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### THE EFFECT OF MARKET ORIENTATION AND CUSTOMER LOYALTY ON BUSINESS PERFORMANCE: AN EMPIRICAL EVIDENCE FROM RICE INDUSTRY OF THAILAND

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Keywords: Market orientation, Customers' orientation, Competitors' orientation, Inter functional coordination, Customers' loyalty, Business performance.

#### **ABSTRACT**

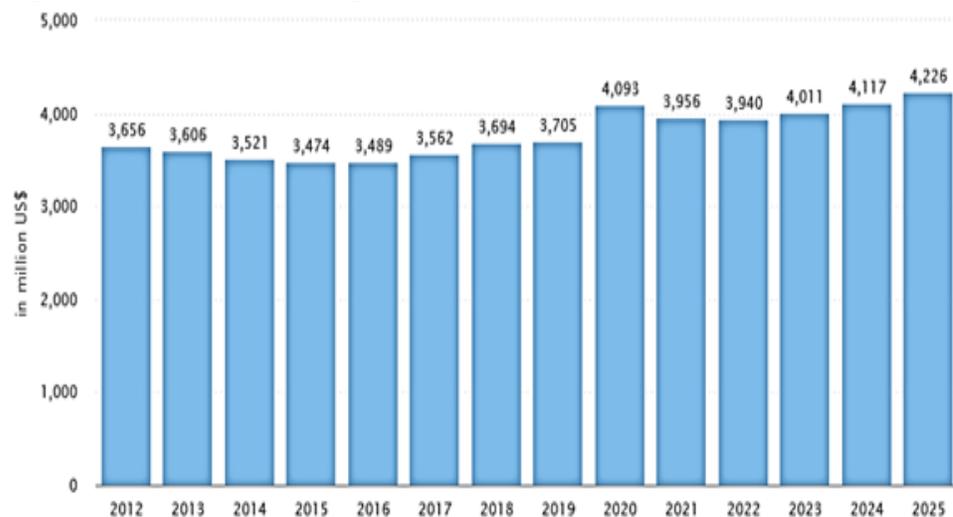
Market orientation is a process in which customers' need is identified and emphasized on customers' wants by meeting with them. In other words, market orientation refers to an organization's adjustment with the customers. However, the essential purpose of the market orientation is to achieve customers' loyalty, which significantly influences the company's business performance companies or organization. According to the current study, major factors of market orientation, such as customers' orientation, competitors' orientation, and inter-functional coordination, directly correlate with customers' loyalty and business performance. While customers' loyalty also has a direct relationship with business performance. Moreover, customers' loyalty mediates between the relationship of market orientation and business performance. To obtain the current study outcomes, a survey for primary data collection was initially conducted from 255 employees working in various companies involved in Thailand's rice industry. Furthermore, a statistical software named Partial Least Square was used to analyze the collected primary data to obtain the current study outcomes. In the end, it was concluded that market orientation has a positive effect on the business performance of companies, especially involved in the rice industry of Thailand. Hence, the current study contributes a lot to increase the business performance of the concerned companies and practitioners.

## INTRODUCTION

There are several factors which have significant importance regarding market orientation; however, customer orientation, competitor orientation, and inter-functional coordination are the significant factors that represent a very crucial role in market orientation (Asad, Chethiyar, & Ali, 2020). Generally, all these three factors are commonly practiced by the subjected authorities to increase their concerned companies' overall business performance. These factors are more effective and produce results as per the need and marked goal of the companies. Any kind of change in these essential factors of market orientation directly affects customer loyalty and business performance. Therefore, anything that decreases the value of customer orientation, competitor's orientation, and inter-functional coordination ultimately fall customer loyalty and business performance, particularly in the companies involved in Thailand's rice industry.

The Rice Industry of Thailand has numerous contributions to the overall country's economy. Moreover, rice is one of the significant sources of nutrition for the people of Thailand (Rana et al., 2020). According to a report, annual consumption by per capita was 114.57kg in 2013. However, average consumption in the world per capita stands at 54.2 kg in 2020. In Thailand, rice is cultivated over half of the arable land, where a significant part of the labor force is involved. Therefore, better business performance and stability in the rice industry of Thailand are crucial. As the rice industry is a major supplier of funds in the country's economy (Money, 2020). Hence, expansion and development in the business performance of the rice industry in Thailand are very crucial. The following Figure 1 shows revenue in the rice segment amount to US4,093 million in 2020.

