



NORTH-HOLLAND

Market Orientation and New Product Development in Global Industrial Firms

Brent M. Wren
Wm. E. Souder
David Berkowitz

The purpose of this article is to evaluate the impact that market orientation has on new product success in a cross-national context. In a six-country study, two aspects of market orientation—market intelligence and customer orientation—were examined relative to traditional determinants of new product success. Antecedents of market orientation are also investigated. The results generally support the importance of market orientation to new product success. Market intelligence was found to be the most critical skill required regardless of country of origin, followed in most cases by customer orientation. Technical skills played a larger role in product success

for more export-oriented economies such as Korea. In terms of antecedents, the most important organizational characteristic for developing a market orientation is cross-functional integration. Managerial implications are drawn concerning the findings. © 2000 Elsevier Science Inc. All rights reserved.

INTRODUCTION

In today's highly competitive global marketplace, understanding the factors that determine new product success or failure has become a focal point for both researchers and practitioners. A myriad of factors both external (e.g., competitive superiority, market uncertainty, market fit) and internal (e.g., the product development process, technical competence, managerial skill) to the firm have been found to impact new product success [1, 2]. Recently, researchers have begun to explore the role of *market orientation* in determining new product success [3, 4].

Address correspondence to Dr. B. M. Wren, College of Administrative Sciences, University of Alabama at Huntsville, Huntsville, AL 35899. Tel: (256) 890-6817; fax: (256) 890-6328; E-mail: wrenb@e-mail.uah.edu

The authors thank the following people for their efforts in the data collection phase of this project: Prof. Rudy Moenaert (University of Ghent, Belgium), Prof. Jinjoo Lee (Korea Advanced Institute of Science and Technology), Prof. David Buisson (University of Otago), Prof. S.A. Jenssen (Bodo Graduate School, Norway).

Market orientation spans internal and external environments.

Market orientation is “the set of cross-functional processes and activities directed at creating and satisfying customers through continuous needs assessment” [5]. In other words, market-oriented firms enhance performance by systematically using market intelligence to better understand the marketplace, and then develop product strategies to meet consumer wants and needs. Research has established that market orientation is manifest at several levels in an organization [6]. For instance, research has demonstrated that internal processes such as corporate culture, managerial support, interdepartmental connectedness, and customer-focused intelligence gathering and dissemination are necessary components in a market-oriented firm [7–9]. These processes potentially impact information flows, resource allocations, and cross-functional R&D activities that are so vital to new product development.

While substantial progress has been made in defining the concept of market orientation, and its role in determining new product success, there is some evidence to suggest that existing knowledge may not be equally applicable across markets, cultures, and industries [10, 11]. In their study of market orientation in U.S. and Scandinavian companies, Selnes, Jaworski, and Kohli [9] posited that given the high level of government involvement and lower levels of competition, Scandinavian firms might have fewer incentives to be market oriented. In their study of Japanese firms, Deshpande, Farley, and Webster [12] found that

“adhocracy” firms and “market” firms outperformed “clans” and “hierarchies.” These results suggest that cultures focused on creativity, technical skills, competition, and production are superior to those characterized by participation, teamwork, and coordination, skills thought to be vital to market-oriented firms. Likewise, in their study of European and Asia work units Newman and Nollen [13] found that management practices that are favored in the U.S. are likely to be ineffective in some other countries that are culturally different. Finally, there is research to suggest that the skills that comprise market orientation (organizational support/systems, market knowledge, interconnectedness, etc.) are more important in industries characterized by rapid technology change, competitive intensity, and market uncertainty [14, 15].

Market orientation holds tremendous potential as a framework for assessing the performance of new product development processes. As demonstrated by the few examples provided above, given vast differences in economies, cultures, corporate structures, etc., it is conceivable that the relative importance of market orientation to new product success in various countries would differ. With global markets playing an ever-increasing role in the success of new technologies/products research into the applicability of market orientation concepts across countries is sorely needed. The purpose of the current research project is to explore the market orientation–new product success relationship in a global context. Hypotheses are developed concerning the relative role that market orientation plays in the success of new product development projects. These hypotheses are then tested using a multi-company sample across six diverse countries. The results and implications discussed are particularly relevant for multinational or global organizations that often operate in turbulent, uncertain markets.

BRENT M. WREN is Associate Professor of Marketing at the University of Alabama in Huntsville where he specializes in buyer–seller relationships and sales management.

WM. E. SOUDER holds the Alabama Eminent Scholar Endowed Chair in Management of Technology and directs the Center for the Management of Science and Technology at the University of Alabama in Huntsville.

DAVID BERKOWITZ is Assistant Professor of Marketing at the University of Alabama in Huntsville where he specializes in marketing management and marketing of high technology products.

BACKGROUND LITERATURE AND HYPOTHESES

Determinants of New Product Success

For more than 20 years researchers have tried to understand why some products succeed when others fail. The vast literature on new product success can generally be di-

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات