

Market Orientation and Market Share of Selected Manufacturing Micro, Small, and Medium Enterprises in Lagos State, Nigeria

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Abstract

Market share of manufacturing Micro, Small, and Medium Enterprises (MSMEs) holds profound significance for its growth and sustainability in the economy. Despite efforts to improve their performance, many manufacturing MSMEs remain suboptimal, as reflected in shrinking market share which may be attributed to inadequate adoption of market orientation. However, previous studies have explored the role of market orientation in enhancing market share of manufacturing MSMEs, the majority of these studies focused on developed countries, leaving a gap in understanding its impact within the Nigerian context. This study, therefore, examined the effect of market orientation on market share of selected manufacturing MSMEs in Lagos State, Nigeria. The study adopted survey research design. The population of the study comprised 80,072 regular selected manufacturing MSMEs in Lagos State, Nigeria. A sample size of 498 was determined using the Research Advisor's sample size table. Proportionate and simple random sampling technique was adopted to select the respondents. A structured and validated questionnaire was used for data collection. The Cronbach's alpha reliability coefficients for the constructs ranged from 0.73 to 0.77. A response rate of 85.0% was recorded. Data were analysed using descriptive and inferential (multiple linear regression) statistics at 5% level of significance. Finding revealed that Market orientation had significant effect on market share ($Adj.R^2 = 0.540$, $F(3, 478) = 189.453$, $p < 0.05$). Market orientation emerged as a powerful determinant of market-related outcomes, substantially contributing to market share expansion, competitive advantage, and organisational efficiency. The study concluded that market orientation had significant effect on market orientation of selected manufacturing MSMEs in Lagos State, Nigeria. It was recommended that management of manufacturing MSMEs should integrate systematic marketing practices and customer-centric approaches into their core business operations to enhance SMEs market share.

Keywords: Customer orientation, Inter-functional coordination Market orientation, Market share, MSMEs, Product orientation

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Background to the Study

The market share of any organisation is critical to its success especially in Manufacturing Micro, Small, and Medium Enterprises (MSMEs) which constitute a vital component of Nigeria's economic base, serving as engines of industrial growth, employment, job creation, and poverty alleviation. MSMEs contributions to the national Gross Domestic Product (GDP) and employment cannot be overemphasised making significant impacts towards various sectors of the economy such as hospitality, pharmaceuticals, trade, education agriculture, construction, and they also enhance local value chains, stimulate innovation, and foster inclusive development, thereby reinforcing national industrialisation efforts. Despite these interventions, the market share of many manufacturing MSMEs remains suboptimal, as reflected in declining performance. These challenges may be attributed to inadequate adoption of market orientation. Non-adoption of market orientation needs may risk stagnation of MSMEs in the face of evolving consumer demands, and intensifying competition. Hence, the need for an empirical examination on the effect of market orientation on market share of selected manufacturing MSMEs in Lagos State, Nigeria.

Globally, manufacturing Micro, Small, and Medium Enterprises (MSMEs) remain vital drivers of economic growth, contributing significantly to industrial output, employment creation, and innovation. According to Deloitte Insights (2024), they account for over 50% of global Gross Domestic Product (GDP). In north America, Deloitte (2023) earlier notes that supply chain fragilities, exacerbated by the COVID-19 pandemic and geopolitical tensions, reduced net profits by 8% in 2022 compared to pre-pandemic levels. The National Association of Manufacturers (NAM, 2024) reported that 65% of small manufacturers saw profit declines in 2024, citing surging energy costs and regulatory compliance burdens. Smith and Jones (2022) observed that lagging technological adoption eroded profitability by approximately 5% annually from 2021 to 2024, while Lee et al. (2025) linked a 10% profit drop to heightened global competition. Collectively, these factors underscore the fragile financial standing of U.S. manufacturing MSMEs in a turbulent economic environment.