**Figure 1:** Revenue in the rice segment in Thailand



**Source:** Statista (Forecast adjusted for the expected impact of COVID-19), June 2020

However, the Thailand rice industry faces critical problems related to its business performance (Tissamana & Amornsiripong, 2020). The business performance of companies involved in the rice industry is not sustainable. There are multiple reasons which directly impact on business performance of these companies. Market orientation is also one of the fundamental reasons that have crucial impacts on the companies' business performance in the rice business in Thailand (Mariyono, Waskito, Kuntariningsih, Gunistiyo, & Sumarno, 2019). Moreover, market orientation with mediation affects customers' loyalty influence on the rice industry's business performance. According to the current study, customers' orientation, competitors' orientation, and inter-functional coordination are the three primary reasons which play a significant role in the business performance of the companies involved in the rice business in Thailand.

This is a rare study that scrutinizes market orientation's role in customers' loyalty and business performance, particularly the companies involved in rice business in Thailand (Tai, Yeung, Nair, Chuan, & Tay, 2019). There are already multiple studies available on market orientation; however, all these studies have not considered the relationship between market orientation and rice companies' business performance in Thailand. Studies are also available in the rice industry in Thailand. Still, they have missed the role of customers' loyalty that impacts the companies' business performance involved in the rice business. Hence, the current study is an essential contribution to the body of literature.

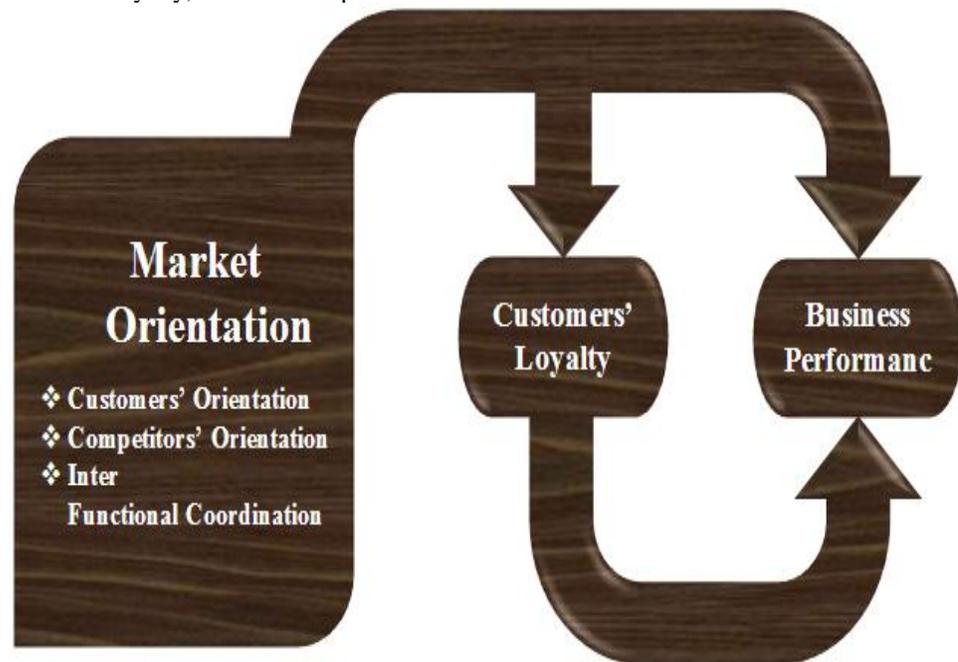
Results from previous literature explore that market orientation plays a significant role in organizations' overall performance (Dabrowski, Brzozowska-Woś, Gołąb-Andrzejak, & Firgolska, 2019). Furthermore, it is also evident that customers' loyalty is very important regarding market gains (Othman, Harun, De Almeida, & Sadq, 2020). Moreover, an increase in the volume of market orientation causes an increase in the concerned organization or company's business performance. Hence, market orientation is a practical element that directly impacts on business performance. Especially, major factors of market orientation such as customers' orientation, competitors' orientation and inter-functional coordination have significant role on business performance. Therefore, the basic purpose of the current study is to explore the effects of market orientation and customers' loyalty on business performance or companies involved in rice business in Thailand.

