

## Market Orientation and Profitability of Selected Fast-Moving Consumer Goods Firms in Lagos State, Nigeria

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### Abstract

Strategic marketing concept is critical to the survival and sustainability of any organization that has her focus towards achieving expected profitability. Hence market orientation is one of the strategic dimensions that companies adopt to achieve profitability. A Fast-Moving Consumer Goods firm (FMCGs) is one of the most thriving sectors of the Nigeria economy. However, little or lack of adoption of market orientation by FMCGs has posed some challenges in the recent time leading to decline in overall performance of the sector. The study examined the effect of market orientation on profitability of selected fast-moving consumer goods companies in Lagos state, Nigeria. The study adopted cross-sectional survey research design. The population comprised 18, 382 staff of five leading selected FMCG. The Research Advisors table was used to determine a sample size of 491. A validated questionnaire was administered for data elucidation. The Cronbach's alpha reliability coefficients of the constructs ranged from 0.732 to 0.851. The response rate was 86.2%. Data were analyzed using descriptive and inferential statistics. Findings revealed that Market Orientation has no significant influence on profitability of selected organizations in the FMCG sector of Lagos state, Nigeria. ( $R = 0.059$ ,  $R^2 = 0.003$ ,  $F(1, 421) = 1.469$ ,  $P > 0.05$ ). The study concluded that market orientation has no significant influence on profitability of selected organizations in the FMCG sector of Lagos state, Nigeria. The study recommended that FMCG companies should strategically imbibe effective bench marking through SWOT analysis to achieve desired profitability. They should consistently evaluate their internal capabilities to become Strategic in order to take advantage of the dynamics that are capable of leading to improvement in profitability.

**Keywords:** *FMCGs, Lagos state, Market orientation, Profitability, Strategic*

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### **Background to the Study**

Globally, improving Organisational profitability is considered an essential requirement for corporate strategic marketing, and consequently, organisation tends to invest most of their efforts to improve their performance in terms of profitability. The greatness, speed and direction of environmental change in business is increasing at an unprecedented rate and for firms to survive, strategies have to be applied so as to answer to the forces that threaten to halt survival. Such variations are being brought about by globalisation.

Fast moving consumer goods (FMCG) companies in most developed countries are the largest industry in the manufacturing sector but their performance has been unacceptable with records of sluggish drop in the profitability and market share (Food and Agriculture Organisation of united nation, (FAO) 2018). These trends of sluggish performance stem from challenges of flawed competitive strategies and inappropriate implementation of market orientation. Subsequently, Audax (2018) pointed that food and beverage multinational firms in U.S have recorded slow performance resulting from open market to stiff competition and relaxed pace of customer and market orientation.

In Europe, Companies in the fast-moving consumer goods sector employ almost 14 million people and the manufacturing firms in the United Kingdom (UK) have a well-earned global reputation for provenance, quality and innovation. Despite this positive record, the manufacturing firms in the UK still experienced unparalleled challenges of uncertain market environment and weak strategic orientation practice which has resulted in daunted performance among fast moving consumer goods firms (Connors, 2017). In Australia, organizations constantly seek strategies to enhance their performance and appear profitable to investors, though some of them have failed to record an improved performance due to issues of poor conceptualisation of business processes, poor strategy formulation and improper implementation of selected strategies (Piirala, 2012).

In South Africa, fast moving consumer goods sector serves as one of the key economic industries generating substantial revenue for the country and providing employment opportunities to many people (Statistics South Africa, 2017). In spite of its economic significant contributions, South Africa's manufacturing companies face diverse problems relating to poor performance of these fast moving consumer goods companies in South Africa which thus is attributed to poor adoption of strategic orientation strategies (Nguegan and Mafini, 2017). In Kenya, it is relatively strong when compared to countries that are in a similar phase of economic development. The country is one of the top exporters of manufactured goods in the Sub-Saharan Africa region (KPMG, 2014). This is as a result of the ambitious development targets set up by the Kenyan government so as to enhance economic growth in the fast-moving consumer goods sector. Despite the efforts of the Kenyan government to set up policies that seek to improve the consumer goods firms in the manufacturing sector, the sector which is the backbone of vision 2030 has stagnated (World Bank, 2014). Further, the sector's contribution to GDP declined from 9.6 per-cent in 2011 to 9.2 per-cent in 2012, while the growth rate deteriorated from 3.4 per-cent in 2011 to 3.1 per-cent in 2012 (Kenya National Bureau of Statistics (2018).