In Europe, according to the Office for National Statistics (ONS, 2024), manufacturing output per hour worked in MSMEs fell by an average of 1.2% annually between 2020 and 2023, driven by factors such as supply chain disruptions and escalating production costs. This downturn contrasts with the modest recovery experienced by larger firms, with MSMEs attaining only 75% of their productivity levels (Smith & Jones, 2022). Contributing to this gap, limited access to finance remains a persistent barrier, as only 15% of UK MSMEs secured bank loans in 2022 compared to 30% of their counterparts in the European Union (Brown et al., 2023). Innovation capacity has also been constrained, with 36% of manufacturing MSMEs reporting reduced innovation output due to workforce shortages (Taylor, 2024). Furthermore, the Department for Business and Trade (DBT, 2023) recorded a 2.5% decline in manufacturing MSME employment between 2021 and 2023, signaling deeper structural challenges within the sector. Collectively, these trends highlight an urgent need for targeted policies interventions to address the productivity gap and enhance the competitiveness of manufacturing MSMEs in the UK (Carter & Hughes, 2021; Lopez & Green, 2020).

Bangladesh's manufacturing MSMEs have witnessed a significant erosion of market share in recent years, driven by intense domestic and international competition, constrained access to finance, and disruptive shifts in global supply chains (Bhuiyan, 2023; Khalil et al., 2022). Data from the Bangladesh Bureau of Statistics reveals that their contribution to national industrial output fell from 40% in 2020 to 36% in 2024, reflecting a notable decline in sectoral dominance (BBS, 2024). Manufacturing MSMEs in Sri Lanka face a steep decline in competitive advantage, stemming from macroeconomic instability, sluggish technological adoption, and intensifying global competition. The nation's economic crisis, exacerbated by the COVID-19 pandemic, has pushed many enterprises into financial distress, curtailing production capacity amid rising operational costs and persistent supply chain bottlenecks (Navarathne, 2023). The slow uptake of digital and advanced manufacturing technologies further limits their ability to compete with larger domestic firms or more technologically advanced regional rivals, particularly from India and China (Kannan & Gambetta, 2025).

A parallel decline is evident in Ghana, where organisational efficiency among manufacturing MSMEs is undermined by financial constraints, managerial skill gaps, and macroeconomic pressures. Approximately 70% of Ghanaian MSMEs fail within their first five years, with 75% unable to secure loans due to high interest rates and stringent collateral requirements (Bamfo, 2024). Managerial deficiencies are widespread, with 65% of MSME owners lacking formal management training, resulting in weak strategic planning and operational inefficiencies (Issau et al., 2022). Nigeria's manufacturing MSMEs face a similarly challenging environment, with economic instability, energy deficits, and regulatory hurdles driving sharp declines in performance. Between 2020 and 2022, the number of small-scale industrialists fell by 37%, from 27,723 to 17,450, signaling widespread operational distress (NBS, 2024). High electricity costs, the largest single operational expense and logistical bottlenecks have eroded efficiency, with over half of MSMEs failing within their first year (Moniepoint, 2025). Financing constraints affect 95% of manufacturing MSMEs (NESG, 2025), severely limiting technology adoption and capacity expansion. The sector's GDP contribution stagnated at 8.9% in 2024 (Global Financial Digest, 2025), hindered by foreign exchange volatility and unreliable energy supply. Moreover, low market demand and competition from low-cost imports account for 40% of MSME closures (McKinsey, 2024). Without targeted reforms, particularly in credit accessibility, infrastructure investment, and policies stability, Nigeria's manufacturing MSMEs risk prolonged stagnation, further undermining the nation's industrial development ambitions.

Market orientation strengthens innovation strategies by ensuring that product design and production align with consumer needs (customer orientation), that offerings are tailored to evolving market demands (product orientation), and that internal functions operate cohesively to maximize efficiency (inter-functional coordination) (Kohli & Jaworski, 2021). Empirical evidence underscores their potential: Vietnamese MSMEs that adopted cloud-based technologies increased profit margins by 18% within one year (Nguyen & Tran, 2022), while customer-oriented firms achieved above-average returns through precise alignment with market trends (Reijonen et al., 2020).

The influence of market orientation on market share has been widely studied in various geographical contexts (Arokodare, 2021; Kisuya et al., 2023; Teixeira-Quiros et al., 2022; Valdez-Juárez et al., 2022), most of these studies have been conducted in developed economies. There is limited research on this relationship within Nigerian manufacturing MSMEs (Chuma-Okoro & Olabanji, 2022; Ogunlade, 2023). Poor market orientation has been linked to declining market share in the sector (Iriobe et al., 2023), eroding competitive influence and bargaining power (Ebimobowei, 2023). As MSMEs lose market relevance, competitive pressures weaken, innovation slows, and consumer choice narrows (Kaodilichukwu et al., 2022). This market contraction has negative implications for employment, wealth creation, and resilience against external shocks (Audu, 2022). The resulting stagnation has impeded industrialization, constrained economic diversification, and reduced Nigeria's capacity to compete in both domestic and international markets (Adelowo & Akinwale, 2022a). The aforementioned calls for the objective of this study: To examine the effect of market orientation (inter-functional coordination, customer orientation & product orientation) on market share of selected manufacturing Micro, Small and Medium Enterprises (MSMEs) in Lagos State, Nigeria. To achieve this objective, a research question was asked while a hypothesis was formulated.

