Market orientation

Running head: marketing Market Orientation Immense competition as a consequence of changing needs and access to global markets has led manyorganizations to become marketing oriented. Organizations use market information for planning and implementing strategies in accordance with market, such as new product development, competitors' performance and movements, making alliances, exploring new markets, bringing investors etc. Thus market orientation is the organization-wide generation of market intelligence, dissemination of its intelligence across departments, and organization-wide responses to it (Meek et al. 2007; p. 34). Marketing orientation provides organizations with the opportunities to engage in activities aligned towards developing an understanding of customers' needs and future expectations; these activities also assist in understanding the factors that could affect customers' needs. Different departments within the organizations are completely oriented towards identifying and designing methods to meet these changing customer demands. According to Naver and Slater (1990), organizations that follow marketing orientation tend to follow five key strategies namely customer orientation, competitor orientation, interfunctional-coordination, organizational culture and focus on long-term profits. Most well-known market-oriented organizations are Sony, Dell, Toyota, General Electric, etc (Day, 1999). These organizations are customer-focused and use marketing information to develop strategies that enhance customer satisfaction. Several benefits have been identified with market orientation. A market-oriented firm can focus and retain its loyal customers that are of more value to the firm's business. These firms usually have higher employee satisfaction because of greater customer satisfaction and vice versa. This further enhances employee commitment and their productivity. Employee turnover, employee recruitment and selection and training costs are relatively lower. Instances of low operational efficiency and productivity are relatively very few. Market-orientation creates greater value proposition, which in turn results in premium prices. Proactive planning and preparation for changing markets fosters innovation in the right direction, which enhances revenue and profits in successful cases. With high customer loyalty as well as employee commitment, these organizations earn competitive advantage which cannot be replicated easily by competitors. However, marketing oriented firms need to spend too much money and efforts towards market research, which is expensive. The uncertainty of future and customer expectations could levy heavy costs on the company in case of huge changes. Moreover, operating in regulated markets makes it rigid to deal with stakeholders. Being too much customer focused can inhibit innovation, which could be an advantage for the competitors. The way information related to customer needs is gathered can impact the outcomes derived. Hence, market oriented firms need to focus on customer expectations and behavior rather than customer responses. In conclusion, market oriented firms focus on understanding, attracting and keeping their customers through continuous orientation as per the market change. They achieve this through customer focus, tracking competitors, fostering coordination between different departments and aligning organizational culture towards creating market niches. This focus imbibes specific advantages and disadvantages; yet, organizations need to continually strive to tackle the issues through broader planning; embracing practices that enhance innovation; focus on creating long-term profits and reap the advantages. References Meek, H, Meek, R, Palmer, R and Parkinson, L.

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