



NORTH-HOLLAND

Marketing Orientation and Company Performance

Industrial vs. Consumer Goods Companies

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Marketing orientation, still an intriguing concept for many, carries the pledge of superior company performance through the satisfaction of customer's needs. This article draws conclusions from an empirical investigation showing that this relationship does really exist and, in the case of industrial markets, building a marketing orientation it is indeed a significant contributor to the company's performance. © 1997 Elsevier Science Inc.

INTRODUCTION

Recent studies [1–3] have tried to collect empirical evidence to investigate whether the adoption of marketing

orientation leads to better performance in the market. However, the way that marketing orientation is conceptualized tends to differ. For instance, while Hooley, Lynch, and Shepherd [1] conceptualized marketing orientation as a set of specific beliefs that form a certain company attitude/culture, Narver and Slater [2], as well as Kohli and Jaworski [3], explained the concept as a certain behavior. Furthermore, most of the available empirical investigations of the association between marketing orientation and company performance tend to draw general conclusions about this association as no effort has been made to examine the nature and the importance of this association in specific market environments (e.g., industrial markets vs. consumer markets).

Thus, reviewing the existing literature on marketing orientation and company performance, two major questions

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Marketing orientation is not widely adopted.

arise. First, given the fact that different companies are characterized by different levels of marketing orientation adoption, could a classification scheme be derived so that companies could be classified, in a meaningful way, depending on the degree to which they have developed a marketing orientation? Secondly, to what extent is the magnitude of the relationship between marketing orientation and company performance independent of the market in which the company participates? While this article does not report definite answers to such questions, it details some interesting empirical evidence that could help shed some light on such questions.

Basically, the purpose of this article is twofold: (1) to develop and suggest a meaningful classification scheme for companies that are characterized by different levels of marketing orientation adoption and (2) to examine the relationship between the degree of marketing orientation adoption and company performance in a comparative study of industrial and consumer goods companies.

A review of the available literature and a number of hypotheses are offered.

BACKGROUND AND HYPOTHESES

Marketing Orientation and Companies Classification on the Basis of Marketing Orientation Adoption

Contrary to what one might expect, the essence of the marketing orientation concept is still an issue under debate. In fact, two different approaches seem to prevail, one treating marketing orientation as basically a company philosophy while the other regards it as mainly a company behavior.

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More specifically, in an effort to provide a definition of marketing orientation, Drucker [4] stated that "marketing is not a specific company activity. On the contrary, it involves the entire organization. It is the organization viewed from the customers' point of view." Similarly, Felton [5] has also described marketing orientation with emphasis on the attitudinal qualities of the concept. He regarded it as "a way of thinking in doing business that is based on the integration and coordination of all marketing activities which, in turn, will integrate with the rest activities of the company in an effort to maximize long-term profitability."

At the 1990 Marketing Science Institute conference on "Organizing to Become Market Driven" Swartz [6] treated the organization of marketing and the concept of marketing orientation differently. While marketing organization was used to describe the functional department of the company that executes marketing related activities (e.g., pricing, distribution, promotion, etc.), the concept of marketing was associated with a certain way of thinking concerning the company's priorities and goals. It is also the opinion of Deshpande and Webster [7] who assign a philosophical/cultural quality to marketing orientation. In fact, when they attempted to investigate the innovativeness of Japanese companies they used the degree of marketing orientation to explain the companies' propensity to innovate [8]. In doing so, they employed the term "customer orientation" to describe a specific set of beliefs that puts the customers' interests first and ahead of those of all other stakeholders (e.g., owners, managers, employees, etc.). In their view, this set of beliefs should be considered as part of a broader, and more fundamental, corporate culture.

Baker [9] approaches the concept of marketing orientation in a similar way. More specifically, although he avoids a specific definition of marketing or marketing orientation, he explicitly suggests that for a company to develop marketing orientation, "massive changes in the way it thinks about business" are required. In an indirect way, he specifies these required changes by emphasizing how easy it is to understand the philosophy of marketing. In his view, producers need to start conscientious efforts

A genuine marketing orientation requires both cultural and behavioral adjustments.

to identify and specify customers' needs and then mobilize their companies' assets to serve these needs in a framework of mutually satisfying exchanges.

The above citations that approach marketing orientation as a company philosophy are merely indicative and by no means exhaustive. Others [10, 11] have put forward similar views, all treating marketing orientation as mainly a company philosophy. Clearly, if the adoption of marketing orientation requires changes of the company's prevailing set of beliefs and attitudes, then marketing orientation represents a specific culture. Indeed, Hooley, Lynch, and Shepherd [1], on the basis of the attitudes toward marketing held by a broad sample of marketing directors in Britain, developed a classification scheme in which they classified companies into four groups, each exhibiting a different level of marketing orientation adoption.

More specifically, they distinguished the "Marketing Philosophers," as the companies that have fully embraced marketing orientation as a company-wide philosophy; the "Departmental Marketers," as the companies that perceive that the concept of marketing orientation is confined in what the marketing and/or the sales departments do; the "Sales Supporters" as companies that conceive the marketing concept as a tool for supporting the sales effort and; the "Unsurers" as the companies that are still confused about the meaning of the marketing concept. Based on these empirical results, the authors concluded that marketing orientation represents a distinctive company philosophy that is grounded upon specific attitudes and beliefs. On these grounds, we propose that:

H1: A classification scheme for companies that is based on different attitudes toward marketing, reflecting different levels of marketing orientation adoption, is possible.

However, another approach which views marketing orientation as being primarily a specific company behavior has also been developed. Trout and Ries [12], for example, perceive marketing orientation as an effort to com-

pile market intelligence upon which the effort to build a competitive advantage is based. In fact, they take it a step further and suggest that customer orientation, although important, is not as crucial as competitor orientation as the latter will enable the company to identify the weaknesses of its competitors and strike them back where they are weaker.

A behavioral approach in explaining marketing orientation from a different viewpoint is also adopted by Elliot [13]. He suggests that the concept of marketing orientation and the philosophy to set a priority to satisfy customers' needs, although important, is insufficient and requires revising. He proposes that designing strategies aimed at achieving customer satisfaction should be considered as part of the marketing orientation concept.

This strategic-behavioral approach in explaining marketing orientation has found acceptance and support by other authors as well [14, 15]. In fact, attempts have been made to explain that marketing orientation requires the development of marketing skills (with particular emphasis in designing and implementing marketing strategies) [16] and changes in the organizational structure and marketing systems of the company [17].

Within this framework of behavioral-strategical approach to marketing orientation, Piercy [18] suggests that marketing orientation is comprised of three elements:

- Strategies, concerning the critical decision of market definition and market segmentation as well as the identification of potential bases for the differentiation of the company's products against competitive offerings.
- Plans, concerning the development of marketing mix policies; and
- Information, concerning the entire market which is used for strategy design, planning, and control.