Research Question

What is the effect of market orientation on market share of selected manufacturing Micro, Small and Medium Enterprises (MSMEs) in Lagos State, Nigeria?

Hypothesis: Market orientation has no significant effect on market share of selected manufacturing Micro, Small and Medium Enterprises (MSMEs) in Lagos State, Nigeria

Literature Review

Review of conceptual, empirical and theoretical views of both independent and dependent variables of this study were done in this section.

Market Orientation

Market orientation has been conceptualized in numerous ways across literature, with definitions reflecting varying strategic, behavioral, and cultural perspectives. Narh et al. (2023) define market orientation as an organisational culture that prioritizes the continuous creation of superior value for customers, thereby fostering long-term business performance. This definition aligns with the strategic focus described by Iyer et al. (2021), who argue that market orientation involves processes that generate, disseminate, and respond to market intelligence effectively. Hernández-Linares et al. (2021) further emphasize the dynamic nature of market orientation, portraying it as a set of behaviors that enables firms to adjust their offerings based on changing market conditions. According to Agyei et al. (2023), market orientation is also deeply embedded in organisational routines that facilitate responsiveness to customer needs and competitor actions. Moreover, Putri and Setiawan (2022) suggest that market orientation integrates both reactive and proactive approaches to fulfilling customer expectations.

The adoption of market orientation yields numerous advantages that enhance a firm's competitiveness and long-term performance. One major benefit is improved customer satisfaction, as firms attuned to market needs are better positioned to deliver tailored products and services (Saraswati, 2021). This satisfaction often translates into increased customer loyalty and retention. Market orientation also drives innovation by promoting responsiveness to consumer feedback, thus fostering the development of relevant and novel offerings (Randhawa et al., 2021). According to Ye et al. (2023), this strategic posture enhances business model innovation by facilitating the search for actionable market knowledge. Improved financial performance is another advantage, as responsive firms are more likely to achieve higher sales and profitability (Valentino & Handoyo, 2023). Market orientation is not without drawbacks despite its many benefits. One notable disadvantage is the potential for short-termism, where firms overly focus on current customer preferences at the expense of long-term innovation (Ye et al., 2023). Market orientation can also lead to organisational rigidity if firms become too reactive to market signals, neglecting strategic foresight (Ranjan & Nayak, 2024). Additionally, implementing market orientation can be resource-intensive, requiring significant investment in market research, employee training, and interdepartmental coordination (Hong Nguyen et al., 2022). Hernández-Linares et al. (2021) caution that without dynamic capabilities, firms may fail to adapt appropriately, rendering their market-oriented efforts ineffective or unsustainable.

In this study, market orientation is defined as a strategic and behavioral framework wherein firms systematically gather, disseminate, and act on market intelligence to anticipate and meet customer needs, enhance competitiveness, and adapt to dynamic environments through continuous innovation and inter-functional collaboration. Market orientation practices (Inter-functional coordination, Customer orientation, and Product orientation in this study) are briefly reviewed below:

Inter-functional Coordination: The collaboration and alignment between different departments or functions within an organisation (e.g., marketing, production, R&D) to ensure cohesive and efficient operations (Zacharias et al., 2023). Inter-functional coordination (IFC) is a multidimensional concept that has garnered significant attention in business and organisational studies due to its strategic importance. It is commonly defined as the collaborative and systematic integration of various functional areas within an organisation to achieve shared goals and improve overall performance (Mukhtar et al., 2023). Inter-functional coordination emphasizes the role of internal cooperation, mutual understanding, and continuous communication among departments such as marketing, production, R&D, and human resources to satisfy customer needs and foster value co-creation (Mukhtar & Azhar, 2020). Given the review, inter-functional coordination is the strategic and seamless integration of organisational departments that fosters collaboration, mutual understanding, and aligned objectives to achieve overall efficiency, innovation, and enhanced customer satisfaction.

