



Market orientation in service

A review and analysis

Market
orientation in
service

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Abstract *The association between economic development and growth of the service sector seems indisputable. Although it is necessary to highlight that services are of a different nature from that of products, nowadays the latter are more and more penetrated by complementary services, given the circumstance that services themselves also include, occasionally, the use and consumption of products. Market orientation had been developed mainly in association with tangible products; therefore it is necessary to carry out a study where the evolution of the market orientation is reflected in the service sector independently from industrial sectors. That is why a historical summary of the evolution of market orientation on the service sector has been performed.*

Introduction

In recent years, the service sector in developed countries has gained a greater economic importance and a more significant presence in the enterprise landscape. The number of activities has widened: financial, travelling, personal, professional and health-care activities have all become part of this group. This diversity has favoured a growth in the consumption of these services which, in its turn, has been modified according to environmental elements and consumers' preferences.

During the last 50 years interest in marketing theory and practice has been steadily increasing. This interest has deepened because of the popularisation of the term "marketing" and greater expansion and sophistication in its practical use. Consumers' choices have become a major concern for business organisations and meeting consumers' needs is now considered the main objective of enterprises. The realisation of the importance of consumers' dictates has eased the path towards the marketing concept and market orientation.

Most studies in this field have centred on the definition and delimitation of the marketing concept and market orientation. During the last three decades, the definition of market orientation has changed often but has nevertheless kept a central position inside the theory and practice of marketing strategies. Only recently has a theory comprising antecedents, limits and consequences of marketing orientation been worked out, together with a set of measurements for this construct which allow testing its effects on the enterprise profitability: for instance, MARKOR (Kohli *et al.*, 1993) and MKTOR (Narver and Slater, 1990).

A further distinction has recently been introduced between two complementary approaches to market orientation: to be market driven and



driving markets. Both of them are focused on consumers, competitors and market conditions. Nevertheless, market driven means understanding and reacting accordingly to the preferences and behaviour of those involved in a given market structure, whereas driving markets implies influencing market structure and/or the behaviour of its participants, so that companies may obtain a competitive position.

However, the majority of the studies carried out up till now have concerned themselves only with the first definition. This disproportion has led us to consider the main aim of this study to analyse the empirical research carried out from the 1950s onwards on the topic of market orientation and its application to the service sector. We will look into the evolution of this research, its methodology and its main conclusions in this field. To define a conceptual framework, and to help guide research in this area, we review the recent research on market orientation in the service sector.

In this context, this research's aim is to explain the current situation and, with this knowledge as a starting point, to provide advice for the formulation of new scales which will promote the theoretical and practical evolution of market orientation.

Antecedents and theoretical outlook of market orientation

The delimitation of the object of this study makes it necessary to define the concept as a first step, due to the diversity of denominations which can be found in marketing literature. In this review, it is possible to find terms such as "Integrated marketing" (Felton, 1959), "Customer orientation" (Kelley, 1990), "marketing orientation" (Payne, 1988; Gummesson, 1991), "marketing community" (Messikomer, 1987), "market orientation" (Kohli and Jaworski, 1990; Narver and Slater, 1990; Ruekert, 1992) "integral orientation" (Esteban *et al.*, 1997). Shapiro (1988), when discussing this topic, suggests that the terms market orientation, marketing orientation, customer orientation, "to be close to the customer", etc. are so similar that a distinction among them can hardly be established.

However, not only is it necessary to explain the concept from a linguistic perspective, but also to delimit its content, because "to be market-oriented" did not mean the same in the late 1990s as in the past. But, due to the great quantity of the literature on this topic, only those approaches which greatly contributed to the concept of market orientation will be considered.

The marketing concept

The application of marketing to business activities begins its development in the 1950s and 1960s, dates of the appearance of some publications which use a business perspective of marketing. Some works need to be highlighted: Alderson (1957), Howard (1957), McCarthy (1960), Davis (1961) and Kotler (1967).

From then on, marketing became widely accepted as a function inside enterprises, while emphasis was laid on planning and development. The

structuring of the concept of marketing in the late 1950s raised marketing to the top function of enterprises, because the main target of any company was to satisfy consumers (Borch, 1957; McKitterick, 1957; Levitt, 1960).

