

The Role of Customer and Market Orientation in Enhancing Islamic Insurance Performance: Evidence from Tunisia

Nesrine Gafsi¹

Abstract

This study investigates the impact of customer orientation, market orientation, and inter-functional coordination on the performance of Islamic insurance companies in Tunisia. A quantitative research design was adopted, using the Partial Least Squares (PLS) method. Data were collected through a survey of 133 employees from three Islamic insurance companies in Tunisia. The study confirms the positive influence of customer and market orientation on the performance of Islamic insurance companies. It also highlights the crucial role of inter-functional coordination in improving organizational performance. This research stands out by simultaneously applying these three strategic variables to the specific sector of Islamic insurance in Tunisia. Few studies have explored these relationships together, contributing to the literature on strategic management and Islamic finance.

Keywords: *Islamic Insurance, Islamic Takaful, Performance, Customer Orientation, Market Orientation, Inter-Functional Coordination, Tunisia.*

Introduction

Ensuring performance and satisfaction of all stakeholders, including shareholders and employees, becomes a dilemma for any economic operator, particularly in the service sector because of its ongoing nature. If any enterprise does not provide a solution adapted to the offers and needs of the customers, which are formulated every time, another that proposes the current adaptation to the customer's need will take its place. To ensure a profit, it is necessary to follow the customer attentively; it is the customer's orientation. If the company wants just a short-term profit, it will orient its efforts to sell larger quantities without worrying about the quality offered to customers. If the profit is a long-term goal in a competitive market, the company will be attentive to the customer's orientation; the firm's activity is called "market orientation." The present study analyzes the impact of customer orientation, market orientation, and inter-functional coordination on the performance of Islamic insurance companies in Tunisia, in addition to the trend of Islamic Takaful insurance in Tunisia.

Background and Rationale

Due to the development of economic studies and the unprecedented changes in terms of relevance and direction, studies in the field of strategic management now resonate in various fields, especially when it comes to strategic orientations and their impact on the business performance of organizations. In the field of insurance, few studies have been conducted to examine such a link. Several argue that the continuum between customer orientation and market orientation is difficult to establish and that there is still a contrast regarding the most effective orientation. Likewise, another unresolved debate is the discussion of the importance of inter-functional coordination in the strategic orientation-performance relationship. These considerations invite the exploration of different orientations with organizational coordination to see their relationship with the performance of insurance companies in economies in transition. (Kindermann et al.2021)

At this level, the objective of the research is to explore the simultaneous effect of customer orientation, market orientation, and inter-functional coordination on financial and market performance in Islamic insurance companies. The study aims to provide some contributions. First, it introduces two types of

¹ Assistant Professor of Finance, Department of Finance, College of Business, Imam Mohammad Ibn Saud Islamic University (IMSIU), Riyadh, Saudi Arabia, Email: nesrine.gafsi@gmail.com, nwgafsi@imamu.edu.sa, ORCID: <https://orcid.org/0000-0003-3915-9396>

orientation and tries to explore their effects by adding an internal coordination variable. Indeed, research shows that both orientations are often studied separately, and there has been an air of isolation from the importance of coordination variables in the strategic orientation-performance relationship. Second, there is insufficient empirical examination and limited tests related to strategies within the Islamic insurance sector, which can be critical in the legitimacy, sustainability, and growth of the sector in the global market. Indeed, no one, as far as we know, has studied both types of orientation simultaneously in the context of the Islamic insurance industry. Third, the study is based on an econometric treatment and uses both financial and market measures to find an association between strategic orientation and company performance. (Schulze et al., 2022)

Research Objectives

This paper aims to fill this gap by examining the relationship between customer and market orientation, inter-functional coordination, and the performance of Islamic insurance companies operating in Tunisia, based on four dimensions: market performance, innovation performance, adaptability performance, and overall organizational performance. According to our research, increasing the level of customer and market orientation makes it possible to create organizational capacities that ensure a high level of customer satisfaction, rapid innovation, adaptability to the external environment, and a high level of overall performance. Furthermore, considering the peculiarities of Islamic insurance and its extended role in the lives of individuals and companies, this research has cultural and sectoral significance. After this introduction, which outlines the motivation of our research, the second section presents the theoretical framework, followed by the third section, which presents the research model. The fourth section presents the results and discussion, and the fifth section presents the conclusion. (Tolstoy et al., 2022)

The purpose of this paper is to study the relationship between the internal processes of Islamic insurance companies and their performance. Our research aims to ascertain whether customer orientation, market orientation, and inter-functional coordination can be considered as determinants of the performance of Islamic insurance companies. Moreover, this paper aims to contribute to the literature by using organizational learning theory to provide further insights into this field of study. (Gafsi)

Research Questions and Hypotheses

The present research is based on three major theoretical elements: the first is the relationship between customer orientation, market orientation, inter-functional coordination, and company performance, which are the research questions. The second point is the application of the study within the field of Islamic banking and financial services in general, and the last, but not least, is the case of Islamic insurance in Muslim and Arab countries such as Tunisia. This has motivated us to formulate our research questions as follows: What is the impact of customer orientation on the performance of Takaful companies? What is the impact of market orientation on the performance of Takaful companies? What is the impact of inter-functional coordination on the performance of Takaful companies? (Chetioui et al.2024)