Customer Orientation: Saraswati defined customer orientation as a business philosophy that focuses on understanding and fulfilling the needs, wants and expectations of customers to build loyalty and satisfaction. Zakari (2023) views customer orientation as an approach in personal selling that fosters stronger customer relationships and boosts purchase intention. From a service-centric perspective, Moon et al. (2023) define customer orientation as a professional's commitment to understanding and meeting client expectations, which in turn enhances service quality. Customer orientation among service workers is influenced by social responsibility and interpersonal interactions, further reinforcing its dynamic and relational nature. Given the review, this researcher defines customer orientation as a strategic philosophy wherein an organisation prioritizes understanding and fulfilling customer needs through proactive engagement, ethical behavior, and employee commitment. It is embedded in both operational practices and organisational culture, aiming to create long-term value for both customers and the firm across diverse business environments.

Product Orientation: This is a business focus on designing, developing, and refining high-quality products or services, often prioritizing product features over customer preferences (Zhang & Duan, 2023). It reflects a business philosophy where the organisation believes that a superior product will naturally attract customers, thus investing heavily in innovation and design rather than market research (Chen et al., 2022). Product-oriented firms exhibit a set of distinctive characteristics that differentiate them from market-driven businesses. One key trait is their relentless focus on product excellence companies prioritize research and development (R&D), engineering, and innovation to deliver technically superior offerings (Chen et al., 2022). Akhtar et al. (2021) observe that product orientation in smaller firms promotes green innovation, helping them align with evolving consumer values and regulatory trends. Hidayat et al. (2023) support this by noting that in the context of MSMEs like coffee producers, focusing on product innovation leads to improved business performance even in volatile environments. In this study, product orientation refers to a business strategy that emphasizes excellence in product quality, design, and innovation as the central drivers of firm performance, often prioritizing internal capabilities over external market preferences.

Market Share

Market share is a critical metric used to evaluate a company's performance relative to competitors within a specific market. Various scholars have defined market share in distinct contexts. Zarantonello et al. (2020) describe it as the percentage of an industry's sales that a particular company controls, reflecting its competitive position. Setini and Caesar Darma (2020) emphasize that market share indicates a firm's ability to capture consumer demand, serving as a benchmark for assessing market presence. Eliana et al. (2021) further elaborate that market share can also signify brand strength in consumer perception. Bhattacharya et al. (2022) argue that market share drives firm profit by creating economies of scale and enhancing negotiation power with suppliers. Jamilah et al. (2022) highlight the importance of market share in assessing the export performance of commodities, such as Indonesian crude palm oil. Ozkan et al. (2022) note that market share analysis can reveal strategic insights for multinational enterprises operating in diverse economic environments. Furthermore, Spurlin

(2022) posits that a strong market share is essential for financial stability and long-term growth in competitive sectors.

Market share possesses several key characteristics that differentiate it from other financial metrics. First, it is dynamic, often fluctuating based on market conditions, consumer preferences, and competitive actions (Hanafi, 2021). In addition, market share can be segmented into absolute and relative measures; absolute market share indicates total sales volume, while relative market share compares a company's sales to its largest competitor (Ćurčić et al., 2020). Another characteristic is its correlation with customer loyalty and brand equity, as higher market shares often imply stronger brand recognition and consumer trust (Rego et al., 2013).

The advantages of a strong market share are manifold and significantly impact a company's overall strategy and performance. Primarily, a higher market share can lead to increased profitability, as firms benefit from economies of scale, reducing per-unit costs (Bhattacharya et al., 2022). Additionally, companies with substantial market share can leverage their position to negotiate better terms with suppliers, enhancing their supply chain efficiency (Spurlin, 2022). Furthermore, significant market share can enhance brand visibility and recognition, attracting more customers and fostering loyalty (Zarantonello et al., 2020). Firms with larger market shares are also better positioned to invest in research and development, driving innovation and improving product offerings (Ozkan et al., 2022). For micro, small, and medium enterprises (MSMEs), achieving a healthy market share is essential for survival and growth. Hidayat and Trisanty (2020) noted that a stronger market share enhances the visibility of MSMEs, allowing them to compete more effectively against larger firms.

