

Market orientation and its effect on firm performance and competitiveness in case of exporting Hungarian medium and large enterprises

This study is conducted within the frames of the Export and Innovation research group of the Competitiveness Research Centre of Corvinus University of Budapest. Since exporting companies have been proved to have superior performance in many aspects than their domestic counterparts, it is important to investigate what the underlying causes of their competitiveness and a higher level of success may be. The focus of the current research is to examine the effects of market orientation on firm performance and competitiveness in the case of exporting Hungarian medium and large enterprises, with the research questions being: To what extent is market orientation present in the exporting Hungarian medium and large enterprises and their practices? What factors influence the level of their market orientation? How does market orientation influence their performance and competitiveness? The research was done under the ‘In global competition – Competitiveness of the Hungarian Micro-sphere’ research program, using survey methods in combination with official financial data, applying various statistical analyses. The results indicate that basic company characteristics and export intensity have no significant connection with market orientation, but responsiveness and firm performance do have a strong and positive relation to it. Moreover, market orientation has a significant positive effect on firm competitiveness, while export competitor orientation has a significant positive impact on adaptivity, a building block of competitiveness. The study contributes to the existing literature by using a validated firm competitiveness measure in the assessment of the effects of market orientation. Moreover, it expands the range of studies conducted in European context among medium and large enterprises.