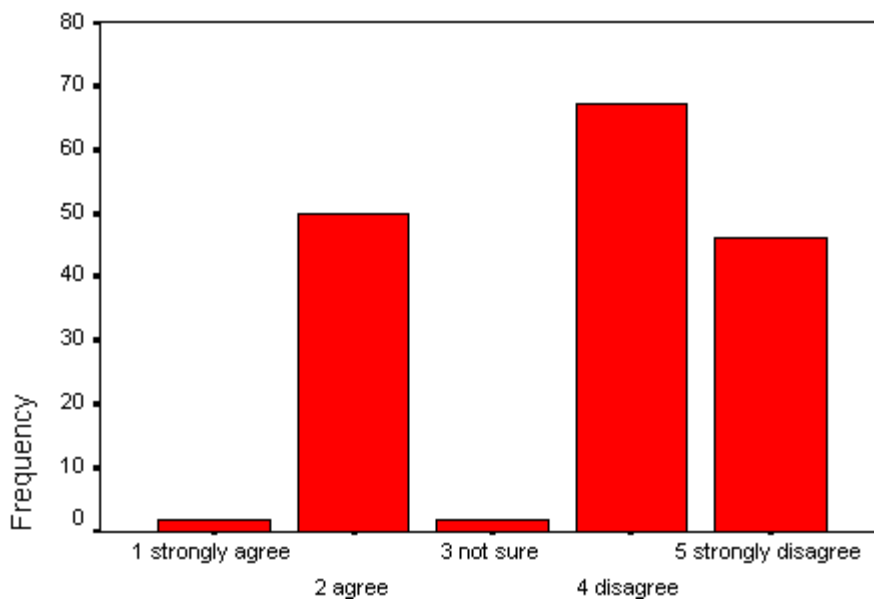
Table 8: Customer Complaints Response

		Frequency	Percent
Valid	1 strongly agree	2	1.2
	2 agree	50	29.9
	3 not sure	2	1.2
	4 disagree	67	40.1
	5 strongly disagree	46	27.5
	Total		167

Source: primary data

From table 8 above 40.1% of respondents disagree and 27.5% strongly disagree that customers' comments and complaints are ignored, that is; (67.6% respondents are in disagreement). This implies that customers are considered a priority and their views and comments matter to the company. Despite the fact that information about these customers is not evenly distributed to all members, those that receive it and are concerned about their implementation act accordingly.

Figure 6: Diagrammatic Response to Customer Complaints



Source: primary data

Figure 6 above describes the diagrammatic response to customer complaints, where the majority of respondents disagree that customer complaints are ignored and that they fall on deaf ears.

4.2.2. Inter-Functional Coordination

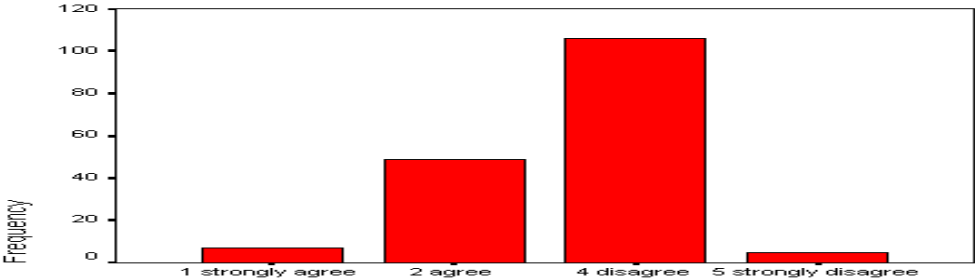
Table 9: Departmental Meeting

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 strongly agree	7	4.2	4.2	4.2
2 agree	49	29.3	29.3	33.5
4 disagree	106	63.5	63.5	97.0
5 strongly disagree	5	3.0	3.0	100.0
Total	167	100.0	100.0	

Source: primary data

Table 9 above shows that 63.5% of the respondents disagree that they hold departmental meetings while 29.3% agree to this statement. There are many departments at SRN including the Sales departments that do not hold meetings to discuss issues concerning customers, departmental progress, and welfare among others. Meetings are often held between managers and heads of departments and not with other employees.

Figure 7: Distribution of Departmental Meetings



Source: primary data

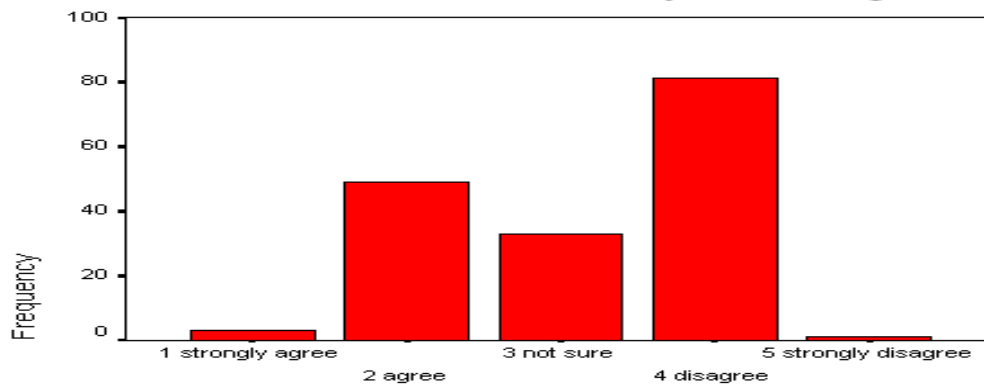
Table 10: Whether SRN’s Activities are driven by Technological Advances

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1 strongly agree	3	1.8	1.8	1.8
2 agree	49	29.3	29.3	31.1
3 not sure	33	19.8	19.8	50.9
4 disagree	81	48.5	48.5	99.4
5 strongly disagree	1	.6	.6	100.0
Total	167	100.0	100.0	

Source: primary data

Table 10 above represents, 48.5% respondents disagree that firm’s activities are driven by technological advance than market research, 29.3% agree, 19.8% not sure and 1.8% strongly agree while 0.6% strongly disagree. This implies that many of the company’s activities are driven more by market research than technological advances; which means whatever the company produces or whatever decision management makes in light of production, marketing or procurement is as a result of research not technological advance.