With this definition of marketing orientation, Piercy [18] clearly establishes a behavioral approach in defining the concept marketing orientation.

Industrial companies are left behind in adopting marketing orientation.

Finally, similar to Piercy's perception of marketing orientation, is the work of Kohli and Jaworski [19, 3]. They also view marketing orientation as behavior and they explain it on the basis of three pillars: Market intelligence collection (to understand the market); intelligence dissemination throughout the company (to familiarize it with the market); and responsiveness to the intelligence (through the strategies and plans that the company designs and implements).

However, since the end goal of marketing orientation is increased adaptability of the company to its market, it is intuitively attractive to assume that in order to achieve maximum adaptability both company attitude and behavior should be adjusted. Hence, marketing orientation is about

developing both a set of attitudes and a set of practices that aim to maximize the company's adaptability to the market. On these grounds, we suggest that:

H2: A genuine marketing/orientation adoption requires adjustment of both company attitude and behavior which are related and inseparable.

Marketing Orientation Adoption in Industrial vs. Consumer Markets

Although it has been argued that there are no grounds upon which a discrimination between industrial and consumer marketing can be justified [20], marketing scholars

TABLE 1
Summary of Empirical Studies.

Empirical Study	Marketing Orientation/ Performance Association	Moderator Variables	Market Variables/ Performance Association	Sample and Scope of Marketing Orientation/ Performance Investigation
Narver and Slater [2]	Positive	Not investigated	Relative cost, technological change, market growth.	SBUs from single company - across sample
Hooley, Lynch and Shepherd [1]	Weak positive	Not investigated	Not investigated	Random cross-section sample - across entire sample
Kohli and Jaworski [19]	Positive	None identified	Product quality, competitive intensity, supplier power	Purposive sample - across entire sample
Kohli and Jaworski [3]	Positive	None identified	Competitive intensity	Random cross-section sample - across entire sample
Slater and Narver [28]	Positive	Market turbulence with ROI. Technological change with new product success. Market growth with sales growth	Relative size, relative cost, ease of market entry, competitive hostility	SBUs from 2 companies - across sample
Ruekert [29]	Positive	Not investigated	Not investigated	SBUs from single company - across sample
Diamantopoulos and Hart [30]	Weak positive	Competitor hostility	Not investigated	Purposive sample - comparative between above- and below-average performers
Wong and Saunders [31]	Positive	Not investigated	Not investigated	Purposive sample - across entire sample
Greenley [32]	None	Market turbulence with ROI. Technological change with new product success. Customer power with sales growth	Relative size, relative cost, technological change, market growth	Random cross-section sample - across entire sample

Marketing orientation adoption influences company performance positively.

have long realized the necessity to distinguish the transactions that take place between organizations (industrial marketing) from the ones that emerge between organizations and individual consumers (consumer marketing) [21]. Apparently, the differences in the nature of the markets, the products, the demand and, more importantly the motives and the buying behavior of organizations acting as buyers, compared to the motives and the buying behavior characterizing individuals, warrant this distinction [22].

However, while the marketing concept cuts across both consumer goods and business marketing [23] consumer goods manufacturers seem to have embraced this concept more completely than their industrial counterparts [22]. Some business marketers are more concerned with the specifications of products than with how these specifications respond to customer needs [24]. Besides, acceptance of the necessity of formal market research has proceeded relatively slowly in industrial marketing than it has in the consumer goods field [25]. One possible explanation is the “technological arrogance” of industrial goods companies in that some of them have grown successfully on the basis of engineering skills and technological development [26]. Many managers in such firms are promoted out of engineering and R&D departments. It is not unusual, therefore, that technical values tend to dominate their decision making. Interestingly enough, while more than half of the business schools graduates in the United States are employed in organizations involved in business-to-business transactions, less than 2% have been exposed to industrial marketing courses during the in college education [27]. On these grounds, we expect that:

H3: Marketing orientation is less developed in industrial goods companies in comparison with their consumer goods counterparts.

Effect of Marketing Orientation on Company Performance

The association of marketing orientation and company performance has been the focal point of several research efforts which are summarized in Table 1.

These studies provide solid ground that supports the existence of a relationship between marketing orientation adoption and company performance. As to the direction of this relationship (whether marketing orientation leads to better performance or vice versa) evidence exists which demonstrate that it is the development of marketing orientation that contributes to the company's performance and not the other way round.

More specifically, this issue was raised in the work of Hooley, Lynch, and Shepherd [1]. The authors adopted a holistic approach and examined not only the groups that they identified but also the overall market practices that companies in the various groups tended to follow. This approach revealed that the “Marketing Philosophers” are the only ones that: (1) implement market segmentation strategies; (2) maintain a superior and clearer organization of their marketing activities and efforts; and (c) adopt a proactive (rather than a reactive) strategic posture. Clearly, availability of resources, as the consequence of higher performance, is not a prerequisite for such practices. In fact, such practices increase the overall efficiency of the marketing effort [33]. In addition, these practices were found only among the marketing orientated companies. This led the authors to conclude that marketing orientation is the cause of superior performance and not its outcome. Other research efforts [34–37] have also confirmed that specific marketing practices lead to superior performance in the market and not vice versa.

However, what seems to be common in all the research efforts mentioned above, with the noticeable exemption of the work of Hooley, Lynch, and Shepherd, is that the

Marketing orientation adoption has a greater impact on the performance of industrial companies.

investigation of the relationship between the degree of marketing orientation adoption and the company performance is restricted in two respects. First, company performance was considered only in terms of “achieved” performance. That is to say, important dimensions such as the actual performance vis a vis the company’s performance objectives and the company’s actual performance vis a vis the company’s competitors’ performance were not incorporated in the analyses. However, these two dimensions are equally critical when examining the contribution of marketing orientation to the company’s long-term prosperity and, consequently, we propose that:

H4a: Marketing orientation adoption (as attitude and behavior) has a positive effect on the company’s actual performance vs. its performance objectives, and

H4b: Marketing orientation adoption (as attitude and behavior) has a positive effect on the company’s actual performance vs. the performance of the company’s competitors.

Second another point not addressed by the research efforts mentioned above is the effect that marketing orientation has on the performance of companies participating in different markets, and particularly the industrial markets. However, considering that industrial good companies may grow successfully on the basis of engineering skills and technological development we should expect further improvements in company performance if these companies were to combine their engineering skills with marketing skills and market knowledge.

As Webster [38] argues “a marketing oriented industrial company is often more knowledgeable about its customers and their needs than is the typical marketing oriented consumer company.” There is also evidence to suggest that both new [39–41] and mature [42] industrial products successes, which assist companies to achieve their financial and market share objectives, are strongly linked with marketing related factors. On these grounds, we suggest that:

H5: Marketing orientation adoption will have a greater impact on the performance of industrial goods companies than on the performance of consumer goods companies.

