EXPLORING MARKET ORIENTATION OF GHANAIAN SMES' INTERNATIONALIZATION PROCESS OF THE AGRO-PROCESSING SECTOR

Betty Sumboh

Mendel University Brno, xsumboh@Mendelu.cz/bettysumboh14@gmail.com

ID:90462, ORCID: 0009-0005-7307-2747

Abstract

Purpose: In Ghana, the Agric sector is one of the dominant sectors with numerous SMEs operating within the industry. The sector makes up around 80% of total employment in Ghana and contributes about 60% of the country's GDP. Due to the quest to survive in a competitive global business market, SMEs in the agricultural sector have internationalized and market orientation is critical to their internalization success. Hence, this study addresses the gap in the literature on agricultural SMEs by examining the influence and effect of market orientation on the internationalization processes of SMEs in Ghana's agricultural sector.

Design/methodology/approach: This study employed a survey research design. A questionnaire was electronically distributed to a targeted sample of 370 Agricultural SMEs exporting goods from agro-based activities. The respondents were primarily businesses affiliated with the National Board for Small-Scale Industries (NBSSI), the Ghana Export Promotion Agency (GEPA), and the Ghana Chamber of Commerce. Three hundred forty-one valid responses were collected and used for descriptive and inferential analysis, ensuring a robust and representative dataset for the study.

Findings: The study's results are of significant importance, revealing a strong positive effect of market orientation on SMEs' internationalization processes and international performance. In fact, market orientation was found to account for approximately 69% of SMEs' international performance changes. Notably, among the market orientation variables, competition, customer focus, and cost management were found to positively influence internationalization performance, underscoring their crucial role in the internationalization process of SMEs in the agricultural sector.

Originality: This research is truly unique in its focus on the influence of MO in low-middle-income economic countries' agriculture business exports. By seeking to ascertain its effect on internationalization processes, the study offers a fresh perspective and valuable insights into a previously unexplored area of research, thereby engaging the audience in a novel and intriguing discussion.

Keywords: Internationalisation, Market orientation, international performance, Small and medium-sized enterprises (SMEs)

Introduction

Rapid globalization, the advance of technology, and business market demands have catalyzed and necessitated businesses to expand into other markets (Lecerf & Omrani, 2020; Osano, 2019; Kumar, 2018; Ghemawat, 2017).The growth in liberalization, integration, and competition in world economies has influenced most firms to engage in international business activities (Farzanegan et al., 2020;Anderer,Dür&Lechner, 2020).In line with recent trends and the availability of opportunities in international markets, some small and medium-sized enterprises (SMEs) have expanded their businesses outside their national home markets. Consequently, business enterprises are increasingly internationalizing their activities (Bołkunow, 2019), and this has made the contemporary business environment more complex and challenging than ever (Calvelli& Cannavale, 2018), as no enterprise has an absolute advantage. These open markets are driven by rivalry and intense competition (Schneider, 2023), and thus, only the fittest can survive. Consequently, SMEs must strategically choose to compete or gain a competitive edge in this international market (Kuada, 2023).

The ability of a business to survive in today's contemporary business environment is becoming challenging and complicated (Rashid & Ratten, 2021). Most businesses, including new and existing large corporations and SMEs, suffer from intense competition from local and foreign enterprises (Mkenda & Rand, 2020). This intense competition has forced SMEs determined to survive to look for newer ways to sustain their competitiveness and assure long-term profitability (Eton et al., 2021). Lechner and Gudmundsson (2014) suggest that one strategy for sustaining SMEs in these intense competitions is to internationalize their activities as it can lead to increased sales of business products or services, enhance efficiency, and permit SMEs to subcontract with other enterprises abroad (Ahokangas et al., 2022), thereby creating a competitive advantage and deliver value to their customers who may be outside their business geographic domain.

However, other authors observed how market orientation (MO) reflects a crucial characteristic not only in internationalization processes but also in the subsequent international performance levels (Frösén et al., 2016; Acosta et al.,2018; Moen,Falahat&Lee,2022). The literature identifies MO as a direct determinant of the international performances of large firms and SMEs (Falahat,Soto-Acosta&Ramayah, 2022). MO is one vital firm-level resource and capability, and it is the extent to which a firm engages in generation, dissemination, and responsiveness to market intelligence about current and future customer needs and wants, competitor strategies and actions, and broad business environment (Katsikea, Theodosiou & Makri, 2019). Thus, MO is a valuable, rare, imperfectly imitable, and nonreplaceable capability and can generate a sustainable competitive advantage (Papadas et al., 2019; Tho, 2019).

SMEs' role in economic development is universal; even in developed nations (Ahmad et al., 2021) such as the US, UK, Germany, and Japan,where the activities of large MNCs are prevalent, SMEs still contribute to developing these nations.According to the International Small Business Council (ICSB), SMEs account for over 90% of the firm population, 60-70% of employment, and 55% of GDP in industrialized countries (Usmanovich et

13686

al., 2021). In Africa, the relevance of SME growth has been aligned with their role in growth stimulation, creating employment avenues, alleviating poverty, and reducing societal criminal activities (Kuada, 2022; Adelowotan, 2021).