Figure 8: Distribution of the respondents’ view that firm’s activities are driven by technological advance than market research



Source: primary data

4.2.3. Competitor Orientation

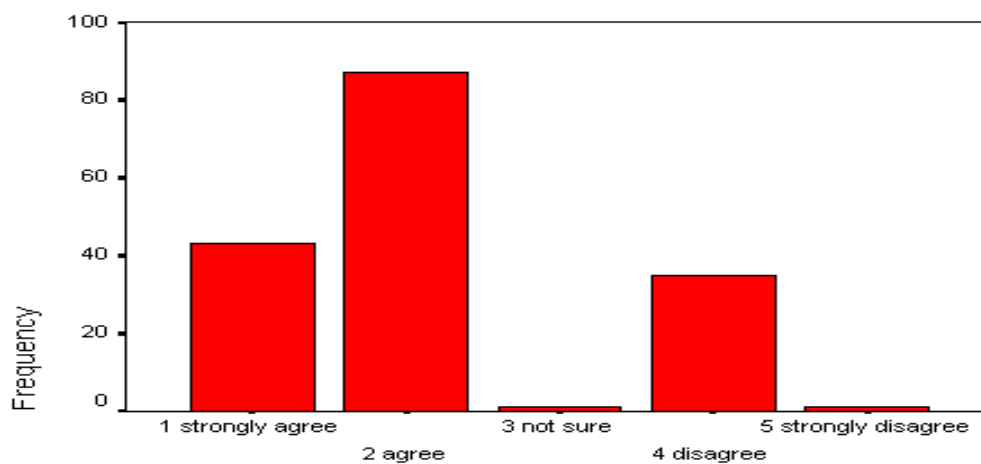
Table 11: SRN Immediate Response to Competitors’ programmes

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 strongly agree	43	25.7	25.7	25.7
	2 agree	87	52.1	52.1	77.8
	3 not sure	1	.6	.6	78.4
	4 disagree	35	21.0	21.0	99.4
	5 strongly disagree	1	.6	.6	100.0
	Total	167	100.0	100.0	

Source: primary data

Table 11 above shows 52.1% agree and 25.7% strongly agree that the company responds immediately to competitors’ launched programmes. SRN cares about competition and its management will react immediately to any threats from the competitors’ activities.

Figure 9: Responses from participants concerning how the company reacts when competitors launch new programmes.



Source: primary data

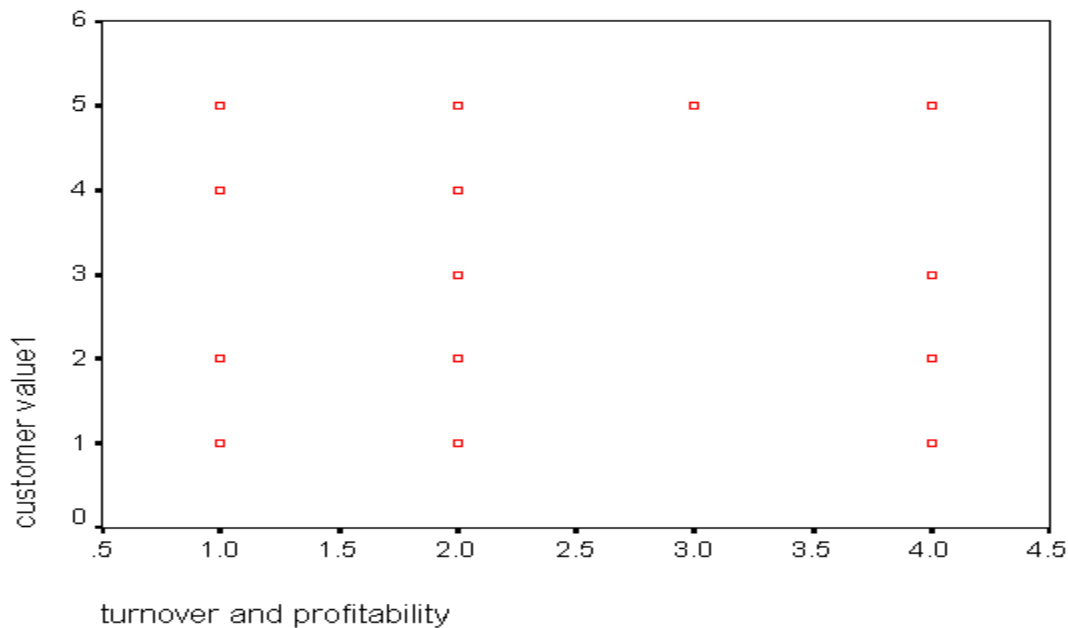
4.3. Analysis of the Research by Objectives

4.3.1. Does Customer Orientation Improve Performance in SRN?

Customer orientation is measured using a couple of variables .i.e. Measure of customer value, defining customers' quality, strong commitment to customers and others while performance is also measured using variables like increase in turn over and profitability among others. The researcher therefore analyzed whether customer orientation improves performance using numerous parameters as shown in the analysis below:

4.3.1.1. Measure of Customers' Value Vs Turnover and Profitability for the Last 3 years

Figure 10: Scatter Diagram Showing Customer Value Vs Turnover and Profitability.