The contribution of the current study is vital to the literature. The current study, with a detailed explanation of the relationship between customers' orientation, competitors' orientation, inter-functional coordination, customer loyalty, and business performance, has significant importance and contribution. Hence, the current study has both theoretical and practical contributions. Theoretically, the current study describes the critical relationship between customers' orientation, competitors' orientation, inter-functional coordination, customers' loyalty, and business performance. Practically the current study is beneficial for the practitioners, concerned authorities, and especially for the companies involved in the rice business in Thailand.

#### **LITERATURE REVIEW**

Market orientation is a factor related to various kinds of adjustment between an organization's relation and its customers (Liu & Huang, 2020). However, the purpose of market orientation is to make adjustments in that the organization's business performance must grow with the satisfaction of customers. Companies, to achieve the loyalty of their customer, takes various kinds of steps. However, some of them directly impact customers' loyalty, while others indirectly influence the customers' loyalty. Customer loyalty has significant importance because it directly affects on business performance of the concerned companies (Ali, Danish, & Asrar-ul-Haq, 2020; Raza et al., 2020). The different companies involved in the rice business in Thailand struggle with significant problems related mostly to business performance. Hence, it is vital to explore the relationship between market orientation, customers' loyalty, and business performance. According to the current study and evidence from the previous literature, customer orientation, competitors' orientation, and inter-functional coordination are the significant factors of market orientation, significantly influencing business performance. Hence, any change in these three factors' value results in a direct shift in the values of customers' loyalty and business performance. In Figure 2, the relationship between market orientation, customers' loyalty and business performance is highlighted.

**Figure 2:** The study's theoretical framework shows the relationship of market orientation, customer loyalty, and business performance.



#### *Customers' orientation and customers' loyalty*

Obviously, customers are the basic consumers of the products; hence, a company must adjust to its relationship with its customers. The deal between customers and an organization to satisfy customers to gain more business profits is known as customers' orientation (Aburayya, Marzouqi, Alawadhi, Abdouli, & Taryam, 2020). According to a previous study, customer orientation has a significant role in the market (Domi, Capelleras, & Musabelliu, 2020; Prasetyo, Syamsurijal, Wahab, & Shihab, 2020). Companies that show more interest in identifying their customers' problems and regularly address them, develop a positively meaningful relationship with their customers. It is also clear from the previous literature that to acquire customers' loyalty, it is mandatory to develop a prominent relationship with customers by focusing on their needs and wants. In the seek of customers' retention, companies often go for strategies that have positive effects (Herman, Sulhaini, & Farida, 2020). According to the current study, companies involved in the rice business in Thailand, showing more attention towards emphasizing their customers' short-term and long-term needs, remain successful in gaining their customers' loyalty. While the companies that don't pay enough attention to an existing relationship or develop a new relationship with their customers to focus on their necessity, they often fail to achieve their customers' loyalty. Hence, it is hypothesized that;

*H1: Customers' orientation has a positive effect on customer loyalty.*

#### *Competitors' orientation and customers' loyalty*

Competitor orientation is a term that emphasizes thrashing the competition. In other words, competitors' orientation means to thrive in business as compared with the competitors (Ferreira, Coelho, & Moutinho, 2020). According to a prior study, the main objective of the competitors' orientation is to bring equilibrium in the market, which results in only profits (Lee & Griffith, 2019). Moreover, in competitors' orientation at the expense of competitors, each company or an organization attempts to maximize benefits.

It is noticed that companies have an as deep analysis of computation with their competitor; sometimes, they don't pay attention to their public profile and marketing. According to the current study, companies with a prominent position among their competitors are prosperous in developing customer loyalty. While companies with a normal position among competitors have comparatively less amount of their customers' loyalty. Hence, it is hypothesized that;

*H2: Competitors' orientation has a positive effect on customer loyalty.*

### ***Inter-functional coordination and customers' loyalty***

Organizational commitment has a significant role in the organization's functionality (Romeo, Yepes-Baldó, & Lins, 2020). Inter functional coordination is equity in which sharing of resources and information, collaboration, and integration of various functional departments is successfully made to achieve customers' faith. Hence, in a way, inter-functional coordination among the different employees, authorities, and departments of a company is a psychological factor that has numerous values in developing relations with the customers. As per a prior study, inter-functional coordination has played a significant role in the relationship with the customers (Hasibuan, Hakimah, Linda, Harahap, & Maharani, 2020; Hübnerová, Tomášková, & Bednář, 2020). Moreover, inter-functional coordination makes a company's overall environment more convenient for external entities such as customers, competitors, and marketers. According to the current study, the companies involved in rice business in Thailand, having effective inter-functional coordination, are prominent in achieving their customers' loyalty while the companies with the lack of inter-functional coordination are hardly successful in attaining customers' loyalty. Thus, it is hypothesized that;