RESEARCH METHODOLOGY

Sample and Data Collection

The hypotheses put forward in this article were assessed against data from 444 Greek companies as part of a much wider examination of marketing attitudes and practices in the Greek economy. For that purpose, a cross-sectional sample was chosen to increase the generalizability of the findings. At the same time, it was necessary that certain marketing skills be present among the companies in the sample. Thus, we ensured that larger companies would adequately be represented in the sample because it was felt that the larger the company the higher the probability to possess these skills. Consequently, the sample was defined to comprise the following companies:

- all manufacturing companies with more than 40 employees ($n = 1,843$)
- a random sample of 600 manufacturing companies with fewer than 40 employees ($n = 3,362$)
- all service companies with more than 20 employees ($n = 1,157$)

as described in the mailing lists of ICAP (Gallup’s subsidiary in Greece). This procedure produced a sample of 3,500 companies. However, changes in addresses and/or the closing of some of these companies eventually reduced the original sample to 3,200 companies. Clearly, including such a large number from such diversified industries increases the levels of heterogeneity in the sample. Although increased heterogeneity has been argued to induce negative effects on the quality of the findings [43, 44] cross-sectional samples with increased levels of heterogeneity are frequently used in research efforts in order to increase the researchers’ ability to generalize [1, 3].

Investing in understanding and satisfying customers' needs pays off.

To collect the data, a detailed and lengthy questionnaire was designed. Particular emphasis was given to avoid leading questions as well as complex or sensitive ones (especially in the beginning of the questionnaire) that could influence the respondent negatively [45]. Prior to mailing, the questionnaire was extensively pre-tested in order to increase the content validity of the research instrument. For that purpose, 12 personal interviews were conducted with marketing managers who had agreed to provide assistance and comments on the development of the questionnaire.

RESPONSE RATE. The initial mailing and follow-up efforts generated 452 responses. However, 9 of those responses were excluded from the analysis because of excessive missing data, thus reducing the effective sample to 444 cases, giving a response rate of approximately 14%.

A higher response rate was probably impossible because of the length of the questionnaire (12 pages) and the confidential nature of the information requested in some questions. In research designs in which cross-section samples are used [3, 46–48] response rates ranging from 12 to 20% are generally considered acceptable. Table 2

TABLE 2
Structure of the Respondents

	Consumer	Industrial	Services	Totals ^b
Main market	236	161	40	437
	Small	Medium	Large	
Size ^a	106	189	143	438

^aThe definition of size took into consideration the characteristics, in terms of employment level and annual turn-over, of Greek companies. Thus, as small were defined those companies that employed up to 50 employees and had an annual turn-over no more than US \$2 million. As medium were defined those companies that employed from 50 up to 250 employees and had an annual turn-over from US \$2 million up to US \$11 million. As large were defined those companies that employed more than 250 employees and had an annual turn-over exceeding US \$11 million.

^bTotals do not add to 444 as some respondents did not indicate the size of the company while others failed to indicate the market that their company participated in.

summarizes the structure of the respondents. To investigate whether non-response bias exists in the data, the *t*-test was used to examine differences in measured levels of marketing attitudes and practices between early and late (follow-up mailing) respondents. This statistical analysis indicated that there were no significant differences between early and late respondents.

MARKETING MANAGER. Respondents within companies were selected to have a deep knowledge of the company's overall marketing culture and practices. At the same time, they had to be senior enough to provide information on the company's strategies. Consequently, the marketing manager (or the sales manager where a marketing manager did not exist) was the appropriate person to contact.

The choice to use the single respondent approach was compelled by both the size of the sample and the respondent's familiarity with the research topic and the information sought. The large size of the sample rendered the mailing of additional questionnaires to more respondents per company prohibitive in financial terms. Similar studies in the broader field of marketing have also employed the key respondent approach without any flaws to the reliability of the data [2, 49].

Variables Measurement

The testing of the hypotheses put forward in this study necessitated the measurement of three blocks of variables: (1) marketing orientation measured as an attitudinal concept; (2) marketing orientation measured as a behavioral concept; and (3) company performance.

MARKETING ORIENTATION MEASURED AS AN ATTITUDINAL CONCEPT. To measure the respondent's level of marketing orientation adoption (as attitude), they were presented with 15 statements that have been found to adequately describe different attitudinal approaches to marketing orientation [1]. Then, using a Likert scale (1 = "I fully disagree" to 5 = "I fully agree") they were asked to indicate the degree of agreement or disagreement with each statement. To avoid potential bias in the responses induced by the possibility that some respondents might be inclined to

systematically tick at the extremes of the scale, attention was given to phrase the sentences in a manner that higher levels of agreement would not always represent a more positive attitude toward marketing orientation. Later, during the analysis phase and where necessary, the scales were reverted so that higher levels of agreement would always indicate a more positive attitude toward marketing orientation. The 15 statements, as well as the pertinent descriptive statistics, are presented in the Appendix.

MARKETING ORIENTATION MEASURED AS A BEHAVIORAL CONCEPT. The measurement used by Kohli and Jaworski [19] for marketing orientation as behavior was employed to gauge the degree of marketing orientation (as behavior) of the respondents (see Appendix). Thus using a 5-point scale (1 = "it does not represent our company at all" to 5 = "it fully represents us"), we measured: (1) the degree of market intelligence collection; (2) the degree of company-wide dissemination of the intelligence; and (3) the degree of responsiveness to the market intelligence gathered. The means and the standard deviation, as well as a reliability analysis for the scale, are presented in the Appendix.

COMPANY PERFORMANCE. To evaluate the performance of the respondents' companies, we employed subjective weighted measures of performance.

First, using a 4-point scale (1 = "little or not significant" to 4 = "extremely significant"), the respondents were asked to state the significance conceded to the following performance criteria:

- Profits,
- Annual turn-over,
- ROI and
- Market share.

Then, using the same scale as above, the respondents were also asked to state the significance attached to:

- Actual performance vs. performance target and
- Actual performance vs. competitor's performance as criteria in the evaluation process of their company's performance.

Finally, the respondents were asked to evaluate, using a 3-point scale (1 = "worse", 2 = "the same," and 3 = "better"), their company's performance over a 4-year period (in terms of profits, annual turnover, ROI, and market share) against both their performance objectives and their main competitors' performance.