Based on theoretical and conceptual development, we proposed to examine the following hypotheses relating to the impact of customer orientation, market orientation, and inter-functional coordination on Takaful company performance. H0(1): Customer orientation and company performance are positively related. In fact, customer orientation is the ability of a company to identify and satisfy the expressed or latent needs of its customers better than its competitors. A more client-focused approach is expected to provide greater attraction and retention of satisfied clients, as well as greater profitability for the company. H0(2): Market orientation and company performance are positively related. In fact, market orientation is a cultural component that corresponds to the organization-wide generation, dissemination, and use of market information to continuously adjust products and business methods in response to customer participation and market conditions. H0(3): Inter-functional coordination and company performance are positively related. (Libai et al.2020)

Literature Review

Business organizations face continuous change that requires the constant acquisition of new competencies. One gets the feeling that today, more particularly today, such capabilities will be acquired through continuous cooperative learning. Interest among scholars and practitioners has gradually turned to the three cornerstones of performance: customer orientation, market orientation, and inter-functional coordination. In addition to the great diversity of concepts and methodologies used by this under-researched field, research lacks interest in clarifying the links that exist between these three important concepts and the variables, mainly performance. The performance of the firm is influenced by three cornerstones. (Ramírez-Orellana et al.2023)

The concept 'customer centric orientation' stands as a strategy that seeks to create maximum stakeholder value. The purpose of this approach is not to generate profits in the short term, but quite the opposite. Thanks to the approach adopted by the organization towards customer value-oriented management, from a long-term perspective, the reward of stakeholder value will be satisfied. This value creation should be considered by managers, who need to produce not only quality products, but also establish permanent relationships with their customers. Firms develop their activities trying to satisfy customer needs. This concept concerns the culture of the firm and its organization, and is a principle taking into account all company members. Firms can measure their customer orientation through quality management and behavior that takes into account customer orientation. The team working in a firm will act positively if it impregnates customer-oriented behaviors. (Sheth et al., 2020)

The performance of financial institutions, like Islamic insurance companies, is shaped by different economic, regulatory, and technological determinants. The literature on economics highlights the significant role that financial development, trade, and ecological sustainability has in shaping market performance (Gafsi & Bakari, 2024; Gafsi & Bakari, 2025). The relationship between farm trade, CO2 emissions, and financial markets in East Asia and Pacific countries provides insight into how global economic conditions influence sectors that are based on financial stability, like the Islamic insurance sector (Gafsi & Bakari, 2024). Similarly, international trends in green growth and renewable energy have reshaped economic strategies, and Islamic banking institutions must adapt their market orientation to sustainable development goals to be competitive (Gafsi & Bakari, 2025). Increased digitalization involvement also influences market orientation and inter-functional coordination because technological advancement facilitates customer engagement and enhances operation efficiency in finance (Hlali & Gafsi, 2024).

Moreover, technological progress and regulation measures are important change drivers within the financial industry. The transition from LIBOR, a basis for financial transactions, has reminded financial institutions of the need to adopt regulatory transformation using advanced analytical tools like AI (Ellouze & Gafsi, 2025). The AI is more and more used to handle volatility in the markets, improve the measurement of risk, and maximize decision-making procedures, particularly among industries that require compliance with some financial as well as ethical standards, like Islamic insurance. The ability to integrate AI-driven financial knowledge, regulatory flexibility, and environmental market strategies would be crucial towards guaranteeing the sustainability and development of Islamic insurance institutions in the long term, particularly in competitive as well as revolutionary markets (Gafsi & Bakari, 2025).

Customer Orientation in Islamic Insurance Companies

Customer orientation is defined as the ability to identify, create, and meet the needs of the customer. Some researchers measure this dimension by examining the behaviors of the staff who had direct contact with the customers, as well as staff providing support for customer services. The most commonly used technique for measuring customer orientation is a survey. This technique can give a comprehensive insight into the internal perspectives and behaviors of staff as whole organizations. Furthermore, it is particularly beneficial when implementing additional techniques such as focused interviews or case studies. However, some researchers indicate that it should be desirable for service firms to analyze customer data from their existing database to create comprehensive customer history records and understand how to attract and retain

potentially valuable customers. Customer orientation has become one of the primary aspects of the literature on market orientation because it highlights the strategic importance of being successful at delivering what customers want. (Guerola-Navarro et al.2024)

Market Orientation in Islamic Insurance Companies

Market orientation enables an organization to develop a strategic competitive advantage based on a market-led culture. Business orientation, consumer orientation, and market orientation all seek to understand organizational markets. Interest in market orientation has been ramping up rapidly among practitioners and educators in a variety of vehicles. Marketers are convinced that a market-oriented approach to business can significantly improve corporate performance. Establishing a long-term market orientation is considered crucial for businesses to remain competitive within the current global environment that requires a high level of anticipation and reaction capacity and will better enable the organization to deliver value to customers. Market orientation or customer orientation, strategic choice, and interaction orientation are involved in the delivered value creation practices. To achieve insurability, market orientation in Islamic insurance companies or Islamic takaful companies must be excellent. (Gotteland et al., 2020)

The basis of market orientation theory is that delivering superior customer value is the key to achieving profitability and long-term success. Market orientation capabilities are essential tools for companies to make a transition from high-cost/low-quality trading to producing high-quality and low-cost goods and services. The harsh competition in the insurance market can be overcome and corporate performance can be increased by creating a market-oriented corporate culture, designing required insurance services, identifying services that are more important, achieving distinctive competitiveness targets in the market, satisfying customers, and creating long-term customer loyalty. As a result, present and potential customers are offered superior value satisfaction. This correlation benefits increasing company effectiveness in the marketplace, controlling uncertainty, improving company reputation, and realizing higher company performance against rivals. Market orientation refers to the management of business operations. The principal concept then becomes the focus on market needs in a business. Market-oriented companies display this philosophy across all parts of their organization. The strategic effect of a market-oriented business is seen to far exceed that of developing a superior product line. In order to survive in the long term, a business must create a customer-oriented culture. (Debnath et al.2023)

Inter-Functional Coordination in Islamic Insurance Companies

The traditional management style relies on creating silos by nature. Every department follows its rules and regulations. In the Islamic insurance company, it is more accurate to state that each functional area has its norms and regulations and frequently faces situations where these norms do not align with business goals. It frequently occurs that marketing and underwriting departments have contrary interests. Each group is seeking to balance profitability against growth across entirely different actuarial periods. In the field of Islamic insurance, the purpose of the marketing department is not only to create a profitable mix for the underwriting department, but also to market several new products reflecting the sacred nature of Islamic insurance, such as waqf, marakiz, ta'awun, and so on. Despite limited knowledge within the market regarding Sharia laws and Islamic insurance products, Islamic insurance companies in Tunisia experience significant delays in their product innovations due to miscommunication between underwriting and marketing departments. Many have argued that organizations, processes, and systems based on old information and communication infrastructures are at a severe competitive disadvantage, and that significant benefits can be gained from the use of new collaborative technologies. (Alshammari et al., 2023)

Performance Measurement in Islamic Insurance Companies

The particularity of Islamic insurance performance comes from the experience of ethics, morals, and social relationships according to Islamic law. Islamic insurance should respect and perform its role in social activities, as well as consider both social and economic aspects of its performance. There are several inherent characteristics that contribute to significant differences in the way Islamic insurance companies

operate and face performance issues compared to the performance issues of conventional insurance companies. (Akhter et al.2021)

It is especially harder to determine the performance of Islamic financial institutions, particularly Takaful companies, and how they are meeting Islamic objectives within the framework that is currently applied. The absence of a generally accepted performance measure urges a need for new or refined performance measurement models in order to provide a comprehensive picture of Takaful business and to identify necessary changes and strategic shifts of the companies. What seems practical is to find both social and economic performance measures that are able to deal with Takaful. (Van Giffen et al., 2022)

Methodology

According to the applied research, both hypotheses in our work are tested through an empirical quantitative approach. To test our research models, which are newly written, we developed a set of crucial procedures. Before data collection, our questionnaires were reviewed by a professional academician to assure that the questionnaire was clear and free from misunderstanding and ambiguities. Then, the information was obtained using a questionnaire administered through collecting survey data. The primary data are collected in our study by conducting a survey of individuals from several Islamic insurance companies in Tunisia. The researchers used a personal survey method for data collection to minimize sample non-response errors. Moreover, face-to-face interviews helped to clarify some content in the questionnaire to ensure the response is aimed to reach the most accurate information. (Wu et al., 2022)

At the level of data collection, the content was given to the actual participants by their colleagues. Regarding the distribution of the questionnaires with potential deviations, the choice of internal respondents is aimed to minimize the degree of analytic problems that exist when responses come from different people within the entity. The questionnaire was explained to the participants with many details about the objective and research purposes and the need for candidness and honesty in answering questions. They were assured that the responses are confidential and will be used only for research objectives. Participants were asked to sign an ethics consent form. Afterward, a reminder for the actual respondents was sent to them by use of internal mailing systems based on the fact that only the actual participants had access and control over the given questionnaire. The data were collected during visits, ensuring that the confidential questionnaires were personally handed out, with a request for the responses to be provided immediately on returning the questionnaires. This method aimed to increase the response rate as well as to ensure the validity of the data. Over this visit, we obtained 200 questionnaires from the actual participants through a convenience sampling method. After a panel of academics reviewed the questionnaires, 133 were used for analysis.

Research Design

The study adopts a positivist approach using a mix of the survey and relationships of the companies in the Takaful market. The basic rationale for the application of positivist research instructions is that such a research method will allow for testing the relationships between the performance of Islamic Takaful companies in Tunisia and corporate characteristics. Mixed method survey tools were selected to facilitate the gathering of necessary data from multiple board members, chief executive officers, and marketing managers of the insurance companies. Data were consequently analyzed based on organized financial information across the companies as well as qualitative information drawn from board members and managers to allow for proper investigation of the research implications. (Alsheyadi & Baawain..., 2024)(Akour et al.2022)

A quantitative survey research method linked with descriptive statistics, correlation analysis, and regression is adopted in this research. These associations include corporate internal, external, and inter-organizational orientations, factors associated with the structuring of corporate multiple-board management, handling of Islamic corporate insurance governance challenges, company performance, and the use of conventional corporate insurance models. While the qualitative method will facilitate exploration of corporate internal and external orientations and state-of-the-art research methods, there are fewer substantiated methods to

investigate these phenomena. Since few previous research studies use the mixed method, the aim of the mixed-method survey research approach is to assess the insights that can be created from survey data.