*H3: Inter functional coordination has a positive effect on customers' loyalty.*

### ***Customers' orientation and business performance***

Customer orientation is often believed to be a fundamental determinant of a company or an organization, resulting in prominent positive changes in the company's business performance or an organization. According to a previous study, customers' behavior plays a significant role in the process of customers' orientation (Fernandes Sampaio, Hernández Mogollón, & de Ascensão Gouveia Rodrigues, 2020). As employees of a company have a direct relationship with the customers of the company; hence, this relationship is quite important, especially the customers' orientation point of view. Moreover, customers' orientation is considered one of the major factors that directly impact a company's important economic success. According to the current study results, companies involved in the rice business in Thailand accomplished noteworthy business performance with performing actions to resolve issues of their customers and satisfy them as per their needs. Hence, customers' orientation brings the ultimate results for the company. Therefore, it is encapsulated that;

*H4: Customers' orientation has a positive effect on business performance.*

### ***Competitors' orientation and business performance***

In simple words, competitors' orientation is a process through which an organization strives to learn what its competitors are doing. It seems that many business managers, students, and professors believe consider that competitors' orientation is seductive and has meaningful advantages on the business performance of organizations (Mikalef, Krogstie, Pappas, & Pavlou, 2020). Empirical studies prove that competitors' orientation is substantially affecting organizational business performance. Hence, organizations with a regular habit of managing, monitoring, and outflanking their competitors gain useful

knowledge, ultimately increasing business performance. Moreover, according to a prior study, organizations channel their resources towards the competitors' orientation more significantly when an environment of competency is more stable and predictable (Nuvriasari, Ishak, Hidayat, Mustafa, & Haryono, 2020). According to the current study results, the companies involved in the rice business, focusing more on competitors' orientation, successfully achieve business advantages, and get the pace of earning more comfortably. While the companies that don't pay considerable attention to their competitors, naturally, their business performance remains low. Hence, it is encapsulated that;

*H5: Competitors' orientation has a positive effect on business performance.*

#### ***Inter functional coordination and business performance***

Collaboration and integration of different functional areas or fields within a company are called inter-functional coordination (Dogbe, Tian, Pomegbe, Sarsah, & Otoo, 2020). Inter functional coordination forcefully holds the ability of various functional fields to take in distinct views and to work around adverse mental models and perspectives by putting aside functional hold of the attention for the good of an organization altogether (Acar, 2020). According to the current study, inter-functional coordination brings ease to the business performance of the companies involved in the rice business in Thailand. With great collaboration and integrity among all the units of a company, the workability of the company definitely increases. The force in a result of exemplary cooperation and inter functional coordination among all the effective entities of a company usually causes a regular thrive in the company's business performance. Hence, it is encapsulated that;

*H6: Inter functional coordination has a positive effect on business performance.*

#### ***Customers' loyalty and business performance***

However, the basic purpose of achieving customers' loyalty is to attain business performance. A previous study shows that organizations with a higher amount of customer loyalty often accomplish competitive advantages, which ultimately increases their business performance (LEE & SEONG, 2020). For the companies or organizations, without customers' loyalty, is it altogether hard to be popular in the market. Being unpopular among the customers ultimately decreases business performance. Hence, customers' loyalty plays a vital role in being popular among customers, ultimately enhancing business performance. Moreover, customer loyalty is a very important element that adds values to customer retention and positively affects business performance. According to the current study, it is clear that an increased volume of customers' loyalty causes a marked increase in the business performance of the companies involved in the rice business in Thailand. The companies showing fewer efforts to attain customers' loyalty comparatively gain less business performance. Therefore, it is encapsulated that;

*H7: Customers' loyalty has a positive effect on business performance.*

*H8: Customers' loyalty mediates between the relationship of customer orientation and business performance.*

*H9: Customers' loyalty mediates between the relationship of competitors orientation and business performance.*

*H10: Customers' loyalty mediates between the relationship of inter-functional coordination and business performance.*

#### **RESEARCH METHODOLOGY**

The research method has significant importance for each research because it determines how the whole study is carried out. Hence, the selection of a research method is a

fundamental process. The most proficient research methods which are commonly used by the researchers are the following three research methods

1. Quantitative research method
2. Qualitative research method
3. Mixed method.

According to the current study description, the quantitative research method is the best option to choose. Hence, a quantitative research method was adopted for the current study.

