

## Orienteering

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## **Orienteering**

### **Abstract**

Orienteering: a race across unfamiliar countryside using maps and a compass.

Academics have carefully considered the concept of market orientation since the MSI announced its priorities in 1990. What is market orientation? Is it product focused? Competitor focused? Customer focused? Is it a strategy? Is it behavior? Is it a philosophy? Or culture? However it is defined, it has become clear that to orienteer in the marketplace, the marketing function is essential to a firm's success.

Kohli and Jaworski (1990) define three core themes; they label "pillars" to describe the market orientation concept: Customer focused, coordinated marketing, and profitability objectives. This view puts emphasis on information sharing: intelligence generation followed by intelligence dissemination and responsiveness. In 1993, Jaworski and Kohli extend their contribution by discussing in detail the antecedents of market orientation as information sharing: Top Management (emphasis on marketing and risk aversion), Interdepartmental Dynamics (conflict and connectedness), and Organizational Systems (structure, rewards).

Narver and Slater (1990) challenge the single focus, offering two additional "behavioral components" of market orientation: Competitor focused and Interfunctional Coordination. In addition, they extend the profitability objective to be long-term focused. In 1994, Slater and Narver attempt (unsuccessfully) to identify emphasis and strength moderators of market orientation on market performance. In 1995, they extend their interfunctional coordination in ways that are similar to Kohli and Jaworski (1990; 1993), by addressing the importance of Organizational Learning (Slater and Narver, 1995, page 63): "We argue that though a market orientation provides strong norms for learning from customers and competitors, it must be complemented by entrepreneurship and appropriate organizational structures and processes for higher-order learning to occur." The culture and climate they propose is based on adaptive and

generative learning with organizational memory being defined similarly to the “information sharing” ideas presented by Kohli and Jaworski (1990): information acquisition, information dissemination, and shared interpretation.

To me, this is the essence of market orientation. A firm’s culture, philosophy, or shared organizational memory anchored to making sense of the market place and acting accordingly in activities consistent with the internal capabilities of the firm. Using the orienteering metaphor, the map is the marketplace, the race is for long-term profits, and the compass is the firm’s internal capabilities. This more abstract construct better explains some of the more modern readings on the marketing orientation concept – the focus and the nature of the concept is contingent on the firm’s competencies and their understanding of their marketplace.

Voss and Voss (2000) research offers some seemingly counterintuitive insights into the importance of strategy based on a particular marketplace, the theatrical arts. Using three types of market orientation (product focused, competitor focused, and customer focused), Voss and Voss conclude that in certain contexts it is best to ignore the customer and focus on the product and competitor. The race for the profit, in the context of aesthetic offerings, is different. As such, the market orientation strategy should also be different. In some cases, especially when customers cannot articulate what they want or need, driving demand or driving the market is the challenge for the firm. Which raises the question: if a firm can drive demand for its product by driving the market, is the firm also capable of driving culture in communities of practice? From the Voss and Voss research, it appears that it is possible. This is essential for both external and internal marketing practices.

The evolution of the market orientation concept is an evolution from antecedents and attributes to philosophy and culture mediated by the concept of organizational learning. The philosophy becomes the values associated with the culture of the organization. As will be discussed, the concept of culture and organizational change dampens the outlook for future research on market orientation, since both are so tacit and intangible. The managerial implications, however, become quite clear: internal marketing is just as important as external marketing; that is, diffusion information about both the tangible and intangible aspects of the offering is essential in both domains.

Homburg and Plessner (2000) offer a market-oriented organizational culture framework. They define behavior differently from norms, and their study demonstrates that market-oriented behaviors are mediated by cultural artifacts. That is, values and norms can be put into place, but if stories, rituals, arrangements, and language do not internally promote these values and norms, then the desired market-oriented behaviors (generation, dissemination, and responsiveness of market intelligence) will not be present. Without these behaviors, performance outcomes will suffer. Kirca and colleagues (2005) perform a meta-analysis in which they derive potential antecedents of such cultural artifacts: top management emphasis, internal coordination, and appropriate organizational systems that reward market-orientated behavior. Expressed commitment by the top management regarding the values and norms needs to be promoted to the firm's constituents – internal marketing may be the most important factor for a firm's performance.

Transforming the organization into a authentic market oriented firm has been thoroughly discussed, with various models of change, and various ideas. Implementing sustainable change

within an organization is very difficult; there are many layers of inertia to overcome. Gebhardt and colleagues (2006) offer a “cookie cutter” formula to stage such a transformation: initiation, reconstitution, institutionalization, and maintenance.

Every consulting management firm has their philosophy regarding how to implement change in an organization, most following the general ideas of the formula offered (Gebhardt et al. 2006). The complexity of any firm coupled with its unique learning processes, culture, and strategic vision stalls academics attempts to create a generic formula for organizational change, even within the market orientation concept. Like general marketing concepts, market-oriented concepts need to be anchored to fundamental principles. Market-oriented strategy then becomes a orienteering process: a firm makes sense of its marketplace, and aligns with its competencies to earn profits.

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