A profound review of the literature reveals varied definitions of the marketing concept. Felton (1959) defines the marketing concept as a mental state consisting of the integration and coordination of all the marketing functions, which intermingle with the rest of corporate functions in order to maximise profits in the long run. In contrast with this definition, McNamara (1972) opts for a wider framework and defines the concept as a philosophy based on the whole company accepting customer orientation, profit orientation and the realisation of the important role played by marketing when attempting to translate market necessities to the rest of the enterprise departments.

Assuming the marketing concept means that the marketing department has to play a leading role so that the enterprise operations in its environment are successful, this orientation implies that special emphasis should be laid on the following items, according to Hise (1965), even though variations of this concept can be found in Levitt (1960), Bell and Emory (1971) and Stampfl (1978):

- Customer orientation. It is the knowledge of what is wanted or needed before the marketing process begins.
- Profitability of marketing operations through satisfying customers' needs.
- An organisational structure in which all marketing activities have been developed by the marketing department, whose director has the same position in the structure as production and financing directors.

Marketing orientation

Whereas the concept of marketing is considered as a philosophy in itself, included in the organisation structure, marketing orientation is understood as the acceptance of the marketing concept. In this sense, the marketing concept constitutes a separate way of thinking about the organisation, its products and its customers. In short, a set of attitudes towards the market. Marketing orientation, on the contrary, dedicates itself to providing the steps needed to develop this philosophy in a company.

Market orientation

As opposed to the marketing concept and its implantation as marketing orientation, market orientation does not only makes reference to actual but also to potential customers. At the same time, it takes into account the influence of competitors and incorporates interfunctional coordination.

In this way, marketing ceases to be a function to become a way of doing business. There seems to be total agreement, when defining market orientation according to these five dimensions:

- (1) Consumer orientation.
- (2) Competitor orientation.

- (3) Supplier-dealer orientation.
- (4) Environment orientation.
- (5) Interfunctional coordination.

Nevertheless, it still needs to be clarified whether market orientation implies a specific kind of behaviour or attitude. Some authors deal with this problem: Deshpandé and Webster (1989), Day (1994) and Deshpandé *et al.* (1993). They describe market orientation as a type of business culture. Following their ideas, Narver and Slater (1990) and Slater and Narver (1995) define market orientation as an organisational culture which effectively and efficiently creates all the necessary conditions for generating superior value to customers.

On the contrary, Kohli and Jaworski (1990) argue that the marketing concept is mainly a philosophy of the enterprise, an ideal or a policy base. The influence of this philosophy can be traced back to the activities and behaviour of an organisation. Then, the term “market orientation” means the implantation of the concept of marketing. In other words, a market-oriented enterprise is one whose actions are based on the marketing concept.

The two major versions of market orientation inside the enterprise have only been differently described (but never opposed) as the information process and the organisational culture. Both contributions are based on studies on this topic.

Kohli and Jaworski (1990) consider an operative model of market orientation, described as the interaction among these three kinds of activities:

- (1) All enterprises must generate a system of market information that facilitates knowing actual and future customer needs.
- (2) Diffusion of this market knowledge to all enterprise departments.
- (3) Enterprises need to be receptive to this knowledge, its influence showing in the enterprise actions.

Narver and Slater (1990) argue that market orientation consists of three behaviour components: customer orientation, competitor orientation, and interfunctional coordination, plus two decision-making criteria: the long term and profitability. Slater and Narver (1995) define market orientation as a culture that:

- attributes priority to profits and to keeping superior value for customers, considering at the same time the interest of the enterprise;
- sets the norms for the development of the organisation action lines and of market information.

Cadogan and Diamantopoulos (1995), in their turn, put together the two previous versions, considering the interfunctional and intrafunctional organisation elements in relation to the market. That is to say, the components defined in the first model are combined with the competitive value of the second.

Market orientation has currently motivated some reflections on the research in the field, which can be summarized from four main perspectives (Tuominen and Möller, 1996):

- (1) Enterprise philosophy.
- (2) Market information process.
- (3) Coordination of market information.
- (4) Learning source of the organisation.

