A Critique of the Development of Alternative Measures of Market Orientation

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This study critically examines the development of alternative measures of market orientation that are primarily based on combining the MARKOR and MKTOR measures. The study argues that this empirical approach, while producing results that may be equivalent to established measures in terms of predictive ability, adds little contribution to the literature. The simplicity of this approach is demonstrated by the development of another 'new' measure of market orientation, which is shown to marginally outperform both MARKOR and MKTOR in explaining variations in business performance.

Keywords: Market orientation; measurement scales.

Introduction

Following the recent development of measures of market orientation, (Narver & Slater 1990; Ruekert 1992; Jaworski & Kohli 1993; Kohli, Kaworski & Kumar 1993), there has been a renewed interest in both the antecedents and consequences of a market orientation. In general, research findings tend to suggest that organisations should aim to be more, rather than less, market oriented. Wren (1997, p49) states that "...practitioners have almost universally adopted the mantra that 'we must become more market(ing) oriented' in order to gain a competitive advantage in highly competitive markets." Given this, and the centrality of the market orientation construct to marketing theory, it is axiomatic that such theory be developed with valid and reliable measures. The purpose of this paper is to review and critically evaluate alternative measures of market orientation, specifically those developed post-1989. For those interested in a summary of pre-1990 measures of market orientation, see Wren (1997). In particular, this paper critically evaluates those measures that are combinations of existing measures of market orientation, on the basis that the combination of existing measures of fers no advancement in knowledge.

Clarifying the Concept

Before we begin our analysis, we draw brief distinctions between closely related concepts of (a) the marketing concept, (b) marketing orientation, (c) market orientation.

Marketing Concept

The evolution of the marketing concept can be traced to the works of Drucker (1954), McKitterick (1957), Felton (1959), Keith (1960). The marketing concept is basically a philosophy of business that places the customer at the centre of organisational activities. That is, the organisational culture is one that is predominantly customer focused. As Deshpande and Webster (1989, p3) state,

"the marketing concept defines a distinct organisational culture...that puts the customer in the centre of the firm's thinking about strategy and operations".

Marketing Orientation

As opposed to a business philosophy, a marketing orientation can be described as the implementation of the marketing concept (Wren 1997). In short, the marketing concept is concerned with how the organisation thinks about its products, its customers, whereas a marketing orientation is concerned with the undertaking of those activities necessary to implement the marketing concept (Wren 1997).

Market Orientation

The development of measures of the market orientation construct is attributable to the work by both Kohli and Jaworski (1990) and Narver and Slater (1990). Kohli and Jaworski undertook a literature review and sixty-two field interviews with both marketing and nonmarketing managers in industrial, consumer and service industries, with organisations ranging in size from four employees to tens of thousands. Ten business academics at two large US universities were also interviewed. Based on such interviews, and a review of the literature, Kohli and Jaworski propose a formal definition of market orientation;

"Market orientation is the organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organisation-wide responsiveness to it." (Kohli & Jaworski 1990, p6)

In defining the conceptual domain of market orientation, Narver and Slater (1990) reviewed the literature, concluding that a market orientation consists of the following three behavioural components: Customer orientation, which involves understanding target buyers now and over time in order to create superior value for customers; understanding the economic and political constraints in the channel; Competitor orientation which involves acquiring information on existing and potential competitors, and understanding the short term strengths and weaknesses and long term capabilities of both the key current and potential competitors; and Inter-functional coordination, which is the coordinated utilisation of company resources in creating superior value for target customers.

Ruekert (1992) developed a measure of market orientation that is similar to that by Kohli and Jaworski (1990) and Narver and Slater (1990). Ruekert (1992) cites Shapiro (1988) who argues that the market driven organisation possesses three critical characteristics: Information on all important buying influences permeates every corporate function; Strategic and tactical decisions are made interfunctionally and interdivisionally; Divisions and functions make well-coordinated decisions and execute them with a sense of commitment. Ruekert (1992, p227) further argues that work by Shapiro (1988), Kohli and Jaworski (1990) and Narver and Slater (1990) shares common characteristics: A market orientation results in actions by individuals toward the markets they serve; Such actions are guided by information obtained by the market place; Such actions cut across functional and organisational boundaries within the division. Ruekert (1992, p228) then defines a market orientation as:

"...the degree to which the business unit: (i) obtains and uses information from customers; (ii) develops a strategy which will meet customer needs; (iii) implements that strategy by being responsive to customers' needs and wants."

From the above discussion, it is evident that all three conceptualisations of market orientation are concerned with behaviours, as opposed to philosophical notions. The respective measures are fairly similar in that they focus on obtaining and disseminating information on customers (and competitors) in order to attain a competitive advantage. It is interesting to note that while the respective measures include a focus on the customer, only those by Kohli and Jaworski (1990) and Narver and Slater (1990) acknowledge the importance of a competitor orientation as being a dimension of the market orientation construct. Indeed, of the twenty-three items used to measure market orientation by Ruekert (1992), only two concern competitors or competitiveness.

