

SCM Practices and Market Orientation Strategy to Model Firm Performance

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ABSTRACT

In contemporary business environment, it is essential for a business to attain and retain customer satisfaction so that it results in organizational performance improvement. Supply chain management (SCM) is an important strategy to foster performance in the organization. On the other hand, literature posits that market orientation (MO) is more likely to produce fruitful results for organizational performance. MO is the identification of the hidden needs and wants of the firm's customer and what customer is demanding and preferring should be accounted by the firm to facilitate its customer. SCM is a strategy that has a set of activities from supplier to end user. These set of stages contain supplier, manufacturer, wholesaler, distributor, retailer, and customer. The purpose is to investigate the relationship of SCM practices (SCMP) and MO with connection to organizational performance. As well as this study investigates the relationship of SCMP with customer satisfaction, MO with customer satisfaction, and by mediation of customer satisfaction within the relationship of SCMP and MO with organizational performance. This study targets multiple industries of Pakistan in order to inspect the mediating role of customer satisfaction in relationship of SCMP and MO with organizational performance. The questionnaire survey is used to collect data from 113 organizations. Results suggest that SCMP and MO improves the organizational performance. Customer satisfaction mediates between the relationship of SCMP and MO with organizational performance.

Keywords: Supply chain management practices, Market Orientation, Customer Satisfaction, and Organizational Performance.

INTRODUCTION

Since the evolution of marketing era, there is a debate that business activities need to be customer focused. Marketing is a philosophy and business attitude. This business philosophy is recognized as marketing concept that an organization should emphasize on achievement of customer satisfaction and taking profit into consideration (Zabal and Saber 2014). Companies are emphasizing to find new business techniques to satisfy customers and also help them in exploring new business opportunities. In this marathon, it is inevitable for companies to generate resources that are inimitable, rare and valuable for company to obtain sustainable competitive advantage over competitors which ultimately produce better business performance.

SCMP and MO acquired considerable attention in literature. Usually both, SCMP and MO considered as antecedents have positive relationship with organizational performance. However, it requires broader analysis of SCMP and MO relationship with organizational performance and finds

out possible mediation of customer satisfaction. Customer satisfaction can enhance the organizational performance and had a positive impact on organization value and earnings (O'Sullivan and McCallig 2012). Supply chain includes the set of activities from raw material to delivery of finished goods to end user. It is not possible for the organizations to work in isolation.

MO is the main idea of marketing. MO is now equally important to researchers in other areas like management. MO is also acknowledged as major concept for organizational goals' accomplishment. Customer satisfaction is an emotional response that evaluates the service received against the cost of obtaining the service from the organization. Consumer behavior depends on satisfaction level of consumer and its preferences in term of quality product, price discount, its loyalty and attachment with the brand which can be changed if not fully satisfied (Tuškej, Golob et al. 2013). Organizations are more concerned and focused on the satisfaction of the customer in highly competitive markets. Organizations want to secure customer loyalty by evaluating the post purchase behavior of customer (Sweeney, Soutar et al. 1997).

SCMP is highly important for organization performance. Supply chain starts with the initial supplier and finishes at customer or the end user. MO is a vital factor that helps organization to discover disguised wants of customers to satisfy and improve performance. For an organization, fulfilling the customer's requirements and considering profit is all important. Organizations are trying to improve their performance by maximizing customer value. Research provides insights regarding role of SCMP and market orientation to improve organizational performance. Furthermore, this study enhances the understanding regarding factors that helps organizations in achieving customer satisfaction. Objectives of the study are a) to investigate the relationship among SCMP and MO with organizational performance, b) to investigate mediation of customer satisfaction between the relationship of SCMP and MO with organizational performance. Globalization increased the competition, and it is important for organization to be market oriented and have an established supply chain. SCMP and MO are the effective strategies to meet wants of customers. Customer satisfaction can positively affect organizational performance.

LITERATURE REVIEW

Supply Chain Management

SCM process entails the delivery of commodities, material, raw-material, information, and finished goods end user. A set of various organizations with their functions like supplier, manufacturer, wholesaler, distributor, retailer, and customer are connected with each other and are three or more in numbers in a directly linked set of organizations that focuses on upstream and downstream flow of product, information and other desired function (Mentzer, Min et al. 2000). Supply chain includes the set of activities such as moving goods from the initial raw materials to end user. It is not possible for the organizations to work in isolation (Min, Simonis et al. 2007).