Source: primary data

The scatter diagram above shows the graphical relationship between the variables (customer value and turnover) and the sparse distribution indicates that there is no relationship between the

two. This implies that the company is not really committed to creating customer value which hinders profitability.

Table 12: Mean and Standard Deviation Customers' Value Vs Turnover and Profitability)

Descriptive Statistics

	Mean	Std. Deviation	N
customer value1	2.72	1.24	167
turnover and profitability	2.05	.54	167

Source: primary data

Table 12 shows the mean and standard deviation of the variables in question. Measure of customer value on average is 2.72 while turnover is 2.05 from the 167 respondents interviewed.

Table 13: Mathematical Correlation between the two Variables

Correlations

		customer value1	turnover and profitability
customer value1	Pearson Correlation	1.000	-.106
	Sig. (2-tailed)	.	.171
	N	167	167
turnover and profitability	Pearson Correlation	-.106	1.000
	Sig. (2-tailed)	.171	.
	N	167	167

Source: primary data

Table 13 above shows the mathematical correlation between the two variables: Measure of customer value has a negative relationship of magnitude -0.106 with turn over and profitability; implying that: (assuming x=measure of customer value and y=turn over and profitability)

Table 14: Relation between Customer Care and Performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Collinearity Statistics		
	B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF	
	1	(Constant)	2.173			.100		21.779	.000	1.976
	customer value1	-4.59E-02	.033	-.106	-1.375	.171	-.112	.020	1.000	1.000

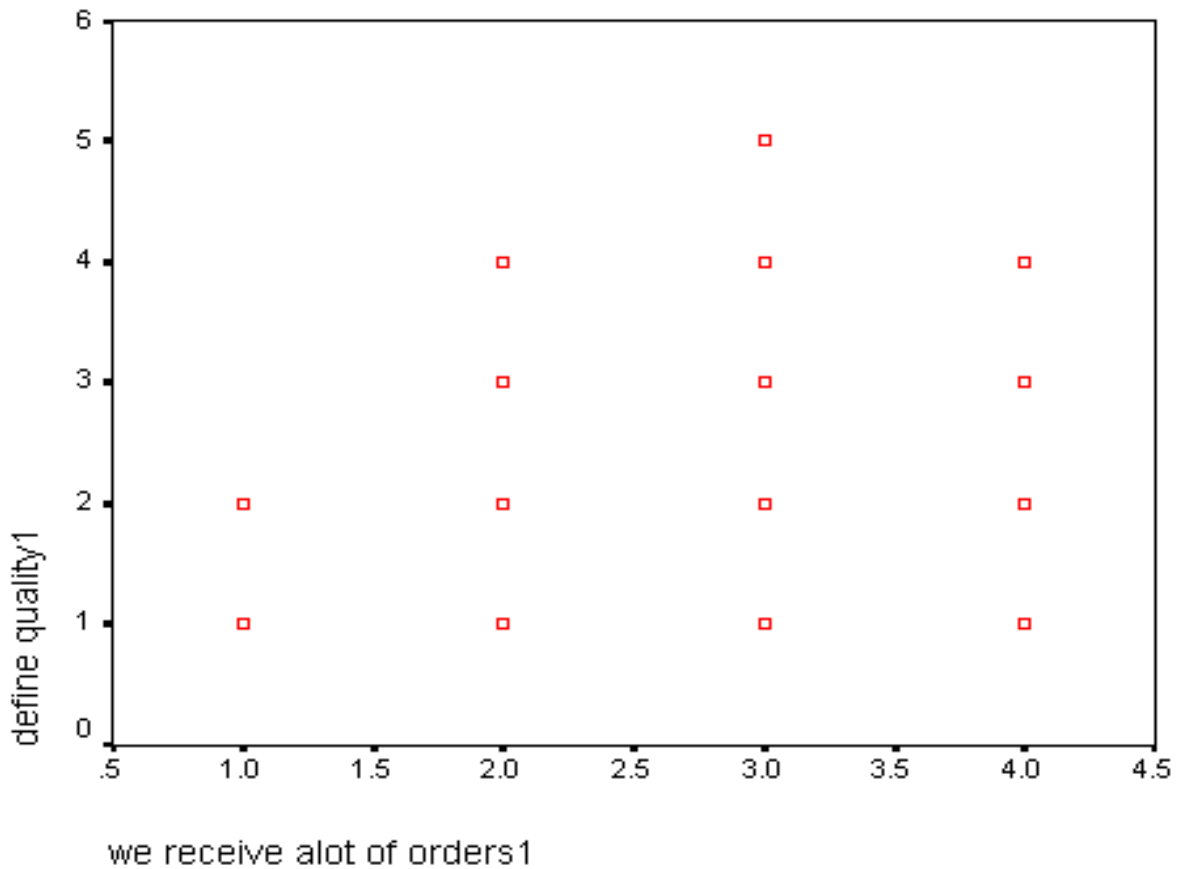
Source: primary data

$$Y = -0.106x - 0.00459 \text{ ----- equation 1}$$

From equation 1, a unit change in measure of customer value brings a decrease in turn over and profitability by 10.6%. However if there is no measure of customer value (x=0) turn over and profitability will be -0.00459 implying a loss in the organization but if for example (x=100, y=-106.00459) this implies a bigger negative magnitude in turn over and profitability. Hence Customer orientation does not improve performance at SRN.

4.3.1.2. Defining quality of the customers Vs Number of orders received per day.

Figure 11: Scatter Diagram Showing Defining Quality of the Customers Vs Number of Orders Received per day.