In Ghana, small and medium-sized enterprises (SMEs) are the backbone of the economy (Kuada, 2023); they represent about 85% of businesses, mainly within the private sector, and contribute about 70% of Ghana's gross domestic product (Sasu, 2022) despiteSMEs' valuable contributions to the country's economic growth and the role of MO in the internationalization process of businesses. Little is known about how strategic orientation influences the internationalization process of SMEs in the emerging market context, particularly in Ghana. Further, Billore and Billore (2020) noted that extant literature emphasizes that research on internationalization is mainly based on empirical evidence from large corporations and data from developed nations. The focus on SMEs needs augmented attention. More so, existing theories are not necessarily applicable to emerging markets in Africa (Burgess & Steenkamp, 2006; Ibeh & Kasem, 2011) due to the socio-economic differences between developed and developing nations.

In Ghana, the Agric sector is one of the dominant sectors with numerous SMEs operating. The agriculture sector contributes significantly to Ghana's export earnings and is a significant source of inputs for the manufacturing sector (World Bank, 2018).Along with making up around 80% of total employment in Ghana, they also provide about 60% of the country's GDP (Sasu, 2022). Hence, this study will determine the effect of market orientation on SMEs' internationalization process in the Agric processing sector. This objective will focus on market orientation constructs by gathering information about customers, competitors, and cost orientations.

The study will be structured in the following fashion: following this introduction, the next section provides the literature review on SMEs, MO, and internationalization processes. This is followed by the methodology and results analysis and discussion, and then finally, conclusions and limitations of the study for future research.

Related Literature

Small and medium-sized Enterprises (SME)

The term 'small and medium-sized enterprises (SME)' is heterogeneous with no specific definition, but it depends on factors such as whom and where the term is being used for operational definition (Wang & Wang, 2020). In addition to the heterogenic nature, it can be argued that every firm has its level of capitalization, several people employed, net profit, mode, and sector of operation, all of which are likely to vary from one country to another, hence defying any specific definition (Shingade *et al*., 2022). Often, the parameters for defining the terms are based on the country and regional level of development.

In the Ghanaian context, the National Board for Small Scale Industries (NBSSI) which is responsible for promoting small businesses defines small firms as firms which employ less than ten people and with a total asset excluding land, buildings and vehicle valuing at less than the Ghanaian cedi equivalent of 10, 000 USD (Adjimah, Atiase & Dzansi, 2022). Medium and large firms are viewed as firms with more than ten employees and total fixed assets (land, buildings, vehicles) factored out and still valued at more than 1,000,000 USD (Banerjee &Blickle, 2021).

Most of these SMEs are dominated by an individual (owner), who controls all the activities and makes vital decisions.

Market orientation and Internationalisation processes

Habib,Bao, and Ilmudeen(2020)state that market orientation (MO) is an approach to business that prioritizes identifying the needs and desires of consumers and creating products and services that satisfy them.MOs consider clients' expectations and needs, understand and satisfy them, and trigger sentiments and feelings (Micheels& Gov,2010). Kohli and Jaworski (1990) perceive the MO concept as arising from a lengthy debate around the best means of implementing the marketing concept. Thus, the MO construct is the gathering of information related to clients and the competition, disseminating it throughout the organization, and exploiting it to satisfy the prevailing market needs best (Hussain*et al.*, 2021).

According to Narver and Slater (1990), market orientation entails two decision criteria, long-term focus and profitability, along with three behavioural elements: customer orientation, competitive orientation, and inter-functional coordination. According to the authors, gathering information about customers and competitors in the target market and disseminating that information within the firm are all parts of customer and competition orientation. Inter-functional coordination is the third behavioral component, and it involves the organization as a whole working together to produce value for customers. It is built on knowledge about customers and competitors. The gathering and sharing of market knowledge and coordinating efforts to create customer value are the three behavioural components of market orientation activities (Narver & Slater, 1990). Hence, market orientation is a culture where all staff members are dedicated to delivering higher client value continuously.

On the other hand, Internationalisation is the process of increasing enterprises' involvement in international markets (Metsola et al., 2020). Internationalization is a crucial strategy for companies that seek horizontal integration globally and for countries that address the sustainability of their development in different manufacturing and service sectors(Magnani & Zucchella, 2019).

MO is essential in an international context. Foreign markets are much more complex than domestic ones. There are possible differences in technological, economic, political, cultural, and social dimensions. This complexity increases the demand for creation, dissemination, and market intelligence capabilities (Genc,Dayan& Genc, 2019). Compared to those without MO, companies with MO have a better understanding of the needs and wants of foreign customers, strategies and capabilities of competitors, and external forces and can respond appropriately. In a timely manner to the requirements of a changing environment and thus enjoy a competitive advantage (Acosta *et al*., 2018). Thus, MO is a valuable, rare, imperfectly imitable, and nonreplaceable capability and can generate a sustainable competitive advantage (Papadas *et al*., 2019; Tho, 2019). Companies with MO can take advantage of these resources and capabilities to bridge cultural distance and select culturally distant markets in exchange for more market opportunities and better financial performances (Acosta *et al*., 2018).