In Nigeria, fast moving consumer goods sector is a growing and dynamic subsector of the Nigerian manufacturing sector that is experiencing stiff and fierce competition (Klynveld, Peat Marwick, and Goerdeler (KPMG), 2014, Osundina, 2014). As emphasized by Zwingina and Opusunju (2017) that there has been a high rate of collapsed of manufacturing industry especially in FMCGsin Nigeria and continuous decline in profitability which are partially caused by poor implementation of market orientation, poor power and infrastructural facilities, inappropriate employment of strategic alignment, organization rigidity, poor business innovation and mismatch of organization environmental planning and forces with organization information. In an increasingly competitive landscape, fast moving consumer goods firms engage in strategic orientation are facing more and more challenges both in the global market and African continent (Agboifor, 2018).

Due to increased globalisation and rapid changes in business environments, organisation's way of transacting business is increasingly becoming turbulent. Under such an environment, business units struggle to align their internal resources with their strategic focus so as to remain competitive and also to achieve a superior organisational performance (Nganga, 2017). This thus creates an avenue for the adoption of strategic orientation in charting the course of action for organizations. By continuously seeking out new opportunities and ensuring strategic alignment, Lukas and Ferrell (2018) note that a firm's strategic orientation posture should take into account its market, competitor strategies, networking and entrepreneurial capacity. Nigeria's Fast-Moving Consumer Goods sector has faced a lot of challenges in the last four years. The decline in consumers' purchasing power due to the inaccessibility of the dollar in the economy and delayed policy response resulted in weak macroeconomic conditions, which led to weak labor market dynamics (high unemployment and underemployment), reduced disposable income and poor corporate performance according to National Bureau of Statistics report 2017, (NBS report, 2017).

Following the stated background and associated challenges, the studyevaluated the effect ofmarket orientation on profitability of selected fast-moving consumer goods firms in Lagos State, Nigeria. To achieve this objective, the paper addressed the research question – “What is the effect ofmarket orientation on profitability of selected fast-moving consumer goods companies in Lagos State, Nigeria

### **Literature Review**

Market orientation is a marketing management concept that facilitates a company's ability to deliver superior products and services to internal and external customers (Lee, Kim, Seo and Hight, 2015). This is very important in a dynamic market environment where competition and market uncertainty are increasing constantly (Ismail, Narsa and Basuki, 2019). Market orientation is also seen as a management thought that overcomes theoretical limitations of marketing concepts and presents practical guidelines to activities of delivering proper goods and services to customers. According to Maydeu-olivares and Lado (2013), market orientation can be defined as company's method to create superior performance and the behaviors needed to improve the performance of the firm. The performance can be accomplished by applying a market-oriented culture that is how the company understands the needs, wants and demands of the market (Andriyanto and Sufian, 2017).

Market orientation dimensions are customer orientation, competitor orientation, and inter-functional coordination. On the perspective and type of market orientation, Narver and Stanley (2016) classified customers' desires into that which they can and cannot express. Kohli and Jaworski (2015) explained market orientation from the “perspective of market information” in which market orientation is considered as collecting market information on both current and potential customers, diffusing collected information to departments, and inducing a proper reaction. Kohli and Jaworski (1990) considered market orientation as a marketing practice concept and materialized it into the acquisition of market information across the entire organisation for the desires of current and future customers, diffusion of market information to departments, and organizational responses. Market orientation focuses on provision of superior value to customers (Hussain, Ismail and Akhtar, 2015). This provision of superior value is ensured by the knowledge obtained through the analysis of customers and competitors.

