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**Market Orientation, Corporate Social
Responsibility, and Firm performance:
the moderation role of Relationship
Marketing Orientation**

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Có thể tìm hiểu luận án tại thư viện:

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TABLE OF CONTENTS

CHAPTER 1: INTRODUCTION.....	1
1.1. Motivation.....	1
1.2. Research objectives.....	2
1.3. Research questions.....	2
1.4. Research scope.....	3
1.5. Research methods	3
1.6. Research contributions.....	3
1.7. Structure of the study	4
CHAPTER 2: THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT	4
2.1. Overview theory of the firm	4
2.2. The stewardship theory	4
2.3. The agency theory.....	5
2.4. The stakeholder theory.....	5
2.5. Relationship marketing orientation theory	5
2.6. Market orientation.....	6
2.7. Corporate Social Responsibility - CSR	6
2.8. Firm performance	7
2.9. Market orientation and CSR	7
2.10. RMO as moderator for MO and Firm performance.....	7
2.11 RMO as moderator for CSR and Firm performance.....	7
2.12. RMO as moderator for MO & CSR.....	8
2.13. Proposing direction for the study.....	8
CHAPTER 3: METHODS AND MEASUREMENT	9

3.1. Research design	9
3.2. Measurement.....	10
3.2.1. <i>Market orientation scale</i>	10
3.2.2. <i>CSR scale</i>	10
3.2.3. <i>Relationship marketing orientation scale</i>	10
3.2.4. <i>Firm performance scale</i>	10
CHAPTER 4: DATA ANALYSIS AND RESEARCH RESULTS.....	11
4.1. Overview and research sample description.....	11
4.1.1. <i>Qualitative research questions</i>	11
4.1.2. <i>Quantitative research</i>	11
4.2. Measuring scales by analyzing EFA.....	12
4.3. Confirmatory Factor Analysis - CFA	12
4.3.1. <i>Discriminant validity</i>	13
4.3.2. <i>Convergent validity</i>	13
4.4. Structural Equation Modeling – SEM analysis	13
CHAPTER 5: DISCUSSION, IMPLICATIONS AND CONCLUSION	16
5.1. Research results summary.....	16
5.2. Research contributions.....	17
5.2.1. <i>Theoretical contributions</i>	17
5.2.2. <i>Practical contributions</i>	18
5.3. Research limitations and further research directions	18

CHAPTER 1 INTRODUCTION

1.1. Motivation

In transitional economy such Vietnam, business activities of the firm are affected by the constant changes in knowledge, the limitation in resources, the tough competitions and unpredicted risks, etc. In such context, the role of key person insider of the firm such as CEO, senior managers become very important. They should have more extensive experiences in equipping market information, knowledge in order to improve or maintain firm performance (Wiklund, 1999). Besides, they also have enriched the business relations as well (Nguyen & Viet, 2012).

Market orientation drives organizational market information processing activity as well as how it is used in the firm strategy (Kohli & Jaworski, 1993; Sin et al., 2005). Market-oriented firms usually concern towards customers and competitors. Market orientation has been proven to positively impact on firm performance (Kohli & Jaworski, 1993; Baker & Sinkula, 1999). Similarly, Narver & Slater (1990) determined that market orientation will create necessary behaviors to build up maximum values to customers.

A mechanism that reflects the consideration of customers as an important operant resource is relationship marketing orientation (RMO). This concept can further enhance customers' identification with the organization (Gohary & Hamzelu, 2016). RMO reflects the firms' philosophy of doing business that is concerned with relationship building by cultivating trust, empathy, bonding, and reciprocity between a firm and its customers (Sin et al., 2005; Tse et al., 2004). Yet, the meaning and the role of RMO concept in transitional economies such as Vietnam is still unclear and need to be more explored (Nguyen & Viet, 2012; Luu, 2017)

Corporate social responsibility (CSR) is not a new concept in the world, but it has still remained much concern not only to scholars but also for business environment practitioners. CSR is defined in a broader view as corporate behaviors and commitments which aim to affect positively stakeholder obligations, and go beyond its economic interest (Turker, 2009; Kotler & Lee, 2005; Galbreath, 2009; Carroll, 1991). In Vietnam, in recent years, a lot of attentions have been paid to this concept from practitioners and scholars as well. However, in Vietnam, it is relatively difficult to implementing CSR.

There still has little research that has many investigated the relationship among the concept of Market orientation (MO), Corporate Social Responsibility (CSR) and firm performance (Long, 2015). However, it seems that there has a few research conducting to examine this relationship that relating to the RMO concept. This study deploys in context of Vietnam marketing communications industry, a typical service

industry, in order to explore and examine how the relationship among concepts MO, CSR and firm performance with the moderation role of RMO. It is because of,

- RMO in this study plays as moderator role among the relationships. RMO should be more dominant in the determination of firms' business performance in the service sector and are mostly studied across a range of services industry (Sin et al., 2005; Gordon et al, 2008; Kwan & Carlson, 2017; Marium & Younas, 2017)
- Next, in marketing area, Sheth & Parvatlyar (1995) indicate that relationship marketing leads to greater marketing productivity by making it more effective and efficient. This in turn leads to a greater willingness and ability among marketers to engage in, and maintain long-term relationships with firm's stakeholders.
- Most of Vietnamese firms in marketing communications industry are SMEs (Long, 2013). In general, local firms are lacking of resources or capacities for implementing CSR qualifications (Del Baldo, 2012; Long, 2015). In modern marketing science, firm should concern to its round environment in order to consolidate the sustainable competition.