Market orientation is a unifying factor of activities and projects of individuals and departments, according to Felgueira and Rodrigues (2012), which promotes improved performance. As a result, performance improves with increasing market orientation for the organisation. Customers are more satisfied when an organisation is market-oriented because it can better meet their requirements and preferences, encouraging them to make additional purchases. As a result, higher levels of market orientation lead to higher levels of consumer satisfaction and repeat business (Khanand Ghouri, 2018).
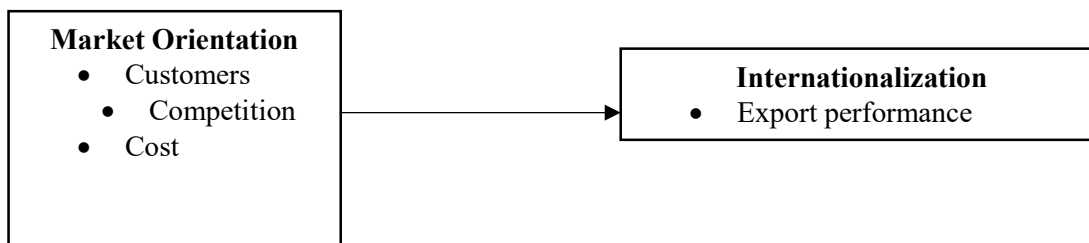
Figure 1: Conceptual Framework
Source: Authors Construct

Methodology

Sample

The study is explanatory in nature since the objective of the research is to determine the cause-and-effect relationship between market orientations and internationalization process of Ghanaian agricultural SMEs. The study is cross-sectional in nature and used the quantitative research approach with questionnaires deployed to gather data from respondents.The population of the study was made up of SMEs in Ghana operating in the agricultural sector who are also engaged in exporting their outputs. Three hundred and seventy (370) respondents constitute the sample size of the study which was determined using Cochran formula.The sample size falls within the sample recommendation of 300 and above for quantitative studies (Hair, Babin & Krey, 2017). Non-probability sampling technique, specifically purposive sampling, was utilized in distributing the questionnaire to respondents, and a total of 341 were retrieved, representing a 92.2 response rate. Mahmoud et al. (2022) stipulated that a response rate of 70% or higher is considered free of response-related mistakes. The data was analysed using statistical package for social science (SPSS) and Partial Least Square Structural Equation Modelling (PLS-SEM). Questionnaire was ethically verified and respondents' consent were sought before administering the questionnaires to them. The respondents were informed that their participation was entirely optional and for academic purpose and that their identities and privacy would be highly confidential.

Measures and Results

In all, eight (8) demographic questions were part of the measurement instrument. **Table II** contains the rest of the questions as well as their sources. All of the questions were measured "on a Likert scale of 1 to 5, with 1 denoting strongly disagree, 2 disagree, 3 neutral, 4 agree, and five strongly agree." The outcome of the study shows that the majority of the respondents (SMEs)

have been operating between 1-10 years, which represents 78%, whilst those operating for more than 11 years represent 22%. Also, 38.1% of the SMEs are sole proprietors, 45.7% partnerships, 12.9% are running limited liability companies, and 3.2% run co-operatives. Further, 40.2% of the SMEs have below ten employees, 23.5% have 11-49 employees and 36.4% have 50-240 employees in their business. Moreso, outcomes indicates that 33.1% of SMEs are executives in the business, 37.0% of them are managers and 29.9% are both owners and managers. Again, 28.7% of the SMEs started exporting from the start of the business, 46.0% started exporting after 1–3 years of operation, 19.4% of the respondents started exporting after 4–8 years of operation and 5.9% of the respondents started exporting after 9 – 15 years of operation of their business. Furthermore, 37% of the respondents do direct exporting as an international activity, 16.7% of the respondents do foreign sales office, 41.6% of the respondents do export via distributors/agents and 4.7% of the respondents engage in foreign manufacturing of a product or product parts. More so, 17.6% of respondents have a Master's Degree, while 58.7% have a First Degree. However, 15.8% of them hold diplomas, 2.9% have GCE A Level, 3.2% have GCE O Level, and 1.8% of the respondents hold non-formal educational qualifications. Nonetheless, 83.9% of the respondents have international experience, while 16.1% of them do not.These outcomes are exhibited in Table I.

Table I: Demographic Characteristics of Respondents

Characteristics	Respondents	
Years of Operation	Frequency	%
1-3 years	96	28.2
4-10 years	170	49.9
11-20 years	57	16.7
20 years and more	18	5.3
Structure of Company		
Sole Proprietorship	130	38.1
Partnership	156	45.7
Limited Liability	44	12.9
Co-operative	11	3.2
Venture	0	0.00
Employees in Business		
0-10	137	40.2
11-49	80	23.5
50-250	124	36.4
Current Position		
Executive	113	33.1
Manager	126	37.0
Owner-manager	102	29.9
Started Exporting		
From the start of business	98	28.7

After 1-3 years of operation	157	46.0
After 4-8 years of operation	66	19.4
After 9-15 years of operation	20	5.9
International Activities		
Direct Exporting	126	37.0
Foreign sales office	57	16.7
Export via distributors/ agents	142	41.6
Foreign manufacturing of a product or product parts	16	4.7
Educational Qualification		
Master	60	17.6
First-Degree	200	58.7
Diploma	54	15.8
GCE A Level	10	2.9
GCE O Level	11	3.2
Non-Formal	6	1.8
International Experience		
Yes	286	83.9
No	55	16.1
Total	**341**	**100.0**

Source: Field Survey, 2022

Table II: Adapted Instruments and Cronbach's Alpha

Constructs	Cronbach's Alpha	Sources
Cost We are concerned about tightly controlling overhead and variable costs. We are concerned about controlling distribution channels. We price our export products at or below competitive price levels.	0.783	He, Brouthers & Filatotchev, 2018; Cavugil & Zou, 1994
Customer We regularly measure the quality of service customers receive through feedback. We obtain ideas from our customers abroad to improve our products.	0.812	He, Brouthers & Filatotchev, 2018; Cavugil & Zou, 1994

Customer and market event outcomes are shared with all departments.		
Competition	0.792	Robb et al., 2020; Cavugil & Zou, 1994
We search systematically for information about our competitors.		
We constantly see environmental changes that affect stakeholders.		
We have inadequate knowledge about foreign market opportunities.		
Internationalization Process	0.829	Contractor et al., 2005
Market share in the agriculture product export industry		
Sales growth in the agriculture product export industry		
Pre-tax profitability in the agriculture product export industry		
Gaining new knowledge/technology in the agriculture product export industry		

Validity and Reliability

The quantitative data was analyzed using the two-step structural equation modeling analysis recommended by scholars (Arora & Agarwal, 2019; Sharif, Mostafiz & Guptan, 2023). Measurement model was the first step deployed to assess the reliability and validity of the measurement items(Batool et al., 2022). To check constructs suitability, internal consistency, convergent validity and discriminant validity were estimated as proposed by Hair et al. (2021).