Using the ratings provided by the respondents, we proceeded to calculate eight weighted measures of performance that are summarized as follows:

- Profits vs. Targets: significance attached to profits (1 to 4); significance attached to performance vs. Targets (1 to 4); actual profits vs. performance objectives (1 to 3) over the last 4 year period (mean:20.1, st.dev.:11.24.)
- Annual Turn-Over vs. Targets: significance attached to annual turn-over (1 to 4)* significance attached to performance vs. targets (1 to 4)* actual annual turn-over vs. performance objectives (1 to 3) over the last 4-year period (mean: 22.58, st.dev.:11.57).
- Market share vs. Targets: significance attached to market share (1 to 4)* significance attached to performance vs. targets (1 to 4)* actual market share vs. performance objectives (1 to 3) over the last 4-year period (mean: 21.23, st.dev.:11.53).
- ROI vs. Targets: significance attached to ROI (1 to 4)* significance attached to performance vs. targets (1 to 4)* actual ROI vs. performance objectives (1 to 3) over the last 4-year period (mean:16.63,st.dev.:10.26).
- Profits vs. Competition: significance attached to profits (1 to 4)* significance attached to performance vs. competition (1 to 4)* actual profits vs. competition (1 to 3) over the last 4-year period (mean:19.81,st.dev.:12.09).
- Annual Turn-Over vs. Competition: significance attached to annual turn-over (1 to 4)* significance attached to performance vs. competition (1 to 4)* actual annual turn-over vs. competition (1 to 3) over the last 4-year period (mean: 21.080, st.dev.:12.52).
- Market Share vs. Competition: significance attached to market share (1 to 4)* significance attached to performance vs. competition (1 to 4)* actual market share vs. competition (1 to 3) over the last 4-year period (mean:19.94, st.dev.:12.82)
- ROI vs. Competition: significance attached to ROI (1 to 4)* significance attached to performance vs. competition (1 to 4)* actual ROI vs. competition (1 to 3) over the last 4-year period (mean: 17.51,st.dev.:11.91).

The use of the aforementioned performance measures was preferred on the grounds that "objective" figures would be provided by the respondents while our ability to check for the integrity of the responses would, in any case, have been limited because of the anonymity offered to the respondents. In considering the use of this objective approach in measuring company performance, we felt that a high possibility existed that some of the respondents might, for reasons of confidentiality and despite the anonymity assertions offered from our part, be unwilling to "reveal" accurate figures of their performance. However, when asked to express their assessment of their company's performance in terms of better, worse, etc., we expected that

the respondents would feel more prompted to answer accurately as no revelation of company figures was necessary.

The employment of subjective measures of performance is not a new approach in studies that seek to investigate potential relations between company performance and various aspects of management. Similar studies have also used subjective measures of performance for this purpose [50, 51]. It is worth mentioning that studies that had used both objective and subjective measures of performance, have found strong correlation between them [52, 53]. This warrants the validity of using subjective performance measures to evaluate the company's actual performance.

Furthermore, as it has been suggested [54] when working with cross-sectional samples, the heterogeneity characterizing the various sectors included in the sample may induce significant bias in the analysis of company performance as a certain performance level (e.g., in terms of profits, profitability, etc.) that indicates good performance in one section could be unacceptably low for a different sector. However, by asking the respondents to characterize their performance themselves this problem is sufficiently handled. Finally, the practice to weight performance measures according to the significance attached by the management to the measure in question has also been suggested [55] on the basis that no performance measure is really important unless the management of the company perceives it to be important.

DATA ANALYSIS AND RESULTS

Marketing Orientation and Companies' Classification (H1 and H2)

An examination of the correlation matrix of the 15 statements used to probe the degree of marketing orientation adoption in attitudinal terms revealed that it might be possible to derive distinctive attitudes toward marketing orientation underlying the original 15 variables. To exploit this possibility we performed a principal components (PC) factor analysis. This analysis is particularly useful when the researcher seeks to identify underlying factors that potentially characterize a specific group of variables. Table 3 shows the results of that analysis.

As can be seen from Table 3, the PC factor analysis produced six specific attitudes toward marketing orientation, each representing a different perception of the concept. The first factor represents a conceptualization of marketing orientation that places emphasis on specific actions directed toward increasing the company's level of adaptation

to changing market conditions (market analysis and adaptation, intelligence collection on competition, and adaptation to the market). The second factor describes a much different attitude toward marketing. According to this approach, marketing orientation is nothing more than "high-tech selling" with the company's emphasis remaining on the selling effort (promoting products, supporting sales, and being the responsibility of the marketing/sales department).

The third factor describes complete ignorance of the concept. This factor does not describe any specific approach to marketing orientation. Rather, it proves that some companies still consider marketing orientation as a confusing concept and, consequently, do not apply it. The fourth factor describes a production-based approach to marketing orientation (design and management of the production process and decision making on production qualities and quantities) with the emphasis of the company placed on the production process. The fifth factor corresponds to an approach that maintains a traditional selling conceptualization of marketing orientation (building customer relations and maintaining customer contacts), while the sixth factor describes a cultural approach to marketing orientation (a company culture, customer satisfaction, and building product positioning and image).

TABLE 3
Attitudes Toward Marketing—A Factor Analysis

Factors	Variables	Loadings
F1: Market analysis & adaptation (22.6% of variation)	Intelligence on Competition	0.841
	Adapt to the Market	0.818
	Market Analysis	0.740
F2: High-tech selling (22.2% of variation)	Promoting Products	0.814
	Supporting Sales	0.785
	Confined in Sales and Marketing Departments	0.682
F3: Ignorance (9.3% of variation)	Not Existent	0.884
	A Confusing Concept	0.785
F4: High-tech production (7.9% of variation)	Design and Production Management	0.880
	Decisions on Quality and Quantity	0.866
F5: Traditional selling (6.8% of variation)	Build Customer Relations	0.845
	Maintain Customers Contacts	0.757
F6: Marketing philosophy (6.1% of variation)	Satisfy Customers' Needs	0.753
	Build Product Positioning and Image	0.676
	A Company Culture	0.445

Kaiser-Meyer-Olkin measure of sampling adequacy = 0.73621.
Bartlett Test of Sphericity = 1979.5292, sign. = 0.000.

Having identified a set of generic attitudes toward marketing orientation, we then tried to classify the respondents on the basis of these attitudes. For this purpose, we performed a cluster analysis using the factor scores derived from the PC factor analysis as independent variables.

For the clustering of the data we used the statistical routine *Quick Cluster*, which is an alternative to the more common hierarchical clustering, offering efficient use of computer resources while identifying clear and distinct clusters.

The objective of *Quick Cluster* is to form a predetermined number of clusters from a large sample such that the clusters display a high degree of internal similarity while being distinct from each other. Because the number of clusters is predetermined for *Quick Cluster*, there can be a problem in identifying the number of clusters necessary to give a good solution for any set of data. In our analyses, we examined the 3-, 4-, and 5-cluster solution. The 3-cluster solution resulted in large clusters with unacceptably diverse membership while the 4-cluster solution did not significantly improve the description of the data. Thus, the 5-cluster solution was tentatively adopted.

To test the clarity of the 5-cluster solution we ran an analysis of variance along with Duncan's multiple range test for each of the original variables (from which the factors were derived) and across each cluster. This analysis revealed that the 5-cluster solution fit the data in a meaningful way. Table 4 summarizes the results of this analysis.