1.2. Research objectives

There have some studies about the CSR, MO and the RMO concepts in over the world and in Vietnam context as well. However in Vietnam, as the author's understanding, there has no study investigating the relationship among CSR, MO concepts and firm performance with the moderation role of RMO. There have some reasons such as, (1) The CSR concept is quite new and has no much attention towards local firm community in both practices and research; (2) There have many studies about RMO concept but a few of them is linked to the CSR and MO concepts together with firm performance; and (3) The examination about the relationship of these concepts in context of Vietnam marketing communication firm has not much been concerned. Basing on analysis above, this study aims:

- 1) To test the relationship among concepts CSR, MO and firm performance in Vietnam marketing communication industry;
- 2) To examine how RMO concept playing as the moderator towards these relations;
- 3) To investigate the impacting among these concepts in such typical Vietnam marketing communication industry.

1.3. Research questions

The study tries to investigate the relationship among concepts such CSR, MO and firm performance with the moderation role of RMO. The study will be conducted in Vietnam marketing communications firms which mostly operate or have their branches in Ho Chi Minh City, Vietnam. Basing on research objectives, there have two main research questions as following,

- 1) In Vietnam marketing communications industry, how does the relationship among concepts MO, CSR, and firm performance?
- 2) In Vietnam marketing communication industry, how does the RMO concept moderate the relationship among concepts MO, CSR and firm performance?

1.4. Research scope

This study aims to support Vietnamese firms more understanding about the importance of research concepts in order to improve their performance as well as competitive advantages. Ho Chi Minh City has been prioritized for conducting the survey. This area is seen as one of the largest Vietnam socio-economy (contributing 1/3 of national GDP, 60% of FDI of the country, 12% of population...) and concentrates more than 60% of local domestic SMEs. Moreover, Ho Chi Minh City is also the place where concentrates more than 70% of local marketing communications operating companies (Long, 2013)

- Research respondents: senior managers and directors; business owners or shareholders of Vietnam marketing communication firms.
- Research scope: Vietnam marketing communications firms with 100% owned by Vietnamese citizens that have headquarters or branches mainly operating in Ho Chi Minh City.

1.5. Research methods

The study is carried out through two phases: *In the first phase*, the study uses qualitative methods to explore and find out main factors that local firms apply in their operations and business activities. This method is conducted through focus groups, in-depth interviews with 12 senior executives, CEOs, owners coming from Vietnamese firm in marketing communication industry. *The second phase*, main survey is implemented by using in both face to face interviews and direct mailing with broader scope to Vietnamese firm in marketing communication industry, in Ho Chi Minh City.

Cronbach alpha reliability, Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA) are used to assess the scales and to test the measurement models. The structural equation modeling (SEM) is used to test the theoretical model and hypotheses. Data analysis is processed by software SPSS 20.0 and AMOS.

1.6. Research contributions

There have some contributions of this study, as

- 1) Examine and investigate the model of Qu (2009) and Long (2015) how the relationship among concepts CSR, MO and firm performance in typical industry as marketing communication is. This hopes to enrich the CSR theory and MO theory as well.

- 2) The MO scale in this study is adopted Tse et al. (2004) with fourteen (14) items instead of Qu (2009) and Long (2013, 2015) with six (6) items. The study explores how it changes the relationship among constructs in the research model.
- 3) Examine and investigate the relationship among CSR, MO with the moderation role of RMO, and how they affect to firm performance.
- 4) Contribute to the CSR theory and RMO theory that are quite new and their implementations have still limited in Vietnam context, especially towards Vietnamese service firms. Therefore, the study suggests some directions in order to assist the limitations of Vietnam marketing communication firms in understanding the importance of CSR, MO and RMO concepts to improve their competitive advantages.

1.7. Structure of the study

This study includes 5 structured Chapters as following: Introduction; Theoretical background and hypotheses development; Research methods; Data analysis and results; Discussion, Implications and conclusions.

CHAPTER 2 THEORETICAL BACKGROUND AND HYPOTHESES DEVELOPMENT

2.1. Overview theory of the firm

The independent stream of research implications for theory of the firm have been stimulated by the pioneering work of Coase (1937), Penrose (1959). After that, it was extended by Alchian (1965), Alchian & Demsetz (1972) and other scholars. The firm is viewed as a set of contracts among factors of production, with each factor motivated by its self-interest (Alchian & Demsetz, 1972; Jensen & Meckling, 1976; Fama, 1980). Regarding to the ownership, Fama (1980) express that ownership of capital should not be confused with ownership of the firm. Each factor in the firm is owned by somebody. Demsetz (1983) focuses on the separation of ownership and control in the modern corporation. It retains a central position in recent writings about the economic theory of the firm. To be sustainable in growth, individual participants in the firm, particularly its managers, have to face both the discipline and opportunities provided by markets for their services in both inside and outside of the firm (Fama, 1980).

2.2. The stewardship theory

Stewardship theory represents an alternative model of motivations and managerial behaviors. In stewardship theory, the model of man is based on a steward whose behavior is ordered such that pro-organizational and collectivistic behaviors have higher utility than individualistic and self-serving behaviors (Davis et al., 1997). This

theory is based on psychological and sociological traditions. According to Del Baldo (2012), stewardship theory is based on an orientation of cooperation and non-conflictual government. Moreover, this theory is also founded on trust and oriented towards the long-term of the firm. Davis et al. (1997) state that stewardship theorists assume there has a strong relationship between the success of organization and principal's satisfaction. This essential assumption underlying prescriptions of executive behaviors are aligned with the interests of the principals.