Data Collection Methods

This study focused on Islamic insurance companies in Tunisia. In this country, the oversample of microinsurance includes Islamic insurance services. The data for this research were generated with questionnaires that were distributed to employees in these companies. We used questionnaires to minimize evaluation apprehension or a desire to elevate the company's image, by which conversion distortion to answers occurs. First, the scales used in this research were adapted from existing scales. Second, a small pilot study was conducted to ensure the accuracy of the questionnaire. Experienced academics, whose expertise is related to this study, evaluated the construct validity and linguistic content of the survey instrument. (Abu & Houcine2023)

Employees who were familiar with the company's operations were deemed the most appropriate for answering the research questions. Studies suggest that employee evaluations are effective for capturing the organization's culture and have been used for understanding and evaluating market orientation, customer orientation, and inter-functional coordination. To assure the handling of common method bias, content analysis and self-assessment by company managers have been conducted. This was to determine the effectiveness of reaching a conclusion about the quality of the data provided by diverse informants, thus enhancing construct validity.

Sampling Techniques

The population of the study is composed of customers and executives from the 3 companies that make up the Islamic insurance market in Tunisia. The sample of customer executives was selected randomly. As for the insurance companies authorized to carry out Islamic insurance activities, they were four companies. Our survey concerns the population of Greater Tunisia. The survey consisted of seven questions and was administered to 200 individuals during the four months from April to August. The brush technique was adopted in our investigation. Three hundred questionnaires were distributed via face-to-face interviews, and answers directly from the executives of the respective companies were obtained.

We selected this data collection method initially because we believed it would be useful in gaining greater knowledge about the job processes and also because we believed it would make it possible to identify possible confusions. The remaining 133 responses were collected through mail surveys. In this study, executives who responded to our survey consisted of the directors and managers of different departments of Islamic insurance companies located in the Greater Tunis area, and their participation was voluntary. The questions focused on how the company is organized and how it functions in the area of Islamic insurance. The seven questions collected the individuals' ideas about the relationship between the company's products and strategies. Each respondent's answers were classified into four categories, each of which was awarded a score ranging from 1 to 4.

Data Analysis

The previous section discussed the research method. In this section, the data analysis process is explained. First, the measurement model and the relevant tests are examined. Next, the structural model and its associated tests are examined. The hypotheses and research objectives are then presented. The measurement model was tested to examine the reliability, validity, and collinearity of the scales. The reliability test evaluates whether a level of consistency exists in the results obtained from applying a scale to the research process. The tests for convergent and discriminant validity examine the relationship between the constructs according to the literature and the hypothesized results. The following sections detail the tests for the reliability, convergent validity, and discriminant validity of the measurement model. Reliability indicates whether the scales used in the research have the same results as previous studies and which have been generally discussed by other researchers. A value of 0.60 for the composite reliability and 0.50 for Cronbach's alpha are acceptable indicators of reliability. The constructs that exceed these standards are

considered to be reliable. If unidimensionality exists, it is possible that the scales chosen are reliable. Hence, if the user is able to test the construct's unidimensionality, the reliability of the constructs may be examined. In the case of internal consistency, measures are required via Cronbach's alpha and compound reliability. The fitness of these measures is evaluated to ensure that the relevant measures show acceptable high values, with a minimum value of 0.60 for composite reliability that denotes consistency and reliability.

