

Customer Segmentation & Generating Value for Customers: A Study of Evolution and Importance of Market Orientation

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ABSTRACT

Purpose: the purpose of this research article is to define, study and review the literature relevant with the market orientation and evolution of market orientation. Though remarkable progress is been there in area of market orientation. In today's environments of highly competition, the business enterprises must generate advantages which permit enterprises to distinguish from competition and create customer value. In order to achieving this, the enterprise must have the knowledge and mastery over the environment, externally and internally along with customers, adversaries and market relations between demand and supply, this means a powerful market orientation, and for fully understanding about market orientation literature about evolution of this concept also required to be studied. **Methodology:** For studying the concept and evolution of market orientation, a literature review study is conducted and literature with the relevant topic are studied. **Findings:** Market Orientation is related with the activities and processes linked with satisfying and generating customers by continuously judging their wants and needs, so in a manner that a measurable and demonstrable effect is there on performance of enterprise. Now market orientation may be considered as a mature concept, it has evolved from just satisfying and generating customers by continuously judging their wants and needs to new levels of blending of market orientation and next orientations like entrepreneurship orientation or innovation orientation permitting enterprises for having finer performances of enterprises. **Implications:** This study helps in understanding the concept and evolution of market orientation. Proper implementation of market orientation will provide enterprises ability to distinguish them from competitors. Market orientation may be blended with innovation orientation and entrepreneurship orientation for getting competitive advantages in enterprise. For proper application of market orientation in enterprise, environment in which it is operated, culture of enterprise and climate must be understood. **Originality:** This research work is an original work of author and done by studying and reviewing the literature relevant with the topic. All the references are duly cited.

Keywords: Market Orientation, Innovation Orientation, Entrepreneurship Orientation, Enterprise Performance, Customer Segmentation Sustainable Innovation, Marketing Potentialities

INTRODUCTION:

In today's environments of highly competition, the business enterprises must generate advantages which permit enterprises to distinguish from competition and create customer value, (Han, J. K., Kim, N., & Srivastava, R. K. , 1998). In order to achieving this, the enterprise must have the knowledge and mastery over the environment, externally and internally along with customers, adversaries and market relations between demand and supply, this

means a powerful Market Orientation, as a basis of improvement in the enterprise performance, (Grinstein, A., 2008). Enterprises having the features of Market Orientation are having the chance for segmenting the customers as per their expectations and needs with object of getting product customisation, (Kirca, A. H., Jayachandran, S., & Bearden, W. O., 2005). It forecasts probable disturbances of their functioning market, additionally assists small firms specifically, (Gáti, M. & Bauer, A., 2019). Some studies tell us about the blend of market orientation and next orientations like entrepreneurship orientation or innovation orientation permitting enterprises for having finer performances, (Grinstein, A., 2008), and being finer in practices of market, (Ružić, E. & Benazić, D., 2018). Such blends declare a sharp relation among performance in organization and market orientation, (González-Benito, Ó. & González-Benito, J., 2005), and distinguishing in the product, (Setiadi, R., Batu, K. L., & Soesanto, H., 2017).

LITERATURE REVIEW:

Market Orientation:

Market Orientation is related with the activities and processes linked with satisfying and generating customers by continuously judging their wants and needs, so in a manner that a measurable and demonstrable effect is there on performance of enterprise. (Uncles, M., 2000). Enterprises having the features of market orientation are having the chance for segmenting the customers as per their expectations and needs with object of getting product customisation. It forecasts probable disturbances of their functioning market, additionally assists small firms specifically.

Evolution of the Concept of Market Orientation:

Some authors like Liao and others presented a theoretical structure of market orientation from 1995 to 2008, providing an important base of this concept to researchers by discussing related problems, application and definition of the concept, (Liao, S. H., Chang, W. J., Wu, C. C., & Katrichis, J. M., 2011). Another author (Ellis, P. D., 2006), provided relationship among enterprise performance and market orientation, in spite of this update related to literature is require for satisfying the increasing interest of newcomer researchers. A literature review study focusing on developing nation's small firms in tourism section, identified elements which lead to or hamper activities in the field of market orientation and provided suggestions for understanding the impact of market orientation on developing economy's tourism enterprises, but this is limited to single sector only, (Shah, S. M. A., El-Gohary, H., & Hussain, J. G., 2015). One another important study analysed by citing together the two models for measuring market orientation i.e. MKTOR and Markor, by applying on Latin American perspective, but impressive view point from developing nations and concentration on single nation in the region, (Rodríguez, R. A. V. & Berrío, S. P. R., 2011).

Ground-breaking Literatures:

These literatures depict about the basics and importance of market orientation. Study by (Kohli, A. K. & Jaworski, B. J., 1990), show the market orientation concept on the basis of profitability, marketing co-ordination, focus on customer and market intellect. The authors combined present information on subject and placed before a base for future research work with clarification of responses and mechanisms, research theory development, common framework construction including precursor and effects of market orientation. Discussed managerial effects of this study. In this study authors proposed to apply this as culture in enterprise for creating enterprises having focus on innovation and market, this ultimately will assure enhanced performance and competitive advantage. The authors reported about the development of true measurement of market orientation and analysed its impact on profitability by using sample of 140 enterprise consisting of both products of non-commodity and commodity business. Authors found that on profitability of both kinds of business there is a positive impact of market orientation, (Narver, J. C. & Slater, S. F., 1990). Then after one study found relation among market orientation and competitive advantage, they declared that there is a strong relation among financial performance and managerial representation completion, supporting other studies of market orientation's profitability, (Day, G. S. & Nedungadi, P., 1994). In same line this study provides essential factors of an enterprise for entering in learning culture. The authors elaborate that effective enterprises are design and layout of practice of management facilitating the knowledge development, which ultimately emerges as basis of competitive advantage. Added with entrepreneurial push market orientation gives cultural base for entrepreneurial learning, (Slater, S. F. & Narver, J. C., 1995). Authors in this study referred the market orientation concept to innovation. They conducted empirical test and proved in corporate performance and market orientation relationship the innovation has an intervening role, (Han, J. K., Kim, N., & Srivastava, R. K., 1998).