2.3. The agency theory

The agency theory basing on Berle & Means (1932) is considered as the classical theory of corporate governance where it separates the ownership and control in corporate. Regarding to the representative theory, one of the most widely cited researches is the agency theory of Jensen & Meckling (1976). Agency theory emphasizes on optimal incentive contracting and monitoring structures. It also provides a ubiquitous intellectual apparatus relating to managerial behavior and the need for its oversight (Hambrick et al., 2008). In term of stakeholder approach, agency theory explains the nature of implicit and explicit contractual relationships that exist among firm's stakeholders. By governance structures, agency theorists mean the mechanisms that police the explicit and implicit contracts between principals and agents (Hill & Jones, 1992).

2.4. The stakeholder theory

The stakeholder theory argues about the importance of a firm paying its special attentions to various stakeholder groups (Freeman, 1984; Gibson, 2000; Abor & Adjasi, 2007). Also, Lai Cheng & Ahmad (2010) state that stakeholder theory typically focuses on the attributes of actors in relationship between the firm and its related stakeholder groups. Whilst, Hill & Jones (1992) consider stakeholder theory as one of the background theories using to explain the relationship between owners and managers. Stakeholder theory focuses on the importance of relationships among stakeholders such as customers, employees, and the community that affect company performance. Thus, stakeholder theory is seen as an integrating theme for the business and society discipline (Donaldson & Preston, 1995; Harrison & Freeman, 1999). Besides, Jensen (2010) mentions to stakeholders theory that stakeholder theory should not be viewed as a legitimate contender to value maximization.

2.5. Relationship marketing orientation theory

Gohary & Hamzulu (2016) consist that relationship marketing orientation (RMO) as a mechanism that reflects the consideration of customers as an important operant resource. According to Sin et al. (2005), RMO should be more dominant in the determination of firms' business performance in the services sector than in the manufacturing sector. In fact, the origins of relationship marketing orientation are mostly studied across a range of services industry (Gordon et al., 2008; Kwan &

Carlson, 2017). Therefore, the adoption of RMO can help a service provider to design and offer a service mix. This is perceived by core customers as superior and helps the firm making profits and building competitive advantages (Sin et al., 2002). According to Sin et al. (2005), RMO consists six components: *trust*, *bonding*, *communication*, *shared value*, *empathy*, and *reciprocity* and is developed with comprising six dimensions above assessing via a 22-item scale. This study, the RMO concept is adopted Sin et al. (2005) to measure in service sector and applied to Vietnam context.

2.6. Market orientation

Kohli & Jaworski (1990) state market orientation as “the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across the departments, and organization-wide responsiveness to market intelligence”. Narver and Slater (1990) define market orientation as “the organizational culture that most effectively and efficiently creates the necessary behavior for the creation of superior value for buyers and, thus, continuous superior performance for the business”. As their definitions, market orientation comprises three behavioral components: *customer orientation*, *competitor orientation*, and *inter-functional coordination*. Market orientation has been proven to positively impact on firm performance (Kohli & Jaworski, 1993; Baker & Sinkula, 1999; Sinkula et al., 1997). There also have a steady stream of research has focused on the impact of market orientation on firm performance, in Vietnam context such as Nguyen & Nguyen (2008, 2011), Nguyen & Barrett (2006), Long (2013, 2015). Therefore, in this study, it is proposed that

Hypothesis 1: There has a positive relationship between market orientation and firm performance.

2.7. Corporate Social Responsibility - CSR

In general, CSR refers to a firm’s activities, organizational processes, and status in relation to its perceived social or stakeholder obligations (Galbreath, 2009). According to many scholars, such as Freeman & Reed (1983), stakeholder theory is the most popular and influential theory to emerge the CSR area. Although there have many point-of-view to CSR research, Carroll’s (1979) conceptualization of the responsibilities of firms has remained a consistently and wide accepted approach (Galbreath, 2009). According to Carroll (1991) suggests that four dimensions of CSR are *economic*, *legal*, *ethical*, and *philanthropic*. Besides, Schwartz & Carroll (2003) use an approach CSR concept by incorporating three dimensions: *economic*, *ethical* and *legal* together with stakeholders transferring to three other dimensions such as *economic*, *social* and *environment*. Basically, this study is still kept and adopted the four dimensions of CSR concept from Carroll (1991). This study tries to contributing the existing body of knowledge by positing that CSR and firm performance has positive relationship. So,

Hypothesis 2: There has a positive relationship between CSR and firm performance.

2.8. Firm performance

In general, firm performance is defined as the achievement from objectives of the firm. This is expressed as profits and market share growth, achievement in sales and strategic objectives of enterprise (Cyer & March, 1992; Keh et al., 2007; Wu & Cavusgil, 2006). Firm performance is a multidimensional construct. Delaney & Huselid (1996) state that to measure the performance, it is necessary based on the assessment of perceptions of organizational performance and market performance. It is recognized that different organizational strategies and activities may have different effects on the dimensions of firm performance (Ray et al., 2004; Lumpkin & Dess, 1996; Hakala, 2013).

2.9. Market orientation and CSR

In modern business environment, customers always have high expectations of a firm's CSR activities. Market-oriented firms will be among the first to realize the importance of CSR and implement its activities on route to achieve better firm performance (Qu, 2009; Long, 2015). The issue is, how to extent CSR activities may help market-oriented firm to achieve its better firm performance such in a transition economy. Market orientation and CSR are both now generally recognized as important determinants of firm performance. This study provides either evidence to growing body of literature in order to demonstrate the impact between market orientation and CSR. Hence,

Hypothesis 3: There has a positive effect of market orientation on CSR.