Source: primary data

Figure 11 above shows a sparse distribution of the two variables (defining quality and number of orders received a day). This implies that at SRN the number of orders received per day, has nothing to do with the quality of products produced by the company. The number of orders highly depends on the seasons i.e. back to school seasons where there is high demand for school t-shirts and bed sheets and other seasons like National campaigning times.

Table 15: Breakdown of Defining Quality in Relation to the Number of Orders Received per day

			we receive alot of orders1				Total
			strongly agree	agree	not sure	disagree	
define quality1	strongly agree	Count	1	1	6	2	10
		% of Total	.6%	.6%	3.6%	1.2%	6.0%
	agree	Count	1	7	45	24	77
		% of Total	.6%	4.2%	26.9%	14.4%	46.1%
	not sure	Count		5	6	1	12
		% of Total		3.0%	3.6%	.6%	7.2%
	diagree	Count		17	41	3	61
		% of Total		10.2%	24.6%	1.8%	36.5%
	strongly disagree	Count			7		7
		% of Total			4.2%		4.2%
Total		Count	2	30	105	30	167
		% of Total	1.2%	18.0%	62.9%	18.0%	100.0%

Source: primary data

From the table 15 above, 0.6% of respondents strongly agree that they receive a lot of orders and strongly agree that this is because they define customers' quality. One respondent agrees, 3.6% were not sure while 1.2% disagreed and none strongly disagreed that they receive a lot of orders because of defining the customer quality.

In the second row 0.6% strongly agree that they receive a lot of orders because they define customers' quality, 4.2% agree of the orders and still agree for the quality, 26.9% were not sure of the orders but they agree that they define customers' quality, 14.4% disagreed that they receive a lot of orders per day but this percentage agreed that they define customers' quality. 3% were not sure whether they define customers' quality but agreed that they receive a lot of orders

per day, 3.6% were not sure for defining customers' quality and receiving orders per day, 0.6% disagreed about the orders received per day but were not sure of defining customers' quality.

10.2% agreed that they receive a lot of orders per day but disagreed about defining the customers' quality, 24.6% were not sure about the orders and disagreed about defining quality, and 1.8% disagreed to orders and defining customers' quality. Finally 4.2% strongly disagreed about defining customers' quality but were not sure of the orders.

Table 16 showing the coefficients of the two variables (customer quality Vs number of orders)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	3.365	.134		25.022	.000	3.099	3.630		
	define quality1	-.136	.044	-.234	-3.097	.002	-.222	-.049	1.000	1.000

a. Dependent Variable: we receive alot of orders1

Source: primary data

Assuming y=receive a lot of orders per day

x=defining customers' quality.

$$Y = -0.234x - 0.136 \text{ ----- equation 2}$$

From equation 2, a unit change in defining customers' quality brings about a decrease in the orders received per day by 23.4%. However if there is no defining customers' quality (x=0), y=-0.136 this shows negative orders. Hence Customer orientation does not improve performance.

4.3.1.3. Strong commitment to our customers Vs products satisfies customers' preference.

Table 17 showing a relationship between strong commitment to customers and whether products satisfy the customer needs

			strong commitment1					Total
			strongly agree	agree	not sure	disagree	strongly disagree	
our products satisfy the needs of our customers	1 strongly agree	Count		3				3
		% of Total		1.8%				1.8%
	2 agree	Count	1	4		1		6
		% of Total	.6%	2.4%		.6%		3.6%
	3 not sure	Count		56	7	68	14	145
		% of Total		33.5%	4.2%	40.7%	8.4%	86.8%
	4 disagree	Count	5	1		7		13
		% of Total	3.0%	.6%		4.2%		7.8%
Total	Count	6	64	7	76	14	167	
	% of Total	3.6%	38.3%	4.2%	45.5%	8.4%	100.0%	

Source: primary data

From table 17 above, 1.8% agreed that there is strong commitment to their customers and strongly agreed that their products satisfy the customers' needs. 0.6% strongly agreed about being committed and agreed that their products satisfy customer needs, 2.4% agreed to both statements while 0.6% disagreed about the strong commitment and agreed that their products satisfy customer needs.

On the other hand, 33.5% agree to strong commitment but not sure of customers' satisfaction, 4.2% not sure of the commitment and not sure about customers' satisfaction, 40.7% disagreed about the strong commitment and were not sure about the customers' satisfaction, 8.4% strongly disagreed about the strong commitment and were not sure about the customers' satisfaction.

3% disagree about customers' satisfaction but agree that they have strong commitment to customers, 0.6% disagree to customers' satisfaction but agree to commitment and 4.2% disagreed about the customers' satisfaction and strong commitment to their customers.

In conclusion, majority of the respondents disagree that there is a strong commitment to customer preferences and many do not know whether the products they produce satisfy their customers. The company produces as much apparel as demanded by their customer, majority of who care little about fashion and design i.e. Army uniforms, Industrials, school shirts among others.

4.3.2. Does Competitor Orientation Improve Performance in SRN?

4.3.2.1. We respond rapidly to competitors' actions Vs a range of new products produced for the last 3 years.

Table 18 showing whether responding to competitors actions at SRN has led to an increase in the range of new products being produced in the last 3 years

			new products are developed compared to 2 years ago				Total
			1 strongly agree	2 agree	3 not sure	4 disagree	
respond rapidly to competitors' action	1 strongly agree	Count		7	16	7	30
		% within respond rapidly to competitors' action		23.3%	53.3%	23.3%	100.0%
	2 agree	Count	1	19	60	12	92
		% within respond rapidly to competitors' action	1.1%	20.7%	65.2%	13.0%	100.0%
	3 not sure	Count			4		4
		% within respond rapidly to competitors' action			100.0%		100.0%
	4 disagree	Count		11	30		41
		% within respond rapidly to competitors' action		26.8%	73.2%		100.0%
Total		Count	1	37	110	19	167
		% within respond rapidly to competitors' action	.6%	22.2%	65.9%	11.4%	100.0%

Source: primary data

Tables 18 above shows that 23.3% of the respondents agree that new products are developed compared to 2 years ago and strongly agree that they respond rapidly to competitors' actions, 53.3% were not sure about new products being produced compared to 2 years ago but strongly agree that they respond rapidly to competitors. 23.3% disagreed that new products are developed compared to 2 years ago and strongly agree that they respond rapidly to competitors' actions.