SCM as a process, is viewed critical to achieve efficiency in supply chain, improving activities and understanding them. SCM as governance deals with nature of the organization (Ellram and Cooper 2014). There are three dimensions of SCM such as 1) long term relationship, 2) strategic

purchasing, 3) concurrent engineering; all these elements are necessary for successful management of supply chain.

Supply Chain Management Practices

SCMP is a set of activities that are undertaken to enhance the managerial issues related to the supply chain of the organization. SCM is an effective way to compete and enhance organizational performance. SCM is considered as the potentially valuable action for the organization to take competitive advantage and increase the market share of the organization. Because the competition is not about organization itself only, it is shifted towards their supply chains and the way they practice it. Five dimensions of SCM practices are considered and identified such as: 1) strategic supplier partnership, 2) customer relationship, 3) level of information sharing, 4) level of information quality, 5) postponement (Li, Ragu-Nathan et al. 2006).

Strategic Supplier Partnership

The long-term relationship between the organization and its supplier is to give strategic and operational leverage to the individuals involved in actions undertaken to enhance the organizational performance.

Customer Relationship

It is the management of the customer's feedback, complaints and the recommendations that help organization to satisfy its customer. Customer relationship describes the loyalty of customer towards the same supplier. Organizations are highly focusing on building long-term relationship with customers because it generates benefits such as brand loyalty, customer loyalty (Reibstein, Day et al. 2009).

Level of Information Sharing

If customers' behavior is cooperative and they provide all necessary information to organization regarding their requirements, then it helps organizations to develop high quality and customized products. Similarly, when the supply chain partners exchange the information on the regular basis, they will more effectively tackle the challenges to respond the market changes efficiently. If the essential information is not given by the customers for organization, then the organization will not be able to understand customer demands accurately. Through the information that customers provide, organization can meet needs of the customers (Ennew and Binks 1999).

Level of Information Quality

The exchange of information between the organization and its supplier is important. It is important to check the reliability of the information shared. Some of the key aspects are accuracy, timeliness, and credibility of information exchanged between the organization and its supplier. Sharing of information is important to acknowledge its significance to check its impact on SCM. It is important to consider information exchange quality and reliability (Holmberg 2000).

Postponement

It is a practice to move or delay any process, activity, or operation for a time interval to seek the recommendation of the customer for supply chain (Feldmann and Müller 2003). It is also important

for the organizations to determine how many steps and which step to postpone. Postponement helps organization to be flexible in order to meet the customer's requirement and the customization required in product and service to be done for the customer satisfaction.

Market Orientation

MO is a business-related approach that identifies the demand, prior needs and desire of the customers and helps the organizations to take decisions based on the information gathered from the customers. Organization instead of taking decision by itself tries to explore what is right for the customers. The central concept of marketing is the concept of marketing orientation because it is now preferred for future investigation. MO plays a vital role in the marketing management, strategy with aiming to fulfill the needs and demands of the customer by giving value to the priorities of the customer in taking decisions (Min et al., 2007). Markets mainly include the customer, distributor and some extrinsic forces that have influence on customer needs and preferences (Kohli and Jaworski 1990). A good collaboration and healthy working environment in the firm allows firm to create superior value for the customer that help firms to be successful. MO has three main components such as: customer orientation, competitor focus and cross-functional coordination. It is focused on the individualism in context of efforts and energy spend to enhance the performance; as individual efforts lead towards the superior performance (Kohli and Jaworski 1990).

Core of MO is considered to be customer orientation as buyer and seller relationship is not only specified at the time of purchase, moreover, it is important for the seller to understand the value of the customer and changes required by the customer in its demand. It needs not only in the present transaction but over the time as customer need changes with the time interval. MO creates new strategies in customer services, research and development to serve customer andp0 respond to marketing forces timely (He and Wei 2011). Organization should not ignore maintaining good relationships with suppliers and focus on long-term partnership for increased and cost-effective performance to fulfill customer requirements.