2.10. RMO as moderator for MO and Firm performance

There have rich body of literature that supports the positive relationship among MO, RMO and firm performance that have been conducted in service industry (Smith, 1991; Tse et al., 2004; Sin et al., 2005). All of them gear at capturing the market share and promote firm's level of performance (Tse et al., 2004). However, the level of MO influence on firm performance may vary when the moderating effects of RMO is considered respectively (Tse et al., 2004; Sin et al., 2005; Luu, 2017). This study aims to providing either evidence to growing body of literature the moderation role of RMO impacts on the relationship between MO and firm performance. Since,

Hypothesis 4: RMO positively moderates the positive relationship between market orientation and firm performance.

2.11 RMO as moderator for CSR and Firm performance

RMO helps link all related parties to higher levels of cooperation and interdependence. Thus, it leads to higher levels of satisfaction as well as performance

(Oliver et al., 2000). Moreover, firm obtains its benefits from forming sustainable relationships with relevant stakeholders could be strengthened by RMO (Van & Mathur-Helm, 2007). It is concerned with relationship building by cultivating trust, empathy, bonding, and reciprocity between a firm and all stakeholders in many perspectives (Sin et al., 2005; Nguyen & Viet, 2012). Six components of RMO increase customers' positive evaluation of a socially responsible organization's status and values (Luu, 2017). This study, therefore,

Hypothesis 5: RMO positively moderates the positive relationship between CSR and firm performance.

2.12. RMO as moderator for MO & CSR

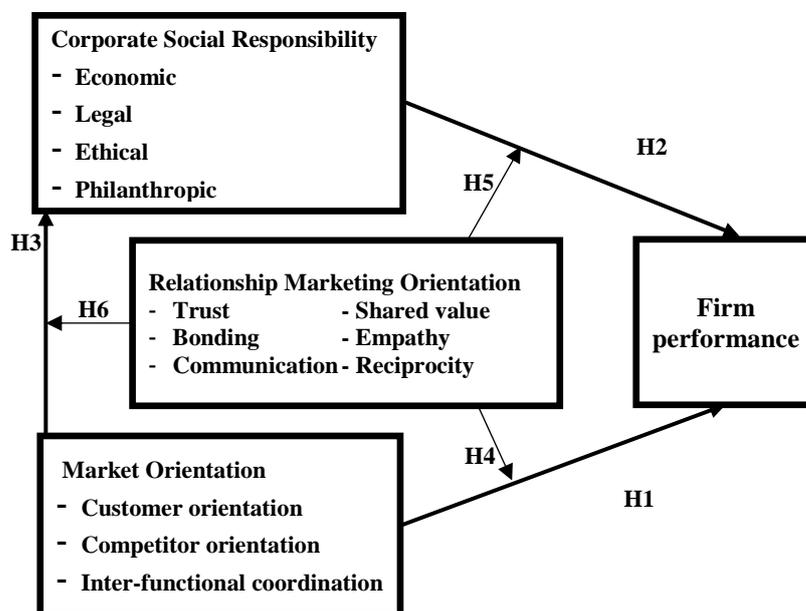
RMO may drive customers to further identify with the organization and its CSR values (Luu, 2017), and become active participants in market orientation process. Towards marketing activities, RMO reflects the trust in customers as well as respect and care for the bonding with them (Tse et al. 2004). Receiving increased value through such a relationship with the organization, stakeholders find the relationship crucial and invest effort in reinforcing and sustaining it (Lagace et al. 1991; Luu, 2017). This study aims to providing either evidence the moderation role of RMO impacts on the relationship between MO and CSR. So,

Hypothesis 6: RMO positively moderates the positive relationship between market orientation and CSR.

2.13. Proposing direction for the study

There has a limitation or no study investigating clearly the relationship among concepts CSR, MO and firm performance in typical industry. Especially, it seems there has no study conducting the relationship among CSR, MO and firm performance with the role of RMO as moderator factor affecting to among these relations. In this study, it is suggested to conduct a research examining the relationship among CSR, MO and firm performance with the role of RMO as moderator factor affecting to these relations in typical industry and in transitional economy, Vietnam marketing communication firms. Because of the role of RMO in transitional economies such as Vietnam is still unclear (Nguyen & Viet, 2012). The study presents the proposed research model in Figure 1.1 as following,

Figure 1.1: Proposed research model



CHAPTER 3 METHODS AND MEASUREMENT

3.1. Research design

The study is carried out through two phases: a pilot study and a main survey with the mix-methods. It is conducted into two stages (1) the qualitative research adjusts research scales as well as complements added components to concepts: *Market orientation*, *CSR*, *RMO* and *firm performance*; (2) the quantitative research aims to collect, analyze data from the main survey as well as re-testing the research scales, research model and hypotheses.

Preliminary assessment is carried out with respondents through discussions and conversations in Saturday and Sunday in Ho Chi Minh City, at randomly locations. Most of them are managers, senior managers and owners or founders in Vietnam operating enterprises. They have concerned about the relationship among Market orientation, CSR, RMO that impact on their existing firm performance. These firms come from marketing communication industry that have offices or branches mostly operating in Ho Chi Minh City. The sample size of the main survey is conducted following Hair et al. (2010). The pilot survey is conducted with in-depth interviews to 12 senior executives, CEOs and owners from Vietnam marketing communication firms.