Tuominen and Möller (1996) propose a new integrating model which combines a cognitive and behaviour perspective. The concept of organisational learning constitutes this model's core, being a means of improving enterprise actions through understanding and knowledge. The conceptual reference framework for this model is based on capacity comprehension and the integration of enterprise results. To sum up, the concepts of marketing and market orientation are essentially the same, but both have evolved through time.

Jaworski *et al.* (2000) have recently suggested that there exist two complementary approaches to market orientation: the first, traditional approach is known as "to be market driven" and the new approach, called "driving markets".

Despite the importance of this concept, it is remarkable that little research has centred on it. There exists only a small group of studies offering advice in order to accept one market orientation (Felton, 1959; Stampfl, 1978; Webster, 1988; Harris, 1999). The few existing empirical studies, however, focus on determining what kind of organisations have adopted the concept of marketing, rather than on investigating the antecedents and/or consequences of adopting one specific kind of market orientation (Hise, 1965; Barksdale and Darden, 1971; McNamara, 1972; Lusch *et al.*, 1976). The research on these antecedents and consequences is scanty (Jaworski and Kohli, 1993).

The main objective of the previous account of the major theoretical contributions to marketing orientation and market orientation has not been a critical analysis leading to new or revised definitions of the term. On the contrary, our intention has been to provide academics and practitioners in this area with a general overview and theoretical framework of the research studies on the service sector. With this historical overview in hand, the next chapter will consist of an extensive review of the main empirical contributions to market orientation in the service sector.

Main empirical contributions on the service sector

Most aspects of the marketing concept and marketing or market orientation have been developed in the last 35 years. In order to analyse its evolution, we have prepared Table I, which includes many of the international publications in this field, all of them applying to the service sector during this period. This selection includes only those research works published in prestigious

Table I.
Research on market
orientation in the
service sector

	Concept used	Scale	Technique of analysis	Sample	Services dimensions	Environment	Findings
Barksdale and Darden (1971)	Marketing concept	Likert	Percentages	385 executives marketing teachers	Pure service and low interaction	USA and outside	High conviction on the concept but low implantation
Saxe and Weitz (1982)	Customer orientation	Likert	Factor Correlation	286 salespeople of industrial services	Services with goods included and high interaction	NA	Development of a scale in order to measure the relationship between orientation and ability to satisfy needs on the part of sellers
Whyte (1985)	Marketing orientation	Likert	NA	Community health centres	Services with goods included and high interaction	USA	Marketing orientation for directors
Greenley and Matcham (1986)	Marketing orientation	Categorical	Frequency Percentage	28 travel agents	Services with goods included and high interaction	UK	Low level of marketing orientation
McCullough <i>et al.</i> (1986)	Marketing orientation	Thrustone based on Kotler	NA	Banks	Services with goods included and low interaction	NA	Greater satisfaction in consumers whose banks have high level of marketing orientation
Naidu and Narayana (1991)	Marketing orientation	Categorical Thrustone based on Kotler	Chi-square	Hospitals	Services with goods included and high interaction	USA	Marketing orientation has a strong relationship with occupancy rate
Naidu <i>et al.</i> (1992)	Marketing orientation	Nominal	Means Percentage	176 hospitals	Services with goods included and high interaction	USA	Marketing orientation is effective in health services

(continued)

Concept used	Scale	Technique of analysis	Sample	Services dimensions	Environment	Findings
Qureshi (1993)	Marketing orientation	Thrustone based on Kotler	NA	Public and private university	USA	Colleges which are market-oriented get more funding
Wrenn <i>et al.</i> (1994)	Marketing orientation	Thrustone	Means Correlations	61 hospitals	NA	Managers and marketing directors do not agree on their degree of market orientation
Atuahene-Gima (1996)	Market orientation	Likert	Factor Regression	158 industrials, 117 service enterprises	Australia	Market orientation greatly contributes to the development of new products and services
Wrenn (1996)	Market orientation	Thrustone	NA	Non-profit hospitals	USA	The customer philosophy is the most important feature of market orientation
Bhuian (1997)	Market orientation	Likert	Regression	92 bank branches	Saudi Arabia	There is no significant relationship between results and market orientation
Bhuian and Abdul-Gader (1997)	Market orientation	Likert	Factor Correlation Means Deviation	237 hospitals	USA	Development of a orientation scale of measurement for hospitals
Loubeau and Jantzen (1998)	Marketing orientation	Thrustone based on Kotler	Correlation Means Percentage	235 hospitals	USA	The larger the enterprise, the greater the orientation. There exist no big differences between public and private sector