Table III: Reliability and Convergent Validity Results

Items	*Loadings*	*t-values*	*p-values*	*VIF*	*CA*	*rho_A*	*CR*	*AVE*
COMP1	0.854	51.500	0.000	1.734	0.792	0.794	0.878	0.706
COMP2	0.812	29.715	0.000	1.547				
COMP3	0.856	46.954	0.000	1.804				
COST1	0.852	49.344	0.000	1.768	0.783	0.786	0.874	0.697
COST2	0.835	50.237	0.000	1.559				

COST3	0.819	26.329	0.000	1.618				
CUST1	0.857	50.732	0.000	2.064	0.812	0.811	0.889	0.727
CUST2	0.813	39.886	0.000	1.506				
CUST3	0.886	61.035	0.000	2.248				
INP1	0.825	33.822	0.000	1.872	0.829	0.839	0.887	0.663
INP2	0.847	45.366	0.000	2.039				
INP3	0.719	18.664	0.000	1.445				
INP4	0.859	51.500	0.000	2.148				

Source: Smart-PLS 4 estimate

VIF = Variance inflation factor; CA = Cronbach's Alpha; CR = Composite Reliability; AVE = Average Variance Extracted

The results from Table III indicates that all the indicators have significant loadings above the 0.708 threshold (Hair et al., 2019). Internal consistency and reliability were reported through Cronbach's alpha (CA) and Composite Reliability (CR) (Hair et al., 2019). The values of CA and CR met the threshold expounded by Hair et al. (2019) where CA and CR should be > 0.700. As indicated in Table 3, results shows that both Cronbach's alpha and Composite reliability met the minimum accepted values. Cronbach's alpha (α) and Composite reliability (CR), of the study variables cost (CA = 0.783, CR = 0.874), customer (CA = 0.812, CR = 0.889), competition (CA = 0.792, CR = 0.878) and internationalization process (CA = 0.829, CR = 0.887). Also, the average variance extractor (AVE) values were more significant than the 0.50 threshold (ranging from 0.663 to 0.727). These suggest that the measures have adequate reliability and convergent validity (Hair *et al.*, 2019; Shmueli *et al.*, 2019)
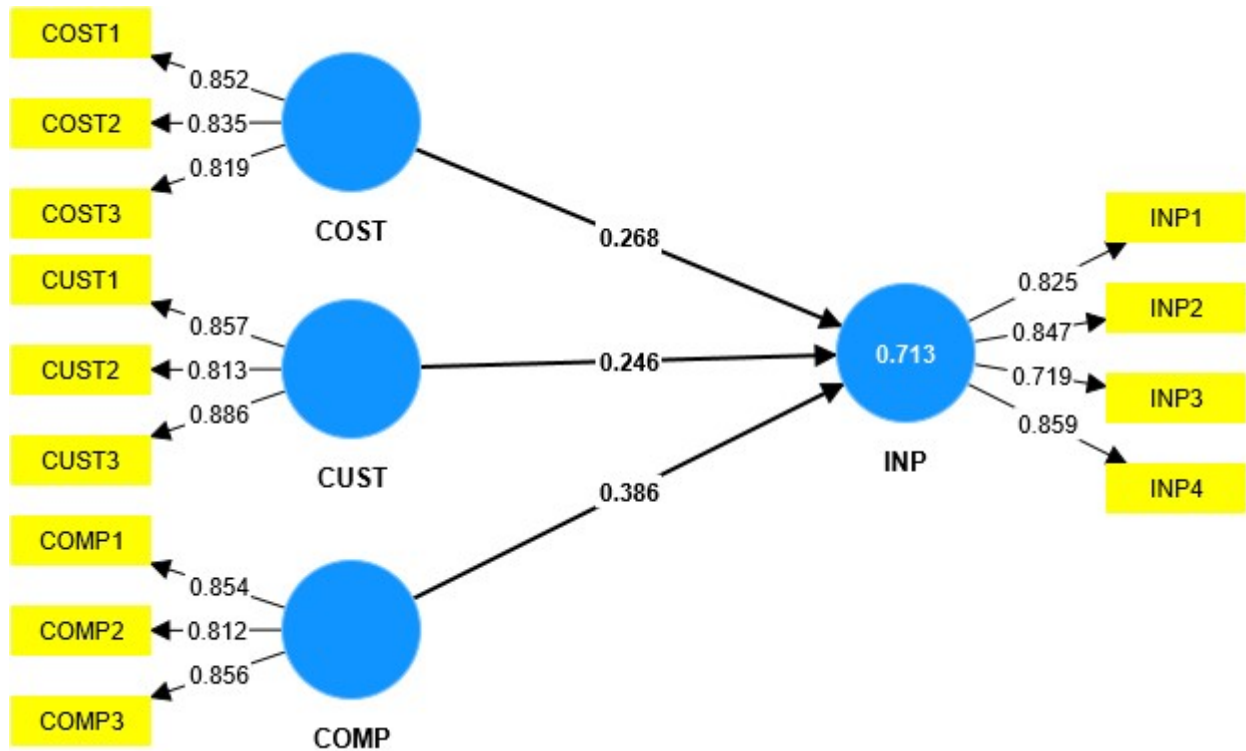
Figure 2: Measurement Model
Source: Smart-PLS 4 estimates

Discriminant Validity

To holistically assess the discriminant of constructs, two measurement metrics were used. Fornell & Larcker criterionand Heterotrait-Monotrait Ratio (HTMT). This is indicated in Table IV.