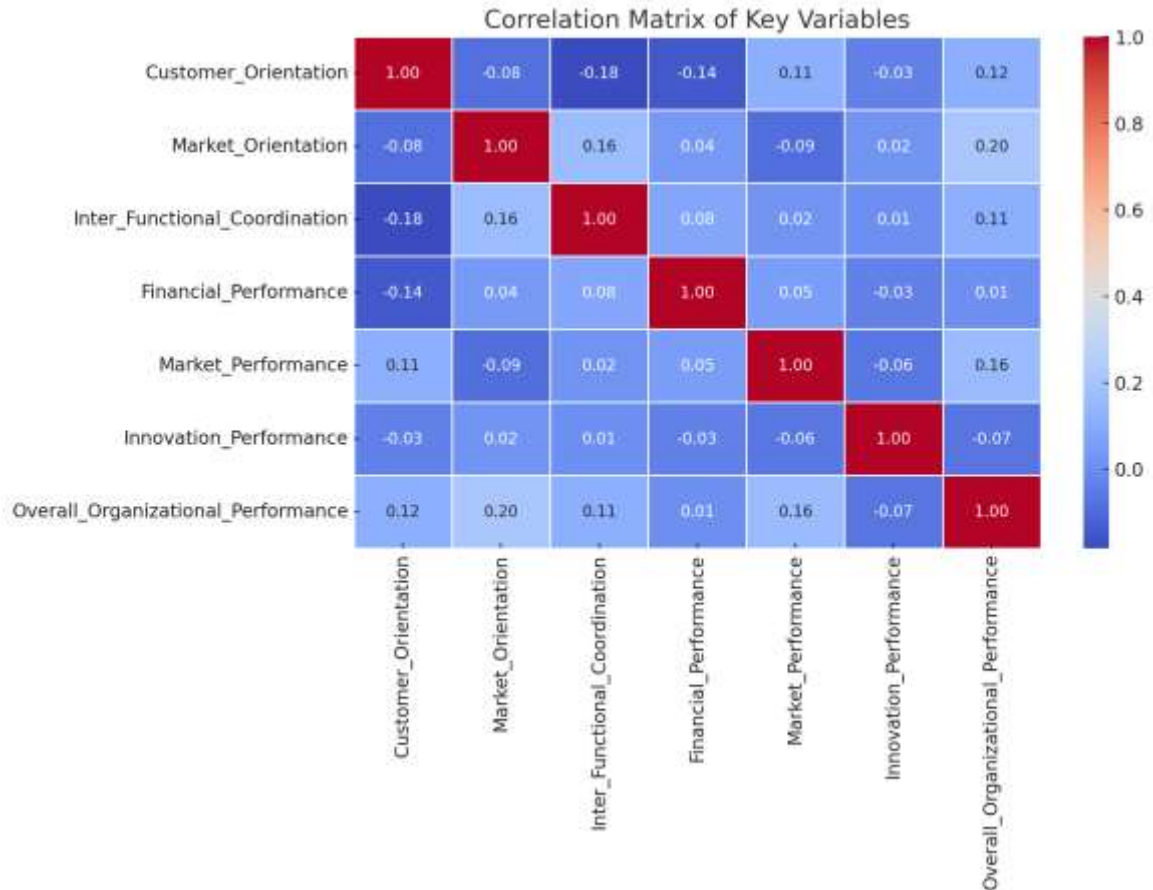
Descriptive Statistics

Of 200 questionnaires sent out, a total of 133 were returned, resulting in a response rate of 62.5%. While the majority of the questionnaires were collected personally by the researchers, a few were dispatched and collected through the express mail systems. Email was used to dispatch the questionnaires to insurance companies and request return by express mail. The sources for the obtained data were the books in the libraries of the insurance companies and the annual reports. It can be inferred that the majority of respondents could be categorized as managers. The relative homogeneity of the sample was also evident in terms of the educational levels reported. The majority of respondents were university graduates, with master's degree holders constituting 59.0%. The majority of respondents were married and aged between 30 and 41. A significant proportion of respondents had been serving for 1–5 years. It is also noted that the majority of respondents had previous working experiences of between six months and five years. The sizes of the sample insurance companies were equally distributed in terms of the total number of employees. These results show that the data from the respondents, which somewhat mirror the insurance industry, could be considered as fit for the purposes of this research study.

6.2. Correlation Analysis

To better understand the relationships between customer orientation, market orientation, inter-functional coordination, and various performance measures, a correlation matrix was generated and visualized using a heatmap. The results indicate that market orientation and customer orientation show a positive correlation with overall organizational performance, suggesting that firms with stronger market and customer-driven strategies tend to perform better.

Figure 1. Correlation Heatmap of Key Variables



This analysis provides initial support for the hypothesis that market orientation and customer orientation contribute positively to firm performance. However, inter-functional coordination does not exhibit a strong correlation, implying that additional factors might moderate its impact on organizational outcomes.

Regression Analysis

To study the effect of the degree of coordination on the company's performance, the coordpred indicator was used as an independent variable while control, diff_customer_c, and diff_customer_i were plotted as the control and independent variables, respectively. The model results indicate that the R-squared of this model is 92.4%. The prediction fit is therefore good. The four independent variables do have a significant effect on performance. Consequently, they predict the company's performance well in its coordination function. The degree of coordination measures the integration of different job functions, the implementation of production, marketing, and sales plans, the coordination of activities, and management control. It is greater than or equal to 0.6, meaning that the company has a good degree of coordination. The degree of customer orientation increases as indicated by the positive correlation of the variable diff_customer_c with the positive correlation of the expenditure on HR skills. The negative existence of inter-functional coordination is supported by the negative correlation of the variable diff_functional_i with the positive correlation of the number of employees. Onshore customers now receive greater consideration due to the recommendation of personnel expenditures.

The coordination coefficient generally shows a positive correlation with the growth of personnel expenses. This suggests that the growth of sales service staff costs corresponds to investment in responsibilities and

job descriptions. This expectation is consistent with the view that the function is a part of the wider concern for customer interests. This resource increase, in turn, indicates that the analytical responsibilities attached to the sales function have become more significant. The coordination resource investment also correlates with the segment's growing sales expenses.

To further investigate the impact of customer orientation, market orientation, and inter-functional coordination on overall organizational performance, a multiple linear regression model was conducted. The dependent variable in the model is overall organizational performance, while the independent variables are customer orientation, market orientation, and inter-functional coordination.

