The effect of market orientation on buyer–seller relationship satisfaction

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Abstract

In recent years, much of the Marketing scientific community’s interest has been dedicated to the study of the market orientation concept. Numerous works, which are centered on the analysis of this orientation’s dimensions, outcomes, antecedents and moderating factors, may be found. Though the empirical evidence attained up to now is not conclusive in any of these areas, the study of the nonfinancial results derived from this focus has been specially scarce. Thus, this paper attempts to verify a model in which a firm’s cultural market orientation serves as an antecedent for its degree of satisfaction with its main supplier. To this end, empirical data provided by a sample of 174 Spanish industrial firms were analyzed. The main conclusions of this research lead us to confirm the indirect influence that the buyer firm’s cultural market orientation exerts on the level of satisfaction with its main supplier. On the other hand, the evidence attained also leads us to propose several suggestions relative to the supplier’s business management in order to improve relationships with its customers.

Keywords: Market orientation; Satisfaction; Communication; Trust; Conflict; Perceived value; Power; Supplier-customer relationships; Causal model

1. Introduction

Upon reviewing the most important areas of research in marketing in the last decade, market orientation clearly appears in the forefront [74]. Accordingly, many studies that analyze in depth the meaning and scope of this concept, the design of scales aimed at its correct measurement and the possible moderating factors that may condition the market orientation outcomes [63,83,101] are available.

Practitioners have devoted special attention towards the analysis of the market orientation concept benefits for the organizations. In general terms, the empirical evidence suggests the existence of a positive relationship between the market orientation and an improvement in results. This conclusion has been obtained both in transversal [25,63,83,92,101] and longitudinal studies [22]. This holds true even while recognizing that the intensity of this relationship may depend on a series of moderating variables [49].

Nevertheless, researchers have not yet reached an agreement on which variables should be applied to quantify the obtained results. In this sense, measures of different nature have been employed such as financial results—investment profitability, sales profitability, financial profitability; operative results—sale volume, sale increase rate, market share, customer retention rate, product quality; or results pertaining to the organization’s efficiency—indices summarizing different variables linked to profits and short- and long-term degree of objective fulfilment. In any case, the empirical studies reveal the existence of a real difficulty when it comes to gathering quantitative data on any of these standards. This has led researchers to adopt subjective indicators.

However, market orientation is also capable of producing effects on another series of factors of a more qualitative nature. First, it exercises an influence on employees, fostering the development of a sense of pride among them in belonging to the company, the satisfaction due to a job well done collectively, or the increase in their dedication to the company. Secondly, market orientation has consequences regarding innovation as it positively influences an organization to foster it, increases the percentage of income for new products, develops innovative capacity and improves the degree of success achieved by...
the innovations [62,107]. Third, it influences customers, improving their satisfaction, loyalty and their word of mouth relative to the firm’s products, quality and level of service. Research in all these domains, and in other related ones—for instance, the effect of a firm’s degree of market orientation on its satisfaction with its suppliers—is still in an initial stage, given that the studies undertaken to date have been scarce.

From the entrepreneurial management and planning viewpoint, it is essential to identify the factors that contribute to an improvement in results and the attainment of competitive advantages sustainable in the long term. In this sense, the industrial buyers’ loyalty means a source of competitive advantage for the suppliers [58,115]. The buyer’s loyalty depends, on its turn, to a great extent on the degree of satisfaction with the relationship. Precisely for this reason, we proposed a causal model aimed at checking the influence of an organization’s degree of market orientation on its level of satisfaction with its main supplier. The study’s results will benefit the practical management of relationships between supplier companies and customers, as some of the key conditioning factors in a satisfactory relationship will be evidenced. As an essential first step, we have developed a scale that reflects this orientation’s degree of presence in its cultural dimension. The paper is structured as follows: Firstly, a conceptual framework of the industrial buying behavior study is offered. Based on this framework, we will be able to approach the analysis of buyer–seller relationships and, specifically, satisfaction analysis. Secondly, a completed overview of satisfaction and market orientation literature is presented. As the result of this review, a theoretical causal model of satisfaction is developed. Thirdly, a two-phase research methodology adopted in this study is detailed. Fourthly, results of each of the stages are specified. This evidence allows us to stand out some contributions for academic discussion. Finally, a set of conclusions and practical implications useful for practicing marketing managers is commented. Limitations and guidelines for future research are also included.

2. Industrial buying behavior and buyer–seller relationships: conceptual framework

Companies that compete in industrial markets are currently faced with increasing competition resulting from market globalization, technological changes and more demanding customers. All of these changes have produced a great impact in the industrial buying behavior and the procurement strategy of industrial companies. Thus, industrial customers demand a more complete answer to their needs. In many cases, related to product quality, delivery systems and competitive prices, they trust to a great extent in a few sellers [87,106]. In fact, buyer–seller relationships have become a matter of strategic analysis for industrial buyers [110–113]. The result is that industrial suppliers should have a deep knowledge of buyer’s behavior, needs, problems and satisfaction in order to differentiate their offers and obtain a sustainable competitive advantage.

In general, industrial suppliers should take into account that the industrial buying decision process is more complex, rational and larger than the consumer buying one. In this process, several phases or steps can be distinguished: (1) problem recognition; (2) determination of characteristics and quantity of the needed item; (3) description of the product technical specifications; (4) search for and qualification of potential suppliers; (5) acquisition and analysis of proposals; (6) evaluation of proposals and selection of supplier(s); (7) selection of an order routine; and (8) performance feedback and evaluation [91,110]. Therefore, the degree of satisfaction the different participants show with the process will be a key factor in order to maintain the buyer firm’s loyalty.

Then, when analyzing a buyer firm’s satisfaction, it is necessary to consider the presence of various participants in many of the industrial buying decisions. In this sense, Webster and Wind [111] define the organizational buying as “a process carried out by individuals, in interaction with other people, in the context of a formal organization”. In this way, the majority of the authors recognize that many of the industrial buying decisions, specially the most important, are often adopted by a group of individuals known as the buying center [65,91,103,104,111]. Therefore, a buying center is an informal and interdepartmental unit whose basic purpose is the acquisition, processing and application of the information related to organizational buying decisions.

Basically, the academic literature related to the buying center considers it as a communication network [66,104], or in terms of the role theory [91]. The first approach emphasizes the idea that the buying center is an informal communication network whose principal aim is to carry out the buying decisions. The essential point, then, is to analyze the dynamic aspects of these centers (information processing, information flows, information diffusion, degree of centralization, etc.).

On the other hand, the definition of the buying center as a group of roles points out the existence of standardized behaviors (roles) that characterize the buying process. Basically, the roles involved are those of users, influencers, deciders, buyers and gatekeepers [11,31,91,110,111]. Within this perspective, the critical aspect will be to identify the individuals who play each of these roles in a particular firm and a buying situation, as well as to determine their capacity of influence and when this capacity appears.

The behavior and the influence of the buying center can vary attending to a whole group of factors. Hence, if we review the various general models proposed to explain industrial buyers behavior [8,12,13,15,59,73,77,88,91,97,108,111], it can be seen that the determining factors can be of environmental nature (physical, technological, economic, political, legal and cultural factors, influences of suppliers, competitors, customers, governments, etc.), organizational
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