Official survey is conducted through quantitative method by using questionnaires sent directly to respondents of the study. These respondents are CEO, business

owners, senior managers who are collected basing on the data source from the Vietnam Marketing Association (VMA). Most of firms in this study are Vietnamese firms operating in marketing communications industry in Ho Chi Minh City. There have approximately 100 enterprises with more than 360 questionnaires in two ways: (i) sending directly to target respondents, and (ii) sending questionnaires to selected respondents via e-mail. All items were measured by using 7-point Likert scales anchored by 1 = *strongly disagree* and 7 = *strongly agree*.

3.2. Measurement

3.2.1. Market orientation scale

Market orientation focuses on the outside of the firm in which mainly directs to customers and competitors. This study is adopted the MO scale of Tse et al. (2004), Market orientation consists of three components and fourteen items on needs assessment and market-oriented behavior of reciprocal market information, with *customer orientation* (6 variables), *competitor orientation* (4 variables), *inter-functional coordination* (4 variables).

3.2.2. CSR scale

According to Carroll (1991), CSR is a multi-dimensional construct and consists of four types of responsibilities: *economic*, *legal*, *ethical*, and *philanthropic*. The CSR concept is measured by 29 observation variables through four its attributes of *Economic* (7 variables), *Legal* (7 variables), *Ethical* (7 variations), and *Philanthropic* (8 variables).

3.2.3. Relationship marketing orientation scale

According to Sin et al. (2005), RMO consists six components. To measure this construct, Sin et al. (2005) developed it with comprising six dimensions above and was assessed via a 22-item scale, such *trust* (4 variables), *bonding* (4 variables), *communication* (3 variables), *shared value* (4 variables), *empathy* (4 variables), and *reciprocity* (3 variables).

3.2.4. Firm performance scale

Firm performance is a multidimensional construct. In this study, firm performance scale is based on Keh et al. (2007), Wu & Cavusgil (2006) and Long (2013, 2015). It has 5 observed variables measuring the level of achievement in business objectives.

CHAPTER 4 DATA ANALYSIS AND RESEARCH RESULTS

4.1. Overview and research sample description

4.1.1. Qualitative research questions

Based on theory of the firm, the stakeholder theory, the RMO theory, the CSR theory, this study uses qualitative methods to explore and find out main factors that local firms apply in their operations and business activities. This method is conducted through focus group and in-depth interviews by face to face including 12 senior executives, CEOs, owners coming from Vietnamese firms in marketing communications industry.

4.1.2. Quantitative research

The quantitative research is undertaken to examine the scale of factors belongings to CSR, MO, Firm performance and RMO concepts that have been discovered and find out in the first phase. There has no revision of all research concepts as well as their scales from the qualitative research. The main survey is implemented through questionnaires. The number of questionnaires is distributed over 360. The participating and e-mail list of respondents are taken from VMA. After collected and assessed data, there has 242 appropriate samples using for analyzing, the ratio for appropriation is 68%. The table 4.1 shows the detail of research samples in quantitative research, as

Table 4.1: Research sample description

No.	Variable	Frequency	Valid percent (%)	Cumulative percent (%)	
1	Type of enterprise	Joint-stock	82	33.9	96.7
		Limited/private	152	62.8	62.8
		State-owned	8	3.3	100
2	Time of operation	Under 3 years	38	15.7	15.7
		From 3-10 years	77	31.8	47.5
		From 10-15 years	63	26.0	73.6
		Over 15 years	64	26.4	100
3	Number of staff	Under 15	36	14.9	14.9
		From 15 - 30	64	26.4	41.3
		From 30 - 50	25	10.3	51.7
		Over 50	117	48.3	100
4	Education level of top leader	Undergraduate	8	3.3	3.3
		Bachelor	102	42.1	45.5
		Post graduate	132	54.5	100
5		Vietnamese	207	85.5	58.5

	Nationality of top leader	Foreigner	35	14.5	100
6	Gender of top leader	Male	190	78.5	78.5
		Female	52	21.5	100
		Other	0	0	0
7	The age of top leader	Under 25	5	2.1	2.1
		From 25 – 35	29	12.0	14.0
		From 35 – 45	116	47.9	62.0
		Over 45	92	38.0	100
8	Working experience of top leader	Under 5 years	10	4.1	4.1
		From 5–10 years	48	19.8	24.0
		From 10-15 years	63	26.0	50.0
		Over 15 years	121	50.0	100
9	Company specialization	Consulting	32	13.2	13.2
		Communication & event	92	38.0	79.7
		Other	118	48.8	100

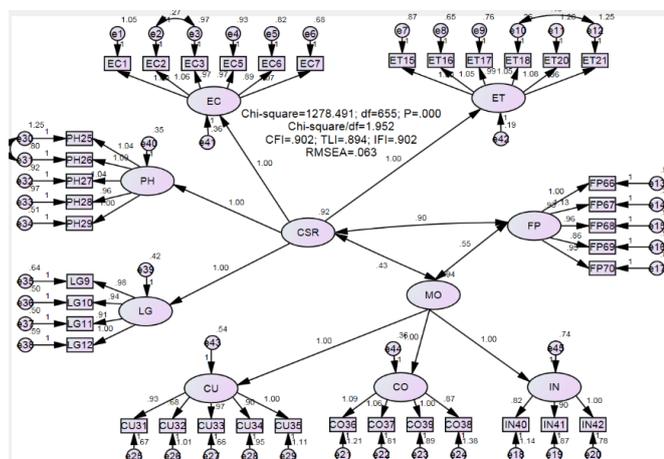
4.2. Measuring scales by analyzing EFA

In order to evaluate the relationships of observable variables in research scales, the measuring research scales need to be implemented before conducting the Exploratory Factor Analysis (EFA). This step helps to avoiding rubbish variables because they can create dummy factors when implemeting the EFA (Churchill, 1979). All observation variables with total correlation coefficients < 0.3 will be excluded.