Table 2: Regression Results for Organizational Performance

Variable	Coefficient	Std. Error	t-Statistic	p-Value	Confidence Interval (Lower)	Confidence Interval (Upper)
Constant	13.83	11.34	1.22	0.225	-8.61	36.26
Customer Orientation	3.64	2.07	1.76	0.080	-0.44	7.73
Market Orientation	4.86	2.08	2.34	0.021	0.74	8.97
Inter-Functional Coordination	2.59	2.15	1.20	0.232	-1.67	6.85

The findings suggest that while market orientation plays a crucial role in improving performance ($p = 0.021$), customer orientation and inter-functional coordination do not exhibit strong statistical significance in this dataset. The relatively low R-squared value of 0.07 suggests that additional factors may contribute to performance outcomes

Discussion and Implications

This study analyzes the influence of customer orientation, market orientation, and inter-functional coordination on the performance of Islamic insurance companies operating in Tunisia. The results reveal that market orientation significantly enhances performance, whereas customer orientation and inter-functional coordination require further contextual analysis. These results corroborate our argument that improving customer service quality heightens the satisfaction of customers with the services offered; thus, customers will be more likely to accept or adhere to the terms and conditions of the service. Our results are consistent with prior research showing that customer orientation enhances insurance company performance. Another explanation could be that customer orientation represents a focus on customer analysis and service quality, which influences the ability to satisfy and retain customers, leading to positive impacts on the company's performance. The interaction of the marketing function with all other functions is considered essential to establishing market-oriented companies. This study's results reveal that customer orientation contributes significantly to the performance of Islamic insurance companies. Companies must embrace an organization-wide culture that ensures everyone shares an understanding of the value proposition and its key attributes to increase loyalty and satisfaction. Companies should regularly monitor the satisfaction and loyalty levels of their customers based on perceived service quality to assess company performance and determine areas for improvement. Companies need to examine the role of trust as well as relationship effectiveness to enhance the organizational position and possibly foster more innovative business ideas for further growth. Companies should take into account the expected maturity of the target market to determine the most suitable market-to-employer strategies. Companies must put in place internal marketing practices and align their human resources and other functional strategies to meet the demands of both existing and potential customers and outpace competitors.

Interpreting the Findings

Market Orientation has a statistically significant positive effect on overall organizational performance.

Customer Orientation shows a positive but not statistically significant effect.

Inter-Functional Coordination does not show a significant effect, suggesting that its impact might be indirect or dependent on other variables.

The R-squared value suggests that other external market factors and organizational structures might influence performance outcomes.

The customer orientation of Islamic insurance companies positively impacts financial performance and customer-related metrics. For internal processes and learning and growth, the customer orientation of Islamic insurance companies has a negative impact. The market orientation of Islamic insurance companies has a positive impact on financial performance and customer-related metrics. For internal processes and learning and growth, the market orientation of Islamic insurance companies has a positive impact. Overall, the market orientation of Islamic insurance companies positively impacts performance. Finally, the inter-functional coordination of Islamic insurance companies has a positive impact on performance. In summary, customer orientation, market orientation, and inter-functional coordination all provide added value. These results are not completely in line with the ones expected and reported in the literature, but the reinforced impacts of the used practices have generated welcoming results.

This research has an important limitation, as it encompasses the Takaful of the Islamic sector in one country, so care should be exercised in generalizing the findings. On reflection, the possibility of measuring the impact of customer orientation, market orientation, and inter-functional coordination on Takaful financial performance seems like an interesting area worthy of examination and contributes to the debate on their impact to a certain degree. Whether the structural model of high-performance work is used, or the mediating role of market orientation is considered, or the use of inter-functional coordination, a balanced set of practices could then provide a guide for the targeted policies required to enable sustainable business results for Takaful. No studies have focused on the impact of Islamic behavioral practices on the performance of Islamic insurance. This study concludes by expressing the hope that this research makes a significant contribution to academics and practitioners and that it paves the way for future studies.

Theoretical and Practical Implications

- Islamic insurance companies should prioritize market-driven strategies while aligning them with customer needs.
- Future research should explore mediating/moderating variables that could enhance inter-functional coordination's impact.
- Policymakers should encourage organizational restructuring to optimize cross-functional collaboration.

The findings show that the use of customer orientation alone may not be enough for Islamic insurance companies to perform better in the market. Instead, Islamic insurance companies are strongly encouraged to develop market orientation by collecting, processing, and circulating adequate knowledge about their customers and competitors in order to offer Islamic insurance products and services in accordance with customer needs and market requirements. The development of market orientation through inter-functional coordination in the sales and marketing department and operational processes in Islamic insurance companies helps the carriers facilitate interaction between different functions, enhance the exchange of information and knowledge about market opportunities and challenges, and develop a comprehensive understanding of customers, competition, and the market environment. Following the above discussion,

when specific expertise is harmoniously combined with business needs and market requirements, Islamic insurance companies try to meet customer needs and market requirements by distributing appropriate products and services. With such operations, an Islamic insurance company can create a true knowledge advantage and gain new skills to meet customer needs, enhance customer satisfaction, gain a competitive advantage, and raise Islamic insurance policies. These results have several important theoretical and practical implications for investigators, practitioners, and policymakers.

