

Market Orientation: Company Performance and Global Consumer Culture Change

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ABSTRACT

Market orientation (market orientation) is a measure of behavior and activity that reflects the implementation of the marketing concept. Ironically, although the marketing concept has been developed in the decade of the 1950s, it was only in the 1990s that empirical studies began to be conducted to examine the marketing concepts of business strategy and success.

In line with the development of the business world today a term "Global Village" was born stating that a mechanism of world trade is described as a market in a village. The concept of thought is translated as an increasingly smaller market phenomenon with the support of technological advances and information as factors important for companies to be able to innovate, adapt and respond automatically to consumers. International marketing is one activity that is in line with Global Village thinking. In accordance with the development of increasingly global information technology, global consumers also experience developments in terms of culture. Because culture is attached to consumers which is a major factor in international trade.

This study aims to analyze more deeply the relationship between market orientation and company performance and changes in global consumer culture. The research method used in the study was a qualitative approach with analytical techniques using the Miles and Huberman models.

The data used in this study are secondary data that have been officially published through articles and other studies that relate to the topics that are the focus of research.

Keywords: Market orientation, Global Consumer Culture, Company Performance

PRELIMINARY

Market orientation is the basis of marketing and is increasingly important in other fields, such as strategic management. Research in marketing has identified the characteristics of market-oriented organizations. However, how organizations have changed to become more market-oriented has received less attention. (2)

Global Village thinking that states a mechanism of world trade that is described as a market in a village (Utama, 2003). This concept of thinking is translated as an increasingly smaller market phenomenon with the support of advances in technology and information that are important factors for companies to be able to innovate, adapt and provide automatic responses to consumers (Chatell, 1995 in Utama, 2003).

Market Orientation

Market orientation is a measure of behavior and activity that reflects the implementation of marketing concepts. Ironically, although the concept of marketing was developed in the 1950s, it was only in the 1990s that empirical studies began to be conducted to examine the marketing concept of business strategy and success. The main pioneers are Kohli and Jaworski (1990,1993) in their article "Market orientation: The construct, research, propositions and managerial implications" and "Market orientation: antecedents and consequences" and Narver and Slater (1990) in their article "The effect of market orientation on business profitability ". (Fandy Tjiptono, 2008)

According to Kohli & Jaworski (1990), the term "market orientation" was chosen rather than "marketing orientation" on the basis of certain considerations. The term market orientation clarifies that this concept is not solely the responsibility or attention of the marketing function, but that all departments participate in the collection, distribution and follow-up of market intelligence. In addition, market orientation focuses on markets (markets) that include customers and the factors or forces that influence them. Thus, if the term marketing orientation is used, the meaning is too narrow.

So far the conceptualization and measurement of market orientation are based on two main perspectives (see the table below for a comparison of the two components). First, cultural perspectives focus on organizational norms and values (organizational culture) that drive behavior that is consistent with market operations (Deshpande, Farley & Webster, 1993; Narver & Slater (1990)) defines market orientation as a business culture capable of effectively and effectively efficient at creating employee behavior in such a way as to support efforts to create superior value for customers. They identified three main components of market orientation, namely customer orientation, competitor orientation, and coordination between functions.

Table. Market Orientation Components

NO	MARKOR Scale		MKTOR Scale	
	Components	Description	Components	Description
1	Collection of market intelligence	Monitor and analyze factors that influence the needs and preferences of consumers, both in the current context and the future	Customer orientation	Adequate understanding of target buyers to be able to create superior value for them on an ongoing basis.
2	Dissemination of market intelligence	Market intelligence is communicated and disseminated to all relevant departments and individuals in the organization	Competitor orientation	The company understands the short-term strengths and weaknesses as well as the capabilities and long-term strategies of the current main competitors and potential competitors.
3	Responsiveness to market intelligence	Actions taken to respond to intelligence that have been collected and disseminated internally	Coordination between functions	Coordinated use of company resources in order to create superior value for target customers.

Description:

MARKOR Scale developed by Kohli & Jaworski (1990)

MKTOR Scale developed by Nrvr & Slater (1990)

Specific items to measure the market orientation version of Narver & Slater (1990) called MKTOR are presented in the table below.