Table IV: Fornell & Larcker criterion

CONSTRUCT	1	2	3	4
Fornell & Larcker				
1. COMP	**0.840**			
2. COST	0.788	**0.835**		
3. CUST	0.839	0.828	**0.853**	
4. INP	0.804	0.776	0.792	**0.814**
Heterotrait-Monotrait Ratio (HTMT)				
1. COMP				
2. COST	0.998			
3. CUST	1.047	1.031		
4. INP	0.985	0.959	0.964	

Source: SmartPLS 4 estimate from field data (2022)

Results of Fornell-Larcker criterion for determining discriminant validityrevealed that the square root of AVE for all latent variables was higher than the inter-construct correlations (Fornell & Larcker, 1981). This implies the attainment of the discriminant validity for the constructs. However, in using the HTMT, it failed to establish positive discriminant validity of the constructs. To establish discriminant validity, guidelines advocate that, the HTMT value should be less than 0.85 (Henseler et al., 2015) or 0.90 (Hair et al., 2013). As discovered in Table 4 all the values were above the recommended maximum threshold of 0.85 and 0.90. This signifies that discriminant validity of by HTMT is not established (Bin-Nashwan et al., 2019).

Structural Model (Hypothesis Testing)

The causal relationships between the independent and dependent variables proposed in the conceptual framework are tested using the structural model. After the adequacy of the measurement model (i.e., reliability and validity of the constructs) had been established, each structural path was assessed to see if it was significant and advancing in the intended direction (Ringle et al., 2022). The hypotheses were tested using 5,000 sub-samples testing for a two-tailed significance of 95% (Hair Jr. et al., 2017). This section reports the effect of market orientations on the internationalization process. The variance inflation factor (VIF), path coefficients, standard deviation, t-statistics, p-values and f^2 values are presented in Table V.

Table V: Path Coefficient

Hypothesis	Path Description		B	St. deviation	t-value	P-value (Direct effect)	Effect size (f^2)	Results
H1	Competition Internationalization Process	=>	0.386	0.081	4.798	0.000	0.139 (L)	Supported
H2	Cost Internationalization Process	=>	0.268	0.081	3.301	0.001	0.071 (L)	Supported
H3	Cust Internationalization Process	=>	0.246	0.069	3.570	0.000	0.047 (L)	Supported

Source: Field Data (2022)

The outcomes in Table Vindicate that all the standardized path coefficients and their p-values showed support for all the three hypotheses. Precisely the study showed that competition (β = 0.386; t = 4.798; p < 0.000), cost (β = 0.268; t = 3.301; p < 0.001) and customer (β = 0.246; t = 3.570; p < 0.000) positively and significantly predicted the internalization process of Ghanaian agricultural SMEs. Thus, their p-values are within the acceptable threshold of 0.05. Specifically, hypotheses H1, H2 and H3, are statistically supported. This denotes that, a standardized unit increase in SMEs perception regarding competition, cost and customer will lead to an increase in the predictive value of their internationalization process by 0.386, 0.268 and 0.246 respectively,

Cohen (1988) indicated that an f^2 value of 0.02 signify small or weak effect size, however values 0.15 and 0.35 represent medium and large effect sizes, respectively. The results shown in Table V indicates that all the constructs have large effects on internationalization process of Ghanaian agricultural SMEs. Thus, competition (f^2= 0.139), cost (f^2=071) and customer (f^2= 0.047).
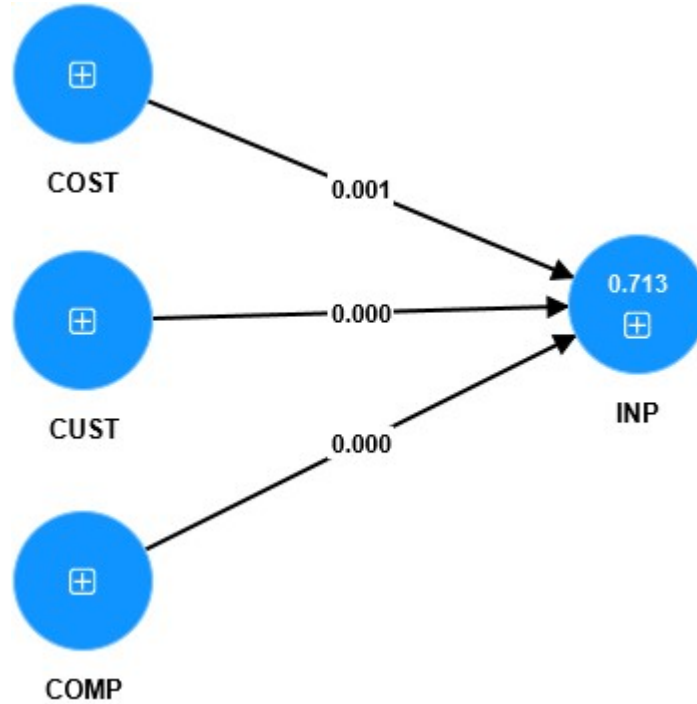