Erecting Structure:

These literatures assist in developing the theoretical frame of concept of market orientation and connect the basic concepts with new era, and projecting two important concepts of innovation and relationship with performance. These literature highlight the essence for market-oriented enterprises for carrying out processes of innovation for improvements in performance. In this research work authors highlight about the subscription of processes of innovation and creation of new products in market orientation. The authors studied about the effect of market orientation on performance of business and innovativeness of product was proposed as intervener of the impact of market orientation on performance of business, (Sandvik, I. L. & Sandvik, K., 2003). Another author (Ellis, P. D., 2006), provided relationship among enterprise performance and market orientation. He studied 56 enterprises in 28 nations and verified market orientation's contribution in enterprise performance. Also these authors related the creation of new products and creativity concepts with market orientation. Authors claimed that ability of marketing and generating ideas having creativity for new products and the relevant programs of marketing as response to varying needs of market is vital for the success of an enterprise. Authors used sampling framework having dual-stage, for collecting 312 response sets from leaders of teams for new products and managers and by that means addressing potential of bias of commonality of method in measuring performance of new product and creativity, (Im, S. & Workman Jr, J. P., 2004). This author stated that contribution of market orientation in enterprise performance is greater as compare to other substituting orientations like entrepreneurship and innovation. His suggested in his findings that, market orientation is heavily related with employee, entrepreneurial and learning orientations, and this has a light positive relevance with innovation orientation. His study applied a meta-analysis process for compiling result of the relationship among employee, entrepreneurial, learning and innovation orientations and market orientation, (Grinstein, A. , The relationships between market orientation and alternative strategic orientations: A meta-analysis, 2008).

Developing Approaches:

This literature review specially related with the case studies having relevant with and of market orientation. This study proposed for the developing new concept among market orientation and technology orientation in advancing new products. The study indicated that 4 groups of enterprises notably distinct in relevant with performance of new product and to activities of new product innovation related to period of entry in market strategy and quality of product, (Leng, Z., Liu, Z., Tan, M., & Pang, J., 2015). These authors suggested about interconnection of sustainable innovation, potentialities of marketing and market orientation for determining contribution of competitive advantage, sustainable consumption and potentialities of marketing as interveners. The study found that market orientation has a positive impact on marketing potentialities including pricing, linking of channel, communication and development of product. Study also found a positive relation, though with some exception, among sustainable innovation and marketing potentialities, (Kamboj, S. & Rahman, Z., 2017). This study analysed the relation among enterprises (B to B) and marketing orientation offering especially vital safety for enterprises against the variations in forces of market, (Frösén, J., Jaakkola, M., Churakova, I., & Tikkanen, H., 2016). These authors pointed out the difficulties in use of market orientation in cases of small enterprises and using different directions like entrepreneurship and innovation, (Pérez-Luño, A., Saporito, P., & Gopalakrishnan, S., 2016). This research was conducted for investigating the impact of market orientation and internal marketing on performance of organization on the basis of balanced scorecard. The study found that, there is positive impact of internal marketing on performance and market orientation and market orientation is a precursor of performance, (Salehzadeh, R., Khazaei Pool, J., Tabaeian, R. A., Amani, M., & Mortazavi, M., 2017). The results of this study proved scales and identified that market orientation includes market response, information distribution and collecting of information, (Polo Pena, A. I., Frias Jamilena, D. M., & Castaneda Garcia, J. A., 2015). This study is a systematic literature review study, which implemented 3 stage methodology and then analysed and reviewed the literature. Study by covering many area identified elements that hamper or drive activities of market orientation in SMEs of tourism sector. Suggestion are also made by authors for understanding about the impact of market orientation on performance of SMEs of tourism sector in developing nations, (Shah, S. M. A., El-Gohary, H., & Hussain, J. G., 2015).

CONCLUSION:

Market Orientation concept has the chance for segmenting the customers as per their expectations and needs with object of getting product customisation. Enterprise gets the knowledge and mastery over the environment, externally and internally along with customers, adversaries and market relations between demand and supply. It forecasts probable disturbances of their functioning market, additionally assists small firms specifically and help

enterprises having finer performances and being finer in practices of market and distinguishing in the product. Market Orientation is related with the activities and processes linked with satisfying and generating customers by continuously judging their wants and needs, so in a manner that a measurable and demonstrable effect is there on performance of enterprise. Now market orientation may be considered as a mature concept, it has evolved from just satisfying and generating customers by continuously judging their wants and needs to new levels of blending of market orientation and next orientations like entrepreneurship orientation or innovation orientation permitting enterprises for having finer performances of enterprises.

The results of this study show that innovation of product is vital for proper implementation of market orientation in enterprises. This may also be concluded that there is very close relation among performance and market orientation. For improving enterprises performance market orientation has emerged as a basic strategy. Means enterprises having better structures and strategies in organization for connecting with the requirements of their clients are above and over as compare to those who are not having such characteristics. Internal Market Orientation means employees of enterprise must be trained with customer orientation. Internal market orientation is important today, since enterprise have close contact with customers with help of Internet and IT. Hence, this is compulsory for enterprise for training of employees in related to processes of customer service becoming culture organization.

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