Hills and Sarin (2016) stated that leading customers is the process of identifying potential desires that customers were unable to express, and such activities can lead the action and preference to a new direction. Yang (2013) stated that products and services developed through market-creating market orientation are in line with value innovation from the perspective that they create a new market without competition, while it is a disruptive innovation from the perspective that they lead the competition in the existing market to a new market in the future.

### **Profitability**

Profitability is the ratio to measure the performance of the company. It is a main aspect in a company's financial reporting. In addition, the profitability of a company shows a company's ability to generate earnings for a certain period at a rate of sales, assets and certain of capital stock. Understanding the determinant profitability is the key factor that helps managers in developing an effective profitability strategy for their company (Gitman and Zutter, 2012). Without good level of profitability, the business will not survive in the long run. Sometimes, the terms 'Profit' and 'Profitability' are used interchangeably. But in real sense, there is a difference between the two. Profit is an absolute term, whereas, the profitability is a relative concept. However, they are closely related and mutually interdependent, having distinct roles in business. Profit refers to the total income earned by the enterprise during the specified period of time, while profitability refers to the operating efficiency of the enterprise. It is the ability of the enterprise to make profit on sales. It is the ability of enterprise to get sufficient return on the capital and employees used in the business operation (Khan and Jain, 2003).

Profitability is critical to a company's survival in the long-term and it measures a firm's past ability to generate returns (Santos & Brito, 2012). The ultimate long-term goal for a business should be growth in the bottom line. Ambad and Wahab (2013) argue that to ensure survival in the industry, profitability is a key issue for every profit-oriented firm and maximizing it is the goal of the firm. So, to achieve higher profitability, it is imperative for every firm to have its own strategy that will fit into the current rapidly changing business environment. A company generates profits by operating the business it has capability for by conducting its operational activity, the company needs funding to run properly. There must be adequate available fund enough to be used when needed and not too much where it would be idle and considered lost potential (Kartikasaria and Meriant, 2016).

From Akinyele's (2010) investigation, the result was that marketing strategy and market share are significant drivers for organizational positioning in a dynamic environment and enhanced performance. This result can serve as a guide to FMCG operators in Nigeria to leverage with and become market leaders. Consistent with Akinyele's (2010) is the study of Ogbonna and Ogwo (2013). Result indicated that the insurance firms that engage in market orientation performed better than those who do not. Strategic marketing from this study and the market share controlled by FMCG serve as the strength behind their leadership positioning.

Odunlami and Ogunji (2011) in their study concluded that majority of the respondents strongly agreed that sales promotion has significant effects on organizational performance through enhanced sales volume. Grawe (2009) focused on the relationship between competitor orientation, customer orientation, market performance and service innovation. Consumer orientation and rival orientation acts as a catalyst for service innovation which is positively related to market performance of the organisation. In a study conducted by Katariina (2010), it was found that in business -to- business market operation, marketing sales relationship do have effect on business performance of the company or business unit as concerned. In a survey conducted by Kabuoh and Odomokwu (2016), the analytical result indicated that there is a significant relationship between public relations and increase in profit of Cadbury Nigeria's products. Bello and Aina (2005) established that marketing research process plays a significant role in the performance of business organisations. This was from their research on the role of marketing research on the performance of business organisations in Federal Capital Territory Abuja.

The study adopted the Dynamic capability theory (DCT) which was initially introduced by Teece and Pisano in 1994. Dynamic capabilities suggest that intangible assets of the firm like knowledge, employees' skills can be reconfigured into routines to create responsive capabilities. In essence, the theory made use of competences that are unique to firms to gain competitive advantage by explaining how these competences are deployed and protected by the firm. DCT is defined as the firm's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments (Teece, Pisano and Shuen, 1997). The competitive advantage that is accompanied by these capabilities can be attributed to the fact that firm specific assets such as values, culture and Organisational experience cannot be traded in the market (Teece *et al.* 1997). This implies that distinctive competences and capabilities must be built within the firm which cannot be replicated as they are unique. This is in alignment with the study as market orientation is the process of strategically imbibing all relevant resources both internally and externally with an effective bench marking of the environment so as to outwit competitors while maximizing profit.

