

Market orientation in quality-oriented organizations and its impact on their performance

Kee-Hung Lai*

Department of Shipping and Transport Logistics, The Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong

Received 30 August 2002; accepted 30 August 2002

Abstract

Studying the impact of market orientation on business performance has been a popular research topic in recent years. However, there seems to be a lack of empirical studies that measure market orientation in quality management environments, even though marketing and quality management are considered complementary business approaches. This paper explores the effects of market orientation on a sample of 304 quality-oriented firms, and its impact on their performance. Confirmatory factor analysis was used to validate the measures of market orientation, quality management implementation, and business performance. Correlation analysis was performed to determine whether market orientation is associated with quality management implementation and a firm's performance. Three aspects of market orientation are found to correlate with 10 critical factors of quality management implementation, and with four dimensions of business performance. The findings indicate that market orientation is strongly correlated with quality management implementation and business performance in a positive direction in the sampled firms. The implications of the results are discussed, and suggestions for further research are proposed.

© 2002 Elsevier Science B.V. All rights reserved.

Keywords: Quality; Marketing; Implementation; Survey; Performance

1. Introduction

The prevalent business environment is highly competitive and is characterized by such norms as the globalization and deregulation of markets, cut-throat competition, and the ever-rising expectations of customers. To compete and survive in the fiercely competitive global marketplace, firms have to pay more attention to the needs of customers as competition intensifies, and offer them quality products or services to satisfy their increasing

expectations. They must constantly innovate in every aspect of their business operations for continuous improvement of their products and services. Therefore, they need a strategy that aligns the organization with the stakeholders, and a management system that facilitates the continuous improvement of every facet of their operations. Firms must recognize the pursuit of desirable outcomes through these efforts as their critical management objective.

To these ends, many firms are changing their business operations from a production-oriented approach to a market-oriented approach. The market-oriented approach requires that customer

*Tel.: +852-2766-7920; fax: +852-2330-2704.

E-mail address: stlmlai@polyu.edu.hk (K.-H. Lai).

satisfaction be put at the very heart of business operations. At the same time, many organizations resort to quality management and embrace the concept of total quality management (TQM), which links organizational visions, missions, operating principles and quality with satisfying customer needs as the top priority (Willborn and Cheng, 1994). Various forms of quality management systems such as statistical process quality control (SPC), quality assurance, ISO 9000 quality standards and TQM are being pursued for business improvement and to achieve the goal of customer satisfaction. Quality management and the market-oriented approach to doing business, both anchored in the notion of customer satisfaction, are increasingly embraced by many firms as the key to gaining a competitive edge.

A number of studies have been conducted to examine the impact of quality management, particularly TQM (see e.g., Hendricks and Singhal, 1997; Powell, 1995), on business performance. In general, these studies tend to support the notion that quality management is a significant contributor to company success. Some studies, however, have questioned the value of quality management (see e.g., Harari, 1993) to performance. It has been suggested that the lack of successful quality management implementation can be attributed to the missing marketing link (see e.g., Kordupleski et al., 1993).

There has been a lot of research concerning market orientation and customer focus (see e.g., Kohli and Jaworski, 1990; Narver and Slater, 1990). A review of the marketing literature shows that marketing researchers and practitioners have dealt with product quality (Cravens et al., 1988), service quality (Zeithaml et al., 1988), and customer satisfaction (Peterson and Wilson, 1992). Links between market orientation and quality management have also been widely discussed (see e.g., Mohr-Jackson, 1996; Witcher, 1990), but these studies have been descriptive rather than empirical in nature. Generally, there is a lack of empirical studies that examine the role of market orientation in quality management, especially with respect to its management and performance implications for quality management implementation. In this regard, the purpose of

this paper is to explore the role of market orientation in the quality management context and its impact on business performance. The fundamental research questions are whether there is any link between market orientation and quality management implementation, and whether market orientation adds value to the business performance of quality-oriented firms.

This paper adds to the existing literature by exploring the role of market orientation in quality management implementation and its impact on business performance. Further, linkages between market orientation, quality management implementation, and business performance are empirically examined.

The rest of this paper is organized as follows. First, a review of the literature on marketing and market orientation is presented. Second, the role and nature of market orientation in the context of quality management and its performance implications are discussed, followed by the formulation of hypotheses for testing. The research methodology used is then described, with due attention being given to a description of the sample, and the validity and reliability issues associated with the measurement instrument. This is followed by analysis of the research results, which reveal the linkages between market orientation, quality management implementation, and business performance. Finally, the findings of the study are summarized and the limitations and directions for further research are discussed.

2. Marketing concept and market orientation

The customers of today expect a higher level of product/service quality than ever before because they have more choices and possess better knowledge about the product/service offerings. The challenge for any business in seeking to remain competitive is to determine what its customers want and whether they are satisfied with the organization's products/services (Miller, 1992), which is the philosophy behind marketing. The marketing concept suggests that the long-term purpose of a firm is to satisfy customer needs for the purpose of maximizing corporate profits

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