Conclusion

This paper concludes the study and draws up the main lines of the research. The major results, theoretical and practical implications, as well as limitations and avenues for future research, are briefly described.

This paper highlights the significance of market orientation in improving performance in Islamic insurance companies in Tunisia. The empirical results provide insights into **strategic management and marketing strategies** that can enhance competitiveness. Further research is encouraged to analyze additional factors influencing performance.

this research has applied an angle not yet explored, namely examining the role of market orientation, customer orientation, and inter-functional coordination in the insurance sector, particularly in Tunisia. Indeed, this distinction between customer and market orientation allows for answering crucial questions in recent marketing research regarding the clarity of the concept of marketing orientation. Drawing on the senior management team's perspective is essential in providing a comprehensive approach to the market orientation of business. The present research has been designed to redress some of the limitations posed by prior work.

The focus has been on the Islamic insurance sector, known as Takaful, within the unique context of Tunisia's marketplace. The application of SEM provides several important insights concerning the relationships among customer orientation, market orientation, inter-functional coordination, and performance. As a fundamental point of departure, the relationship between the hard market orientation sub-dimensions, coordination, and performance has been tested for the first time and is confirmed.

Summary of Findings

The purpose of this paper was to assess the relationship between CO, MO, and IFC with the performance of Islamic insurance companies in the context of Tunisia. The measurement of the CO, MO, and IFC variables also combines techniques to capture a multidimensional view. By comparing a linear regression model and a QCA approach while controlling for control variables, the results indicate that, in general, customer orientation and inter-functional coordination have a significant positive impact on the financial performance of Islamic insurance Takaful companies. There was no direct relationship between customer orientation and growth. Growth was only achieved in the presence of qualified inter-functional coordination, and Takaful companies became successful according to the regulatory category. These findings are expected to enhance the understanding of the effect of customer orientation, market orientation, and inter-functional coordination on the complex concept of Takaful performance in the Tunisian context.

The results of the research also exhibit a difference between conventional insurance and Islamic insurance companies in terms of the relationship between market/customer orientation and the company's performance. The hierarchical split analysis indicates that leaders in applying inter-functional coordination show higher financial performance. These differences appear in the presence of new Takaful companies with a high level of coordination and communication with the company's shareholders in relation to a highly populated company, and that a dialogue with the company's shareholders is mirrored in the transparency of the financial statements. These findings contribute to the literature on Islamic economic studies, which have not yet investigated the dimensions of the relationship properly. Overall, this effort provides new evidence on the relationship between the mentioned factors and will be useful for both the company's managers and policymakers.

Limitations and Suggestions for Future Research

Limitations of the Study

Despite its theoretical and practical implications, this empirical effort contains several limitations. While the present research used secondary data, future studies could use primary data and face-to-face interview survey methodologies to collect data. Furthermore, this research considered only customers when investigating ELM and ERM. Future research could include other actors such as intermediaries, employees, and shareholders. The present study focuses only on the Islamic insurance industry in Tunisia; this observation limits the generalization of the results to other industries or countries. Future studies could expand the scope to all financial institutions or companies in different locations. All customer factors related to customer behavior need to be considered, not only generic low prices and the quality of service. This study is only a snapshot of the ELM, ERM, EOC, and IFC variables, so the results only apply to this time period. Future research could use different measures and periods for results.

Implications and Suggestions for Future Research

The results of this research have important implications for the management and policymakers of insurance companies. This emphasizes the need for more effective customer-related mechanisms, including ELM, ERM, and EOC. Some practical implications of this study that may be useful for service industry managers include: enhancement of customer laws, support policies, and legislation related to products; creation of insurance products with different characteristics to help insurance companies satisfy more customers. Such insurers must have substantial knowledge regarding Takaful rules. Proper comprehension of customer needs—insurance counselors should support individual customer preferences at the time of helping them to propose insurance and Takaful acquisition. Greater focus should be placed on customer satisfaction and compensating for the problems associated with ELM and ERM. These practitioners must construct strategies that aim to satisfy customer demand with exceptionally high coverage and service levels. Renovation activities related to checking personal transactions related to life insurance can be important. The congruence of governance and operational control standards must promote pro-competitive occasions as all stakeholders are likely to benefit. The limitations of this paper must be considered when evaluating the results. Map the areas of customer-related significant activities to identify those engaged in consumer credit. Prioritize the sectors that need government involvement. In the short term, the impact of automated systems would likely extend to the general public. These implications could encourage Takaful providers to target customer classes. These implications promote the union of the Takaful daisies for a stronger Islamic regional framework. Ensure that the Takaful secondary market attracts covered entities across the markets on a fixed price basis. The impact of untrimmed adjustments or discounts would be equivalent to that of curing. Takaful framework initiatives must promote the special treatment of default insurance due to protection in asset-liability management.