With the advantageous selection of the quantitative research method, the area cluster sampling approach was approved for the current study because the population of the current study is spread out on the whole of Thailand, which is an extensive area. As area cluster sampling approach is always the best option for the area with wide limits. Hence, the current study preferred the area cluster sampling approach because of the wide-area under consideration. Moreover, the sample size of the current study was 500, which is considered a very good sample size among the researchers.

As the current study is based on a survey; hence, 500 selected employees of the companies involved in the rice business in Thailand were declared as the respondents of the current study. Contacting information chambers of various companies, a list of employees containing their basic contact information was prepared. Then according to the list, the validity of the email address of each respondent was checked with the help of a tool available on the internet. In the next step, a questionnaire for the collection of primary data from the respondents of the current study was prepared. During the preparation of the questionnaire, all the questions were divided into the following three different categories.

1. Personal information of the respondents.
2. Questions about the critical variables of the current study
3. Ten questions based on a 5-point Likert scale ranging from 1 to 5

In the first category, the questions were asked to form the respondents about their demographic information such as their name, experience, age, qualification, and job status, etc. In the second category of the questionnaire, the respondents asked questions about the current study's key variables; these questions were related to market orientation, customers' orientation, competitors' orientation, inter-functional coordination, customers' loyalty, and business performance. In the last category, the respondents were responsible for selecting an appropriate option as per their experience from the 5-point Likert scale starting from 1 as "Strongly Approved" to 5 as "Strongly Disapproved."

After the successful completion of the questionnaire, an email was generated attached to the questionnaire and a descriptive note about the objective of the current study. This email was sent to each respondent individually. After 15 days of the email sent, there were 190 responses received. Hence, another reminder email was sent to the rest of the respondents; after the next eight days, there were 75 more responses received. It is found that ten responses out of the total 265 responses were partially filled, hence after removing, there were 255 responses available as primary data for the current study. With the help of PLS, this primary data was analyzed to obtain outcomes of the current study. All the measures and the scales were adopted from the previous studies.

#### **DATA ANALYSIS**

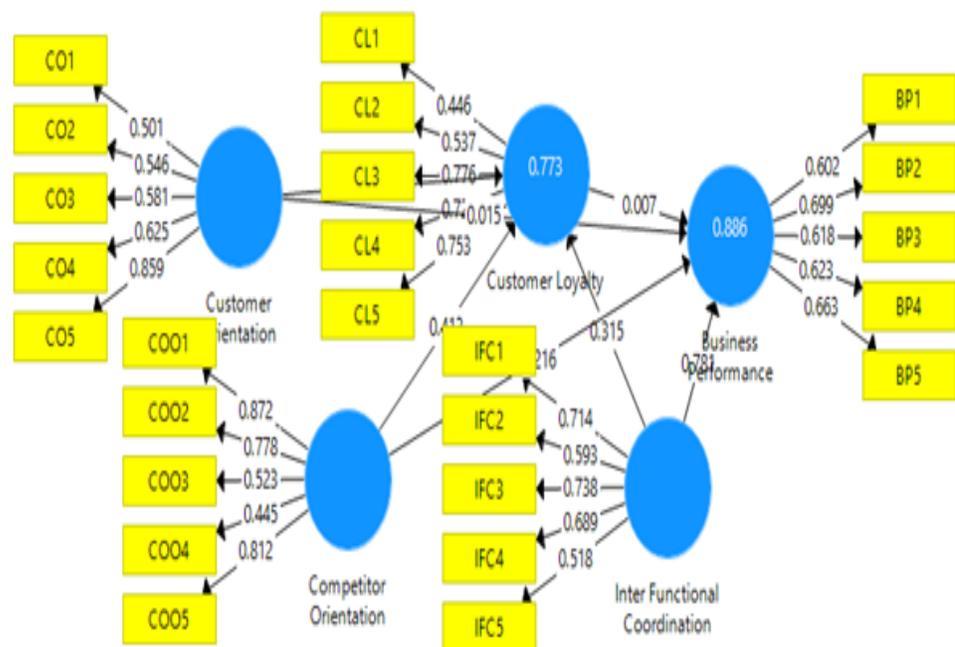
Data analysis confines with the analysis of the developed hypotheses based on collected primary data from the research study population. However, before stepping towards the analysis of hypotheses, it is mandatory to check the collected data's normality. Table 1,

showing the data's normality, also clears that there is no missing value and outlier present in the data. Because outlier and missing values present in the collected data have critical effects on the final results of data analysis.