MKTOR Version Market Orientation Measurement Table

No.	COMPONENTS	SPECIFIC ITEMS
1.	Customer Orientation	<ul style="list-style-type: none"> Customer Commitment Creation of customer value

		<ul style="list-style-type: none"> • Understanding customer needs • The goal of customer satisfaction • Measurement of customer satisfaction • After-sales service
2.	Competitor orientation	<ul style="list-style-type: none"> • Salespeople share competitor information • React quickly to competitor's action • Top managers discuss competitor's strategies • Targeting opportunities for competitive advantage
3.	Coordination between functions	<ul style="list-style-type: none"> • Customer contact between functions • Information is shared between functions • Functional integration in strategy • All functions contribute to costumer value • Share resources with other business units

Source: Adapted from Narver&Slater (1990) in Fandy Tjiptono (2008)

Second, the behavioral perspective concentrates on the process or organizational behavior which consists of three main activities (Kohli & Jaworski, 1990):

1. Systematic gathering of market intelligence regarding current and future customer needs.
2. Dissemination of market intelligence to all units / departments of the organization.
3. Design and implement organizational responses to market intelligence in a coordinated and comprehensive manner.

According to Jaworski & Kohli (1993), market orientation has the potential to improve business performance. In addition, market orientation is also believed to provide psychological and social benefits for employees, a greater sense of pride and sense of belonging, as well as greater organizational commitment.

Furthermore, Jaworski & Kohli (1993) also identified three environmental factors that influence in moderating the relationship between the level of market orientation and business performance, namely: market turbulence, competition intensity and technological turbulence. If market turbulence (the level of change in the composition of customers and their preferences) is greater, then the relationship between market orientation and business performance will also be even greater. The greater the intensity of competition, the stronger the relationship between market orientation and business performance. However, as technological turbulence increases, the relationship between market orientation and business performance will weaken. Thus, it can be said that market orientation is a more important determinant of business performance in turbulent, highly competitive market conditions, and the level of technology is relatively stable or established.

Although at first the market orientation was developed as a way to measure the level of implementation of company concepts in a company, this concept developed more than just a reflection of the marketing concept. Unlike the marketing concept that can be said to be customer-focused, market orientation actually has a dual focus on customers and competitors. Thus the market orientation complements the marketing concept. (Fandy Tjiptono, 2008)

In line with the increasingly competitive development of international trade, a lot of research that looks at the relationship between market orientation and export performance is also increasingly being carried out. According to Cadogan et all (2002) in his research entitled "Export Market-ore Activities: Their Antecedents and Performance Consequences"

found that, activities of export market oriented have a positive relationship with export performance.

Definition of Culture

Until now there has been no agreement between experts to define culture in general, but there are some opinions of experts regarding the definition of culture itself including:

Edward B. Taylor

Culture is a complex whole, which contains knowledge, beliefs, arts, morals, law, customs, and other abilities acquired by someone as a member of society.

Koentjaraningrat

Culture is the whole system of ideas, actions, and the work of human beings in the context of community life that is owned by human beings with religion.

Dr. K. Kupper

Culture is a system of ideas that guides and directs humans to behave and behave, both individually and in groups.

William H. Haviland

Culture is a set of rules and norms that are shared by members of the community, which if implemented by its members will give birth to behavior that is deemed appropriate and acceptable to all communities.

Definition of International Market

According to Rakesh Mohan in his book entitled International Marketing defines that International Marketing is a Marketing activity that crosses the boundaries of more than one country. International marketing is the application of the concepts, principles, activities and processes of marketing management in the context of channeling company ideas, goods or services to consumers in various countries [1].

Meanwhile, according to Sak Onkivist in his book entitled Process International Marketing, it is stated that the international market is a market that buys and sells products from several countries. International markets surpass marketers' exports and become more involved in the marketing environment in countries where an organization does business.[2]

Cultural elements that influence international marketing

Culture consists of many components that are interconnected with one another. Knowledge of culture requires a deep understanding of the different parts. As for the cultural elements that have an influence on international marketing are: material life, language, social interaction, aesthetics, religion, education, and values.

- **Life Material**

The main component of culture is its material aspects. Material life mainly refers to the technology used to produce, distribute and consume goods and services in society. Differences in the material environment explain differences in the level and type of demand for consumer goods. To bridge material differences in the environment, marketers are often forced to adapt their product offerings. for example, the soft drink industry. In many countries outside the United States, stores have very limited shelf sizes, and refrigerators with much smaller capacities compared to the United States. As a result, soft drinks are sold in smaller sizes such as half a liter and one liter, in contrast to those sold in America which usually sells 2 liter packs.[3]

- **Language**

Language is a challenge faced by international marketing. Language is often described as the most important element in social interaction. Language is a means used to communicate and interact within the environment. Two aspects of language are the basis for international marketing are (1) the use of language as a communication tool in culture and (2) the great diversity of languages throughout the world.
- **Social Interaction**