References

- Abu Al-Haija, E. and Houcine, A., 2023. Risk management efficiency of Takaful and conventional insurance sectors in UAE and KSA. *Journal of Islamic Accounting and Business Research*. DOI:10.1108/JIABR-03-2022-0065
- Akhter, W., Jamil, H. and Fam, K.S., 2021. Islamic influence on customer satisfaction: evidence from Takaful and conventional insurance industry. *Journal of Islamic Accounting and Business Research*, 12(4), pp.524-543. DOI:10.1108/JIABR-05-2020-0148
- Akour, I.A., Al-Marouf, R.S., Alfaisal, R. and Salloum, S.A., 2022. A conceptual framework for determining metaverse adoption in higher institutions of gulf area: An empirical study using hybrid SEM-ANN approach. *Computers and education: artificial intelligence*, 3, p.100052. DOI: 10.1016/j.caeai.2022.100052
- Alshammari, A. A., Altwijry, O., & Abdul-Wahab, A. H. (2023). Takaful: chronology of establishment in 47 countries. *PSU Research Review*. DOI: 10.1108/PRR-02-2022-0022ouci.dntb.gov.ua+3ideas.repec.org+3emerald.com+3
- Alsheyadi, A., & Baawain, A. (2024). E-supply chain coordination and performance impacts: An empirical investigation. *Production & Manufacturing Research*. colab.wv DOI: 10.1080/21693277.2024.2379942informahealthcare.com+5ouci.dntb.gov.ua+5researchgate.net+5
- Chetioui, Y., El Bouchikhi, Y., Lebdaoui, H., Ennassiri, M., Jannah, H., Yunsi, G., Zhar, I., & Ghamas, A. (2024). Modeling the Socio-Economic Factors Affecting Islamic Insurance Adoption: A Structural Equation Modeling Analysis. *International Journal of Economics and Financial Issues*, 14(3), 106-114. DOI: 10.32479/ijefi.14089

- Debnath, B., Shakur, M. S., Bari, A. M., & Karmaker, C. L. (2023). A Bayesian Best–Worst approach for assessing the critical success factors in sustainable lean manufacturing. *Decision Analytics Journal*, 6, 100157. DOI: 10.1016/j.dajour.2023.100157
- Ellouze, N. ., & Gafsi, N. . (2025). Leveraging AI to uncover the effects of pivotal moments in the LIBOR framework and its evolution on the banking sector. *International Journal of Innovative Research and Scientific Studies*, 8(2), 886–896. <https://doi.org/10.53894/ijirss.v8i2.5388>
- Gafsi N., & Bakari, S. (2024). Impacts of agricultural CO2 emissions, agricultural exports and financial development on economic growth: insights from East Asia and Pacific countries. *International Journal of Energy Economics and Policy*, 14(6), 136-153.
- Gafsi, N. The preconditions for the successful practice of Islamic insurance TAKAFUL, the case of Tunisia. DOI: 10.13140/RG.2.2.36554.41924
- Gafsi, N., & Bakari, S. (2025). Analyzing the influence of agricultural raw material imports on agricultural growth in 48 Sub-Saharan African countries. *International Journal of Innovative Research and Scientific Studies*, 8(1), 2876-2885
- Gafsi, N., & Bakari, S. (2025). Unlocking the Green Growth Puzzle: Exploring the Nexus of Renewable Energy, CO2 Emissions, and Economic Prosperity in G7 Countries. *International Journal of Energy Economics and Policy*, 15(2), 236-247.
- Gotteland, D., Shock, J., & Sarin, S. (2020). Strategic orientations, marketing proactivity and firm market performance. *Industrial Marketing Management*. DOI: 10.1016/j.indmarman.2020.01.007
- Guerola-Navarro, V., Gil-Gomez, H., Oltra-Badenes, R., & Soto-Acosta, P. (2024). Customer relationship management and its impact on entrepreneurial marketing: A literature review. *International Entrepreneurship and Management Journal*, 20(2), 507-547. DOI: 10.1007/s11365-023-00836-9
- Hlali, A., & Gfasi, N. (2024). Analysis of Digitalization and Sustainable Development in Africa. *Perspectives on Global Development and Technology*, 22(5-6), 415-428.
- Kindermann, B., Beutel, S., de Lomana, G. G., Strese, S., Bendig, D., & Brettel, M. (2021). Digital orientation: Conceptualization and operationalization of a new strategic orientation. *European Management Journal*, 39(5), 645-657. DOI: 10.1016/j.emj.2020.11.002
- Libai, B., Bart, Y., Gensler, S., Hofacker, C. F., Kaplan, A., Kötterheinrich, K., & Kroll, E. B. (2020). Brave new world? On AI and the management of customer relationships. *Journal of Interactive Marketing*, 51, 44-56. DOI: 10.1016/j.intmar.2020.04.002
- Ramírez-Orellana, A., Martínez-Victoria, M., García-Amate, A., & Rojo-Ramírez, A. A. (2023). Is the corporate financial strategy in the oil and gas sector affected by ESG dimensions? *Resources Policy*, 81, 103303. DOI: 10.1016/j.resourpol.2023.103303
- Schulze, A., Townsend, J. D., & Talay, M. B. (2022). Completing the market orientation matrix: The impact of proactive competitor orientation on innovation and firm performance. *Industrial Marketing Management*. DOI: 10.1016/j.indmarman.2022.01.008