In this study, the variable has minimum value 0.574. Criterion for choosing scale when coefficient Cronbach's Alpha is 0.60 or higher (Nunnally & Burnstein 1994). For CSR components: *CSR Economic* has Cronbach's Alpha 0.895; *CSR Legal* has 0.897; *CSR Ethical* has 0.898; *CSR Philanthropic* has 0.885. For MO components: *CU* has Cronbach's Alpha 0.865; *CO* has 0.833; *IN* has 0.810. For RMO components: *TR* has Cronbach's Alpha 0.828; *BO* has 0.864; *CM* has 0.878; *SV* has 0.861; *EM* has 0.855; *RE* has 0.899. For Firm performance, the minimum Cronbach's Alpha value has 0.695.

4.3. Confirmatory Factor Analysis - CFA

In CFA, the P-value of CMIN must be greater than 0.05. Second, the CMIN/df ratio must be less than 2 (Carmin & McIver, 1981). To ensure the accuracy, analysts often use the Comparative Fit Index (CFI), the Tucker-Lewis Index (TLI), and the Incremental Fit Index (IFI). The CFI, TLI, IFI must have value in the range from 0.9 to 1 (Schumacker & Lomax, 2010). According to Steiger (1990), the RMSEA has a value of 0.08 or less. The $RMSEA \leq 0.05$ is considered very good. In this study,

Figure 4.1: Confirmatory Factor Analysis – CFA

Source: author's calculation by AMOS, 2018

The CFA results show that research model achieves the high compatibility with market data, such as Chi-square = 1278.491, df = 655, CFI = 0.902, TLI = 0.894, IFI = 0.902 (Bentler & Chou, 1987). Similarity, the chi-square correlation (Chi-square/df) reaches 1.952 (Carmines & McIver, 1981) in association with RMSEA = 0.063 (Steiger, 1990) that are consistent to this research.

4.3.1. Discriminant validity

The correlation coefficients testing among factors shows that all factor correlation coefficients are significant, less than 1 (the significance level is 10%). Thus, all above concepts achieve the distinct values (Steenkamp & Vantrijp, 1991).

Table 4.2: Correlation coefficient among concepts

			Estimate	se	CR	p
CSR	<-->	MO	0.455	0.057	9.481	0.000
MO	<-->	FP	0.584	0.052	7.939	0.000
CSR	<-->	FP	0.973	0.015	1.812	0.071

Source: author's calculation

4.3.2. Convergent validity

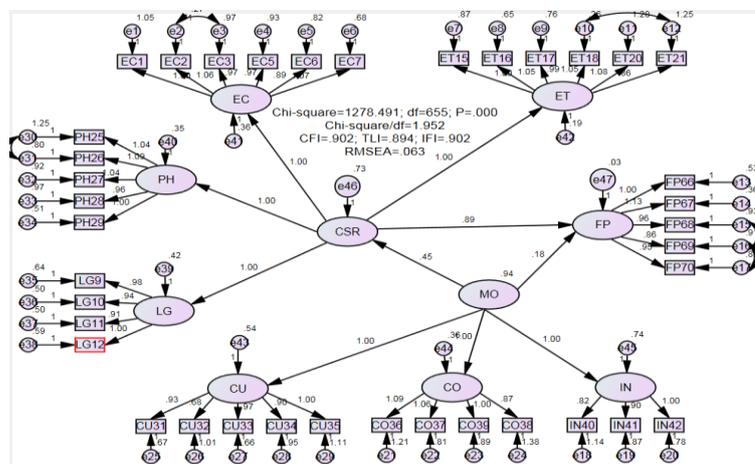
The results from CFA are analyzed by AMOS software and the CFA weight table of observation variables shows that all values are greater than 0.5. This confirms the convergent value of all scales (Gerbring & Anderson, 1988).

4.4. Structural Equation Modeling – SEM analysis

The Structural Equation Modeling – SEM analysis is used to test hypotheses in research model. The maximum likelihood (ML) method is used to estimate parameters in research model. It expresses such as Chi-square = 1278,491, the df = 655, p = 0.000, CFI = 0.902, TLI = 0.894, IFI = 0.902, and RMSEA = 0.063. Thus,

it can be concluded that the theoretical model is suitable and can be used to test the expected relationships in hypothesis model.

Figure 4.2: Structural Equation Modeling – SEM analysis



Source: author’s calculation by AMOS, 2018

Estimated results before standardized of the major parameters are presented in Table 4.3, as

Table 4.3: Estimated results before standardized

	Regression Weights						Standardized Regression Weights	
	Estimate	S.E.	C.R.	P	Result	Estimate	Impact level	
CSR <--- MO	0.450	0.074	6.113	***	Accept H3	0.455	2	
FP <--- CSR	0.894	0.063	14.250	***	Accept H2	0.892	1	
FP <--- MO	0.176	0.046	3.863	***	Accept H1	0.178	3	

Source: author’s calculation

In this study, RMO is a multi-dimensional component in quantitative form. In order to simplify the problem, previous studies have divided the quantitative RMO variable into two parts, low and high groups (Luu, 2017), or basing on the mean, or the median (Nguyen & Nguyen, 2008). By analyzing on AMOS software, the multigroup analysis technique is often used to avoid errors, the hyperbolic phenomena, and the evaluation will be clearly.