(continued)

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	Concept used	Scale	Technique of analysis	Sample	Services dimensions	Environment	Findings
Han <i>et al.</i> (1998)	Market orientation	Likert	Factor Regression	134 banks	Services with goods included and low interaction	USA	Market orientation facilitates enterprise innovation and better results
Lado <i>et al.</i> (1998)	Market orientation	Likert	Second order factor Regression	66 insurance companies	Pure service and low interaction	Spain and Belgium	Market orientation consists of two dimensions: orientation and country
Lado and Rivera (1998)	Market orientation	Likert	Factor Cluster	113 insurance companies	Pure service and low interaction	Spain and Belgium	There are differences between enterprises according to orientation, but not to composition
Avlonitis and Gounaris (1999)	Marketing orientation	Likert	Factor Cluster correlation	444 service companies	Services with goods included and low interaction	Greece	In dynamic environments market orientation is advisable, whereas stable environments require production orientation
Caruana <i>et al.</i> (1999)	Market orientation	Likert	Confirmatory factor	272 service companies	Services with goods included and high interaction	South Africa and UK	There exists some relationship between results and orientation
Sargeant and Mohamad (1999)	Market orientation	Likert	Frequency means Cluster	86 hotels	Services with goods included and high interaction	UK	UK hotels show an average level of orientation
Kumar and Subramanian (2000)	Market orientation	Likert	MANOVA	159 hospitals	Services with goods included and high interaction	USA	Most hospitals have adopted a strategy centred on competitors together with orientation

(continued)

	Concept used	Scale	Technique of analysis	Sample	Services dimensions	Environment	Findings
Webb <i>et al.</i> (2000)	Market orientation	Likert	Confirmatory factor analysis	77 banks	Services with goods included and low interaction	NA	Relationship between consumer satisfaction, quality and market orientation established
Wood <i>et al.</i> (2000)	Market orientation	Likert	Regression	237 hospitals	Services with goods included and high interaction	USA	It is determined that there is a positive relationship between orientation and result
Note: NA = Not applicable							

Table I.

international journals and proceedings, as well as only those dealing with market orientation in service enterprises. Table I is structured as follows:

- In the first column, we can find the name of the research author, together with the publication year, ordered chronologically.
- The second column is entitled “concept used”, and refers to the denomination the researcher applied to the topic of his study.
- The column “measurement scale” indicates the scale type used by the author in order to collect the necessary data. There are four different types: categorical, Likert, Thrustone, and Thrustone based on Kotler (1977). Reliability and validity measurements of scales and results have not been included, for they are dealt with only in a reduced number of studies. This may be a handicap because most studies deal only with the application of previously developed scales, like MARKOR (Kohli *et al.*, 1993) and MKTOR (Narver and Slater, 1990), which were hardly modified when adapted to this scope of study.
- In the division called “technique of analysis”, the different analysis techniques used by the author are analysed.
- In the column entitled “sample”, we have put down the range of samples under analysis.
- The column with the tile “service dimensions” makes reference to the Vandermerwe and Chadwick (1991) classifications. These authors classify services according to the implication of goods and to the degree or interaction between service consumers and providers.
- The column “environment” indicates the geographic region where the research was carried out.
- In the last column, the findings of the research are briefly described.

Table I includes the results and characteristics of the different research studies, in chronological order from 1971 to 2000.