Customer Satisfaction

The concept of customer satisfaction has occupied a lot of adequacy and marketing was considered to be as "customer-satisfaction engineering" (Kotler and Levy 1969). Customer satisfaction is a concept that holds a strong position in marketing literature. Customer satisfaction emerged as a new legitimate field to explore in early 70's. Since the emergence of this vast field, it progressed impressively and many theoretical structures purposed to investigate the antecedents of the satisfaction and explored the meaningful measures of the construct (Churchill Jr and Surprenant 1982). Customer satisfaction is an emotional response that evaluates the service received against the cost of obtaining the service from the organization (Flint, Woodruff et al. 1997).

The antecedents of customer satisfaction studied been long and have been used for consumer research (Yi 1990) Customer satisfactions have five antecedents and three consequences (Oliver and Swan 1989). Five antecedents of customer satisfaction are following first antecedent is expectations, second is disconfirmation, third is performance, forth is affect and fifth is equity. Consequences of customer satisfaction are following, first is complaining behavior, second is

negative word-of-mouth and third consequence of customer satisfaction is repeat repurchasing intention (Szymanski and Henard 2001).

Antecedents of Customer Satisfaction.

Expectation

It refers to the customer's perceived expectations towards the product or services which are offered by the provider and when those expectations of customer are fulfilled then customer satisfaction is attained. If the product or services could not fulfill the expectations of the customers, then dissatisfaction occurs. When customer's expectations are high, and the products or services are not according the expectations then the level of dissatisfaction increases. Similarly, when quality of products and services is greater than customer's expectations then level of satisfaction increases (Oliver, Rust et al. 1997) and mostly studies support that phenomena empirically (Bearden and Teel 1983).

Disconfirmation

There are three types of disconfirmation:

When the benefits attained from products or services exceed from the customer's expectation that is positive disconfirmation. Similarly, if the customers' expectations are more than the output obtained from products or services then that is negative disconfirmation. When the outcomes results match the customer expectations then that is simple disconfirmation (Oliver and DeSarbo 1988).

Performance

Performance has been directly linked with the satisfaction and it works as a part of disconfirmation (Halstead, Hartman et al. 1994). (Johnson 1998) explained that performance works as an interpreter of customer satisfaction. Customer is satisfied when customer's expectations are fulfilled. Customer satisfaction is positively related with expectations and performance (Woodside, Frey et al. 1989).

Affect

Affect not only explains customer satisfaction as cognitive despite affect has two dimensions: First, when customers are satisfied with products then that affects in the mind of customers are traced as a good memory and customer become satisfied (Westbrook and Oliver 1991). Second dimension of affect is found in (Weiner 1986) attribution theory controllability matrix, (Oliver 1993) which explains that affect can be reliant on attribution. According to attribution theory relationship exists between satisfaction and effect. The effect traces in the mind of customers and leads them to repurchase due to the previous satisfaction.

Equity

It is the direct outcome of all earlier discussed antecedents of customer satisfaction. Equity is justice, correctness or deservingness from customer reference that others get (Oliver 2014).

Organizational Performance

Organizational performance is actually the accomplishment of the organizations goal and the profitability of organization (Akaichi, Nayga Jr et al. 2015). It is important for the firms to acknowledge the principal of allocating the scarce marketing resources of the firm like sales

promotion, advertising and sales force. These resources help firms for the future improvement in the market share, profitability and organizational performance. Organizational performance is enhanced by including the contribution of various resources such as technology, human resource which vary respectively according to the organization (Mills and Smith 2011).

Organizations traditionally evaluate the performance of its employees to measure the organizational performance of non-financial activities such as customer satisfaction (Grafton, Lillis et al. 2010). An important factor of modern marketing understanding concentrates that to gain sustained success, organization should identify it firstly and then secondly try to satisfy customer needs more effectively and efficiently than their competitors (Hughes, Le Bon et al. 2012). High performing organizations are more satisfied with their territory; because of their effective sales force and their reach towards the customers.