### **Methodology**

The study adopted cross-sectional survey research design. The population comprised 18,382 staff of five leading selected FMCG. The Research Advisors table was used to determine a sample size of 491. A validated questionnaire was administered to collect data. The Cronbach's alpha reliability coefficients of the constructs ranged from 0.732 to 0.851 (Field, 2000). The response rate was 86.2%. Data were analyzed using descriptive and inferential statistics.

**Table 1:** Population of selected FMCG companies

S/N	Selected FMCG's Companies in Lagos State	Population
1	Nestle Nigeria Plc	2,194
2	Flour Mills of Nigeria Plc	11,964
3	Dangote Flour Mills Plc	2,253
4	Unilever Nigeria Plc	988
5	Deli Foods Ltd	983
	<b>TOTAL</b>	<b>18, 382</b>

**Source:** Researchers' Computation 2020

### Sample Size Determination

The sample size of this study was determined through the use of the sampling table provided by Research Advisors (2006). The confidence level was 95% and the accepted error margin of 5%. From the sampling table, the sample size was given as 378. In order to avoid issues of non-response, improperly filled questionnaire and questionnaire that may miss in transit, 30% of the sample size was provided for and added to the sample to make up for it. 30% of 378 = 113 hence 113 + 378 = 491. To also have a comprehensive and across the board information 20% of the instrument was administered to the top management, to middle level management and while 45% went to Lower level staff.

Proportionate sample size was determined accordingly:

$$\frac{\text{No of employees per company}}{\text{Total No. of Employees}} \times 491$$

**Table 2:** Population Distribution of selected FMCG companies

S/N	Selected FMCG's Companies in Lagos State	Population	Specific Sample Size
1	Nestle Nigeria Plc	2,194	59
2	Flour Mills of Nigeria Plc	11,964	320
3	Dangote Flour Mills Plc	2,253	60
4	Unilever Nigeria Plc	988	26
5	Deli Foods Ltd	983	26
	<b>TOTAL</b>	<b>18, 382</b>	<b>491</b>

**Source:** Researchers' Computation 2020

### Method of Data Collection

The primary data source was used in this study via a well-structured questionnaire for the elucidation of data from the respondents who are staff of the selected FMCG companies.

### Research Instrument/Validation/Reliability

The questionnaire was classified into three sections A, B and C. Section A focused on the demographic information of the respondents, Section B on the independent variable while Section C was responsible for the dependent variable. The response structure was represented

in the Likert modified scale as follows: Very High (VH) = 6; High (H) = 5; Moderately High (MH) = 4; Moderately Low (ML) = 3; Low (L) = 2; Very Low (VL) = 1.

The researcher subjected the research instrument to both the face, content and constructs validity. Confirmatory factor analysis was done using principal component analysis. Cronbach's Alpha coefficient was carried out as shown in the table below.

The research instrument was also subjected to reliability test.

**Table 3:** Cronbach's Alpha for all Variables

Variables	No of Items	KMO	Bartlett's Test	Average Variance Explained	Composite Reliability	Cronbach's Alpha
Market Orientation	5	0.628	763.114	0.835	0.944	0.851
Profitability	5	0.862	568,713	0.843	0.943	0.732

**Source:** SPSS Output Result 2020

### Method of Data Analysis

Data analysis for this study was done in two stages: the descriptive and inferential analysis. The descriptive analysis featured just as a way of describing the properties of the data to show the variations in responses and opinions using frequencies and percentage denotations as well as other descriptive items such as means and standard deviations. The inferential analysis was done with the use of regression analysis (SPSS) to test the effect of the predictor variable on the dependent variable.

### Data Analysis

The analysis of the study stalks from descriptive analysis as shown in tables 4-5 below while table 6 depict the inferential analysis of the study.