Historical analysis of research on market orientation

Table I follows a historical summary of the evolution of market orientation. A close look at this Table enables us to deduce that the interest on market orientation in the service sector has appeared mainly in the 1990s, a consequence of which has been the publication of a volume on the topic. This situation is very different from the evolution of the concept and the number of research studies carried out in other fields that have developed since the 1950s. After analysing the literature and previous reviews on the topic (Wrenn, 1997; Esteban *et al.*, 2000), the evolution of market orientation, mainly in the service sector, can be structured according to the following:

- Concept used.
- Scales.
- Technique of analysis.

1950s and first part of the 1960s

During this period, the existing literature centred on the meaning, implications and application of market orientation (then termed marketing concept) (Levitt, 1960; Felton, 1959; McKitterick, 1957). No contributions or research were made on the degree to which enterprises were adapted to this philosophy, because the main contributions of this period were mainly theoretical. The service sector had not yet drawn the researchers' attention. There existed no scale applicable to the measurement and evaluation of market orientation.

From the mid-1960s until the early 1980s

During this period, the term used to denominate the construct was the marketing concept. When, at the beginning of the 1980s, the term marketing orientation was introduced, attention was focused on its problems and limits and how to overcome them. This is why the scope of research was reduced to industrial enterprises and to the executives of large companies, in order to measure mainly the attitudes towards the adoption of the concept by enterprises.

The measurement scales, like the analysis techniques, are not very complex. Categorical scales predominate at the beginning of the period, whereas the Likert types tend to predominate at the end. The analysis techniques used are principally univariate.

Results state that enterprises have already accepted the concept (Hise, 1965) or showed interest and were willing to adopt it in the future. There are also studies which reached contradictory conclusions as to what kind of enterprise would be better adopting the concept (McNamara, 1972; Parasuraman, 1983). Throughout this period, the development of a scale was attempted only once (McNamara, 1972) and only one study, whose results were similar to those reached when analysing industrial enterprises, made reference to services (Barksdale and Darden, 1971).

No measurement of reliability and validation of scales was used during this period due to the simplicity of the techniques and scales. The main contribution was the first definition of market orientation. Nevertheless, these first results need to be handled with care, for they can only be used at a theoretical level.

From the early 1980s to the early 1990s

During this period, enterprises showed an increasing approximation towards marketing orientation, which resulted in the concept used by most studies being marketing orientation. This term was more definitive and clarifying than the previous one. The concept of marketing had already been adopted by organisations. At this stage, the main target is to analyse how this concept has been implanted in organisations.

The scope of study in this period (same as the previous one) is mainly industrial enterprises (Lusch *et al.*, 1976; Morris and Paul, 1987; Norburn *et al.*, 1990; Hooley *et al.*, 1990; Miles and Arnold, 1991; Meziou, 1991), but application to services is beginning. Other services, such as health centres and hospitals

(Whyte, 1985; Naidu and Narayana, 1991), banks (McCullough *et al.*, 1986), and travel agents (Greenley and Matcham, 1986), are studied. One new important feature is introduced: a growing interest in measuring whether orientation in small and middle-sized businesses is similar to that adopted by large corporations (Dunn *et al.*, 1986; Peterson 1989; Meziou, 1991). The scope of research reaches other English-speaking countries outside the USA.

The scales used to collect information in this period are mainly Likert, while the Thrustone scale is beginning to be used. In analysis techniques we are witnesses to the introduction of the regression, factor and cluster analysis, which provide the enterprise with a more reliable statistics-collecting method. In this period, the creation of two measurement scales for industrial enterprises is attempted (Lusch *et al.*, 1976; Narver and Slater, 1990). Narver and Slater's (1990) proposal will prevail in the future.

Results show that those enterprises with higher marketing orientation will be much more competitive than the rest of the companies in their environment. At the same time, the enterprises possessing better management will enhance the differences among enterprises and sectors. Other authors, on their part, have proved that to be market-oriented increases the global results of the company (Narver and Slater, 1990; Naidu and Narayana, 1991). Some other studies intend to mark a distinction between marketing/market orientation and other orientations (Lusch and Lacznia, 1987; Morris and Paul, 1987; Miles and Arnold, 1991). They set up a measurement scale in order to measure the consumer orientation of scales, using as part of the sample service enterprise dealers (Saxe and Weitz, 1982). The reliability of this scale can be checked using the Cronbach alpha. In this case, it reaches a value of 0.83, quite similar to that obtained by Narver and Slater (1990), 0.88, which is considered high. The studies carried out during this period begin to apply more complex techniques but only in a limited scope. Moreover, they do not pay attention to the antecedents that facilitate market orientation.