Regarding the empirical work, a lot needs to be done to transfer the understanding of various theories in marketing to fully absorb the idea of performance (KETCHEN and Hult 2011). Performance may be measured to evaluate, control, budget, motivate, promote, celebrate, learn, and improve. He further argued that no particular measure is suitable for the entire eight purposes. Different purpose of measuring performance requires different measures (Behn 2003). (Lee, Lee et al. 2001) empirically examined the influence of internal capabilities (such as entrepreneurial orientation, technological capabilities, and financial resources) and external networks (such as partnership-based and sponsorship-based linkages) on organizational performance; they argued that internal capabilities are important predictors of a performance of an organization. Financial resources are one of the important internal capability of the firm therefore, managers should adjust compensation package for employees to minimize adverse impact of spin off to achieve high performance (Campbell, Ganco et al. 2012). Managers are responsible for enhancing the performance of the firm and they should focus on external environment and evaluate the results of firm strategies

RESEARCH FRAMEWORK AND HYPOTHESES

This study endeavors to explain SCMP and MO's relationship with organizational performance. Furthermore, it describes the mediation of customer satisfaction between the relationships of SCMP and MO with organizational performance. After reviewing the literature following research framework is developed (see Figure 1) with hypotheses such as:

H₁: SCMP is positively related with customer satisfaction.

H₂: Customer satisfaction is positively related with organizational performance.

H₃: SCMP is positively related with organizational performance.

H₄: Customer satisfaction mediates the relationship of SCMP with organizational performance.

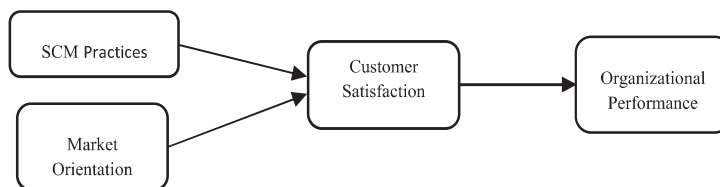
H₅: MO is a positively related with customer satisfaction.

H₆: MO is positively related with organizational performance.

H₇: Customer satisfaction mediates between MO and organizational performance.

In the above-mentioned model, the relationships between the independent variables SCMP and MO with dependent variable organizational performance is determined while the customer satisfaction acts as the mediator between the independent variables SCMP and MO with dependent variable organizational performance (See Figure 1).

Figure 1: Research Framework



RESEARCH METHODOLOGY

Instrument Development

Survey questionnaire based on previous literature is developed to test the hypotheses. Since this study does not utilize newly created constructs; therefore, it is expected that all constructs have acceptably reliable and valid survey measurements. Closed questions are sought to determine respondents' level of agreement or disagreement using a five-point Likert scale with respective anchors from 1 to 5, as 1 = strongly disagree and 5 = strongly agree. Questionnaire survey is beneficial because it provides rapid, correct, less expensive and precise statistics about the targeted population (Zikmund, Carr et al. 2013). This study designs instruments by utilizing the measure used in previous studies. First part contains demographics such as gender, education, age, experience, organization type, industry, department and the designation of the respondent.

SCMP is measured with five dimensions such as: strategic supplier partnership, customer relationship, level of information sharing, level of information quality, postponement; these are taken from a previous study (Li et al., 2006). Measures of market orientation are taken from a previous study (Baker and Sinkula, 2009). Customer satisfaction is taken as a mediator in the study and its measures are taken from (Homburg and Stock, 2004). Measures of the organizational performance are adopted at 5-point Likert scale such as 1 = significant decrease and 5 = significant increase. This measures market share, return on investment, the growth of market share, the growth of sales, growth in return on investment, profit margin on sales and overall competitive position.

Data collection

Questionnaire survey was employed from multiple industries of Pakistan including food industry, textile industry, footwear industry, optics and banking industry. Cross sectional study involves the data collection at some point of time (Zikmund, Carr et al. 2013).. The respondents were marketing officials such as assistant manager marketing, marketing manager, operations manager, marketing and sales director and sales representative. According to Pakistan stock exchange, there are 574 listed companies in 35 sectors used as population of this study

(<http://www.psx.com.pk>). Target sample was 400, so questionnaires were distributed among different industries. The response rate in developing countries is usually very low. This study produced 113 responses to satisfy statistical analysis for testing hypotheses. Total 128 questionnaires were returned, and 15 questionnaires were not completely filled. Therefore, 113 usable responses were obtained for data analysis that contributes a response rate is 32%. This study used convenience sampling.