**Table 4:** Descriptive Analysis of Market Orientation

Market Orientation	VH	H	MH	ML	L	VL	Total	
	F %	F %	F %	F %	F %	F %	Mean	Standard Deviation
Market Intelligence	37 8.75%	60 14.18%	84 19.86%	63 14.89%	166 39.24%	13 3.07%	3.29	1.41
Opportunity Exploitation	37 8.75%	39 9.22%	95 22.46%	75 17.73%	165 39.01%	12 2.84%	3.22	1.36
Customer orientation	57 13.48%	270 63.83%	85 20.09%	8 1.89%	1 0.24%	2 0.47%	4.87	.70
Competitor Orientation	28 6.62%	39 9.22%	102 24.11%	75 17.73%	169 39.95%	10 2.36%	3.18	1.29
Inter-Functional Coordination	18 4.26%	36 8.51%	103 24.35%	87 20.57%	142 33.57%	37 8.75%	3.03	1.29

**Source:** Researchers' Findings 2020

### **Interpretation**

The table above shows the result of the data gathered on market orientation. On market intelligence, only 8.8% indicates very high to market intelligence. 57.2% indicates low to market intelligence. 14.2% indicates high, 19.9% indicates moderately high, 14.9% indicates moderately low, 39.2% indicates low and 3.1% indicates very low. A mean of 3.29 shows that most of the response's opinion is low on market intelligence. A standard deviation of 1.41 indicates that there is no variance in the mean. 40.5% of the responses on opportunity exploitation shows that the respondents were high. 59.5% of the responses on opportunity exploitation shows that the respondents were low where 17.7% of the respondents indicates moderately low, 39.0% indicates low and 2.8% indicates very low. A mean of 3.22 is an indication that the respondents were low to opportunity exploitation. A standard deviation of 1.36 shows that there is no disparity in the responses. When asked of the firm's involvement on customer orientation, only 13.5% of the population indicates very high. 63.8% indicates high, while 20.1% indicates moderately high. The minority of the population of about 2.8% indicated that customer orientation is being practiced. 1.9% indicates moderately low, 0.2% indicates low and 0.5% indicates very low. From the average, a mean of 4.87 suggest that the respondents were of the opinion that customer orientation is high, with a standard deviation of 0.70.

Inquiry on competitor orientation revealed that only 39.9% of the responses were affirmative with 6.6% indicates very high, 9.2% indicates high and 24.1% indicates moderately high. The remaining 60.1% were low to competitor orientation. 17.7% indicates moderately low, 39.9% indicates low and 2.4% indicates very low. With a mean of 3.18, it can be said that the respondents were low to competitor orientation. However, a disparity in the responses is noticed from a standard deviation of 1.29. Lastly when respondents were asked on inter-functional coordination, only 37.2% responded in the affirmative. 4.3% indicates very high, 8.5% indicates high and 24.4% indicates moderately high. The rest of the respondents totaling about 62.8% were in disagreement with the inquiry. 20.6% indicates moderately low, 33.6% indicates low and 8.8% indicates very low. With a mean of 3.03, it can be said that the respondents' opinions on inter-functional coordination is low and a standard deviation of 1.29 further confirmed these responses. A grand mean of all the items on market orientation gave a result of 3.52 which is an indication that market orientation is low in some selected fast-moving consumer goods firms in Nigeria and a corresponding standard deviation of 1.21 shows that there is no variation in the responses.



**Table 5: Descriptive Analysis of Profitability**

Profitability	VH	H	MH	ML	L	VL	Total	
	F %	F %	F %	F %	F %	F %	Mean	Standard Deviation
Financial expectations	20 4.73%	126 29.79%	246 58.16%	27 6.38%	2 0.47%	2 0.47%	4.30	0.72
Return on investment	41 9.69%	349 82.51%	31 7.33%	2 0.47%	0 0.00%	0 0.00%	5.01	0.44
Level of operations	92 21.75%	275 65.01%	37 8.75%	14 3.31%	3 0.71%	2 0.47%	5.02	0.76
Salary increase based on profitability	23 5.44%	91 21.51%	210 49.65%	42 9.93%	31 7.33%	26 6.15%	3.89	1.17
Return on capital employed.	76 17.97%	253 59.81%	75 17.73%	15 3.55%	3 0.71%	1 0.24%	4.90	0.77