As can be seen in Table 4 the first cluster, represents the Marketing Oriented companies. These companies believe that Marketing is primarily a company culture with a priority in satisfying customers' needs. They also believe that marketing orientation encompasses certain activities, such as collecting market information and intelligence on competitors, so that the company can adapt to the market and offer customer satisfaction. Within that framework, they believe that building relations with customers helps in better understanding their needs, while proper product positioning and product image improves their ability to satisfy more than the core need (e.g., psychological needs, social needs, etc.).

The second cluster consists of those companies that have developed a Product Orientation. More specifically, Product Oriented companies approach marketing with an emphasis on collecting market information for the purpose of managing the production and taking decisions regarding the quality and the quantity of the production. However, no particular emphasis is placed on associating these efforts with the objective of offering satisfaction to specific customer's needs. Hence, they cannot claim adoption of the marketing concept. Rather, they seem to be closer to the definition of "product orientation" offered by Kotler [56] who describes Product Oriented companies as those which, in order to gain a competitive advantage, attempt to increase the attraction of their product through the addition of extra features, or the use of modern technol-

TABLE 4
Company Profiles Based on Company's Attitudes Toward Marketing—Cluster Analysis and ANOVA

Variables (% of companies, n = 444)	Marketing Oriented (24.2%)	Product Oriented (20.2%)	Sales Oriented (14.5%)	Production Oriented (11.5%)	Agnostics (29.6%)	F	Sign.
Supporting sales	(3.084)	4.025	[4.526]	3.888	[4.353]	28.790	0.000
Promoting products	(2.894)	3.367	3.929	3.733	[4.086]	22.168	0.000
Satisfy customers' needs	[4.705]	4.291	(3.421)	4.405	4.396	41.388	0.000
Confined in sales and marketing departments	(2.852)	(3.088)	[3.842]	3.288	3.594	10.482	0.000
Market analysis	[4.357]	[4.468]	(3.350)	3.977	4.267	23.206	0.000
Not existent	(1.315)	2.329	2.245	(1.666)	[3.034]	46.214	0.000
A company culture	[4.094]	(2.835)	(2.175)	3.650	3.267	38.491	0.000
Build product positioning and image	[4.126]	(3.075)	3.631	3.800	3.775	14.909	0.000
Design and production management	2.789	[3.758]	2.245	[3.706]	(1.873)	51.512	0.000
Decisions on quality and quantity	3.452	[3.974]	(2.473)	[3.841]	(2.519)	34.033	0.000
Maintain customers contacts	3.200	2.265	[4.105]	(1.911)	3.732	61.436	0.000
Intelligence on competition	[4.210]	3.949	(3.140)	(2.666)	3.965	34.692	0.000
Adapt to the market	[4.378]	4.139	(3.333)	(3.111)	4.163	29.687	0.000
Build customer relations	[4.126]	(2.949)	[4.263]	(2.688)	3.956	48.237	0.000
A confusing concept	(1.663)	2.493	2.877	(1.666)	[3.163]	34.875	0.000

Figures represent the average of each variable in each cluster. Maximum values are in brackets while minimum are in parentheses (based on Duncan's multiple range test, $p < 0.10$). Significance level is based on one-way analysis of variance.

ogy, while neglecting to specify customer's needs and a manner to serve these specific needs better than the competition.

The third cluster describes the companies that maintain a Sales Orientation. These companies believe that marketing is primarily a sales support function and is better left to the marketing or the sales departments. Typical of their attitude toward marketing is the neglect of any market analysis and the rejection of marketing as a company culture. Within this framework, they try to build relationships with their customers and maintain-regular contacts not as means of increasing their understanding of their customers' needs but rather as a way to increase the effectiveness of their sales effort.

The fourth cluster consists of the Production Oriented companies. These companies hold the attitude that their marketing effort should focus on decisions regarding the management of their production process and the quality and the quantities of the production output. They see no benefits in engaging in activities such as market analysis, collecting intelligence from competitors, and adapting to market conditions.

Finally, the fifth cluster, Agnostics, describes those companies which have a general picture of marketing as something that has to do with the sales function. Basically, marketing remains to them a confusing concept that they do not apply to their business activities.

When examining the characteristics of the five distinctive groups of companies derived from the analysis, it is clear that these groups are characterized by different levels of marketing orientation adoption. Indeed, the Marketing Oriented group is characterized by maximum adoption of the concept because, as can be seen in Table 3, they place emphasis on market analysis, collection of intelligence on competition, and market adaptation.

The Product Oriented companies, on the other hand, are characterized by a lower level of marketing orientation

adoption. Although they also emphasize the need for market analysis (so that they can incorporate competitive technology and features in their products), they fail to take into full consideration the needs and demands of their customers and translate them to their technological offerings. Next in terms of marketing orientation adoption is the Sales Oriented group. For this group the only evidence of marketing orientation adoption is their selling effort. However, this effort occurs without any attempt to adapt to the needs and demands of their customers and the market in general.

The production oriented group follows. As Table 3 shows, this group of companies is basically concerned with production related issues, ignore the market developments and make no effort to collect intelligence on competition or to adapt to the market.

Finally, the Agnostics group of companies appear to be the group with the minimum adoption of the marketing orientation concept as they do not give particular emphasis to internal or external development. Thus, it would appear that the findings presented in Table 3 demonstrate that it is possible to classify companies on the basis of their different attitudes toward marketing which, in turn, reflect different levels of marketing orientation adoption. This evidence supports our first hypothesis (*H1*).

The next stage of the analysis involved the investigation of the potential relationship between marketing orientation as an attitude and marketing orientation as behavior. For this purpose, we performed ANOVA using the attitudinal profiles derived from the previous stage of the analysis as independent variables and the measurements of marketing orientation (as behavior) as dependent ones. Basically, we examined whether the means of the variables employed to measure the degree of marketing orientation adoption (as behavior) varied among companies exhibiting different attitudinal profiles. Table 5 presents the findings of that analysis.

TABLE 5
Relationship between Marketing Orientation as Behavior and Marketing Orientation as Attitude—ANOVA

	Marketing Oriented	Product Oriented	Sales Oriented	Production Oriented	Agnostics	F	Sign.
Intelligence collection	[4.041]	3.879	3.0762	3.527	3.317	16.972	0.000
Intelligence dissemination	[4.025]	3.890	3.014	3.543	3.340	14.726	0.000
Response to intelligence	[4.195]	3.705	2.758	3.290	3.094	16.902	0.000
Adoption of marketing orientation (as behaviour)	[4.091]	3.878	3.456	3.267	(2.942)	21.475	0.000

Figures represent the average of each variable in each cluster. Maximum values are in brackets while minimum are in parentheses (based on Duncan's multiple range test, $p < 0.10$). Significance level is based on one-way analysis of variance.

