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Firm market orientation and salesperson customer orientation: interpersonal and intrapersonal influences on customer service and retention in business-to-business buyer–seller relationships

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Abstract

The authors examine the influence of a firm's market orientation and salesperson customer orientation on buyer–seller relationships. Data from a national manufacturer's sales force and retail trade customers were used to test the influence of sales managers' perceptions on salesperson attitudes toward a firm's market orientation and its salesperson customer orientation. The impact of salesperson attitudes on customers' perceptions of service delivery and their propensity to switch suppliers was also examined. The results suggest that a firm's market orientation positively influences salesperson work attitudes. Sales managers influence salesperson customer orientation through their organizational commitment, and salesperson customer orientation influences industrial customers' switching intentions.

Keywords: Firm market orientation; Salesperson customer orientation; Business-to-business

Over the last decade, the *market orientation* concept has been the subject of considerable scholarly research. Typically, the unit of analysis is the *organization* and is centered around top management's emphasis on collecting and disseminating market information to employees, increasing interdepartmental connectedness within the firm, and creating a customer-oriented organizational culture in which customer satisfaction is essentially at the core of every decision for every employee (cf. Caruana et al., 1997; Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Narver and Slater, 1990).

In a separate but related literature stream, researchers posit that a salesperson's *customer orientation* positively affects customer responses (cf. Saxe and Weitz, 1982). The unit of analysis for this research is the *individual*. A customer orientation is defined as a selling behavior in which salespeople assist customers to satisfy their long-term wants and needs versus a sales orientation, which places the selling organization and/or salespersons before the customers (Michaels and Day, 1985; Saxe and Weitz, 1982). Currently, there is little published research addressing the impact of both the firm's and the salesperson's orientations on customer service and retention.

These are important voids in the literature. For a market orientation to be truly effective, employees must implement the firm's market orientation strategy and customers must realize the benefits of a market-oriented firm. A number of researchers note the need to incorporate employees' and customers' perceptions into a general theory of market orientation. Indeed, the behaviors and attitudes of a firm's boundary-spanning employees (e.g., salespeople) should significantly influence the customers' perceptions of the firm's service delivery (cf. Heskett et al., 1997). The behaviors and attitudes of salespeople are, in turn, influenced by their perceptions of the firm's market orientation and their interaction with sales managers, thus, highlighting the importance of examining market orientation from the sales force's perspective.

In sum, implicit in the market orientation literature to date is the idea that a critical test of a firm's market orientation is the extent to which the sales force perceives

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the firm as being concerned with satisfying customers' needs and implements the firm's market-oriented strategy. Given the importance of market orientation to the marketing discipline, the need for specific research on the effects of perceived market orientation on salesperson attitudes and behaviors toward customers is accentuated.

The purpose of this study is to address gaps in the existing literature by examining front line employees' (e.g., salespeople and sales managers) perceptions of the firm's market orientation-first expressed by Jaworski and Kohli (1993)–and the influence of the firm's *market* and sales force's *customer* orientations on the buyer–seller relationship. We extend the previous research by conducting a triadic analysis that evaluates perceptions across three participants in the service delivery process: sales manager, salesperson, and customer. These are the key interfaces in buyer–seller relationships. Because it has become increasingly important for firms to adopt effective teamwork to enhance performance (cf. Kolb, 1995), we include the sales managers' perceptions. We expect that sales managers significantly influence salesperson attitudes and behaviors toward customers despite the limited literature on the subject (cf. Richmond et al., 1993). Thus, the model tested reflects sales managers' perceptions on salespersons' perceptions of the firm's market orientation and the salespersons' customer orientation, salespersons' attitudes toward the job and customer, and salespersons' attitudes on customers' perceptions of service delivery and their propensity to switch suppliers. Studying the interactions between sales managers and salespeople and between salespeople and customers is important if we are going to advance our knowledge of sales and social relations (cf. Cronin, 1994).

This research is useful to top managers and sales managers because it illuminates the issue of whether a market orientation strategy formed at the top of an organization actually affects those who implement the strategy. The research findings also shed light on the impact that sales managers' perceptions and behaviors have on salespersons' perceptions.

The study is organized as follows. First, we provide a brief review of the literature on market orientation, customer orientation, salesperson role ambiguity and conflict, and customers' perceived quality of service and propensity to switch. Next, we state specific hypotheses pertaining to the influence of sales managers on salespeople. Our hypotheses are then tested in a business-to-business context using a sample of sales managers and salespeople taken from a national consumer packaged goods organization and its customers–retail outlet purchasing managers. The hypotheses are presented in clusters according to the three separate interfaces evaluated in this study: the sales manager–salesperson, the salesperson–role, and the salesperson–customer interfaces. The paper concludes with a discussion of the relevance of the findings to managers and future research directions.

1. Conceptual background

1.1. Market orientation

A renewed interest in understanding organizations' strategic orientations toward satisfying customers' needs exists in the popular press and academic literature (Deschpande et al., 1993; Hartline and Ferrell, 1996; Kohli and Jaworski, 1990; Narver and Slater, 1990; Parasuraman, 1987). Corresponding interest in understanding organizational influences on employee motivation to satisfy customers' needs also exists (Apasu et al., 1987; Beatty, 1988; Berry, 1995; Case, 1996; Hartline and Ferrell, 1996; Mohr-Jackson, 1993). One of the predominant constructs to emerge from this interest is market orientation.

The marketing concept is the philosophical foundation of a market orientation (Jaworski and Kohli, 1993). Marketing scholars describe a market orientation as a firm's organization-wide generation of market intelligence, dissemination of the intelligence across departments, and organization-wide responsiveness to the market intelligence (Jaworski and Kohli, 1993; Kohli and Jaworski, 1990). Jaworski and Kohli (1993) and Kohli and Jaworski (1990) state that superior customer value can best be achieved by structuring organizational activities based on customer-focused information generated by and disseminated throughout the organization.

Since 1990, market orientation has been a research priority for the Marketing Science Institute. Furthermore, the subject of market orientation, in one form or another, has influenced the theory and practice of marketing strategy for nearly forty years (e.g., Kotler, 1998; Levitt, 1969; Slater and Narver, 1994; Webster, 1988a,b). Empirical support for a direct link between a firm's market orientation and its business performance has been confirmed in various studies in the United States, regardless of the organizational form that the firm may take (Caruana et al., 1997; Jaworski and Kohli, 1993; Narver and Slater, 1990; Ruekert, 1992). Yet, there is still a dearth of empirical research regarding market orientation and its influence on salespersons' attitudes toward their job and customers. This is a concern because the salesperson is the primary contact point for the customers, and s/he is directly responsible for implementing the firm's strategies. As a company representative, the salesperson is essentially "the company" to the customers (Crosby et al., 1990) and reflects the firm's values, ultimately affecting the level of customer service delivered.

Conceptual and empirical research on the consequences of a market orientation suggests that a firm's market orientation should lead to greater employee commitment to the organization, enhanced customer satisfaction, and increased business profitability (cf. Jaworski and Kohli, 1993). In comparison, less empirical research has been published on the relationship between market orientation and employee job attitudes than on the link between market orientation and business performance (Jaworski and Kohli,