DATA ANALYSIS

Reliability and validity of Instruments

Content validity is to measure adequate items to tap concept (Zikmund, Carr et al. 2013). The content validity is established through industry experts' comments on clarity and appropriateness. Cronbach's α is the indicator which is being used to evaluate the reliability of items. Typically, measure having value of Cronbach's α close to .6 is considered reliable. Cronbach's α value for SCMP is .86, value for MO is .73, value for customer satisfaction is .61, and value for organizational performance is .62. Statistical Package for Social Sciences (SPSS-22) is used. The reliability of data is established first then descriptive statistics, correlation among the variables; predictors are regressed for the criterion to test the hypotheses. Sample demographics are diversified extensively in term of different organizations and respondents' personal characteristics (Morgan and Hunt 1994). Respondents are asked about their gender, education, age, experience, type of organization, industry, department, and designation in the organization. Although sample demographic data has no influence on the analysis of this research; however, reporting this could provide a comprehensive assessment. The sample consists of mostly with male respondents 92%, male respondents are 104 while only 9 respondents are female. There are 3.5% who have acquired the intermediate level education, 11.5% are graduates, 54% are master's degree holder, and 31% respondent are MS/PhD. Work experience profile of respondents show that 45.1% have less than five years' experience, 42.5% have 5 to 15 years' experience, 8% respondents have sixteen to twenty-five years, and 4.4% respondent have more than 25 years' experience. There are 64.6% respondents who are working with a multinational organization while 35.4% employees are working with local firms. Manufacture organizations contain 70.8% respondents; while rest of 29.2% are working in service industry (see Table 1).

Table 1: Demographics Analysis

Demographics Features		Frequency	Percentage
Gender Profile	Male	104	92
	Female	9	8
Education Profile	Intermediate	4	3.5
	Bachelors	13	11.5
	Masters	61	54
	MS / PhD	35	31
Experience Profile	Less than 5 years	51	45.1
	5 to 15 years	48	42.5
	16 to 25 years	9	8

Organizational Level	>25years	5	4.4
	Multinational	73	64.6
	Local / National	40	35.4
Industry Type	Firm		
	Manufacturing	80	70.8
	Service	33	29.2

Analysis

Correlation Analysis

Correlation values determine the association among variables. The value of correlation lies between -1.0 and +1.0. The relationship between SCMP and MO is significant with $r = 0.61$. SCMP correlation value for customer satisfaction is 0.58 whereas its correlation value with organizational performance is also significant $r = 0.66$. There is a positive relationship between MO and customer satisfaction as $r = 0.42$. MO has a positive association with organizational performance, where $r = 0.71$. Customer satisfaction correlation value with organizational performance is also positively significant where $r = 0.50$. All values of correlation were significant at 0.01 levels (see Table 2).

Table 2: Mean, standard deviation, reliability, and correlation among variables

	Mean	Std. Dev	α			
SCM Practices	4.11	.51	86			
Market Orientation	3.99	.54	73	61**		
Customer Satisfaction	3.96	.58	61	58**	42**	
Organization Performance	3.96	.56	62	66**	71**	51**

**Correlation is significant at the 0.01 level

Regression Analysis

As R^2 determine the overall impact of independent variables over dependent variable. SCMP is regressed with customer satisfaction to check its effect on customer satisfaction. After testing, the value of $R^2 = 0.34$, and $\beta = 0.58$ significant at 0.05 level. Customer satisfaction is regressed with organizational performance to check its effect on organizational performance $R^2 = 0.25$, and $\beta = 0.35$ significant at 0.05 level. SCMP is regressed with organizational performance to check its effect on organizational performance so $R^2 = 0.44$ and $\beta = 0.66$. MO is regressed with customer satisfaction to check its effect on customer satisfaction, $R^2 = 0.88$, and $\beta = 0.93$. MO is regressed with organizational performance to check its effect on organizational performance, it shows that $R^2 = 0.51$, and $\beta = 0.71$ (see Table 3).

Table 3: Regression Analysis

Hypotheses	Predictor	Dependent variable	r^2	
H₁	SCM Practices	Customer Satisfaction	34	58*
H₂	Customer Satisfaction	Organizational Performance	25	35*
H₃	SCM Practices	Organizational Performance	44	64*
H₅	Market Orientation	Customer Satisfaction	88	93*
H₆	Market Orientation	Organizational Performance	51	71*

*Significance level $p < 0.05$

Mediation Analysis

The mediation of customer satisfaction in relationship of SCMP and MO with organizational performance is tested with Baron & Kenny (Baron and Kenny 1986) methodology.

