Impact of Market Orientation, Green Innovation on Creative Performance: The Mediating Role of Sustainable Competitive Advantage

Abdullah Shahbaz Anwar Ghaazi1, Aqsa Iqbal2, Arooj Fatima3, Muhammad Awas Khalid4

Abstract
The purpose of this study to examining the correlation between marketing orientation and green innovation with sustainable competitive advantage (SCA) and creative performance. Creative performance being a dependent variable in this research is measured by two independent variables. Many Pakistani companies are doing activities in order to provide sustainable social development benefits to the society in which they are operating. These companies are investing and managing their market orientation and green innovation initiatives for the wellbeing of the society. This study also SCA. Using empirical testing the data gathered from consumers and information collected on companies engaged in market orientation and green innovation activities the research found out that that there is a very strong correlation between marketing orientation and green innovation and SCA and creative performance. The companies who are investing on marketing orientation and green innovation activities are enjoying good consumer loyalty and the Brands they operate enjoy healthy profits and sustainable market position. It is envisaged that the model tested in this research will be implied in the future empirical research concerning marketing orientation and green innovation with SCA and creative performance.

Keywords: marketing orientation, green innovation, sustainable competitive advantage, creative performance

1. Introduction
Competitive advantage and creative performance is an essential measure for organizational accomplishment. From this, the whole competitive advantage and creative performance level of an employed person indicate a set of individual conducts or deeds that are pertinent to the organization’s goals (Zehir & Allaham, 2024). In recent times, organizational achievement can be inclined by several important factors. Based on the pertinent literature, market orientation is considered as an essential factor in enhancing the sustainable competitive advantage and creative performance and productivity of an organization. Creative competitive advantage is the main challenge for business strategy to find the procedure of achievement a best competitive advantage over the other meet rival products and firms in a market (Adnan et al., 2023). In addition, Competitive advantages are company assets which provide superior advantage over competitors, and it is very hard to replicate competitive advantage. In simple words, it is the force that enables a business to have more focus, better sales, more profit borders and maximum retention of customers and employees than your competitors. Textile manufacturing is a highly adaptable and easily moveable form of activity that has experienced an inexorable association from east Europe to Hong Kong, Japan, Korea and other Pacific Rim regions recently. Globalization to a home industry can be both exciting and daunting (Mahmood et al., 2022; Audi et al., 2023). Through exporting goods, companies will enlarge their demand and improve productivity during exporting of their operations to other countries. In contrast, imported products could cause industries to lose a definite area of national market due to the relocation of their production to other countries and, in great cases, fail due to competition (Lee & Karpova, 2018). On the other hand, some scholars fight that Competitive Advantage in textile industries in most developed countries, rather than deal, depends primarily on the competitiveness of the production process (e.g., labor), which tests how professionally input factors are exploited in the production process scholar believe that changes in input factors have a major impact on manufacture process efficiency, but there are differences over which input factors are more relevant in productivity increase and competitiveness growth in the textile industries (Farahmand, 2016; Lee & Karpova, 2018). Traditionally, no doubted labor is the most important reason for input in deciding the productivity of the textile and clothes industries because both industries, and particularly apparel, rely on repetitive work by manual, such as complex sewing. According to (Lee & Karpova, 2018) indicates that global competition in the apparel industry is nearly companies to arrange minor labor costs rather than high, leading to lower competitiveness of the industry in rising countries (Lee & Karpova, 2018). In the meantime, previous studies found that the importance on labor as the most significant input factor in the textile industries does not give details why some high-cost developed countries still enjoy aggressive textile industry. For example, scholars believe that competitive textile and clothing industries continue to exist in Italian and Japanese, which are most stabled economy in the world (Yusupov, 2018). As a result, a research flow on other input factors that could influence productivity in the textile industry has become famous in developed nations (Sudarshan et al., 2023). According to (Lee & Karpova, 2018) optional information should be used as an input factor to consider sustainability of the textile industry in developed nations. The researchers argue that knowledge increases the competence of a company's overall production process through processes of design and product growth, supply chain management, marketing, and craftsmanship, resultant in higher productivity and greater sustained competitive advantage of the sectors as a whole. Marketing orientation and green innovation is major effect on competitive advantage and creative performance. The purpose of this study is to examine the effect of market orientation, creativity, innovation and competitive advantage on the performance of creative industries. Market orientation notably affects innovation and performance. Innovation also has a significant effect on excellence and competitive performance (Mustafa et al., 2022). Furthermore, competitive advantage has a important effect on company performance. Market orientation requires sufficient resources to create sustainable competitive advantage. Market orientation involves customers and competitors, so that creative industry group of actors should understand the role of organizational culture. The marketing organization should understand consumer needs and carry better value than competitors. Market orientation can improve innovation

