

MARKET ORIENTATION AND MARKETING STRATEGY MAKING: A HOLISTIC VIEW

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ABSTRACT

Superior firm performance is a major objective of all the stakeholders of a firm. Strategists and strategic management scholars generally agree that both large and small firms that align their competitive strategies with the requirements of their environment outperform firms that fail to achieve such alignment (Venkatraman & Prescott, 1990).

Organizational performance is greatly influenced by employee behaviors and the resulting market orientation that they possess (Kohli & Jaworski, 1990; Narver & Slater, 1990; Jaworski & Kohli, 1993). Morgan and Strong (1997) suggest that "research discovering the relationship between market orientation, marketing strategy and marketing tactics would be timely" (p. 1068). Market orientation is a behavioral culture that affects strategy formulation and implementation, and how an organization interacts with its environment (Dobni & Luffman, 2000a).

Marketing strategy has been a major focus of marketing academic research since the 1980's. There are many different definitions of marketing strategy in the marketing literature, reflecting different points of view (Jain & Punj, 1987; MacDonald, 1992; Dobni & Luffman, 2000b; Li et al., 2000). However, most definitions agree that marketing strategy provides the means of utilizing a company's skills and resources to achieve marketing objectives. Essentially, marketing strategy evolves as a consequence of interplay of four major strategic inputs and the processes which act upon them (Li et al., 2000).

Although some argue that strategic planning is still a critical activity conducted by organizations, how strategies are made and how they are implemented have been concluded by some as missing in action (Mintzberg, 1994; Pryor et al., 2007). With the abundance of research on market orientation and

marketing strategy, little research has focused on the interplay between market orientation and market strategy development and implementation (Lee et al., 2006).

This paper joins two marketing models to examine the relationship and the synergy that comes from the interaction between market orientation and marketing strategy making. The result of this examination is a proposed theoretical causal model that realizes a strong, connecting relationship of which market orientation provides the context that facilitates the development and implementation of marketing strategy.

The various models proposed by market researchers are seldom linked to each other. Unfortunately the linking of the models is left up to teachers, students, and practitioners to visualize the relationships to determine the effects of the interaction between models. The impact is a lost opportunity to realize the full potential of various marketing models. Great models; lost opportunities.

This article has several implications for research and theory relating to market orientation and to marketing strategy making and implementation. Although the article establishes a theoretical relationship between market orientation and marketing strategy making, further research is necessary to explore the strength and direction of the relationships between market orientation, marketing strategy and marketing tactics.

The relationship between environmental turbulence is also recognized as a moderating factor on business performance but little research has been conducted on its impact on market orientation and the development and implementation marketing strategy. Few studies have examined environmental variables as moderators in the market orientation-business performance relationship (Greenley, 1995).