SCMP is regressed with customer satisfaction to check its impact on customer satisfaction. The results show that $R^2 = 0.34$, that means 34% variance in customer satisfaction is predicted through SCMP and $\beta = 0.58$ at significance level of 0.05. According to Baron & Kenny (Baron and Kenny, 1986), “(a) variations in levels of the independent variable significantly account for variations in the presumed mediator (i.e., Path a)” so this result fulfills this condition. This process is completed in two steps. In first step, customer satisfaction is regressed with organizational performance and in second step; SCMP is regressed with organizational performance. Both steps are conducted simultaneously to inspect the impact of customer satisfaction and SCMP on organizational performance. Step one shows that $R^2 = 0.25$, and $\beta = 0.35$. It means that 25% variance in organizational performance is predicted by customer satisfaction and relationship is positively significant. In second step, SCMP is regressed with organizational performance. Results show that $R^2 = 0.46$, It means that 46% variance in organizational performance is predicted by customer satisfaction and SCMP. Additionally, SCMP significantly add to the variance explained where R^2 change = 0.21 and value of p is also significant. It is important to mention that variance explained by customer satisfaction is also significant where $F = 37.166$ and value of p is also significant. The regression coefficients for customer satisfaction is $\beta = 0.35$ in second step; that means customer satisfaction is positively significant related to organizational performance. According to Baron & Kenny (1986) “(b) variations in the mediator significantly account for variations in the dependent variable (i.e., Path b)”. Although, the value of $\beta = 0.66$ for SCMP in first analysis is significant, it is also significant at second step where $\beta = 0.17$. However, it is substantially reduced at the final step. Baron & Kenny argued that “a significant reduction demonstrates that a given mediator is indeed potent”. It is inferred that mediation exists there. (Baron and Kenny, 1986)

SCMP is regressed with organizational performance to check its impact on organizational performance $R^2 = 0.44$. This proves that 44% variance in organizational performance is predicted by SCMP. The value of $\beta = 0.66$ at significance level of 0.05. This β value proves a positive relationship between SCMP and organizational performance. MO is regressed with customer satisfaction to check its impact on customer satisfaction $R^2 = 0.88$. So, 88% variance in customer satisfaction is predicted by MO. The value of $\beta = 0.93$ at significance level of 0.05. This β value proves a positive relationship between MO and customer satisfaction. According to Baron & Kenny (Baron and Kenny, 1986) “(a) variations in levels of the independent variable significantly account for variations in the presumed mediator (i.e., Path a)”. Thus, it meets the condition. MO is regressed with organizational performance to check its impact on organizational performance. After testing, the value of $R^2 = 0.51$ which shows that almost 51% variance in organizational performance is predicted by MO. The value of $\beta = 0.71$ is significant at level of 0.05. This β value proves a positive relationship between MO and organizational performance. This process is completed in two steps. In first step, customer satisfaction is regressed with organizational performance and in second step; MO is regressed with organizational performance. Both steps are carried out

simultaneously to check the impact of customer satisfaction and MO on organizational performance. Step one shows that the value of $R^2 = 0.25$, and $\beta = 0.35$. It means that 25% variance in organizational performance is predicted by customer satisfaction and relationship is positively significant. In step two, MO was regressed with organizational performance. Results show that value of $R^2 = 0.51$. It means that 51% variance in organizational performance is predicted by customer satisfaction and MO. At step two, MO significantly add to the variance explained where R^2 change = 0.30 and value of p is also significant. It is important to mention that variance explained by customer satisfaction is also significant where value of $F = 37.166$ and value of p is also significant. The regression coefficients for customer satisfaction where $\beta = 0.35$ at second step proves that customer satisfaction is positively significant related to organizational performance. According to Baron & Kenny (Baron and Kenny, 1986) “(b) variations in the mediator significantly account for variations in the dependent variable (i.e., Path b),”. Therefore, it meets the condition. Although, the value of $\beta = 0.71$ for MO in fifth analysis which is significant, it is also significant at second step where $\beta = 0.24$. However, it is substantially reduced at the final step. Baron & Kenny (Baron and Kenny, 1986) argued that “a significant reduction demonstrates that a given mediator is indeed potent”. It is inferred that there is mediation (see Table 4).