**Table 1:** Data Statistics

	No.	Missing	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness
CO1	1	0	3.462	4	1	5	1.359	-0.961	-1.494
CO2	2	0	3.47	4	1	5	0.977	-1.918	-0.433
CO3	3	0	3.394	4	1	5	1.292	-0.982	-0.359
CO4	4	0	3.53	4	1	5	1.148	-0.596	-0.419
CO5	5	0	3.502	3	2	5	0.869	-1.667	1.012
COO1	6	0	3.386	3	2	5	0.834	-0.501	0.179
COO2	7	0	3.402	3	1	5	1.029	-0.191	-0.4
COO3	8	0	3.478	4	2	5	0.761	-0.371	-0.228
COO4	9	0	3.514	4	2	5	0.761	-0.322	-1.295
COO5	10	0	3.47	3	2	5	0.841	-1.587	-0.047
IFC1	11	0	3.518	4	2	5	0.841	-0.569	-0.118
IFC2	12	0	3.522	4	2	5	0.807	-0.461	-0.118
IFC3	13	0	3.751	4	2	5	0.906	-0.682	-0.3
IFC4	14	0	3.815	4	2	5	0.872	-0.632	-0.288
IFC5	15	0	3.755	4	2	5	0.85	-1.584	-1.217
CL1	16	0	3.783	4	2	5	0.892	-0.688	-0.275
CL2	17	0	3.719	4	2	5	0.906	-0.735	-0.229
CL3	18	0	3.542	4	2	5	0.9	-0.771	0.006
CL4	19	0	3.482	3	2	5	0.86	-0.628	0.113
CL5	20	0	3.446	4	1	5	1.048	-0.23	-0.424
BP1	21	0	3.538	4	2	5	0.85	-0.592	-0.1
BP2	22	0	3.606	4	2	5	0.93	-0.877	-0.042
BP3	23	0	3.655	4	2	5	0.906	-0.816	-0.076
BP4	24	0	3.819	4	2	5	0.929	-0.74	-0.358
BP5	25	0	3.871	4	2	5	0.9	-0.729	-0.341

**Figure 3:** Measurement Model



After making sure that the collected primary data from the respondents of the current study have no missing values, outlier and show normality, the next step of the data analysis was to test the hypotheses of the present study. Hence, to test the hypotheses, structural equation modeling (SEM) and partial least square were used. PLS-SEM depends upon two major steps; a) Measurement Model b) Structural Model. However, the data's reliability and validity are shown by the measurement model illustrated in Figure 3. The minimum threshold level for the factor loading, composite reliability (CR), and average variance extracted (AVE) is as under:

Factor Loading = 0.4

Composite Reliability = 0.7

Average Variance Extracted = 0.5

From Table 2, it is obvious that all the elements of business performance, competitor orientation, customer loyalty, customer orientation, and inter functional coordination have met the minimum threshold value of factor loading. Moreover, from Table 2, discriminant validity is also illustrated.

**Table 2:** Factor Loadings

	Business Performance	Competitor Orientation	Customer Loyalty	Customer Orientation	Inter Functional Coordination
BP1	0.602				
BP2	0.699				
BP3	0.618				
BP4	0.623				
BP5	0.663				
CL1		0.446			
CL2		0.537			
CL3		0.776			
CL4		0.723			
CL5		0.753	0.501		
CO1			0.546		
CO2			0.581		
CO3			0.625		
CO4			0.859		
CO5					
COO1				0.872	
COO2				0.778	
COO3				0.523	
COO4				0.445	
COO5				0.812	
IFC1					0.714
IFC2					0.593
IFC3					0.738
IFC4					0.689
IFC5					0.518