A strong focus on increasing market share can lead to some disadvantages. Rapid market share growth may strain resources, leading to operational inefficiencies and increased costs (Hanafi, 2021). Additionally, an overemphasis on market share can divert attention from customer satisfaction and product quality, ultimately harming brand reputation (Eliana et al., 2021). Moreover, companies might engage in aggressive pricing strategies to capture market share, which can erode profit margins (Brito et al., 2020). In the same vein, maintaining a high market share may require continuous investment in marketing and promotions, which can be financially burdensome (Ćurčić et al., 2020). For this study, market share is defined as the proportion of total sales volume generated by a company relative to its competitors in a specific market, reflecting its competitive strength and market presence.

Market Orientation and Market Share

Extensive empirical literature provides strong evidence that market orientation dimensions exert a significant positive influence on market share and overall organisational performance. Zarantonello et al., 2020 stated that significant market share can enhance brand visibility and recognition, attract more customers and foster loyalty. The relationship between market orientation dimensions and market share is further validated by studies focusing on supply chain integration and market responsiveness. Agyei et al. (2023), found market orientation as

being deeply embedded in organisational routines that facilitate responsiveness to customer needs and competitor actions. Similarly, Zouaoui and Zouaoui (2022) examined market orientation in Saudi Arabian firms following the women's driving decree and discovered that firms adopting market-oriented innovations effectively captured new opportunities, thereby increasing their market share and performance. Ye et al. (2023), stated that market orientation strategic posture enhances business model innovation by facilitating the search for actionable market knowledge which undoubtedly enlarges market share of any proactive organization.

Collectively, these studies provide robust empirical support for the conclusion that market orientation plays a pivotal role in enhancing market share across diverse industries and contexts. By emphasizing customer needs, competitor awareness, and inter-functional coordination, market-oriented organisations are better positioned to strengthen their competitive advantage, achieve market growth, and sustain superior performance over time.

Market Orientation Theory

Market Orientation Theory emphasises that a firm's competitive advantage stems from prioritising customer needs, leveraging market intelligence, and aligning organisational efforts to deliver superior value. Propounded by Kohli and Jaworski (1990) and Narver and Slater (1990) in the early 1990s, the theory provides a framework for enhancing business performance through customer-centric strategies. Kohli and Jaworski (1990) conceptualize market orientation as the organisation-wide generation, dissemination, and responsiveness to market intelligence, focusing on customer preferences and competitor dynamics. Narver and Slater (1990) view it as a cultural construct encompassing customer orientation, competitor orientation, and inter-functional coordination. The theory assumes that market-oriented firms drive innovation, customer satisfaction, and adaptability, leading to improved performance, as validated in recent studies exploring digital and global contexts (Quach et al., 2020).

The theory rests on assumptions that customer needs are central to decision-making and that market intelligence must be integrated across functions to be effective (Kohli & Jaworski, 1990). It presumes dynamic markets where evolving preferences necessitate continuous learning and responsiveness, with inter-functional coordination ensuring cohesive value delivery (Narver & Slater, 1990). Additionally, it assumes a positive correlation between market orientation and performance, though moderated by factors like market turbulence or technological disruption. Recent research reinforces these assumptions, highlighting market orientation's role in navigating digital transformation and sustainability challenges (Mahmoud et al., 2021; Zhang & Duan, 2023). These studies underscore the theory's enduring relevance in adapting to contemporary market complexities.

Critiques of Market Orientation Theory highlight its limitations in fully explaining business performance and strategic outcomes. Scholars argue that an excessive focus on customers and competitors may lead firms to overlook broader environmental factors, such as technological shifts or regulatory changes, potentially stifling innovation (Christensen & Bower, 1996).

Additionally, critics note that market orientation does not always guarantee superior performance, as its impact may vary across industries and contexts; for instance, Caruana et al. (1998) found no direct link between market orientation and performance in some settings. Despite its shortcomings, the theory is relevant to this study as it suggests that firms with strong market orientation are better equipped to anticipate and adapt to changing market dynamics, enabling them to innovate proactively rather than reactively. This responsiveness enhances organisational performance by improving efficiency, market share, and customer loyalty.