Figure 3: Structural Model

Source: Smart-PLS 4 estimates

Table VI: Predictive Relevance and Predictive power

Latent	Q^2	R^2	AJ. R^2	SRMR
Internationalization Process	0.703	0.713	0.711	0.073

Source: Field Data (2022)

Also, the results show that the model has a good fit as the SRMR is 0.073 which is less than the 0.08 threshold (Hu & Bentler, 1998). Moreover, the model has acceptable level of predictive relevance (Q^2>0.0) and predictive power (R^2>0.20) (Hair et al., 2019; Usakli & Kucukergin, 2018). Specifically, the R^2 value of 0.713 shows that the model explains 71.3% of variation in internationalization process of Ghanaian agricultural SMEs. This suggests that the interaction of competition, cost and customer significantly result in 71.3% of variance in SMEs internationalization process. Also, Q^2 of the model is 0.703 which is > 0.0, demonstrating the predictive relevance of the model.

Discussion

Competition and Agricultural SMEs Internationalization Process

The current study mainly investigated therole of market orientation dimensions in agricultural SMEs internationalization process in the Ghanaian agricultural sector. The study was guided by three research objectives. The first objective of the study examined the competition of the agricultural SMEs in Ghana and the impact it has on their internationalization process. The study results showed that competition ($\beta = 0.386$; $t = 4.798$; $p < 0.000$) positively and significantly predicted the internalization process of Ghanaian agricultural SMEs. This is an indication that the Ghanaian agricultural SMEs search systematically for information about their competitors and constantly see environmental changes that affect stakeholders. Also, they have inadequate knowledge about foreign market opportunities and the competition that exist in those markets. The outcome is supported by the findings (Nakos, Dimitratos & Elbanna, 2019; Udriyah, Tham & Azam, 2019). Both studies found a positive relation between SMEs competition and their international performance. Nakos et al. (2019) avers that competition is a necessary element for a business that intends to operate in international markets. However, the finding contradicts that of Acosta, Crespo and Agudo (2018), where they found a negative relationship between competition as a market orientation dimension and SMEs international performance.

Cost and Agricultural SMEs Internationalization Process

Secondly, the study assessed the relationship between cost and internationalization process of Ghanaian agricultural SMEs. The study outcome ($\beta = 0.268$; $t = 3.301$; $p < 0.001$) discovered that cost had significant positive correlations with SMEs internationalization process. The results showed that the Ghanaian agricultural SMEs are concerned about tightly controlling overhead and variable costs associated with their operations and are concerned about the cost involved in controlling various channels of distribution. Further, they take into consideration cost when pricing their export products in order to put products on competitive price levels. These outcomes support the findings (Udriyah et al., 2019; Haddoud et al., 2019; He, Brouthers & Filatotchev, 2018; Rua, França & Fernández Ortiz, 2018). Udriyah et al. (2019) found that if SMEs produce in large quantities, they may reduce cost associated with export. He et al. (2018) also found that SMEs ability to develop and maintain relationship with their international partners increases transaction which have an influence on their exporting activities. Further, Rua et al. (2018) revealed that the development of firms in the international market is influenced by their competitive strategy of cost leadership while Haddoud et al. (2019) found that SMEs performance in the international market is influenced by the high cost involved in acquiring technological resources to compete.

Customer and Agricultural SMEs Internationalization Process

The third objective of the study examined the effect of customers on export performance of Ghanaian agricultural SMEs. The study results ($\beta = 0.246$; $t = 3.570$; $p < 0.000$) established that customers have significant positive impact on the internalization process of Ghanaian agricultural SMEs. This result is indicating that the SMEs regularly measure the quality-of-

service customers receive through feedback which they use as reviews to promote product sale in the international market. Also, the SMEs obtain ideas to improve products from their customers abroad which makes it easier for product adoption when introduced. More so, customer and market event outcomes are shared with all departments. These outcomes support the findings (Nakos et al., 2019; Udriyah et al., 2019). Nakos et al. (2019) found customer orientation as a dimension of market orientation to positively predict SMEs international performance. Similarly, the outcome of Udriyah et al. (2019) studies support the findings of Nakos et al. (2019). Furthermore, the finding is in contradiction to Acosta, Crespo and Agudo (2018), where they found customer dynamics as a market orientation to predict SMEs international performance negatively.

Conclusion

The importance of internationalization of SMEs cannot be underestimated due to the gains derived from this activity not only for the firm but also for stakeholders. Considered the backbone of the Ghanaian economy, this study explored market orientation of Ghanaian SMEs internationalization process in the Agro-Processing Sector. The results reveal that competition, cost, and customer are the critical bases for which most SMEs in the Agro-processing sector of Ghana undertake internalization. It, therefore, means that Ghanaian SMEs operating in the agro-sector succeed in their internalization activities by surviving the competition by seeking information about their competitors and also responding to environmental changes in the foreign market. Also, they ensure that their costs (fixed and variable costs) related to their operation in the international market are tightly controlled through prudent and efficient use of these investments. Furthermore, they constantly provide quality customer service, communicate effectively with their customers, and handle customer complaints swiftly in order to succeed in their internalization activity.

Study Implications.

