

The Influence of Market Orientation on Innovation Attitude and Firm Innovativeness: A Case of Agri-Food MSMEs in Uganda

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Abstract

Purpose – This study assessed the relationship among market orientation, innovation attitude and firm’s innovativeness in the context of agri-food micro, small and medium enterprises (MSMEs) in a developing country context.

Design/methodology/approach – Cross-sectional primary data was collected using structured questionnaires from a sample of 521 agro-food MSMEs in Uganda. Data was analyzed using exploratory factor analysis and structural equation modeling.

Findings – Results showed that interfunctional coordination influences both firm innovativeness and innovation attitude. On the other hand, competitor orientation does not influence innovation attitude, but negatively influences firm innovativeness, while customer orientation does not influence firm innovativeness, but positively influences innovation attitude. Results also confirm the positive influence of innovation attitude on firm innovativeness. These relationships vary by location, size of MSME, type of MSME.

Research limitations/implications – The findings of study this imply that agri-food firms should focus on improving the internal coordination among departments so as to improve both attitude toward innovation and firm’s innovativeness.

Originality/value – This study investigates market orientation and innovation in agro-food MSMEs in a development country.

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