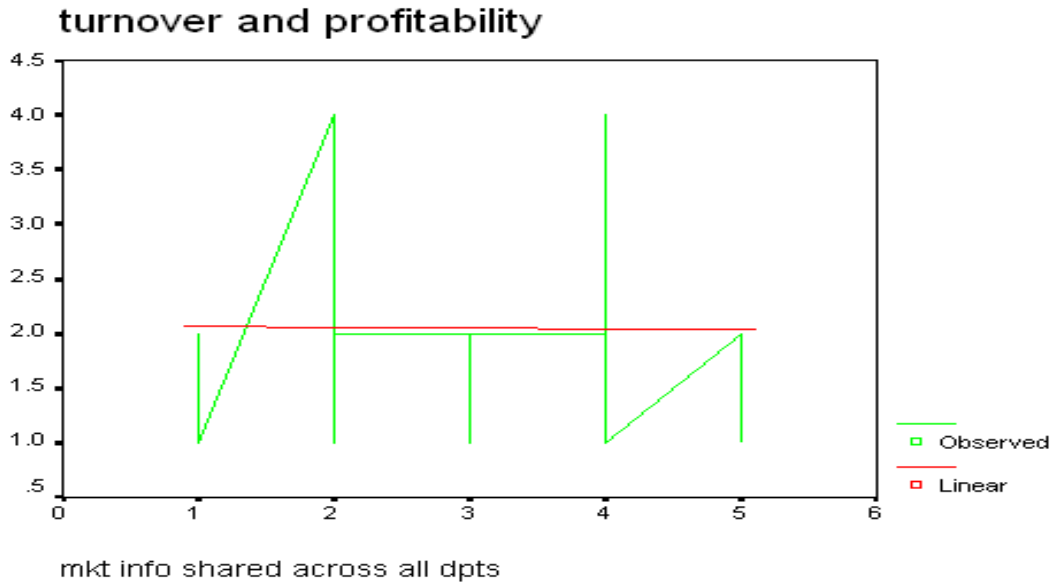
1.1% strongly agreed that new products are developed compared to 2 years ago and that they respond rapidly to competitors' actions, 20.7% agree that new products are developed compared to 2 years ago and that they respond rapidly to competitors, 65.2% were no sure that new products are developed compared to 2 years ago and agreed that they respond rapidly to competitors' actions, 13.0% disagreed that new products are developed compared to 2 years ago and agreed that they respond rapidly to competitors' actions.

Majority of the participants agree that their company is very competitive and that they rapidly respond to competitors' actions. However this does not necessarily mean an increase in the new product range that the company produces. The competitiveness only enables them to increase production with their current and original product line which eventually increases sales. In conclusion, *competitor orientation improves performance at SRN*.

4.3.3. Does Inter-Functional Coordination Improve Performance in SRN?

4.3.3.1. Market Information across all Departments Vs Turnover and Profitability

Figure 12 below illustrates whether sharing information across all departments leads to an increase in turnover and profitability



Source: primary data

Figure 12 above shows how market information across all departments is graphically related with turnover and profitability and the red line shows linearity which is not present.

Table 19 showing the correlations between the two above variables

Correlations			
		turnover and profitability	mkt info shared across all dpts
turnover and profitability	Pearson Correlation	1.000	-.016
	Sig. (2-tailed)	.	.836
	N	167	167
mkt info shared across all dpts	Pearson Correlation	-.016	1.000
	Sig. (2-tailed)	.836	.
	N	167	167

Source: primary data

From the table19 above, there is a negative relationship sharing of market information across all departments and Turnover of magnitude -0.016. This implies that sharing of market information across all departments does not affect turn over and profitability. It also means that inter-functional coordination does not improve performance at SRN.

4.4. Is there any Impact of Trade facilitation on Performance at SRN?

4.4.1. Government Promoting the Growth of Textile Industries and Range of New Products for the Last 3 years.

Table 20 showing the descriptive statistics of two variables (government support for textiles Vs increased range of products)

	Mean	Std. Deviation	N
government is promoting the growth of textile industries in uganda2	3.47	.83	167
arrange of new pdts1	2.88	.59	167

Source: primary data

Table 21 shows the correlations for the two variables above

		government is promoting the growth of textile industries in uganda2	arrange of new pdts1
government is promoting the growth of textile industries in uganda2	Pearson Correlation	1.000	.287**
	Sig. (2-tailed)	.	.000
	N	167	167
arrange of new pdts1	Pearson Correlation	.287**	1.000
	Sig. (2-tailed)	.000	.
	N	167	167

** . Correlation is significant at the 0.01 level (2-tailed).

Source: primary data

The correlation computations between government's promoting the growth of textile industries in Uganda Vs arrange of new products for the last 3 years shows a positive correlation hence a positive relationship of magnitude 0.287. This implies that when the Ugandan government promotes the industry there are and will be a lot of new products on the market. In other wards the more government increases its support for the textile firms the more products on the market.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND RECOMMENDATIONS

5.0. Introduction

This chapter presents the summary, discussion, conclusions and recommendations made from the study. The research was about the effect of market orientation (customer orientation, competitor orientation and inter-functional coordination) on performance of Southern Range Nyanza as moderated by trade facilitation.