The analysis results show, when considering the moderation role of RMO in each pair of relationships, there has supporting to the Un-Constrained model. This means, RMO moderates the relationship between CSR and FP, MO and CSR, MO and FP.

Table 4.4: Differences of impact level to low and high group

			Estimate	S.E.	C.R.	P
Group - low						
CSR	<---	MO	0.066	0.062	1.080	0.280
FP	<---	CSR	1.277	0.162	7.879	***
FP	<---	MO	0.021	0.057	0.370	0.711
Group - high						
CSR	<---	MO	0.409	0.135	3.035	0.002
FP	<---	CSR	0.656	0.086	7.611	***
FP	<---	MO	0.176	0.062	2.855	0.004

Source: author's calculation

Regarding to the low group, the moderation role of RMO reflects to the relationship of CSR and FP. Toward the high group, the moderation role of RMO reflects clearly and positive impact. Besides, it also has high impact to the pair relationships such as MO -> CSR, CSR -> FP, and MO -> FP.

Table 4.5: Moderation role of RMO in research model

		CSR ---> FP	MO --> CSR	MO --> FP
Moderation role:	RMO	Moderate	Moderate	Moderate
	<i>TR</i>	Not moderating	Not moderating	Moderate
	<i>BO</i>	Moderate	Moderate	Not moderating
Moderating role of component variables:	<i>CM</i>	Not moderating	Moderate	Moderate
	<i>SV</i>	Moderate	Moderate	Not moderating
	<i>EM</i>	Moderate	Moderate	Not moderating
	<i>RE</i>	Not moderating	Moderate	Not moderating

Source: by author, 2018

The market analysis results as well as testing hypotheses in research model provide some interesting things. Relating to the relationship of concepts in research model, the MO concept has an impact on the CSR concept. Similarly, CSR has an impact on the firm performance (FP). And, MO has an impact on FP. This suggests that data from the market survey also supporting to the relationship of all concepts from the proposed research model.

As presented above, market orientation (MO) has impact on corporate social responsibility (CSR). A positive reputation is an important strategic asset that helps the firm can build and maintain their competitive advantages. Consequently, firms can respond and implement to at least or even meeting the stakeholder requirements to achieve CSR standards (Galbreath, 2009; Sheikh, 2018; Bachanan et al., 2018). More and more local firms are aware of as well as deploy it in professional way. In morden business environment, customers always put their high expectations on firm CSR activities (Luu, 2017; Kao et al., 2018). Therefore, the moderation role of RMO to the relationship between MO and CSR may has significance.

CHAPTER 5 DISCUSSION, IMPLICATIONS AND CONCLUSION

5.1. Research results summary

The research objectives in this study is to test the relationship among concepts CSR, MO and firm performance in Vietnam marketing communications industry. In addition, study also aim to examine how RMO concept playing as the moderator towards these relations in such typical industry, Vietnam context. The study has some main results,

Firstly, the qualitative research results is conducted through face to face and direct group discussions with 12 respondents. They are owners, senior managers, experts coming from Vietnamese enterprises. In this phase, the research results determine factors that shape the research model such Market Orientation (MO), Corporate Social Responsibility (CSR), Relationship Marketing Orientation (RMO), and Firm performance (FP). In particular, the RMO concept is formed as a moderating variable for pairs of relationship including MO and CSR, CSR and FP, MO and FP. Especially, the research model is formed in the typical context such the Vietnam marketing communications industry.

Second, the preliminary quantitative research results are conducted through questionnaires and direct interviews with sample size $n = 72$. The respondents are business owners, shareholders, senior managers of Vietnamese companies, which have headquarters or branches mainly operating in Ho Chi Minh City, in the marketing communications sector. In this stage, the research results confirm the scale of research concepts that have been formed in previous studies (Tse et al., 2004; Sin et al., 2005; Carroll, 1991). In addition, this results also show that the values of concept scales meet requirements in the real context. There is no adjustment towards the original concept scales. Besides, the results of this stage also reconfirm the existence of proposed research model.

Third, the official quantitative research is conducted to local firms in Ho Chi Minh City with sample size $n = 242$. The respondents in this main survey are business owners, senior managers, shareholders of Vietnamese firms in the marketing communications industry. The research concept scales in research model are tested through the Cronbach's Alpha reliability, the Exploratory Factor Analysis (EFA), the Confirmatory Factor Ananalysis (CFA), and the Structural Equation Model (SEM) for testing hypothesis. Analytical results show that the Cronbach's Alpha reliability of research concept scales are reliable. In addition, evaluating research concepts through EFA reveals the value of concept scales acceptable.

Fourth, the CFA test results show that all research concept scales meet requirements for consistency (such as single-dimensional, multi-dimensional, convergent, and discriminant validity). The SEM testing shows that the theoretical model is consistent

with market data. All hypothesis of the theoretical model are consistent and satisfy towards requirements.

Finally, regarding to relationships among concepts MO, CSR and firm performance (FP), the analysis results of this study are quite consistent with previous researches conducted by Qu (2009) in China, Long (2015) in the Mekong Delta, Vietnam. Again, this provides an important evidence for the relationship among concepts CSR, MO and firm performance. However, in this study, RMO concept is added to the research model as a moderator that moderating the relationships among concepts MO, CSR and firm performance. In presence, according to author understanding, there has no such studies in Vietnam context as well as abroad conducting this model. Especially, in Vietnam marketing communications industry, the research results show that RMO concept moderates all relationships of concepts MO and CSR, CSR and FP, MO and FP.