---

1 Assistant professor, Department of Commerce, College: Govt. Willayat Hussain Islamia Graduate College, Multan, Pakistan, phdimbszu2016@gmail.com
2 Lecturer, Department of Management Sciences, the Islamia University Bahawalpur Rahim Yar Khan Campus, Punjab, Pakistan
3 Lecturer, School of Business, Management and Administrative Sciences, The Islamia University of Bahawalpur, Pakistan
4 Assistant Director ORIC, National College of Business Administration & Economics, Lahore, Multan Sub-Campus, Pakistan
and business performance the victory of the creative industry to develop creativity and understand in the form of new market-oriented, product innovation is expected to create competitive advantage(Suliyanto & Rahab, 2012). Previous research studies have been conducted in different results. Some research studies show that market orientation can improve market performance (Lee & Karpova, 2018; Suliyanto & Rahab, 2012; Kessey & Nyarko, 2020). Another study shows that implementation of market orientation in small and medium enterprises can improve the performance of international marketing(Cillo & Verona, 2008). The results also show that there is a strong relationship between consumer orientation and marketing competence in (Asikkia, 2010; Krishna & Signh, 2018). In previous study, the market orientation mediates the relationship between innovation and the performance of cover companies(Daud et al., 2013; Ahmad, 2022). In small and medium business of food, consumer orientation and competitor orientation have an important effect on business performance (Mahmood et al., 2022). The results of research point to that market orientation and government regulation have a significant effect on competitive advantage(Zehir & Allaham, 2024). Market orientation as the main determinant of Islamic banking business performance. Creativity is the ability to discover new ideas and new methods to meet challenges and opportunity whereas innovation is the ability to find ways to solve problems.

2. Literature Review
   2.1. Creative Performance
   It is rational to believe that firms in the public and private sectors are scared with the necessary for creative performance. Such aspects as competitive advantage, existence and competitive power in a business environment can be categorized as unstable and dynamic, both (Remli & Rosman, 2018). Furthermore, considering these environmental factors, Suliyanto & Rahab, 2012 argued for the importance of creative performance in the public sector because it is vital for organizational success and survival (Remli & Rosman, 2018; Zehir & Allaham, 2024). In recent research, (Lee & Karpova, 2018) commented on the small amount of research probing the influence of creative performance in public sector organizations, particularly when “innovation in public sector organizations has been linked to improved effectiveness, efficiency, and citizen involvement”.

