

# How Organisational Integration Influences the Relationship between Market Orientation and New Product Market Success

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## Abstract

The role of market orientation as an antecedent of new product performance has been extensively documented in the literature. A leading corporation must either develop new successful products to sustain its business competence or keep growing in global markets. Market orientation has attracted ever-increasing interest because of the publication of seminal works and is a strategically valuable resource for successful new product development (NPD). Market orientation has also been shown to significantly impact both internal and external organisational integration. Some research has found that there is a positive, causal relationship between internal and external organisational integration and has also found that organisational integration (composed of internal and external organisational integration) has a positive effect on new product performance. This article focuses on NPD projects in the Taiwanese semiconductor industry. In particular, this study examines the mediate relationship between market orientation and new product market success through internal and external organisational integration. We propose our research model and then test it by applying structural equation modelling based on the partial least squares (PLS) methodology. The results show that market orientation not only can achieve new product market success directly but can also increase new product market success through internal and external organisational integration. This article suggests that a firm in the semiconductor industry could increase new product market success when NPD team members cooperate more with customers and suppliers. NPD team members should ensure that they can create new, mutual product goals and act cohesively with customers and suppliers. NPD teams, customers and suppliers should avoid creating problems for each other, and work smoothly together to develop new products to achieve NPD results in a timely

manner. This article may also be valid for industries with similar characteristics, such as the optoelectronics industry, and the solar industry. Future research could use larger sample sizes with more companies and with more industries.

Keyword : Market Orientation, ' Organisational Integration, ' New Product Development