5.1. Summary of Findings

This study found out that market orientation components like customer orientation and inter-functional coordination; do not necessarily improve performance in Southern Range Nyanza. Below is summary of the key findings in relation to the research objectives.

5.1.1. Customer Orientation

The analysis between customer value and turnover showed that that when customer value is ignored by the employees of SRN, profitability and turnover reduces by 10.6%, that is; A unit change in measure of customer value brings a decrease in turn over and profitability by 10.6%. Likewise, ignoring to define customer quality at SRN decreases the number of orders they receive per day by 23.4% (A unit change in defining customers' quality brings about a decrease in the orders received per day by 23.4%). It was discovered that there is no customer orientation at SRN and it does not contribute to the performance of their organization.

5.1.2. Competitor Orientation

The study established that SRN is a very competitive company and that the company management looks out for any changes in the competitor prices and new innovations of competitors. However, many of SRN's employees are not aware whether their company's competitiveness leads to development of new products every year. What is known however is that, the company's competitiveness enables it to produce more of the current and original goods thus leading to increased sales hence profitability and turnover.

5.1.3. Inter-Functional Coordination

The research discovered that inter-functional coordination at SRN does not affect or improve on performance in any way. Many participants conceded that their departments hardly hold any departmental meeting and that market information about customers is never heard of by some participants of certain departments. This therefore means the element of inter-functional coordination at SRN is non-existent hence cannot influence performance in any way.

5.1.4. Trade Facilitation

The study established a positive correlation of magnitude 0.287 between trade facilitation and performance at SRN. This implies that government intervention of trade facilitation at whatever level, increases performance of textile firms. In other words the more government increases its support for the textile firms the more products on the market.

5.2. Discussion and Implications

Contrary to other several previous studies done on market orientation, trade facilitation was used as the moderator variable.

And still contrary to other studies on market orientation, customer orientation and inter-functional coordination do not improve performance at Southern Range Nyanza. Managers do not enforce customer orientation and do not regularly measure the customer satisfaction level, customer loyalty, new customers gained, customers retained or customers lost. In other words the company does not give consumer metrics priority in the way it assesses its marketing performance. The implication for this is that products produced are not really the customers' tastes or preferences which have led to loss of many customers.

Additionally, inter-functional coordination is not a priority at SRN. What happens in the procurement department may not really bother ordinary employees in the garment or spinning departments. Departmental meeting are not held often to discuss departmental progress, human resource welfare, or any other new changes in the organization, unless they are emergencies. This implies that quality may be compromised at some point as some members may not understand the overall objectives of the organization. Some members may produce particular products not because they know why they are producing those products but because they are told to produce those particular products.

5.3. Limitations

There were several limitations to this research. First, the study was only limited to one textile Firm (SRN) to be a representative of textile firms in Uganda. Additionally from SRN, it was the first-shift employees that were selected to participate in the study instead of the entire company. There was also lack of cooperation from some key respondents especially those of Indian origin. Many were reluctant to answer both the questionnaires and the interviews.

5.4. Conclusion

This study sought to add to the existing body of knowledge about the relationship between market orientation and performance in manufacturing firm.

It examined the components of market orientation (customer orientation, competitor orientation and inter-functional coordination) separately and used a case study of Southern Range Nyanza to explain a single phenomenon of what happens in the textile firms in Uganda. The study concluded that SRN is not market oriented and that components of market orientation like customer orientation and inter-functional coordination do not lead to performance. It was also concluded that trade facilitation from government is vital in improving performance at the company. This could be in form of easing the importation and exportation of the company's products without much bureaucracy, plus imposing heavy taxes on cheap clothes from China and second hand clothes that come in form of humanitarian aid (mivumba). This way the company can beat competition and improve on its sales in future.

5.5. Recommendations

There is need for SRN management to regularly measure the customer satisfaction levels, customer loyalty, new customers gained, customers retained or customers lost. In that way the company can design and implement better systems concerned with maintaining and retaining customers hence not lose them to its competitors.

To respond to competition, SRN and the entire textile industry should not only explore new ideas or new manufacturing processes such as use of Computer aided design (CAD) and Computer aided manufacturing (CAM), and develop new products and services for emerging markets, but should also exploit existing products or services and tap current competences of the firm for

existing markets. Management should always be careful and vigilant to the activities of the competitors and should always look out for their (competitors) new innovations and creativities.

Additionally the textile workforce at Southern Range Nyanza is an important component of a strategy to improve performance of the company. Managers need training on technical standards, trade and business management, and worker productivity and quality standards. There is also need to advance on production equipment, process upgrades and total quality controls in order to attain high quality. This therefore requires that workers be trained in a variety of processes and procedures to ensure that they work as efficiently and effectively to realize better results. Finally, there is need for Southern Range Nyanza and other textile firms in Uganda to benchmark best practices from other international players in order to make improvements.

For inter-functional coordination to be effective at SRN, management needs to enforce departmental meetings plus encourage departmental coordination. Information should not only be shared between managers and heads of departments but also other ordinary employees. This will enable the other employees to feel part of the organization hence part of the solution to whatever could be affecting the organization.

Apart from trade infrastructures, government has also got to subsidize on the taxes it imposes on the local textile firms in order to promote them. There is also need to follow up and implement the tax regulations on cheap imported textiles which out compete the local firms if the industry is to survive. Finally, government has got to support the exportation of the Ugandan textiles especially to the USA through AGOA.

5.6. Directions for Future Research

Many of the market orientation studies carried out in developed countries were moderated by environmental variables such as the market turbulence, technology turbulence and competitive intensity. There is need for more studies on market orientation and performance as moderated by trade facilitation in different countries especially Africa.