The findings presented in Table 5 clearly demonstrate that the adoption of marketing orientation, as behavior, is associated with the adoption of Marketing Orientation, as attitude. More specifically, the marketing oriented companies place much greater emphasis on intelligence collection and dissemination as well as on responsiveness to intelligence and generally are the ones that undertake the set of activities that the literature suggests comprise marketing orientation as behavior. At the other extreme, the Agnostics, which view marketing as a confusing concept, are the ones that demonstrate the lowest level of marketing orientation adoption (as behavior).

This finding is particularly important in the sense that it manifests that marketing orientation consists of a certain set of beliefs about marketing (which form a specific attitude toward marketing) and of a certain set of activities that actually materialize the positive attitudes toward marketing into practice. Thus, on the basis of these findings, we accept our hypothesis that a genuine marketing orientation adoption requires adjustment of both the company's attitude and behavior (*H2*).

Marketing Orientation Adoption in Industrial vs. Consumer Markets (*H3*)

To investigate the hypothesis that marketing orientation is less developed in industrial goods companies in comparison with consumer goods companies, we carried out two kinds of analyses. First we examined whether the distribution of companies characterized by various attitudinal profiles tend to differ when the companies are broken down by the market in which they participate. Table 6 describes this analysis.

One interesting finding that is derived from Table 6 is the large number of both industrial and consumer companies falling in the agnostics group. This finding is significant as it clearly indicates that the confusion about the meaning and the content of the marketing concept transcends

TABLE 6
Attitudinal Profiles Characterizing Companies that Participate in Different Markets

Attitudinal Profiles (% of companies)	Industrial Companies (n = 161)	Consumer Companies (n = 236)
Marketing oriented	18.1	24.6
Product oriented	18.1	20.3
Sales oriented	22.2	10.1
Production oriented	12.5	15.5
Agnostics	29.2	29.5

χ^2 : 10.624; d.f.: 4, sign.: 0.031

markets and industries. The findings of Table 6 also demonstrate some differences between industrial and consumer companies. More specifically, the findings suggest that industrial companies are, primarily, prone to develop a sales orientation while consumer companies are more inclined to build a marketing orientation.

Second, we investigated whether the emphasis placed on the components of marketing, orientation as behavior, namely intelligence collection, intelligence dissemination, and response to intelligence, tends to differ between industrial and consumer goods companies. Table 7 shows the results of this analysis.

As the findings presented in Table 7 demonstrate, industrial companies, when compared to the consumer goods companies, are clearly left behind in the development of a behavioral pattern that would manifest adoption of the marketing orientation concept (as behavior). More specifically, consumer goods companies are more inclined to collect market intelligence and to disseminate this intelligence company-wide. Consumer goods companies also have the tendency to adjust their products to the market conditions to a larger degree than industrial companies. On these grounds, we accept our third hypothesis that marketing orientation is less developed in industrial goods companies in comparison with their consumer counterparts (*H3*).

Effect of Marketing Orientation on Company Performance (*H4a, H4b, H5*)

Our analysis next turned to the examination of a possible relationship between marketing orientation adoption and company performance as well as to the investigation of the significance that marketing orientation adoption has for the performance of industrial companies as compared to their consumer counterparts. Initially, the relationship between marketing orientation adoption (as attitude) and company performance was investigated for the

TABLE 7
Behavioral Patterns Characterizing Companies that Participate in Different Markets

	Consumer Companies n = 236	Industrial Companies n = 161	t-value	Signif.
Collect intelligence	3.91	3.14	4.86	0.000
Intelligence dissemination	3.68	3.41	2.03	0.044
Response to intelligence	3.46	3.02	3.02	0.001
Marketing orientation	3.71	3.18	3.16	0.000

Values represent means on the 5-point scale.

TABLE 8
Marketing Orientation Adoption (as Attitude) and Company Performance

TOTAL SAMPLE (n = 444)							
	Marketing Oriented	Product Oriented	Sales Oriented	Production Oriented	Agnostics	F	sign.
Profits vs. targets	[24.960]	20.831	(14.120)	[25.180]	18.791	10.498	0.000
Sales volume vs. targets	[22.670]	23.338	(16.016)	[27.285]	20.534	12.775	0.000
Market share vs. targets	[27.367]	23.292	(16.250)	[26.565]	(18.446)	10.113	0.000
ROI vs. targets	[23.521]	17.400	(12.833)	[23.681]	15.943	10.436	0.000
Profits vs. competitors	[22.560]	18.521	(12.137)	21.840	15.735	9.802	0.000
Sales volume vs. competitors	[25.911]	20.437	(14.426)	21.985	18.198	9.960	0.000
Market share vs. competitors	[29.039]	24.167	(14.895)	20.477	(16.815)	7.688	0.000
ROI vs. competitors	[21.536]	14.908	(10.812)	20.568	(13.680)	10.290	0.000
INDUSTRIAL COMPANIES (n = 161)							
	Marketing Oriented	Product Oriented	Sales Oriented	Production Oriented	Agnostics	F	sign.
Profits vs. targets	[26.555]	21.391	17.935	20.400	17.710	2.310	0.061
Sales volume vs. targets	[26.889]	24.956	21.032	24.391	(19.184)	2.001	0.098
Market share vs. targets	[25.222]	24.272	(17.517)	24.409	(17.000)	2.794	0.029
ROI vs. targets	[23.176]	14.833	15.565	16.800	14.320	2.182	0.076
Profits vs. competitors	[28.750]	23.000	(15.800)	21.475	(15.458)	4.935	0.001
Sales volume vs. competitors	[30.687]	26.235	(19.120)	(21.409)	(15.293)	4.313	0.003
Market share vs. competitors	[29.533]	25.294	(14.041)	20.810	(12.370)	6.704	0.000
ROI vs. competitors	[26.363]	18.285	11.555	18.187	12.165	3.351	0.014
CONSUMER COMPANIES (n = 236)							
	Marketing Oriented	Product Oriented	Sales Oriented	Production Oriented	Agnostics	F	sign.
Profits vs. targets	21.886	19.743	19.833	22.533	16.849	1.961	0.102
Sales volume vs. targets	24.021	22.359	22.600	24.007	20.867	0.852	0.494
Market share vs. targets	25.285	23.333	(20.411)	24.808	(18.607)	9.705	0.019
ROI vs. targets	17.775	15.794	16.052	20.761	15.108	1.524	0.197
Profits vs. competitors	22.305	19.733	15.846	20.461	19.675	0.670	0.614
Sales volume vs. competitors	[26.159]	20.562	20.077	20.222	20.145	5.923	0.000
Market share vs. competitors	[26.789]	21.333	16.416	19.769	19.936	2.516	0.043
ROI vs. competitors	22.680	15.880	18.100	21.250	16.314	1.624	0.173

Figures represent the average of each variable in each cluster. Maximum values are in brackets while minimum are in parentheses (based on Duncan's multiple range test. $p < 0.10$). Significance level is based on one-way analysis of variance.

total sample. For that purpose we carried out an one-way analysis of variance to examine whether the performance measures varied across the 5 attitudinal profiles.