5.2. Research contributions

5.2.1. Theoretical contributions

The theoretical model in this study is verified in Chapter 4. The analysis results are consistent with market data in Vietnamese enterprises operating on the marketing communications industry. Thus, regarding to the theory aspect, this study has some following contributions:

Firstly, the theory of Corporate Social Responsibility (CSR) by Carroll (1979, 1991) is considered quite new in Vietnam market. Especially, its practical application in the Vietnam marketing communication sector has still limited. Thus, research results in this study continue to contributing to the CSR theory in a typical industry, in a transitional market like Vietnam.

Second, in this study, the Market Orientation (MO) scale is modified with 14 observation variables following Tse et al. (2004) instead of 6 variables that was described in previous studies such as Nguyen & Barrett (2006), Nguyen & Nguyen (2008), Qu (2009). Research results show that it is totally relevance in Vietnam market. With this result, the study contributes to the MO theory as well as enriches the MO scale (Tse et al., 2004) applying in Vietnam market.

Third, the theory of Relationship Marketing Orientation (RMO) by Sin et al. (2005) is new towards some researchers in Vietnam context. At present, there only has a few studies in Vietnam market relating to this concept, such as Nguyen & Viet (2012), Luu (2017). In particular, study of Luu (2017) conducts RMO as a moderator variable towards the relationship of CSR and customer value co-creation. The result of this study shows that RMO continues to show as moderating variable in some concept relationships. Therefore, the results of this study continue to contribute the RMO theory in a typical industry, in a transitional market like Vietnam.

Fourth, the relationship model among concepts MO, CSR and FP in this study continues to show its existence. In the other word, the study continues to confirm the existence of this relationship model in the Vietnam market (Long, 2015). The study of Long (2015) conducted in the Mekong Delta, Vietnam that showed the legal factor belongs to CSR concept almost has no significant. However, this study conducts in Ho Chi Minh City, Vietnam incorporating marketing communication industry, all CSR components have significant.

Fifth, the moderation variable RMO expresses its role of moderating relations among concepts MO, CSR and FP. In particular, the research is conducted in such typical industry, the Vietnam marketing communication. The research results have also validated the moderation role of RMO. Thus, this research is likely to contributing such a theoretical model that opens door for further research directions.

5.2.2. Practical contributions

In transition economies such as Vietnam, business activities are always affected by changes not only in internal environment but also the external environment. The relationship between MO and FP has been shown as positive effect (Nguyen & Nguyen, 2008; Qu 2009; Long, 2015). Therefore, the research results suggest that in order to have good business performance, enterprises should maintain their activities following market-oriented.

Research results also show the correlation in relationship when MO concept is the important premise towards CSR activities. Then, they ultimately affect to the firm performance. This is also consistent with previous studies such as Maignan et al. (1999) when conducting the experiment study in US firms, or Qu (2009) in China market, and Long (2015) in the Mekong Delta, Vietnam. Thus, it can be said that enterprises which have clearly market orientation, it would has positive impact on CSR activities. Since then, CSR has positive impact on firm performance (Luo & Bhattacharya, 2006; Qu, 2009; Luu, 2017).

The participation of RMO as moderation variable towards the relationships among MO, CSR, FP concepts is demonstrated in this study. Therefore, beside firm has good market-oriented and effective CSR activities to achieve the desired performances, the implementation of the relationship marketing activities are also necessary. Regarding to six component variables of RMO, the research results show that most of components participates in such a moderation role to all relationships in research model. Again, in practice, local firms should pay much attention to all of these six components.

5.3. Research limitations and further research directions

There have some contributions from this research results, however, this study also has a number of limitations,

First, the research model was tested with respondents coming from Vietnamese companies that have head quarters or branches mainly operating in Ho Chi Minh City,

Vietnam. The research model should be tested with other respondents coming from other big cities and provinces in Vietnam (such as Hanoi, Danang, Can Tho, Hai Phong, etc.) to enhance the generalizability of the results.

Second, the research model was tested with respondents coming from Vietnam marketing communication firms. This is a typical service industry. According to Sin et al. (2005), RMO is more dominant in the determination of firms' business performance in the services sector. Therefore, RMO concept should be conducted in other services in Vietnam market (such as real-estate, hospitality, education, health care, entertainment, etc.) to enlarge its applications.

Third, as mentioned above, the research results have also validated the moderation role of RMO. Especially, it is appropriate to such a typical service industry, marketing communications. Thus, this research is likely to contributing such a theoretical model that opens door for further research. In the other word, the research model in this study might be tested in other service industry in Vietnam context.

Finally, the research model examined the moderation role of only RMO concept incorporating to other concepts relations such as MO, CSR and FP. Further researches could replace the RMO moderation role by other concepts such as servant leadership (Luu, 2017), entrepreneurship orientation (Nguyen & Nguyen, 2008; Long, 2013) into the research model. This might provide further insights into the Vietnam marketing communications industry.

LIST OF PUBLICATIONS

Long, H. C. (2013). The relationship among learning orientation, market orientation, entrepreneurial orientation, and firm performance of Vietnam marketing communications firms. *Philippine Management Review*, 20.

Long, H. C. (2015). The impact of market orientation and corporate social responsibility on firm performance: Evidence from Vietnam. *Academy of Marketing Studies Journal*, 19(1), 265.