From the early 1990s until now

During this period, the term market orientation is established, its definition coinciding with the one given in this review. In this type of research, the main target is to measure the conduct of enterprises which have adopted orientation. Many measurement scales have been attempted throughout this period (Kohli *et al.*, 1993; Wrenn *et al.*, 1994; Liu, 1995; Wrenn, 1996; Bhuian, 1997). Among these, the most prominent for the significance of their contributions and their complete diffusion have been by Kohli *et al.* (1993) and by Narver and Slater (1990). These proposals have laid down the guidelines for later studies on market orientation. Other remarkable scales are set specifically for services, with special attention to health care (Wrenn *et al.*, 1994; Wrenn, 1996; Bhuian, 1997).

The analysis techniques used in this period range from univariate and bivariate to multivariate techniques. The most common measurement scale is the Likert type, followed by Thrustone and Categorical. The scope of research

follows the guidelines set in the previous period, that is to say, large production enterprises (Jaworski and Kohli, 1993; Deshpandé *et al.*, 1993; Day and Nedugandi, 1994; Tse, 1998; Steinman *et al.*, 2000). Nevertheless, new groups have been incorporated: comparisons between small and middle-sized businesses (Sashittal and Wilemon, 1996; Pelham and Wilson, 1996; Pelham, 1997; Appiah-Adu, 1997; Horng and Cheng-Hsui, 1998), public administration (Hurley and Hult, 1998), and the great quantity of research focusing on services such as hospitals (Wrenn *et al.*, 1994; Wrenn, 1997; Bhuian and Abdul-Gader, 1997), banks (Bhuian, 1997; Han *et al.*, 1998), insurance companies (Lado and Rivera, 1998), hotels (Sargeant and Mohamad, 1999) and education (Qureshi, 1993). The geographic scope has widened to other countries like Japan, Taiwan, Australia, some European countries and Hong Kong.

The results obtained agree with previous guidelines of the period. They mark the importance of being market-oriented and expose the enhanced profits this orientation achieves, in sales, innovation and results. A group of studies tried to find out the relationship between market orientation and results (Ruekert, 1992; Qureshi, 1993; Wong and Saunders, 1993; Day and Nedungadi, 1994; Pelham and Wilson, 1996; Pitt *et al.*, 1996; Bhuian, 1997). Following this line, there is only one study whose conclusions are opposing (Bhuian, 1997): there appears to be no significant relationship between market orientation and enterprise results, although this outcome may be attributed to the scope of research being used. The scope of research widens continually, for instance, Deshpandé *et al.* (1993); Siguaw *et al.* (1998); Steinman *et al.* (2000). These studies analyse not only the enterprise self-conception according to its market orientation, but also the conception used by its related business participants (like dealers and customers). The results of specific research in the service sector agree chiefly with those in other sectors.

During this period, the main line of research has been the analysis of causal relations between market orientation and outcomes. The antecedents remain obscure except in the studies carried out by Jaworski and Kohli (1993) and Avlonitis and Gounaris (1999). The techniques are more complex and new models of structural equations have been introduced to verify and validate scales. There has also been new research using scales and techniques far too simple for the degree of development achieved by the work on market orientation. These research studies have not been included in Table I due to their limited scientific contribution.

Conclusions, limitations and future research

After this analysis of the research carried out up to now, we can draw the following general conclusions on the benefits of adopting market orientation.

The most significant conclusion reads that the marketing concept (Hise, 1965; Barksdale and Darden, 1971; Lawton and Parasuraman, 1980), marketing orientation (Parasuraman, 1983; Greenley and Matchman, 1986; Morris and Paul, 1987; Qureshi, 1993), and market orientation (Narver and Slater, 1990;

Ruekert, 1992; Jaworski and Kohli, 1993; Pelham, 1997; Steinman *et al.*, 2000) have evolved from the same reality, although changed through time.