Methodology

The study adopted a positivism research philosophy, which assumes that reality is observable and can be understood through scientific methods, from an ontological perspective, this study adopted a realistic view, considering that there exists an objective reality independent of human perception. The study adopted a quantitative research approach, which focuses on collecting and analysing numerical data to identify patterns, relationships, and trends. Survey research design was employed. The population of the study comprised 80,072 regular selected manufacturing MSMEs in Lagos State, Nigeria. A sample size of 498 was determined using the Research Advisor's sample size table. Proportionate and simple random sampling technique was adopted to select the respondents. A structured and validated questionnaire was used for data collection. The Cronbach's alpha reliability coefficients for the constructs ranged from 0.73 to 0.77. A response rate of 85.0% was recorded. Data were analysed using descriptive and inferential (multiple linear regression) statistics at 5% level of significance

Objective: Examine the effect of market orientation on market share of selected MSMEs.

Analysis: Data Presentation and Analysis

The descriptive analysis of the variables was done using the percentage analysis, mean and standard deviation to describe the dependent and independent variables of the research. From the variables used, each respondent was requested to respond based on their level of agreement with the statements which was done on a six-point Likert-type scale.

Response Rate

A total number of 498 copies of the questionnaire was administered to the respondents out of which 423 representing 85.0% were retrieved and found usable for analysis from the distributed questionnaire.

Table 1: Response Rate

Particulars	Frequency	Percentage
Completed and Usable copies of questionnaires	423	85.0%
Not returned/Declined filling	75	15.0%
Total	498	100%

Source: Field Survey Data (2026)

Restatement of Research Objective and Research Question

Objective: Examine the effect of market orientation on market share of selected MSMEs in Lagos State Nigeria

Research Question: What is the effect of market orientation on market share of selected MSMEs in Lagos State Nigeria?

Respondents were requested to share their views on various enquiries presented in the questionnaire regarding market orientation and market share. Six-point Likert type scale was used to analyse their responses. These points formed the weights for calculating the score for each item. The findings were presented in various tables which could not be presented due to limited pages as required by the publishing institution followed with an analysis and interpretation. The descriptive statistics for market share was presented as well in another table followed with the interpretations.

Restatement of Research Hypothesis

Market orientation has no significant effect on market share of selected MSMEs in Lagos State Nigeria. Multiple linear regression was utilized and the results are presented in Table 2 below

Table 2: Summary of results of multiple linear regression analysis for effect of market orientation on market share

<i>N</i>	<i>Model</i>	<i>B</i>	<i>Sig.</i>	<i>T</i>	<i>ANOVA (Sig.)</i>	<i>R</i>	<i>Adj. R²</i>	<i>F (3,478)</i>
481	(Constant)	-2.264	0.063	-1.862	0.000 ^b	0.737 ^a	0.540	189.453
	Inter-Functional Coordination	0.369	0.000	8.362				
	Customer Orientation	0.191	0.000	4.012				
	Product Orientation	0.507	0.000	10.866				
Predictors: (Constant), Product Orientation, Inter-Functional Coordination, Customer Orientation								
Dependent Variable: Market Share								

Interpretation

Table 2 presents the multiple regression analysis results examining the effect of market orientation dimensions (inter-functional coordination, customer orientation, and product orientation) on market share of manufacturing MSMEs. The results reveal that all three market orientation dimensions exerted statistically significant positive effects on market share, with exceptionally strong explanatory power.

Specifically, product orientation demonstrated the strongest positive and statistically significant effect on market share ($\beta = 0.507$, $t = 10.866$, $p < 0.05$), indicating that firms

emphasizing product quality, features, and continuous improvement achieve substantially greater market share. Inter-Functional Coordination also exhibited a strong positive and statistically significant effect ($\beta = 0.369$, $t = 8.362$, $p < 0.05$), suggesting that seamless coordination between departments significantly enhances market competitiveness. Customer orientation showed a positive and statistically significant, though comparatively modest, effect ($\beta = 0.191$, $t = 4.012$, $p < 0.05$), implying that understanding and responding to customer needs contributes positively but less prominently to market share expansion within this context. Product Orientation emerged as the most influential predictor among the three dimensions. The constant value of -2.264 was marginally non-significant ($p = 0.063 > 0.05$), suggesting that the theoretical baseline market share in the complete absence of market orientation activities is not statistically distinguishable from zero. This implies that market orientation dimensions are essential drivers of market share, with minimal standalone performance expected without their implementation.

The correlation coefficient ($R = 0.737$) reveals a strong positive relationship between the combined market orientation dimensions and market share. The adjusted coefficient of determination ($\text{Adj. } R^2 = 0.540$) demonstrates that approximately 54.0% of the variation in market share is explained by these three dimensions the highest explanatory power observed across all regression models presented highlighting market orientation as a dominant strategic determinant of competitive positioning. The remaining 46.0% of variance is attributable to other factors such as pricing strategy, distribution channels, competitor actions, or macroeconomic conditions.

The ANOVA result confirms the overall regression model is highly statistically significant ($F = 189.453$, $p = 0.000$), indicating that the market orientation dimensions jointly exert a robust and significant influence on market share.

The predictive and prescriptive regression models are therefore expressed as:

$$\text{MKS} = -2.264 + 0.369\text{IFC} + 0.191\text{CUST} + 0.507\text{PROD} + U_i \text{ (Predictive Model)}$$

$$\text{MKS} = -2.264 + 0.369\text{IFC} + 0.191\text{CUST} + 0.507\text{PROD} + U_i \text{ (Prescriptive Model)}$$

Where:

MKS = Market Share

IFC = Inter-Functional Coordination

CUST = Customer Orientation

PROD = Product Orientation

U_i = Error term

The regression results indicate that all three market orientation dimensions Inter-Functional coordination, customer orientation, and product orientation are statistically significant predictors of market share and are therefore retained in the prescriptive model. All dimensions exhibit positive relationships with market share. Specifically, a one-unit increase in inter-functional coordination, customer orientation, and product orientation will increase market

share 0.369 units, 0.191 units, and 0.507 units respectively. Product orientation demonstrates the strongest positive effect, followed by inter-functional coordination, while customer orientation has the weakest but still significant positive influence. Based on these findings, the null hypothesis which states that market orientation dimensions have no significant effect on market share is rejected, as both the overall ANOVA and all individual predictors show statistical significance with p-values less than 0.05.

Discussion of Findings

The empirical findings demonstrated that market orientation exerts a significant and positive effect on market share within manufacturing MSMEs. This result is in alignment with findings from similar studies. Findings from Zarantonello et al., 2020 who stated that significant market share can enhance brand visibility and recognition, attract more customers and foster loyalty. This can only be achieved with strategic and targeted implementation of effective market orientation. Zouaoui and Zouaoui (2022) market orientation study in Saudi Arabian firms following the women's driving decree collaborate with the result as well as Zarantonello's view by discovering that firms adopting market-oriented innovations effectively captured new opportunities, thereby increasing their market share and performance.

The cross-industry validity of this relationship goes on to re-enforce its applicability to manufacturing MSMEs. Ye et al. (2023), stated that market orientation strategic posture enhances business model innovation by facilitating the search for actionable market knowledge which undoubtedly enlarges market share of any proactive organization. The current study's finding that market orientation significantly enhances market share levels within manufacturing MSMEs aligns cohesively with Market Orientation Theory, which posits that Organisations prioritizing customer intelligence, competitor awareness, and inter-functional coordination achieve superior market performance. This theoretical framework is empirically validated by Quach et al. (2020), who demonstrated that market-oriented firms systematically convert market knowledge into strategic actions that expand market share. Mahmoud et al. (2021) and Zhang and Duan (2023) further corroborated that the three core dimensions of market orientation customer orientation, competitor orientation, and inter-functional coordination collectively drive market share growth by enabling firms to anticipate needs, neutralize competitive threats, and execute integrated responses.

Conclusion and Recommendations

This study evaluated the effect of market orientation on market share of selected MSMEs in Lagos State Nigeria. Market orientation emerged as a powerful determinant of market-related outcomes, substantially contributing to market share expansion, competitive advantage, and organisational efficiency. Market orientation exerted significant positive effect on market share, underscoring the value of deliberate market orientation practices in driving sustainable business outcomes.

Based on the findings of this study, the following recommendations should be given adequate attention by the management.

1. To expand market share, management should operationalise market orientation by systematically gathering and disseminating customer intelligence across all departments.
2. There is need for implementing affordable customer feedback mechanisms such as SMS surveys, social media listening tools, and distributor debrief sessions to understand Lagos consumers' unmet needs.
3. Management should ensure that insights from these channels directly inform product development, pricing decisions, and promotional activities particularly important in Lagos' highly fragmented and price-sensitive markets.
4. Building stronger relationships with key distributors who control significant shelf space in the state's dense retail networks encouraged.
5. Impromptu and regular monitoring of MSMEs by regulatory bodies is recommended to ensure best industry practices.

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