   2.2. Marketing orientation
   Creative industry is one of the backbone for economic development; it will have a greater contribution for Indonesia if it is developed well. The creative industry has a significant contribution to economic development, especially in providing jobs and increasing people’s incomes. Nowadays, competitions are getting tighter, so creativity and innovation is needed to get a feel for on the environmental changes. Development of continuous innovation requires adequate resources, in the field of human resources, finance and technology(Khusnah & Soewarno, 2024). Small and medium enterprises’ resources have an effect on organizational capability(Elgarhy & Abou-Shouk, 2023). The development of market-oriented, creativity and innovation is one of the main components that hearten the creation of competitive advantage. The creation of sustainable competitive advantage for the creative industry is necessary to compete in the global market. Creativity and innovation are desirable by creative industries to grow and develop(Suliyanto & Rahab, 2012). Industry actors should be able to change the outlook from profit orientation to the long term customer-oriented. To achieve business goal, creative industry players should have capability to face challenges, formulate strategies in competition(Zehir & Allaham, 2024). Rapid changes in the environment specially technology and consumer force the creative industry to alter by adopting knowledge, skills and technology(Lee & Karpova, 2018). The ability to increase creativity in discovering new and unique ideas is wanted to fight in the global market. Competitive advantage shows that companies act better than competitors in the same. Creativity in the form of product innovation should be done sustainably based on consumer’s needs. The success of the creative industry to develop market-oriented, creativity and innovation products are predictable to create competitive advantage. Innovation can be a critical success issue in achieving the sustainable competitive advantage . For creative industries, consumer-oriented innovation is a solution to survive and ready to face the global business challenges. Management awareness to innovate drives sustainable corporate growth. Consumer-oriented business decisions will drive innovation(Purwanto et al., 2021). Market orientation requires enough resources to create sustainable competitive advantage(Asif et al., 2021). Market orientation involves customers and competitors, so that creative industry cast list should understand the role of organizational culture. The marketing organization should understand consumer wants and deliver better value than competitors. Market orientation can perk up innovation and business performance the success of the creative industry to develop creativity and appreciate in the form of new market-oriented, product innovation is expected to create competitive advantage(Asif et al., 2021). Previous research study have been conducted in different results. Some research studies show that market orientation can improve marketplace performance(Afzal & Rafiq, 2021). Previous studies have dealt with relationships flanked by market orientation, innovation, competitive advantage and firm performance(Asikkhia, 2010; Remli & Rosman, 2018). According to researchers still, not many who examine about creativity, especially the relationship between imagination with innovation in support of competitive advantage and performance.

2.3. Green Innovation
   Green innovation refers to the development and implementation of new ideas, products, processes, or services that have a positive impact on the environment(Djellal & Gallouj, 2005). It involves finding innovative solutions to environmental challenges while also considering economic and social aspects. Creative performance(Khan et al., 2019), on the other hand, involves the generation of novel and valuable ideas, products, or processes(Yaskun et al., 2023). When these two concepts intersect, it typically involves leveraging creative thinking and innovative approaches to address environmental issues and promote sustainability(Aksoy, 2017). Organizations that prioritize green innovation often seek to integrate environmental considerations into their business strategies, product development, and operations(Afzal et al., 2023). This can include adopting renewable energy sources, reducing waste and emissions, implementing eco-friendly manufacturing processes, and designing products with a lower environmental footprint(Yasa et al., 2020). By fostering a culture of creativity and innovation, companies can find new ways to achieve sustainability goals while also driving competitive advantage and meeting the evolving needs of consumers who prioritize environmental responsibility(Afzal & Rafiq, 2021; Yasa et al., 2020). Overall, the intersection of green innovation and creative performance presents opportunities for
businesses to simultaneously address environmental challenges and drive growth through innovation (Rehman et al., 2023). By fostering a culture that values creativity and sustainability, organizations can position themselves as leaders in their industries while making meaningful contributions to a more sustainable future (Uthamaputhran et al., 2016).

2.4. Competitive Advantage as Mediation
A company apart from its competitors and allows it to outperform them in the marketplace (Afandi, 2023). Competitive advantages can come from various sources, such as cost leadership, differentiation, or a unique value proposition (Afum et al., 2023). The idea of competitive advantage mediating the relationship between market orientation, green innovation, and performance, suggests that the competitive advantages gained through market orientation and green innovation efforts directly impact sustainable market performance (Daud et al., 2013). In other words, companies that are both market-oriented and innovative in their green practices are likely to achieve a competitive advantage, which in turn leads to better performance in the marketplace (Afum et al., 2023).

2.5. Research Framework
A framework of research was developed, based on review of the accessible literature about the topic. The model focuses on the likely effects between dependent and independent variables, independent variables contain Green Innovations and Marketing Orientation while the dependent variables are competitive advantage and creative performance.

2.6. Hypothesis
H1: Marketing Orientation is positively linked to creative performance.
H2: Green Innovation is positively linked to creative performance.
H3: The mediating role between Competitive advantage between Marketing Orientation, Green Innovation and creative Performance.