The study provides some notable insights into how SMEs in the Agro-processing sector of Ghana can use market orientation internationalize their operations successfully. It clearly concluded that cost, customer and competitor orientations can be used to achieve this success. The findings therefore provide decision makers with some suggestions that can help the SMEs sustain their international operation. Owners/managers of these SMEs can rely on the studies' findings to minimize operational costs, offer quality customer service and also compete with host countries' competitor favourable in their internationalization endeavours.

Also, the findings of the study will help shape policy decision making by key agencies such as National Board for Small Scale Industries (NBSSI), Ghana Export Promotion Agency (GEPA) and the Ghana Chamber of Commerce in proffering policies that can aid the internalisation process of SMEs not only in the Agro-processing industry, but also across other sectors of the economy.

Research Limitations

The results from the study have presented some limitations regarding the study design. Therefore, future studies should consider adopting a qualitative method in data collection and

analysis especially in developing countries. Also, mediators such as institutional support and firm resilience can be used to further test the relationship between market orientation and SMEs internationalization process. In addition, inter-functional coordination as an element of market orientation can also be used in subsequent studies.

References

Acosta, A., Crespo, A. and Agudo, J. (2018), "Effect of market orientation, network capability and entrepreneurial orientation on international performance of small and medium enterprises (SMEs)", International Business Review, Vol. 27, pp. 1128-1140.

Adelowotan, M. (2021), "Towards ensuring the sustainability of South African small and medium enterprises in the fourth industrial revolution era", *Eurasian Journal of Business and Management*, Vol.9 No.1, pp.38-46.

Adjimah, H. P., Atiase, V. Y., & Dzansi, D. Y. (2022). Examining the role of regulation in the commercialisation of indigenous innovation in sub-Saharan African economies: evidence from the Ghanaian small-scale industry. *Administrative Sciences*, *12*(3), 118.

Ahmad, N., Mahmood, A., Han, H., Ariza-Montes, A., Vega-Muñoz, A., Din, M.U., Iqbal Khan, G. and Ullah, Z. (2021), "Sustainability as a "new normal" for modern businesses: Are smes of pakistan ready to adopt it?", *Sustainability*, Vol.13 No.4, p.1944.

Ahokangas, P., Haapanen, L., Golgeci, I., Arslan, A., Khan, Z., & Kontkanen, M. (2022). Knowledge sharing dynamics in international subcontracting arrangements: The case of Finnish high-tech SMEs. *Journal of International Management*, *28*(1), 100888.

Anderer, C., Dür, A. and Lechner, L. (2020), Trade policy in a "GVC World": Multinational corporations and trade liberalization", *Business and Politics*, Vol. *22* No.4, pp.639-666.

Banerjee, R., & Blickle, K. (2021). Financial frictions, real estate collateral and small firm activity in Europe. *European Economic Review*, *138*, 103823.

Billore, S. and Billore, G. (2020), "Internationalization of SMEs and market orientation: A study of customer knowledge, networks and cultural knowledge", *European Business Review*, Vol.32 No. 1, pp.69-85.

Burgess, S.M. and Steenkamp, J.B.E. (2006), "Marketing renaissance: How research in emerging markets advances marketing science and practice", *International Journal of Research in Marketing*, Vol.23 No.4, pp.337-356.

Calvelli, A. and Cannavale, C. (2018), *Internationalizing firms: International strategy, trends and challenges*. Springer.

Eton, M., Mwosi, F., Okello-Obura, C., Turyehebwa, A., &Uwonda, G. (2021). Financial inclusion and the growth of small medium enterprises in Uganda: empirical evidence from selected districts in Lango sub-region. *Journal of Innovation and Entrepreneurship*, *10*, 1-23.

Falahat, M., Soto-Acosta, P. and Ramayah, T. (2022). We are analysing the importance of international knowledge, orientation, networking and commitment as entrepreneurial culture and market orientation in gaining competitive advantage and international performance. *International Marketing Review*, Vol.39 No.3, pp.463-481.

Farzanegan, M.R., Hassan, M. and Badreldin, A.M. (2020), "Economic liberalization in Egypt: A way to reduce the shadow economy?", *Journal of Policy Modelling*, Vol. 42 No.2, pp.307-327.

Frösén, J., Luoma, J., Jaakkola, M., Tikkanen, H. and Aspara, J. (2016), "What counts versus what can be counted: the complex interplay of market orientation and marketing performance measurement", Journal of Marketing, Vol. 80 No. 3, pp. 60-78.

Genc, E., Dayan, M. and Genc, O.F. (2019), "The impact of SME internationalization on innovation: the mediating role of market and entrepreneurial orientation", *Industrial Marketing Management*, Vol. 82, pp. 253-264.

Ghemawat, P. (2017), *The laws of globalization and business applications*, Cambridge University Press, Cambridge.

Habib, M.A., Bao, Y. and Ilmudeen, A. (2020), "The impact of green entrepreneurial orientation, market orientation and green supply chain management practices on sustainable firm performance" *Cogent Business & Management*, Vol.7 No.1, p.1743616.

Haddoud, M. Y., Nowinski, W., Jones, P., & Newbery, R. (2019). Internal and external determinants of export performance: Insights from Algeria. *Thunderbird International Business Review*, *61*(1), 43-60.

He, X., Brouthers, K. D., & Filatotchev, I. (2018). Market orientation and export performance: the moderation of channel and institutional distance. *International Marketing Review*, *35*(2), 258-279.

Hussain, J., Bibi, P., Ahmad, A. and Bilal, H. (2021), "Disintegrated market orientation and firm performance: moderating effect of entrepreneurial orientation", *Journal of Accounting and Finance in Emerging Economies*, Vol.*7* No.1, pp.155-168.