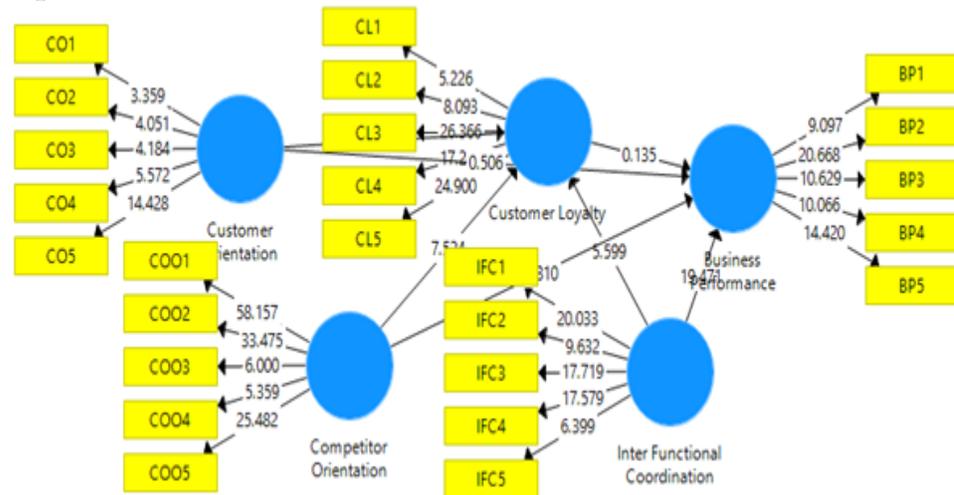
**Table 3:** Reliability and Convergent Validity

	Alpha	rho_A	CR	(AVE)
Business Performance	0.743	0.748	0.778	0.512
Competitor Orientation	0.737	0.817	0.824	0.599
Customer Loyalty	0.767	0.707	0.788	0.536
Customer Orientation	0.814	0.787	0.764	0.503
Inter Functional Coordination	0.767	0.768	0.788	0.543

**Table 4:** HTMT

	Business Performance	Competitor Orientation	Customer Loyalty	Customer Orientation	Inter Functional Coordination
Business Performance					
Competitor Orientation	0.547				
Customer Loyalty	0.156	0.852			
Customer Orientation	0.406	0.317	0.464		
Inter Functional Coordination	0.751	0.869	0.134	0.397	

**Figure 4:** Structural Model



By using a structural model with the help of PLS-SEM, hypotheses were analyzed, and it is shown in Figure 4. However, ten hypotheses were analyzed using the structural model. Out of ten, three hypotheses were based on the mediation role of customer loyalty while the rest seven hypotheses have direct effects of competitor orientation on business performance, competitor orientation on customer loyalty, customer loyalty on business performance, customer orientation on business performance, customer orientation on customer loyalty, inter-functional coordination on customer loyalty, and inter functional coordination on business performance.

From the Table 5 it is clear that the relationship between competitor orientation and business performance is very effective with the t- value = 3.81 and  $\beta = 0.216$  and the relationship between Competitor orientation and customer loyalty is also very effective with the t- value = 7.524 and  $\beta = 0.413$  and the relationship between customer loyalty and business performance also show positive effect with t- value = 0.135 and  $\beta = 0.007$  and the relationship between customer orientation and business performance is also positive with the t- value = 0.506 and  $\beta = 0.015$  and the relationship between customer orientation and customer loyalty is positively significant with the t- value = 5.459 and  $\beta = 0.313$  and

the relationship between inter-functional coordination and business performance is positively significant with the t- value = 19.471 and  $\beta = 0.781$  and the relationship between the inter-functional coordination and customer loyalty is also positively significant with the t- value = 5.599 and  $\beta = 0.315$ .

In Table 6 mediation role of customer loyalty between the relationship of competitor orientation and business performance is effective with the t- value = 2.999 and  $\beta = 0.003$ , and the mediation role of customer loyalty between the relationship of customer orientation and business performance is crucial with the t- value = 0.127 and  $\beta = 0.002$  and the mediation role of customer loyalty between the relationship of inter-functional coordination and business performance is also effective with the t- value = 0.136 and  $\beta = 0.002$ .