As can be seen from Table 8, the results of the analysis for the sample as a whole revealed that the marketing oriented companies outperform companies with different attitudinal profiles in both dimensions of performance, namely, performance vs. targets and performance vs. competition. From this general picture only a single exception was observed. The ability of production oriented

companies to achieve and frequently exceed their performance objectives.

However, when performance is evaluated against the performance of their main competitors, then production oriented companies, as all other companies that do not share a marketing orientation approach, are left behind in all four measures of performance (sales volume, market share, profits, and ROI). As the company's performance against its competition is the most critical issue regarding the company's viability in the future, the data suggest

that only marketing orientation safeguards the company's long-term prosperity against its competitors.

The picture is similar when the relationship between marketing orientation (as behavior) and company performance is investigated for the total sample (Table 9). Indeed, the examination of the Pearson's correlation coefficients between the marketing orientation adoption and all eight measures of company performance show positive and statistically significant associations.

These findings support our hypotheses that marketing orientation adoption (both as attitude and as behavior) has a positive effect on both the company performance vs. the performance objectives (*H4a*) and company performance vs. the company's competitor's performance (*H4b*).

Next, the effects of marketing orientation on company performance for companies operating in different markets was examined. Tables 8 and 9 show that marketing orientation has a greater impact on the performance of industrial goods companies than it has on the performance of the consumer goods companies. More specifically, as Table 8 shows, Marketing Oriented companies in industrial markets, when compared to the companies with different attitudinal profiles, achieve significantly higher performance in all performance measures. On the other hand, the Marketing Oriented companies in consumer markets achieve better performance only in terms of sales volume and market share vs. competitors.

When the association between marketing orientation (as behavior) and company performance is investigated (Table 9), it is revealed that, while for the industrial companies the adoption of marketing orientation is positively and statistically significantly associated with all the performance measures examined, for the consumer companies, this association exists only for some of the performance measures. Certain performance measures (profits, sales volume, and ROI vs. competition), exhibit positive but not statistically significant association with marketing orientation adoption.

On these grounds, we accept our hypothesis that, overall, marketing orientation adoption has a greater impact on the performance of the industrial companies than it has on the performance of their consumer counterparts (*H5*).

CONCLUSIONS AND IMPLICATIONS

The empirical findings presented in this article provide important insights pertaining to both the concept of marketing orientation and its influence on company performance.

As the analysis has shown, the attitudinal and the behavioral aspects of marketing orientation are interrelated. Indeed, our findings suggest that the attitude to consider marketing as the culture of satisfying customers' needs and of adapting products to the customers' needs and wants leads to specific actions that must be taken in the marketplace. On the other hand, unless a certain attitude is formed, these actions never emerge. This clarification is particularly important for researchers who investigate how various aspects of management relate to the espousal of marketing orientation. Up to now, most attempts to examine several phenomena in the field of marketing and/or management and how these phenomena relate to marketing orientation adoption were done by treating marketing orientation as either a set of attitudes or a set of practices-behavior [1-3]. Our empirical findings suggest that such disassociation should be avoided.

This finding is also significant for practitioners who wish to re-orientate their companies and build a genuine marketing orientation because it helps explain why companies striving to build a marketing orientation often fail.

Starting from the main principle that marketing oriented companies stand in the market to satisfy customers' needs, their management usually attempts to foster a marketing oriented approach either to the company's system of beliefs or to their company's structural arrangements.

TABLE 9
Marketing Orientation Adoption (as behavior) and Company Performance

	Profits vs. Targets	Sales Volume vs. Targets	Market Share vs. Targets	ROI vs. Targets	Profits vs. Competition	Sales-Volume vs. Competition	Market Share vs. Competition	ROI vs. Competition
Total sample	0.257 ^a	0.226 ^a	0.378 ^a	0.272 ^a	0.131 ^d	0.191 ^a	0.277 ^a	0.179 ^c
Industrial	0.328 ^a	0.275 ^b	0.427 ^a	0.341 ^a	0.186 ^c	0.2837 ^b	0.397 ^a	0.246 ^d
Consumer	0.2042 ^b	0.158 ^c	0.354 ^a	0.215 ^b	0.054	0.074	0.173 ^d	0.091

Values represent Pearson's *r* correlation coefficients.

^asignificant at $p = 0.000$; ^bsignificant at $p < 0.005$; ^csignificant at $0.005 < p < 0.010$; ^dsignificant at $0.010 < p < 0.050$; ^esignificant at $p < 0.100$.

Our analysis has shown that by placing emphasis solely on the company's attitudes, through manipulation of the prevailing system of beliefs, marketing orientation cannot flourish. At best, people will start thinking in terms of satisfying customers' needs, yet the knowledge of what these needs exactly are and how they can be satisfied will be absent. Unless the skills to collect intelligence from the market are incorporated in the company and the structural arrangements are redesigned to accommodate the necessary intradepartmental flow of communication, the company will be unable to show responsiveness to customers' needs and satisfy them.

Thus, the establishment of the interrelationship between the two pivots of the marketing orientation serves in guiding the efforts of the companies that attempt to become marketing orientated. Their efforts need to focus on both the aspects of the concept if lip-service to marketing is to be avoided.

Another interesting finding is the degree of adoption of the marketing orientation concept by industrial companies. Our analysis has shown that industrial companies, when compared to consumer ones, are less likely to develop a marketing orientation. On the contrary, industrial companies are more inclined to develop a sales, production, or product orientation.

This finding demonstrates how the majority of industrial goods companies attempt to develop a competitive advantage. Many of them tend to focus on their sales effort. Others attempt to improve their business through the attraction of customers by adding extra features to their products, using modern technology or by focusing on their production process. However, they do not bother to evaluate the benefits that these actions will bring to their customers. Only a fraction of industrial companies appear to actively seek to adapt their products to the specific needs and wants of their customers.

Thus, corrective actions to both the attitudes held and the practices employed by industrial goods companies is necessary. This necessity stems from the fact that, as this study has shown, marketing orientation leads to better performance and, for industrial companies specifically, this relationship is even stronger.

Our data show a statistically positive association between marketing orientation adoption and company performance. Previous studies [1-3, 19, 36, 37] support the view that developing a marketing orientation leads to performance improvements. Our study examined two important dimensions of company performance (performance vs. performance objectives and performance vs.

competition performance) and has shown that the adoption of marketing orientation improves both of them.