3. Research Design
This study is a quantitative type of research, which seeks to explain relations among variables since the primary objective was to study the force of those variables that have been suggested as having an influence on creative performance and competitive advantage. Meant for the present research, relationship between each variable of market orientation, green innovations and competitive advantage and creative performance will be examined. This study is vivid research, the method chosen to analyse the hypotheses and assess the experiential links between independent variable, which consists of green innovations, marketing orientation and competitive advantage variables competitive advantage and creative performance. The study used statistical analysis such as, PLS-SEM to describe and investigate the relationships between characteristics of a population (Hair Jnr et al., 2010). (Hair Jnr et al., 2010) reported that graphic research is usually in the form of statistics to show frequencies, percentage and averages. It is mainly valuable when an area is first investigated. In the present study, graphic research is utilized to describe personal data of the respondents which means that the come near in this study is focused on looking at variables at a precise point in one time in the process of data collection (Van Buuren, 2007).

3.1. Unit of analysis
For this research, the unit of analysis is chosen the administrative staff of adjust Textile, as individual in Karachi. Therefore, when data is collected from each person, it is regard as a separate unit of analysis (Van Buuren, 2007). In a study, this is because the unit of analysis is known as an important aspect; it is the main object on who or what about it (Van Buuren, 2007).

3.2. Sample Size and Sampling Techniques
The definition of population is the total number of individuals collected; things of apprehension by which the researcher intends to conduct an study ((Hair et al., 2013) Because of time constraints, I chose to pick one private Sector Textile Industry of Pakistan. In line with this, the population for this study has been drawn from 200 organizational staff from chosen Textile industry which is the familiarize Textile Industry Pvt. Limited, in Karachi. The study population consists of 200 employees from the Textile industry in Sindh, which is Orient Textile industry in Karachi. Therefore, based on the Crecy and Morgan analysis (1970), the sample size should be 357 respondents, and probability sampling methods used by researchers.
4. Results and Discussion

4.1. Reliability Test

In this part of the study, the reliability that is employed in the research is discussed.

Table 1

<table>
<thead>
<tr>
<th>Variables</th>
<th>Responses</th>
<th>Number of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Orientation</td>
<td>120</td>
<td>5</td>
<td>0.793</td>
</tr>
<tr>
<td>Green Innovation</td>
<td>120</td>
<td>5</td>
<td>0.769</td>
</tr>
<tr>
<td>Sustainable Competitive Advantage</td>
<td>120</td>
<td>5</td>
<td>0.748</td>
</tr>
<tr>
<td>Creative Performance</td>
<td>120</td>
<td>5</td>
<td>0.728</td>
</tr>
</tbody>
</table>

The reliability for the table above explains that Sustainable competitive Advantage, Creative Performance, Green Innovations and Marketing Orientations has a high reliability coefficient of .793, .728, .769 and .748 respectively. However, research experts assert that the reliability of 0.77 can be seen as average coefficient and that 0.793 can be seen as high coefficient reliability. From the table above, the result shows that all the measures reached high reliability coefficient ranged from 0.748 to 0.793. In research experts counsel that reliability of 0.60 can be focused as common coefficient, while 0.80 might be seemed as excessive reliability coefficient (Hair et al., 2013).

4.2. Convergent Validity

Convergent validity is the degree to which multiple items measure the same concepts in agreement. Factor loadings, composite reliability (CR), and average variance extracted (AVE) are used simultaneously to assess convergent validity, as proposed by (Hair Jnr et al., 2010). Composite reliability provides a more fitting measure of internal consistency reliability. By employing compound reliability, PLS-SEM is able to accommodate different dial reliabilities (Hair Jnr et al., 2010). In this study, validity was assessed by evaluate a construct’s convergent and discriminate validity. Supporting data are provided for convergent validity when each item has external loadings above 0.5 and each construct’s average difference extracted (AVE) is 0.5 or higher (Hair et al., 2010). The composite reliability values range from 0.920049 to 0.988272, which exceed the recommended minimum value of 0.7.