Ibeh, K. and Kasem, L. (2011), "The network perspective and the internationalization of small and medium sized software firms from Syria", *Industrial Marketing Management*, Vol.40No.3, pp.358-367.

Katsikea, E., Theodosiou, M. and Makri, K. (2019), "The interplay between market intelligence activities and sales strategy as drivers of performance in foreign markets", *European Journal of Marketing*, Vol.53 No.10, pp.2080-2108.

Khan, M. and Ghouri, A.M. (2018), "Enhancing customer satisfaction and loyalty through customer-defined market orientation and customer inspiration: A critical literature review", *International Business Education Journal*, Vol.11 No.1, pp.25-39.

Kuada, J. (2022). Financial inclusion and small enterprise growth in Africa: emerging perspectives and research agenda. *African Journal of Economic and Management Studies*, *13*(3), 402-417.

Kuada, J. (2023). Changing role of finance in rural small enterprise growth in Ghana. *Journal of Entrepreneurship in Emerging Economies*, *15*(6), 1438-1458.

Kumar, V. (2018), "Transformative marketing: The next 20 years", *Journal of Marketing*, Vol.*82* No.4, pp.1-12.

Lecerf, M. and Omrani, N. (2020), "SME internationalization: The impact of information technology and innovation", *Journal of the Knowledge Economy*, Vol. 11, pp.805-824.

Lechner, C. and Gudmundsson, S.V. (2014), "Entrepreneurial orientation, firm strategy and small firm performance", *International Small Business Journal*, Vol.32 No.1, pp.36-60.

Magnani, G. and Zucchella, A. (2019), "Coping with uncertainty in the internationalisation strategy: An exploratory study on entrepreneurial firms", *International Marketing Review*, Vol.36No.1, pp.131-163.

Metsola, J., Leppäaho, T., Paavilainen-Mäntymäki, E. and Plakoyiannaki, E. (2020), "Process in family business internationalisation: The state of the art and ways forward", *International Business Review*, Vol.29 No.2, p.101665.

Micheels, E.T. and Gow, H.R. (2010), "The impact of alternative market orientation strategies on firm performance: Customer versus competitor orientation", 2010 Annual Meeting, American Agricultural Economics Association, Denver, CO.

Mkenda, B. K., & Rand, J. (2020). Examining the ability of Tanzanian small and medium enterprises (SMEs) to increase their penetration into export markets. *Business Management Review*, *23*(1), 79-102.

Moen, Ø., Falahat, M. and Lee, Y.Y, (2022), "Are born global firms really a "new breed" of exporters? Empirical evidence from an emerging market", *Journal of International Entrepreneurship*, pp.1-37.

Nakos, G., Dimitratos, P., & Elbanna, S. (2019). The mediating role of alliances in the international market orientation-performance relationship of SMEs. *International Business Review*, *28*(3), 603-612.

Osano, H.M. (2019), "Global expansion of SMEs: role of global market strategy for Kenyan SMEs", *Journal of Innovation and Entrepreneurship*,Vol.8 No.1, p.13.

Papadas, K.-K., Avlonitis, G.J., Carrigan, M. and Piha, L. (2019), "The interplay of strategic and internal green marketing orientation on competitive advantage", *Journal of Business Research*, Vol. 104, doi: 10.1016/j.jbusres.2018.07.009.

Rashid, S., & Ratten, V. (2021). Entrepreneurial ecosystems during COVID-19: the survival of small businesses using dynamic capabilities. *World Journal of Entrepreneurship, Management and Sustainable Development*, *17*(3), 457-476.

Rua, O., França, A., & Fernández Ortiz, R. (2018). Critical drivers of SMEs export performance: the mediating effect of competitive advantage. *Journal of Knowledge Management*, *22*(2), 257-279.

Sasu, D., D. (2022), " Economic contribution of Small and Medium-sized Enterprises (SMEs) in Ghana as of 2022, by category", Available at: https://www.statista.com/statistics/1322256/economic-contribution-of-smes-in-ghana-by-category/ (Accessed 16 March 2023)

Schneider, E. (2023), "Germany's Industrial strategy 2030, EU competition policy and the Crisis of New Constitutionalism.(Geo-) political economy of a contested paradigm shift", *New political economy*, Vol.28 No.2, pp.241-258.

Shingade, S., Rastogi, S., Bhimavarapu, V. M., & Chirputkar, A. (2022). Shareholder activism and its impact on profitability, return, and valuation of the firms in India. *Journal of Risk and Financial Management*, *15*(4), 148.

Tho, N.D. (2019), "Strategic orientations and firm innovativeness: a necessary condition analysis", *Baltic Journal of Management*, Vol. 14 No. 3, doi: 10.1108/bjm-07-2018-0280.

Udriyah, U., Tham, J., & Azam, S. J. M. S. L. (2019). The effects of market orientation and innovation on competitive advantage and business performance of textile SMEs. *Management Science Letters*, *9*(9), 1419-1428.

Usmanovich, I.I., Ravshan, A. and Mirzaliyevna, Z.G. (2021),"Organizational and economic mechanism of business management based on an integrated active system that ensures the interests of the industry", *NVEO-NATURAL VOLATILES & ESSENTIAL OILS Journal| NVEO*, pp.10703-10713.

Wang, S., & Wang, H. (2020). Big data for small and medium-sized enterprises (SME): a knowledge management model. *Journal of Knowledge Management*, *24*(4), 881-897.