Our analysis has shown that Marketing Oriented companies outperform companies with different orientations in both dimensions of performance. From this general picture only a single exception was observed: the ability of Production Oriented companies to achieve, and frequently exceed, their performance objectives. This point was also suggested by Narver and Slater [2] who noticed that SBUs operating in certain markets (e.g., commodity businesses) and maintain a production orientation may achieve high performance. They explicated this paradox by stressing the ability of production orientated companies to be very consistent and efficient in what they do. As a result, they may be able to achieve high performance through a low-cost strategy and penetration pricing.

In addition, one should keep in mind that companies pursuing a production orientation have more stable and predictable business, serve regular customers, and receive steady cash-flows. Hence, based on their previous experience and in their pursuit for efficiency, they can set realistic expectations about performance that they can easily achieve. However, when the performance against main competitors was examined, production oriented companies were unable to demonstrate equally high performance.

Consequently, our findings suggest that marketing orientation has a significant impact on company's performance and, more importantly on its performance against the company's competitors. Thus, marketing orientation development may very well serve as a powerful and fruitful base upon which a competitive advantage can be established.

This is particularly true for companies competing in industrial markets. As our findings suggest, industrial companies that are characterized by higher levels of marketing orientation adoption, tend to achieve better performance, not only against their own performance goals, but also, and more importantly against their competitors. More specifically, the profits, ROI, sales volume and market share of the Marketing Oriented industrial companies, compared with the respective figures of the non-marketing oriented goes, are significantly higher.

Clearly, industrial companies that invest in understanding the customers and adapting their offerings to the customers' needs gain in terms of the preference they enjoy in the market as potential suppliers. This preference is translated into better performance, not only in terms of the performance objectives they set but also, and more important in comparison with the performance achieved by their main competitors.

LIMITATIONS OF THE STUDY AND FUTURE RESEARCH

Our study has certain limitations that need to be mentioned. The first limitation concerns the cross-sectional nature of the research design. Although cross-sectional samples enable generalization of the findings, they prevent close investigation of several aspects of the relationships identified in this study. For instance, it may be possible that for certain market conditions marketing orientation may have a greater or a lesser impact on company performance. Replication of our study within a single sector or between two or three different sectors might give us a more detailed view of the nature of the relationships identified in this study.

A second limitation concerns the context of the study (Greece) which put constraints on the generalizability of the results to other companies and other national contexts. However, the use of a country other than the United States increases our understanding of the role of marketing orientation in other contexts and helps to demonstrate the universality and global importance of the concept. Future research that replicates this study in other national contexts would be welcome and would further improve our understanding of the significance that marketing orientation has on company performance in general and on the performance of industrial goods companies in particular.

Some other interesting directions for future research also spring from this study. One direction relates to the need of constructing a single measurement of marketing orientation that will comprise both the attitudinal and the behavioral pivots of the concept. In this study, orientation was measured by two different measures for each different aspect of the concept. Future attempts should seek to develop and validate, through empirical evidence, a single measure that will incorporate both. Such measurement would facilitate further research in the field of marketing and specifically the investigation of relationships and/or causalities between the adoption of marketing orientation and other managerial considerations.

Future research is also needed to investigate the conditions under which marketing orientation is developed. As this research has shown, different orientations exist and one can identify companies that pursue them. Future research should attempt to answer questions such as: Why does the majority of companies fail to follow a marketing orientation, especially when the latter admittedly is a solid source of competitive advantage? Are there any company-specific, or environment-specific conditions that

influence the development of marketing orientation? The identification of mediating variables that influence the development of marketing orientation will depict the specific issues that must be addressed by the companies that are in the process of doing so.

Finally, another area for future research relates to the reasons why industrial goods companies, when compared with the consumer goods companies, are left behind in developing marketing orientation. As our findings have shown, marketing orientation is not widespread among industrial companies. Answering why this is so goes beyond the scope of this study. Yet, the identification of the reasons why industrial goods companies tend not to develop a marketing orientation will help to design specific corrective actions that will assist the diffusion of marketing orientation among industrial goods companies.

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APPENDIX

Marketing Orientation as Attitude

Means and standard deviations of 15 statements describing different attitudinal approaches to marketing orientation

Marketing is:	Means	Standard Deviations
Primarily a sales-support function	3.975	1.097
About promoting our products	3.582	1.097
About identifying/specifying our customers' needs and satisfying them	4.319	0.817
What the marketing and/or the sales departments do	3.315	1.137
The effort to analyze market conditions	4.146	0.851
Literally non-existent to our company	3.253	1.512
The philosophy/culture leading our company	3.253	1.211
About building an image/positioning for our products	3.697	0.982
A way to handle decisions concerning the quality and quantity of the production process	3.260	1.211
About managing the production process	2.824	1.185
A way to create customer contacts and closing deals	3.163	0.990
The effort to collect intelligence on competition	3.752	0.933
Adapting to changing market conditions	3.933	1.021
Building customer relationships	3.674	1.021
A confusing concept	2.470	1.226

Marketing Orientation as Behavior

Means, standard deviations and reliability analysis of the items comprising the Kohli and Jaworski scale

	Means	Standard Deviations	Variable to Scale Correlation	Cronbach's Alpha without the variable	Cronbach' Alpha
Collect Market Intelligence					0.675
Collect information from users on their future needs	3.651	1.288	0.431	0.594	
Company is slow in identifying changes in preferences	3.450	1.290	0.327	0.667	
Information is collected from the user to evaluate product's quality	3.509	1.301	0.498	0.565	
Frequent contacts with potential influences of the end-users buying decisions	3.476	1.411	0.422	0.595	
Delays in identifying and comprehending major changes in the market environment	3.739	1.322	0.423	0.596	
Intelligence Dissemination					0.805
Minimal communication between marketing and the other departments about market developments	3.606	1.371	0.536	0.781	
Information on customers' satisfaction is disseminated throughout the organization and hierarchical levels	2.945	1.397	0.560	0.776	
Marketing people meet managers from other departments to discuss future needs of the end-users	3.237	1.391	0.670	0.749	
When something big happens to a major customer or market the whole organization knows about it in a short while	3.845	1.246	0.548	0.778	
Marketing employees meet regularly with employees of other functional units to discuss future trends in the market	3.651	1.249	0.628	0.761	
The various departments are slow to become informed on matters related to competition, customers, etc.	3.870	1.234	0.441	0.788	
Response to Intelligence					0.682
Employees from different functional units meet frequently to design the company response to changing market conditions	3.434	1.219	0.456	0.566	
Strategies and plans are based more on the company's production capabilities rather than market research results	2.614	1.329	0.310	0.524	
New product development procedures are often scrutinised in order to ensure that they produce the right products that will satisfy the customers	3.368	1.391	0.449	0.555	
Marketing Orientation (as behavior)	3.474	0.775			0.822
Intelligence collection	3.559	0.894	0.649	0.781	
Intelligence dissemination	3.527	0.934	0.692	0.737	
Response to intelligence	3.290	0.879	0.687	0.744	