Research on the service field has been incorporated only lately mainly because service activities have grown steeply in the late years, becoming a complex sector when attempting to measure its actions.

The most evident conclusion is that to be market-oriented improves the results of service enterprises. This argument can be clearly stated for service companies (Naidu and Narayana, 1991; Caruana *et al.*, 1999; Wood *et al.*, 2000), as well as for the remaining sectors or industries. It is applicable to large companies (Jaworski and Kohli, 1993; Day and Nedungadi, 1994), small enterprises (Pelham and Wilson, 1996), producing enterprises (Narver and Slater, 1990), lucrative (Slater and Narver, 1994) and non-lucrative businesses (Wrenn *et al.*, 1994).

Marketing orientation has a positive relationship with consumers' satisfaction (Saxe and Weitz, 1982; McCullough *et al.*, 1986).

Services enterprises adopting market orientation obtain important advantages in internal organisation as well, apart from the external market profits that can be put down to orientation. Siguaw *et al.* (1994) discovered that, if there is a strong market orientation in an enterprise, the sales will help a greater customer orientation. This will reduce uncertainty in work: the work carried out will be more satisfactory, which in its turn will provide a greater satisfaction of consumer needs. Siguaw *et al.* (1998) also see a positive relationship between market orientation and its relationship with the distribution channel. Jaworski and Kohli (1993) discovered as well a positive relationship between market orientation in an enterprise and employees' dedication.

No significant relations have been found between the dimensions of classification of services and those of variables. This may mean that techniques, scales and results are independent of the type of service analysed.

Other conclusions deal with the methodology used in research. The most common scales of market orientation are those by Kohli *et al.* (1993) and Narver and Slater (1990). Nevertheless, these scales have not escaped criticism, like that posed by Oczkowski and Farrel (1998) who conclude, after careful mathematical and statistical analysis, that Narver and Slater's (1990) scale is superior in many ways to Kohli *et al.*'s (1993) proposal. This conclusion needs to be carefully considered, because each proposition was the result of research in different industries and using different principles. It would thus be advisable to compare both scales in other sectors and industries in order to reach a conclusion as to which is most valid and reliable (Greenley, 1995; Pelham and Wilson, 1996; Siguaw *et al.*, 1998).

The differences between the Likert and Thrustone scales when measuring market orientation are negligible. If what is needed is a scale that measures market orientation, the results will vary according to the survey responder, which makes the Thrustone scale preferable. Nevertheless, if what is intended is to compare the measurements of the market orientation construct with

measurements coming from other constructs in order to prove a hypothesis, or, if the target is to establish standards where individual scores can be compared, then the Likert scale will be the best choice, or even the categorical scales, although their strength is limited.

The main limitations of the reviewed proposals on market orientation include, on the one hand, the lack of attention to the conditions of the social environment and, on the other, the absence of consideration in the marketing channel.

The lines for further research which derive from these conclusions should concentrate on adapting or creating scales according to the characteristics of different countries and sectors, with special attention to services because of their particular features. Following this, there should be a unification of scales, validated for the whole European region. At the same time, research work should be intensified in this region. It is also intended to analyse the diverse inner benefits a company may obtain if market-oriented, such as the possible relationship between orientation and higher quality. Another future step should be to determine whether the increase in consumer satisfaction caused by market orientation is applicable to all kinds of industries and sectors, as well as to check whether the same results are obtained for lucrative and non-lucrative organisations. Finally, it is extremely important to continue the development of scales appropriate for each industry and service activity. These scales should be capable of representing the characteristics of different activities, but starting from a general measurement applicable to all of them so that a greater insight and better practical application of the concept of market orientation can be achieved.

Further lines of research should concentrate on testing the relations between market orientation and other marketing concepts. For instance, the relationship between marketing, loyalty and customer satisfaction. Valuable results could also be obtained by evaluating market orientation from the consumers perspective and by comparing the estimations of supply and demand.

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