An important aspect of culture is social interaction between people. Social interaction refers to the way in which community members relate to one another. Perhaps the most important expression of social interaction is the concept of kinship. This concept varies dramatically across societies. For example In Chinese culture, guanxi is an important form of social interaction in a business context. Guanxi, which roughly means connection, is very important in various situations such as to enter into negotiation agreements, distribution, obtain business licenses and establish joint ventures. [4] Therefore it is very important to build Guanxi in China through executive education programs, where senior executives from various industries and cities can meet and interact.
- **Aesthetics**

Aesthetics refers to ideas and perceptions that culture highly respects beauty and good taste. In the Asia-Pacific region, aesthetic expressions are driven by three principles: (1) complexity and decoration (various shapes, shapes and colors), (2) harmony and views on nature (for example, mountains, flowers, trees). Aesthetics play a major role in designing the visuals of the product, including components such as packaging and logos. A series of studies on brand logo design in Singapore and China suggest that companies should choose a logo design that is complex (complex, deep, active), harmonious (symmetry, balance), and natural. On the other hand Color also has a different meaning and aesthetic appeal. [5]
- **Religion**

Religion plays an important role in many societies. When religion is an important part of consumer life, companies must be able to realize it. In an Islamic society, companies can expand the attractiveness of their brands and grow their business by engaging with Muslim consumers by ensuring that the products sold are halal and affixing the halal logo to each product to be marketed.[6]
- **Education**

Education is one of the main instruments for the distribution of culture from one generation to the next. Two aspects of education that are important for international marketers are the level of education and the quality of education. It is very important for companies to pay attention to the quality of education. Education is a bridge to meet business needs. For example 51 technology companies operating in India face problems, where universities in India produce many engineering graduates, but 85 percent of them according to an estimate are not ready to work after graduation.[7]
- **Value System**

All cultures have a value system that forms a society of norms and standards. Norms affect people's attitudes towards objects and codes of behavior. From the standpoint of international marketing, the community value system has a very important position. Local attitudes towards foreign cultures will drive product positions and decisions in product design. In many countries, goods that have an American character are highly valued. US companies are able to capitalize on these sentiments by using the Americana character as an instrument of sales. McIlhenny sells Tabasco with the same product labels all over the world emphasizing the American character in every product it sells.

DISCUSSION

Multivariate analysis for market orientation shows that internal company has a greater influence than organizational structure. In its application, market orientation affects company performance through innovation, customer loyalty and quality. Furthermore, the results of the analysis in this study indicate that market orientation plays a greater role in the performance of companies for manufacturing companies than service companies. (1)

This research contributes to the Market Orientation literature. Previous research revealed that the implementation of OP depends on top management. However, the researcher broadens his understanding by showing that the middle layer in the organization (for example, middle managers, expert peers) functions as an intermediary in the spread of market-driven learning for frontline employees. Specifically they explain (1) the influence of top management on frontline employees is realized directly through two types of messengers rather than directly, (2) in addition to middle managers, top managers need to also be able to use expert peers to implement OP, and (3) messenger characteristics and tissue size can block the trickle down effect.

Although this research is about market orientation, the findings can be generalized to research on individual-level customer orientation. Hartline, Maxham, and McKee (2000) state that group work socialization plays an important role in spreading corporate strategy from top management to frontline employees. This research not only confirms their claims, but also identifies important people in the work group and the conditions under which each person is best suited to spread the company's strategy.

This discovery contributes to the understanding of network size in the spread of Market Orientation throughout the organization. Specifically, they found that network size was more important for informal routes of spreading market orientation (face to face expert peers - frontline employees) than formal routes of spreading market orientation normal routes (face to face top managers - middle managers and frontline employees). This shows that learning through intermediaries is important in informal routes because a larger network size prevents frontline employee opportunities to observe and learn from expert peers. Conversely, learning through reinforcement may be more important on formal routes because the transfer of individual-level market orientation along this route does not depend on the size of the direct-report network. This finding also states that the moderating effect of network size is more complex and feasible for further research.

This implication can be applied to the dissemination of customer-oriented behavior so that the important thing to consider is the selection of people who are able to implement market orientation. In addition, downsizing, span of control, and market orientation diffusion must also be considered (3)

Although market orientation has a positive effect on company performance in both the short and long term, in this study it was revealed that companies that from the beginning developed market orientation were able to obtain sustainable advantages compared to companies that were late in developing market orientation. (4)

Companies that first use market orientation will achieve greater competitive advantage. They will get it in the form of sales and profits because of the accumulated effect that lasts for three periods. Our research makes an important contribution to the literature on excellence for companies that first use market orientation. The results show that early adopters relating to implementing market orientation strategies also enjoy the same benefits as first movers in terms of introduction of innovation products or services (Kerin, Varadarajan, and Peterson 1992). In other words, early users also enjoy a competitive advantage in terms of output (for example, product or service innovation), but this benefit is clear for only three years (4)