**Source:** Researchers' Findings 2020

### Interpretation

The table above shows the result of the data gathered on profitability. On financial expectations, only 4.7% indicates very high to financial expectations. 7.4% indicates low to financial expectations. 29.8% indicates high, 58.2% indicates moderately high, 6.4% indicates moderately low and 0.5% indicates low and very low. A mean of 4.30 shows that most of the responses opinion is moderately high on financial expectations. A standard deviation of 0.71 indicates that there is no variance in the mean. 99.5% of the responses on return on investment show that the respondents were high. 0.5% of the responses on return on investment show that the respondents were low where 0.5% of the respondents indicate moderately low. A mean of 5.01 is an indication that the respondents were high to return on investment. A standard deviation of 0.44 shows that there is no disparity in the responses. When asked on level of operations, only 21.8% of the population indicates very high. 65.0% of them indicate high, while 8.6% indicates moderately high. The minority of the population of about 4.4% indicated to level of operation. 3.3% indicates moderately low, 0.7% indicates low and 0.5 indicates very low. From the average, a mean of 5.02 suggest that the responded were of the opinion that the level of investment is high, where a standard deviation of 0.76 further confirmed that the responses tended towards the mean.

Inquiry on salary increase based on profitability revealed that 76.6% of the responses were affirmative; 5.4% indicates very high, 21.5% indicates high and 49.7% indicates moderately high. The remaining 23.4% were low to salary increase based on profitability. 9.9% indicates moderately low, 7.3% indicates low and 6.2% indicates very low. With a mean of 3.89, it can be said that the respondents were moderately high to salary increase based on profitability. However, a disparity in the responses is noticed from a standard deviation of 1.17. Lastly, when respondents were asked about return on capital employed, 95.4% responded in the affirmative. 17.9% indicates very high, 59.8% indicates high and 17.7% indicates moderately

high. The rest of the respondents totaling about 4.6% were in disagreement with the inquiry. 3.6% indicates moderately low, 0.7% indicates low and 0.2% indicates very low. With a mean of 4.90, it can be said that the respondents' opinion on return on capital employed is high and a standard deviation of 0.77 further confirmed these responses. A grand mean of all the items on profitability gave a result of 4.62 which is an indication that profitability is high in some selected fast-moving consumer goods firms in Nigeria and a corresponding standard deviation of 0.77 shows that there is no variation in the responses.

**Hypothesis:** Market orientation has no significant influence on profitability of selected Fast-Moving Consumer Goods Companies in Lagos State, Nigeria.

**Table 6:** Regression Result of Marketing Orientation on Profitability

Coefficients <sup>a</sup>					
Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	41.854	.830	50.421	.000
	MARKETING ORIENTATION	-.055	.045	-1.212	.226

a. Dependent Variable: PROFITABILITY  
**R = 0.059, R<sup>2</sup> = 0.003, F (1, 421) = 1.469, p > 0.05**

**Source:** Researchers' Survey (2020)

The result of a regression test to establish the effect of market orientation on profitability. The unstandardized coefficients reveal that market orientation ( $\beta = -0.055$ ,  $t = -1.212$ ,  $p > 0.05$ ) has a positive and significant effect on profitability. The results obtained from this analysis include ( $R = 0.059$ ,  $R^2 = 0.003$ ,  $F (1, 421) 1.469$ ,  $P > 0.05$ ). The  $R = 0.059$  shows the level at which the relationship between market orientation and profitability can be measured. By this, the result shows that high positive relationship exists between market orientation and profitability. This implies that as market orientation is improved upon, it leads to a proportionate rise or increase in profitability. The  $R^2$  which is referred to as coefficient of determination is given as 0.003. This signifies that the effect of market orientation on profitability is given as 3%. The implication here is that 3% of the changes or variation in profitability can be accounted for by market orientation dimension while the remaining 97% changes that occurs is due to other variables not captured in the model. The simple regression model is thus expressed as:

$$PFT = 41.854 - 0.055MO + \mu_1 \text{-----Eqn.}$$

Where:

PFT = Profitability

MO = Market orientation

The regression model shows that when market orientation is at constant zero, profitability would be 41.854 implying that irrespective of the market orientation, there will still be a level of profitability as shown by the positive constant value. The  $F_{(1,421)}$  value shows the fitness of the model and it is given as 1.469 accompanied by a p value of 0.226 which indicated thus that the overall model is statistically insignificant. Therefore, we accept the null hypothesis.

