

## The Effect of Market Orientation on Business Performance of Auto Parts Industry

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**Abstract :** The purpose of this study is to investigate the relationship between market orientation and business performance through innovations that include product innovation and process innovation. Auto parts and accessories companies in Thailand were used as sample for this investigation. Survey research with structured questionnaire was used as the key instrument in collecting the data. The structural equation modeling (SEM) was assigned test the hypotheses. The sample size in this study requires the minimum sample size of 200. The result found that competitor orientation, and interfunctional coordination has an effect on product innovation. Moreover, interfunctional coordination has an effect on process innovation, and return on asset. This indicates that within- firm coordination has crucial to firms' performances. The implication for practice, firms should support interfunctional coordination that members of different functional areas of an organization communicate and work together for the creation of value to target buyers they may have better profitability.

**Keywords :** auto parts industry, business performance, innovations, market orientation

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