Additionally, more conceptual and empirical research needs to be conducted to expand the market orientation philosophy from product organizations like textile firms to service provider like telecommunications companies.

Inter-functional coordination as an independent variable and how it influences performance also needs to be explored more. In modern day management, inter-functional coordination is a key component hence there is need to study the phenomenon better.

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Appendix 1

Respondents' Questionnaire based on five-likert scale

Dear respondent,

This questionnaire is designed to study the relationship between market orientation and performance of the textile industry in Uganda. The information you will provide shall be used for academic purposes and it shall help the researcher to evaluate the importance of market orientation and how it promotes performance.

I kindly request you to respond to each question honestly because your answer will determine the validity and reliability of this study.

Thank you

Section 1: Background information

Please tick where appropriate

1. Gender

Male

Female

2. Which age bracket do you belong?

13-18

19-24

25-30

31-35

35-40

40-above

3. What is your level of education?

Primary

Secondary

Diploma

Undergraduate

Graduate

4. Which department do you work in?

.....

5. Years of service in Southern Range Nyanza

>1 year

1-5 years

6-10 years

<10 year

Use the following scale to indicate the extent of your agreement or disagreement with which the statements apply to market orientation by placing a tick in the appropriate box.

Strongly agree

Agree

Not sure

Disagree

Strongly disagree

Statement**Rating**

Section 2: Customer Orientation						
1	We encourage customer comments and complaints because they help us do a better job	1	2	3	4	5
2	After-sales service is an important part of our business strategy	1	2	3	4	5
3	We have a strong commitment to our customers	1	2	3	4	5
4	We are always looking at ways to create customer value in our products	1	2	3	4	5
5	We measure customer satisfaction on a regular basis	1	2	3	4	5
6	Our firm would be a lot better off if the sales force worked a bit harder	1	2	3	4	5
7	In our company, marketing's most important job is to identify and help meet the needs of our customers	1	2	3	4	5
8	We define quality as the extent to which our customers are satisfied with our products/services	1	2	3	4	5
Section 3: Competitor Orientation						
9	We regularly monitor our competitors' marketing efforts	1	2	3	4	5

10	We frequently collect marketing data on our competitors to help direct our marketing plans	1	2	3	4	5
11	Our salespeople are instructed to monitor and report on competitor activity	1	2	3	4	5
12	We respond rapidly to competitors' actions	1	2	3	4	5
13	Our top managers often discuss competitors' actions	1	2	3	4	5
14	We consider opportunities based on competitive advantage	1	2	3	4	5
Section 4: Inter-functional Co-ordination						
15	In our firm the marketing people have a strong input into the development of new products/services	1	2	3	4	5
16	Marketing information is shared with all departments	1	2	3	4	5
17	All departments are involved in preparing business plans/strategies	1	2	3	4	5
18	We do a good job integrating the activities of all departments	1	2	3	4	5
19	The marketing people regularly interact with other departments on a formal basis	1	2	3	4	5

20	Marketing is seen as a guiding light for the entire firm	1	2	3	4	5
Section 5: Intelligence Generation						
21	Frontline staff interacts directly with customers to see how we can serve them better	1	2	3	4	5
22	We do a lot of marketing research to assess customer perceptions of our products/services	1	2	3	4	5
23	We are slow to detect changes in our customers' preferences	1	2	3	4	5
24	We collect industry information on an informal basis	1	2	3	4	5
25	We regularly review the likely effect of changes in our business environment (e.g. interest rate changes, deregulation) on our customers	1	2	3	4	5
Section 6: Intelligence Dissemination						
26	We regularly have inter-departmental meetings to discuss market trends and developments	1	2	3	4	5
27	Our marketing people regularly discuss customer needs with other departments	1	2	3	4	5
28	Customer satisfaction data are regularly distributed to all departments	1	2	3	4	5

29	There is minimal communication between marketing and other departments about market developments	1	2	3	4	5
30	When one department finds out something about a competitor it is often slow to alert other departments	1	2	3	4	5
Section 7: Response Design						
31	It takes us forever to decide how to respond to competitors' price changes	1	2	3	4	5
32	Somehow we tend to ignore changes to our customers' product/service needs	1	2	3	4	5
33	We regularly check our product/service developments to assess whether they are in line with customer needs	1	2	3	4	5
34	Our business activities are driven more by technological advances than by market research	1	2	3	4	5
35	The products/services we sell are determined more by internal politics than market needs	1	2	3	4	5
Section 8: Response Implementation						
36	If a competitor launches a programme targeted at our customers we'll react immediately	1	2	3	4	5
37	The activities of our departments are well coordinated	1	2	3	4	5

38	Customer complaints fall on deaf ears in this firm	1	2	3	4	5
39	We are quick to respond to significant changes in our competitors' pricing	1	2	3	4	5
40	If we find out that customers are dissatisfied with the quality of our products/services we immediately take corrective action	1	2	3	4	5
Section 9: Sales and marketing performance						
41	Turnover and profitability has increased in each of the last three years	1	2	3	4	5
42	Sales team is responsible and accountable for regular sales forecasts	1	2	3	4	5
43	Leads, conversions, transactions per client are continuously tracked	1	2	3	4	5
44	We constantly educate clients on the benefits of products / services	1	2	3	4	5
45	Every member of our team understands our unique selling proposition	1	2	3	4	5
46	We receive quite a number of orders per day	1	2	3	4	5
47	The products we produce satisfy the needs of our	1	2	3	4	5

	customers					
48	The prices of our products are affordable and competitive	1	2	3	4	5
49	A range of new products are developed now compared to 2 years ago	1	2	3	4	5
50	We are still the market leaders in this industry in Uganda.	1	2	3	4	5
Section 10: Trade facilitation						
51	The textile policies in place are favorable for our company	1	2	3	4	5
52	Government imposes heavy taxes on second hand-clothes which enables our company to compete	1	2	3	4	5
53	Trade facilitation at the country borders enables us to import raw materials and export our apparel favorably	1	2	3	4	5
54	Government is doing all it can to promote the growth of textile industries in Uganda	1	2	3	4	5
55	Management works hand in hand with various government agencies to improve trade of textiles	1	2	3	4	5