The results of this study reveal that the use of market orientation can produce profits. Market orientation must therefore be made a culture ((see Gebhardt, Carpenter, and Sherry 2006). In practice for 15 years, market orientation is seen as preventing failure

rather than pursuing success (Varadarajan, 1985). Companies take actions that not only maintain orientation markets to achieve success, for example have unique advantages, but they must continue to identify new dimensions to build self-differentiating factors, for example, companies have incorporated customer orientation (focus) into their organizations, thereby adding to the dimension of market orientation.

The globalization of brands and services requires companies to include a multicultural dimension in their market orientation philosophy. Likewise, market orientation emphasizes on customers from various cultures as a result of globalization, including paying attention to the ability of employees who are able to adjust to market orientation.

The results of this study also show that in a turbulent environment, companies that operate constantly, market orientation must be in harmony with customer preferences. The market produces real-time information and the dissemination of that information is needed. Even so, companies are dealing with rapidly changing technology so that the performance benefits of market orientation are more difficult to win and save. In very competitive conditions, the results of market orientation show that the company is able to protect profits in sales and profitability. Companies can turn sales profits, due to their market orientation, into higher profits over time.(4)

This study has three theoretical implications. First, strategic marketing theory that explains the performance of companies must more explicitly consider interdependencies among various marketing capabilities. Second, benchmarking must be an important tool for managers to create market-oriented companies. Third, the interesting thing is that learning from companies from other industries potentially is transforming the value of "Gene Splicing". Gene splicing is an activity that is often carried out by creative planners who carry out routine activities and production rules and through this gene splicing creates new production, distribution, and marketing routines, tactics and functions. (The process by which DNA fragments from one or more different organisms are combined to form recombinant DNA). (5)

Another problem that arises is the potential trade-offs between new regions about capabilities that can be obtained from benchmarking top-performing companies in other industries versus the ability of managers to translate these new insights into improving valuable capabilities in benchmarking companies..

This research raises an important question whether in the context of marketing capabilities there is a trade-off between benchmarking focusing on competitors - or peers - supported and consumer-oriented approaches and equipment - and employees supported in primary research. If anything, what is the balance of consumers, competitors, or peers, and internal orientation is needed to maximize business performance under different conditions.

Although this study provides insight into marketing capability benchmarks, it does not provide impetus for how companies should develop deployment, and improve benchmarking capabilities to the higher levels they can achieve. Researchers have little understanding of the form of organizational culture and the design of benchmarking processes that protect the pseudo-style of marketing capabilities and help companies improve the marketing process that is continuously balanced with "bedding down" and routine.(5)

In essence, in this essay the author tries to analyze more deeply the culture of consumers through previous literature and the results of interviews conducted with respondents. Through this paper the author hopes to make a book or cooking guide as an artifact culture to understand more deeply the culture of consumers. In this study also, the author is able to restore the function of the kitchen as a good food processing place, and invite the public to return to use the kitchen according to its function.

Through this research the writer hopes to show that cookbooks are not only a tool for instruction and instruction about cooking, but cooking books can also reflect cultural transformation that occurs in society. (8)

Consumer culture can be defined as a system called consumption that is based on a set of behaviors that are considered good in accordance with ethics and norms that apply and are accepted both at a place, also in accordance with the customs of the place.

Four important things related to consumer culture in international marketing according to this article are:

1. Commercial products can be accepted by the market faster. Where the products produced on the capitalist market will be more quickly absorbed than the products produced and distributed through the state.
2. The freedom possessed by consumers encourages dynamics in the market.
3. Changes in the relationship between different systems of production and community valuations make markets more closely linked and the value of products determined by the market.
4. The importance of paying special attention to the use of consumer goods in their allocation to individual status, prestige, satisfaction received from consumer goods and the effect of consumer goods on the quality of life of consumers.

Consumer culture is produced by agents who work directly in the market economy as managers, marketers and advertising creative teams, where these parties analyze consumer products through everything that happens through cultural mediation. These matters are analyzed through prominent figures, media, politicians, celebrities, religion, public intellectuals, politicians and others. By doing this analysis, it is hoped that they can better understand consumer preferences, which in turn will give birth to a business strategy that can produce unique products that are in accordance with the wants and needs of consumers. (9)

Even though consumers in the early 20th century have encouraged the creation of mass markets, consumer culture related to customs is still a concern for marketers in order to win the global market.