Table 2

<table>
<thead>
<tr>
<th>Constructs</th>
<th>ITEMS</th>
<th>Loadings</th>
<th>AVE</th>
<th>CR</th>
<th>C-Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing Orientation</td>
<td>MO1</td>
<td>0.945</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MO2</td>
<td>0.880</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MO3</td>
<td>0.800</td>
<td>0.893</td>
<td>0.923</td>
<td>0.903</td>
</tr>
<tr>
<td></td>
<td>MO4</td>
<td>0.970</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>MO5</td>
<td>0.870</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GI1</td>
<td>0.770</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GI2</td>
<td>0.990</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Green Innovations</td>
<td>GI3</td>
<td>0.870</td>
<td>0.906</td>
<td>0.936</td>
<td>0.916</td>
</tr>
<tr>
<td></td>
<td>GI4</td>
<td>0.970</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>GI5</td>
<td>0.930</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCA1</td>
<td>0.964</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCA2</td>
<td>0.994</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable Competitive Advantage</td>
<td>SCA3</td>
<td>0.660</td>
<td>0.8976</td>
<td>0.928</td>
<td>0.908</td>
</tr>
<tr>
<td></td>
<td>SCA4</td>
<td>0.940</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SCA5</td>
<td>0.930</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CP1</td>
<td>0.876</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CP2</td>
<td>0.963</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creative Performance</td>
<td>CP3</td>
<td>0.931</td>
<td>0.934</td>
<td>0.964</td>
<td>0.944</td>
</tr>
<tr>
<td></td>
<td>CP4</td>
<td>0.966</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CP5</td>
<td>0.934</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: AVE=Average Variance Extracted; CR=Composite Reliability

AVE was examined to reflect the overall amount of variance in the indicators accounted for by the latent construct. These values were found to be in the range of 0.738306 to 0.840913 as recognized in Table 4.4, which surpass the recommended minimum value of 0.5 (Hair et al., 2010). Therefore, the measures have sufficient convergent validity.

5. Discussion
Premise H1 states a positive relationship between Marketing Orientation and Sustainable Competitive Advantage. The experiential findings for this hypothesis achieved high score of ($\beta=2.055$, $P=0.000$). It is revealed from the findings that Marketing Orientation is positively relates with Sustainable Competitive Advantage. Hypothesis H2 in this study states that there exists a significant relationship between Green Innovations and Sustainable Competitive Advantage. The empirical findings for this hypothesis achieved the highest score ($\beta=2.88$, $P=0.000$), supporting the hypothesis. It supports the result of Masa'deh et al. (2016) which exposed that there exists a positive impact of green innovation on Sustainable Competitive Advantage. H3 in the study the competitive advantage has mediating role significant relationship between green innovation and market orientations($\beta=4.88$, $P=0.000$).

5.1. Theoretical Contribution
The current study contributes to academic knowledge by providing insights and identifies customer needs that affect the Sustainable Competitive Advantage. Answer from this work validate and expand theories of Marketing Innovation in determining swap relationship to encourage customers to develop and perform beyond expectations. It is suggested that the decision making quality which leads to increased SCA which is, in turn, extend the body of knowledge in the field of management.

5.2. Methodological Contribution
The current study utilizes PLS-SEM, which is considered as a more effectual way of analyzing the structural relationships between the main constructs of marketing orientations, Green innovations, sustainable competitive advantage and creative performance. Base on an empirical approach, the current study suggests that marketing orientation and green innovations all together play a valuable role towards improvement of SCA, which is validated through the bootstrapping approach as a new perspective for better future research in this area.

5.3. Limitations and Recommendations for Future Research
It is suggested from the finding of the study that Marketing orientation and Green Innovations affect SCA and Creative Performance. Thus, this study is especially relevant for those related to Textiles in particular and the SME Textiles in general. They are advised to include adaptability in their strategy to provide high quality of human capital with high level of creative performance. The study provides clear understanding of the basics at play; and that understanding, in turn, contributes to the knowledge by replying to research questions. Also, results from this study are consistent with previous answer in the field of management regarding important marketing orientation and SCA. Similarly, this study validates the instruments that have been used to evaluate the constructs, which were also utilized in prior research. The future research should also consider covering all organizations in the manufacturing. Similarly, a qualitative or mixed-methods approach may be helpful in providing more in-depth understanding of this issue.

References