Appendix 2

Interview schedule

Dear respondent,

This interview schedule has been prepared to study the relationship between market orientation and performance of the textile industry in Uganda. The information you will provide shall be used for academic purposes and it shall help the researcher to evaluate the importance of market orientation and how it promotes performance. I kindly request you to respond to each question honestly because your answer will determine the validity and reliability of this study.

The interview shall focus on:

Customer Orientation and performance

Competitor Orientation and performance

Inter-functional Co-ordination and performance

Intelligence Generation

Thank you very much for your time

Customer Orientation

How often do you measure your customers' degree of satisfaction?

.....

Do you constantly monitor the evolution of your current and potential customers' requirements?

.....

What factors influencing your customers purchasing habits?

.....

Do you always have full, updated, information on the evolution of the image of your products held by your current and potential customers?

.....

Competitor Orientation

What are some of the most dangerous competitors' aims and strategies?

.....

What are your most dangerous competitors' strengths and weaknesses?

.....

Do you have a system for precisely monitoring the evolution of the components of your competitors' marketing policy (products/services, price, communication and distribution).

.....

Inter-functional coordination

Is major market information always spread over all the company's functional areas?

.....

Are marketing strategies always drawn up in agreement with the other business functions?

.....

Have you implemented actions so that each person in the company feels individually committed to customer satisfaction?

.....

How periodically do you organize inter-function meetings to analyze all important market information?

.....

How do you encourage informal exchanges of information between the company's different functions?

.....

Intelligence Generation

Are you quicker than the competitors in responding to changes in customers' requirements?.....

Is your marketing plan, with its necessary adaptations, very well implemented overall?
.....

Do you give your customers complete information so they may use your products to the full and are satisfied with them?
.....

What actions do you undertake to anticipate the competition?
.....

Appendix 3

Documentary review checklist

SRN Profiles and Annual reports

Newspaper articles

Published works from journals

Government publications

Workshop reports

Information on:

Textile performance

Market orientation construct

Market orientation and performance

Customer orientation

Competitor orientation

Inter-functional coordination

Trade facilitation

Appendix 4

Work plan and timeframe

	Activity	Duration (days/weeks/months)	Dates
1	Proposal writing	4 months	24 th May- 24 th Sept
2	Proposal defending	3 weeks	15 th October
3	Pre-testing of instruments	2 weeks	16 th to 29 th October
4	Data collection	3 weeks	1 st to 15 th November
5	Data analysis	2 weeks	16 th to 27 th November
6	Report writing	3 weeks	30 th Nov to 18 th Dec
7	Defending the research	1 week	20 th to 28 th December

Reliability tests

RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients (Customer orientation Vs Performance)

N of Cases = 15.0

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	2.9611	2.7186	3.2036	.4850	1.1784	.1176

Analysis of Variance

Source of Variation	Sum of Sq.	DF	Mean Square	F	Prob.
Between People	320.9940	15	1.9337		
Within People	167.5000	15	1.0030		
Between Measures	19.6437	1	19.6437	22.0542	.0000
Residual	147.8563	166	.8907		
Total	488.4940	333	1.4669		
Grand Mean	2.9611				

RELIABILITY ANALYSIS - SCALE (ALPHA)

N of Cases = 167.0

N of Items = 2

Alpha = 0.7394

RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients (Trade facilitation Vs Performance)

N of Cases = 10.0

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	2.7605	2.0479	3.4731	1.4251	1.6959	1.0155

Analysis of Variance

Source of Variation	Sum of Sq.	DF	Mean Square	F	Prob.
Between People	76.8383	10	.4629		
Within People	256.0000	10	1.5329		
Between Measures	169.5928	1	169.5928		

325.8109 .0000

Residual 86.4072 166 .5205

Total 332.8383 333 .9995

Grand Mean 2.7605

Alpha = 0.8245

RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients (Competitor Orientation Vs Performance)

N of Cases = 15.0

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	2.8952	2.7844	3.0060	.2216	1.0796	.0245

Analysis of Variance

Source of Variation	Sum of Sq.	DF	Mean Square	F	Prob.
Between People	71.8323	15	.4327		
Within People	27.5000	15	.1647		
Between Measures	4.0988	1	4.0988		

29.0755 .0000

Residual 23.4012 166 .1410

Total 99.3323 333 .2983

Grand Mean 2.8952

Reliability Coefficients 2 items

Alpha = 0.942

RELIABILITY ANALYSIS - SCALE (ALPHA)

Reliability Coefficients (Inter functional co-ordination Vs Performance)

N of Cases = 15.0

Item Means	Mean	Minimum	Maximum	Range	Max/Min	Variance
	2.4162	2.0479	2.7844	.7365	1.3596	.2712

Analysis of Variance

Source of Variation	Sum of Sq.	DF	Mean Square	F	Prob.
Between People	80.6527	15	.4859		
Within People	76.5000	15	.4581		
Between Measures	45.2964	1	45.2964	240.9724	.0000

Residual	31.2036	166	.1880
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Total	157.1527	333	.4719
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Grand Mean 2.4162

Reliability Coefficients 2 items

Alpha = 0.9131