Table 4: Regression Analysis for Mediation

Steps		R^2	R^2 change
1	SCMP on customer satisfaction	0.34	58*
2	1) Organization performance on customer satisfaction	0.25	35*
	2) Organizational performance on SCMP	0.46	0.21 17
3	SCMP on organizational performance	0.44	66*
4	MO on customer satisfaction	0.88	93*
5	MO on organizational performance	0.51	71*
6	1) Organizational performance on customer satisfaction	0.25	35*
	2) Organizational performance on MO	0.55	0.30 24

*Significance level $p < 0.05$

DISCUSSION AND CONCLUSION

SCMP and MO influence the organizational performance. Mediation of customer satisfaction prevails in relationship of SCMP and MO with organizational performance. Although, the direct relationship of customer satisfaction with organizational performance is significant but its mediation in relationship of SCMP and MO with organizational performance is also supported. This study enforces the importance of SCMP and MO in obtaining customer satisfaction for organization which ultimately enables organization to achieve desired organizational performance. Implementation of SCMP and MO practices result in improvement of organizational performance. SCMP and MO also provide help to the satisfy customer to take competitive advantage and help organization to perform. Due to intense competition in the modern business, it is vital for every business entity to provide superior value to its target customers. The requirement of this condition is to understand customers' requirements and fulfill them in a better way than competitors. In this

context, this study reinforces the importance of SCMP, and MO. MO provides an understanding of the customers' requirements; whereas SCMP will help organization to deliver the required product or service on desired time and place. The goal of customer satisfaction is to improve performance. SCMP is to enhance the managerial issues related to the supply chain. SCMP is an effective way to compete and enhance organizational performance. SCMP is considered as the potentially valuable action for the organization to take competitive advantage and increase the market share of the organization. Because the competition is not about organization itself only, it's shifted towards their supply chain and the way they practice it.

Strategic supplier partnership helps organization and its suppliers to keep things aligned and work as a single entity. Customer relationship is a long-term practice that can be achieved by meeting the need and demand of the customer. It can be achieved by regularly altering activities according to the customer, as customization demanded in the product and service by the customer. Information sharing in organization is important for its performance because the communication between organization and its supplier is beneficial for both to alter their product and services. Information quality is always important because the reliability of the information is important to take further actions that should be beneficial for the organization. Postponement is to move forward one or more steps in the process of product or service to act flexible according to the customer demand. Customer satisfaction is an emotional response that evaluates the service received against the cost of obtaining the service from the organization. Satisfaction of the customer is the indication that the customer repeats the purchase of the organization's product or service. This study proves the positive relationship of SCMP and MO with organizational performance through mediation of customer satisfaction. On the basis of empirical analysis of this study, it is affirmed that SCMP and MO are important for improving organizational performance. The findings of this study reveal that customer satisfaction partially mediates the relationship of SCMP and MO with organizational performance. It is concluded that SCMP and MO positively related with customer satisfaction and also are sources of an organization to satisfy customers. This study also provides empirical evidence for positive relationship of SCMP and MO with organizational performance.

In contemporary business competition, it is vital for an organization to manage good relationship with its customers. To meet this condition, it is essential to evaluate customers' requirement proactively, and should have ability to fulfill them in a better way than its competitor. This study provides insights to academicians and managers about role of SCMP, MO activities and importance of customer satisfaction to improve organizational performance. The findings of this study provide managerial guidelines for enhancing the organizational performance. Managers should invest their efforts and resources in improving the activities of SCMP and MO. Managers should direct their actions to achieve desired goals through these business activities and in building good relationship with targeted customers. Both SCMP and MO are the strategies that help organization to satisfy the targeted customer.

This study is conducted in short span of time. Due to this limitation, cross sectional data was used in this research therefore results obtained from this data may be limited and cannot be applicable over large scale. Second, sample size was also small which may affect the results. Large sample size may improve the results and provide better insight regarding relationship of variables. Future

research may consider strategic green orientation, entrepreneurial orientation, learning orientation, and technological orientation.

These findings contribute to understand relationship between different variables in context of obtaining customer satisfaction and thus improving the organizational performance. Cross sectional data is used; future research may evaluate this research framework with longitudinal design. Moreover, additional elements of SCMP and MO even if only discuss other strategic orientation such as learning orientation, technology orientation etc. may be considered to measure organizational performance but also finding the methods to obtain customer satisfaction for the product or service of the organization.

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