OECD Country

OECD countries are countries with the most developed market economies in the world, especially European-American countries

- Consumer has good quality education (higher education).
- Consumer pays more attention to environment
- Consumer's consumption for service business is higher

Japan dan The Asian "Tigers"

- As one of the richest countries in the world, Japan is a big market for global products.
- Japanese consumers have clear information before they choose products to consume.
- Japanese consumers also have high aesthetics for the product to be consumed.
- Japanese consumers highly consider high quality and price.
- Japanese consumers are up to date consumers. This means they do not hesitate to leave products that do not hesitate to leave products that are no longer compatible with the latest technology or trends.
- Japanese consumers reduce spending on household needs and they spend a lot of money on leisure time.
- Japanese consumers are very concerned about saving (saving).

BRIC = Brazil, Russia, India dan China

- Have large number of consumers.
- Have many local markets.
- Political reform in China provides opportunities for Chinese people to consume according to their wants and needs.

- 30 percent of India's population is a middle-class economic community. This segment is the consumer with the highest level of consumption in India.
- Indian consumers are increasingly interested in consuming products with good brands.
- The main information used by Indian consumers as a basis for consumption is advertising in electronic media and magazines.

Russia dan The Former Soviet Bloc

- There are efforts to build consumer culture in accordance with the culture of western consumerism.
- There is an elite consumption culture which becomes the consumption behavior of the spectacularly rich people of the "new Russia" who follow the understanding of capitalism.

Latin America

- There are many high-income landowners.
- Influenced America's consumption culture. Consumers can buy products to meet their daily needs at retail stores such as Wal Mart.
- Lower middle-class consumers are the target of multi-national companies. Multi-national companies try to produce products that fit the basic needs of lower middle-class consumers.

Africa

- Traditional in consumption and trade. Encouraging Africans to migrate to other countries.
- Colonized by other countries. So, marketing campaigns that occur in Africa tend to contain racism and reject white racists

The Islamic Middle East

- Consumption is greatly influenced by religious values.
- There are striking differences between consumers of rich Islamic countries and consumers of Muslim countries that are not rich.
- For poor consumers, consumer culture is strongly influenced by cultural values.
- For wealthy consumers, the consumption culture is starting to be influenced by western luxuries.

CONCLUSSION

Bila tidak terdapat tradisi koordinasi antar bagian dalam bisnis, tidak akan ada sokongan anjuran dan kepemimpinan efektif yang dibutuhkan untuk mengatasi permasalahan yang dihadapi suatu bagian dari bagian lainnya. Pencapaian koordinasi antar bagian yang efektif sangat diperlukan dalam semua bidang, harus terdapat sebuah pendekatan terus-menerus pada bagian-bagian bisnis dan penciptaan ruang lingkup, setiap bagian merasakan keuntungannya sendirisendiri dalam pengoperasian bisnis yang berhubungan dengan bagian yang lainnya. Jika hasil dari setiap bagian bisnis digunakan untuk masukan pada penciptaan nilai kemanfaatan terbaik untuk konsumen, penonjolan diri sendiri dari setiap bagian akan membuat bagian-bagian tersebut berpartisipasi penuh dalam bisnis (Ruekert Walker, 1985).

In establishing effective inter-departmental coordination, the marketing department or other supporting departments must be truly sensitive and responsive to the perceptions and needs of interdepartments in the business. If there is no tradition of coordination between divisions in the business, there will be no effective support and leadership support

needed to overcome the problems faced by one part of the other. The achievement of effective inter-departmental coordination is indispensable in all fields, there must be a continuous approach to the parts of the business and the creation of scope, each section feels its own advantages in operating a business that is related to the other sections. If the results of each part of the business are used to input on creating the best value for consumers, the self-excellence of each part will make these parts fully participate in the business (Ruekert Walker, 1985).

In establishing effective inter-departmental coordination, the marketing department or other supporting departments must be truly sensitive and responsive to the perceptions and needs of interdepartments in the business. In ongoing business competition, a business will not be able to avoid the consumer's long-standing perspective on it. To prevent competitors from creating the best benefit value for buyers, businesses must continually find and apply additional benefit values for their customers, which involve certain scopes of tactics and investments needed. Anderson (1982) emphasizes that the long-standing investment perspective for business success is evident in market orientation.

Cultural factors are one aspect that has a very large influence in international marketing activities. Culture is one of the main foundations that is used as a foundation for business people to carry out their business activities. This is because the culture at the international level is very diverse, different and dynamic so it requires different ways, strategies and approaches to market these products.

So that international marketers are required to understand cultural aspects in each region that tend to differ so that international marketers have good knowledge about their target market and target areas.

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