**Table 5:** Direct Effect Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Competitor Orientation -> Business Performance	0.216	0.218	0.057	3.81	0
Competitor Orientation -> Customer Loyalty	0.413	0.411	0.055	7.524	0
Customer Loyalty -> Business Performance	0.007	0.015	0.051	0.135	0.893
Customer Orientation -> Business Performance	0.015	0.019	0.029	0.506	0.613
Customer Orientation -> Customer Loyalty	0.313	0.318	0.057	5.459	0
Inter Functional Coordination -> Business Performance	0.781	0.783	0.04	19.471	0
Inter Functional Coordination -> Customer Loyalty	0.315	0.311	0.056	5.599	0

**Table 6:** Indirect Effect Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Competitor Orientation -> Customer Loyalty -> Business Performance	0.003	0.007	0.001	2.999	0.003
Customer Orientation -> Customer Loyalty -> Business Performance	0.002	0.005	0.017	0.127	0.899
Inter Functional Coordination -> Customer Loyalty -> Business Performance	0.002	0.004	0.016	0.136	0.892

## DISCUSSION

According to the first hypothesis of the current study, customer orientation positively affects customers' loyalty. Customers' satisfaction plays a significant role in developing a relationship with the customers. According to a previous study, trust build between the company and its customers indicates the level of customers' orientation (Tajeddini, Martin, & Ali, 2020). In the results of higher amount of customers' orientation, a higher

amount of customers' loyalty is achieved. Hence, customers' orientation is found positively effective on customers' loyalty. The second hypothesis of the current study is; competitors' orientation has a positive effect on customers' loyalty. Empirical data proof reveals that competitors' orientation in the market is found as a one of the major factors which directly impacts on customers' loyalty (Tarabieh, Gil-Pechuán, Al-Haidous, & AL-Obaidi, 2020). Moreover, competitors' orientations allow identifying the weak areas of relations with customers and alliances. Hence, in this way, competitors' orientation positively influences customers' loyalty. The third hypothesis of the current study is described as; inter-functional coordination has a positive effect on customers' loyalty. Inter functional coordination play a crucial role specifically while responding to heterogeneous customers' needs (Najafi-Tavani, Mousavi, Zaefarian, & Naudé, 2020). Sharing information among employees and responsible authorities of a company, about the functionalities such as planning, purchasing, designing, manufacturing, sales, engineering goals and production planning, ultimately develop a strong connection for the inter-functional coordination which has positive effects on customers' loyalty. According to the fourth hypothesis of the current study, customers' orientation positively affects business performance. Increased level of customers' orientation drives current business performance to another thriving level of business performance. According to a prior study, great customer retention, excellent employees' services, and quality products positively influence the customers' orientation, causing more business gains and increasing an organization's overall business performance (Ofosu-Boateng, 2020). The fifth hypothesis of the current study is; competitors' orientation has a positive effect on business performance. Competitors' orientation refers to accomplish cost advantages for an organization as it collects information on its competitors' business experiences and practices which enables the organization to reduce cost through the obtained adaptation, alteration and adjustment from its competitive organizations. Hence, competitors' orientation intelligence of an organization has significant influence on the organization's ability to gain competitive advantages which ultimately adds values for business performance of the organization. The sixth hypothesis of the current study is described as inter-functional coordination has a positive effect on business performance. Therefore, enhanced values of inter-functional coordination increase the business performance of a company accordingly.

A prior study describes that inter-functional coordination is controllable element by the firm to bring effective changes in its business performance (Adams, Freitas, & Fontana, 2019). Hence, inter-functional coordination is a facilitating element which has numerous influences on business performance. The seventh hypothesis of the current study explores that; customers' loyalty has a positive effect on business performance. Results from the past studies shows that customers' loyalty brings marvelous changes in business performance (Tangkuman, Massie, & Mangantar, 2020; YILDIZ, 2020). Customers' loyalty is an entity that always turn into the favor of an organization. Therefore, organizations having greater volume of customers' loyalty, enjoy more business gains and easily wins competitive advantages which ultimately enhance business performance of the organization. The last hypothesis of the current study says that; customers' loyalty mediates between the relationship of market orientation and business performance.

## CONCLUSION

It is concluded that any transformation in the values of market orientation and customers' loyalty directly impacts on business performance particularly of the companies involved in rice business in Thailand. It is clear from the results of the current study that business performance increases when the companies increase values for customers' orientation, competitors' orientation, and inter-functional coordination. These results were obtained by conduction a survey of 255 employees of various companies involved in rice business in Thailand. After finalizing the outcomes of the current study with the help of PLS, it is investigated that market orientation has a positive influence on customers' loyalty and business performance. Customers' loyalty besides having direct relationship with the

business performance, also mediates between the valuable relationship of market orientation and business performance. Practically the current study facilitates the practitioners to increase business performance. Moreover, it is highly recommended to develop the relationship between market orientation and employees' personality that affects customer loyalty.

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