## **Discussion**

The test of the hypothesis reveals that market orientation has no significant effect on profitability of the selected fast-moving consumer goods companies. In contrast with the result, Akinyele's (2010) investigation indicated that marketing strategy and market share are significant drivers for organizational positioning in a dynamic environment and enhanced performance. This result can serve as a guide to FMCG operators in Nigeria to leverage with and become market leaders. Consistent with Akinyele's (2010) is the study of Ogbonna and Ogwo (2013). Result indicated that the insurance firms that engage in market orientation performed better than those who do not. Strategic marketing from this study and the market share controlled by FMCG serve as the strength behind their leadership positioning. Grawe (2009) focused on the relationship between competitor orientation, customer orientation, market performance and service innovation. Consumer orientation and rival orientation acts as a catalyst for service innovation which is positively related to market performance of the organisation.

Odunlami and Ogunji (2011) in their study concluded that majority of the respondents strongly agreed that sales promotion has significant effects on organizational performance through enhanced sales volume. This is to attest that organisations cannot only survive with the application of a single variable but combination of other market sensitivity factors as promotions, price, quality products/services, and relationship management among others. All of this could only be made possible through the application of effective and efficient market orientation that is geared towards efficient profitability. From their research on the role of marketing research on the performance of business organisations in Federal Capital Territory Abuja, Bello and Aina (2005) established that marketing research process plays a significant role in the performance of business organisations. Marketing research constitute a large part of market orientation. Fast moving consumer products firms that imbibe marketing research will be able to bench mark competitors and achieve competitive advantage in form of profitability and remains sustained.

The adoption of DCT to anchor this study is a true reflection of Kohli and Jaworski (2017) definition of market orientation as the organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization wide responsiveness and the definition of profitability as the capacity of an organisation to generate revenue in excess of their expenses or initial outlay for a particular period of time usually a year.

## **Conclusion**

Market orientation has no significant influence on profitability of selected organizations in the FMCG sector of Lagos state, Nigeria. ( $R = 0.059$ ,  $R^2 = 0.003$ ,  $F(1, 421) = 1.469$ ,  $P > 0.05$ ). The regression model shows that when market orientation is at constant zero, profitability would be 41.854 implying that irrespective of the market orientation, there will still be a level of profitability as shown by the positive constant value. Return on investment and level of operations in fast-moving consumer goods companies in Lagos State, Nigeria is high.

## Recommendations

- i. Market orientation was found not to have a significant effect on organizational profitability; thus, firms are encouraged to evaluate their marketing strategies to see how they can cut costs and reduce wastages that affect profitability. This will help to improve their profitability level.
- ii. In as much as profitability can occur irrespective of market orientation as seen from the coefficient result, there is need for the FMCGs companies to strategically imbibe effective bench marking through strength, weakness, opportunity, threat (SWOT) analysis to achieve desired profitability.
- iii. Continuous investment on viable ventures is encouraged to enhance return on investment (ROI). This will also increase level of operations and consequently result to profitability.
- iv. The government through regulatory agencies as National Foods and Drug Administration Council (NAFDAC), the Standards Organization of Nigeria (SON), and the Ministry of Health should ensure safety standards in quality food processing. There is need to design export incentives for the alleviation of some critical issues in the industry. The Federal government should ensure that an enabling environment is put in place through the Nigerian Agricultural and Rural Development Bank, Bank of Industry where bank loans at reduced interest rates are to be given to the manufacturing sector.

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