Given the importance of measuring market orientation for theory testing, and the choice of measures, Cadogan and Diamantopoulos (1995) review the MKTOR and MARKOR measures of market orientation, and argue that both measures share a similar nomological network. However, they also state that the two conceptualisations of market orientation capture unique elements of the domain of the construct (Cadogan and Diamantopoulos, 1995, p. 48). Similarly, Cadogan and Diamantopoulos (1995) state that while the degree of overlap with respect to the measurement scales is high, there are some differences worth noting. For example, the items on MARKOR relate to specific activities concerned with intelligence generation, dissemination and responsiveness. Conversely, the MARKOR scale contains items that relate to both behavioural activities and attitudinal components. Given this, Cadogan and Diamantopoulos (1995) synthesise the two conceptualizations of market orientation, with a view to developing a measure of market orientation that may be useful in an international context. On this point, Cadogan and Diamantopoulos, (1995, p. 56) state that development of a new measure of market orientation should include "...exploratory research ... to obtain preliminary insights into the respecified construct's domain, and followed by rigorous development procedures." In the following section, we turn our attention to measures of market orientation, with emphasis on those measures developed since 1989.

Measures of Market Orientation

There are several measures of market orientation. In this section, we will review the various measures, paying particular attention to issues of reliability and validity. The first empirical measure of market orientation, post – 1989 is that developed by Narver and Slater (1990), referred to as MKTOR. This was originally conceptualised as a one dimension construct, comprising three behavioural components, (customer orientation, competitor orientation, and interfunctional coordination), and two decision criteria, (a long-term focus and a profit objective), (Narver & Slater 1990, p22). However, the measures of the two decision criteria exhibited very low levels of Cronbach Alpha, leading Narver and Slater (1990) to subsequently delete these sub-constructs. Although Narver and Slater (1990, p33) suggest that future studies should address this issue by developing better measures of the two decision criteria, it is interesting to note that Narver and Slater have neglected to do this in several follow-up studies, preferring the three behavioural component of market orientation (Narver & Slater 1991; 1993; Slater & Narver 1994, 2000).

The measure of market orientation developed by Kohli, Jaworski and Kumar (1993) referred to as MARKOR, is a one-dimensional construct with three behavioural components, (intelligence generation, intelligence dissemination, and responsiveness). The original 32 item measure developed by Jaworski and Kohli (1993) was subsequently refined to a 20 item measure (Kohli, Jaworski & Kumar 1993). However, the final measure is subject to criticism

on several grounds, such as the collapsing of the factors of intelligence dissemination and responsiveness into a single factor, (see Farrell & Oczkowski 1998, for a discussion).

It is worth noting that the MARKOR measure had relatively poor psychometric properties. Their final model had goodness of fit indices well below the accepted cut-off scores, (see Kohli, Jaworski & Kumar 1993, Table 2, p472). Indeed, this is acknowledged by Kohli, Jaworski and Kumar (1993, p473), "Overall these findings are *moderately* supportive of the validity of the market orientation construct," (italics added).

In an attempt to improve upon existing measures of market orientation, Deng and Dart (1994) reviewed the literature, concluding that a market orientation is comprised of the following sub-constructs, customer orientation, competitor orientation, inter-functional coordination, and profit orientation. They developed a pool of 44 items, drawn from the literature and previously published articles. This was later reduced to 33 items based on pretest interviews. Validity was assessed with simple correlation analysis, (see Steenkamp & van Tripp 1991, pp283-284 for criticism of this approach). In concluding, Deng and Dart (1994) argue that their market orientation scale contributes to the literature in the following ways: (a) it is a four component construct; (b) is relatively concise; (c) encompasses a more comprehensive variable set than previous scales. However, the scale can be criticised on the following grounds. First, is the inclusion of the profit orientation items. There is general agreement in the literature that a profit orientation is a *consequence* of a market orientation, and not a part of a market orientation. Second, the scale is primarily a derivative of the MKTOR scale, with the addition of several extra items. As such, little theoretical advance is made. The resulting 33-item scale is also cumbersome, and would be time consuming for respondents to complete if part of a study containing several other variables.

Pelham (1997) developed a measure of market orientation that was derived from the items in the measures constructed by Narver and Slater (1990) and Jaworski and Kohli (1993). The scale by Pelham had a total of nine items, of which eight were drawn from the Narver and Slater measure. This was because of "the superiority of Narver and Slater items and dimensions, compared to Jaworski and Kohli items and dimensions, as far as convergent/discriminant validity", (Pelham 1997, p62). In other words, Pelham found that the items developed by Jaworski and Kohli (1993) did not have favourable psychometric properties.

Lado, Olivares and Rivera (1998) also attempt to develop an alternative measure of market orientation. They define market orientation as the extent to which firms use information about their stakeholders to coordinate and implement strategic actions, (Lado, Olivares and Rivera 1998, p34). They state that a market orientation consists of nine components based upon the four market participants, (final customers, distributors, competitors and environment), with what they argue are the two major stages of the market orientation process, (analysis and strategic actions), plus a component that is termed inter-functional coordination. After analysis the final result is a 36-item scale, which achieved strong support for its structural validity, using covariance structure analysis. In general, the scale items focus on behaviours/activities, as opposed to measuring cultural issues. This is consistent with MARKOR and MKTOR. Unlike the Deng and Dart (1994) scale, this measure of market orientation has a firm theoretical base, and is not simply a collection of items from alternative measures. However, as with the Deng and Dart (1994) scale, a 36-item scale is also cumbersome to apply in large studies.

A similar attempt to develop an alternative measure of market orientation is that by Gray et al (1998). Clearly they believe that existing measures are poor, given the title of their paper, "Developing a better measure of market orientation". The aim of their study is to replicate and extend the market orientation research of both Jaworski and Kohli (19930 and Narver and Slater (1990) and "validate what appear to be promising measures and to develop managerially useful and parsimonious scales for measuring market orientation in the New Zealand context". Their study "utilised parts of three different instruments", (Narver & Slater 1990; Jaworski & Kohli, 1993; and Deng & Dart 1994). A total of 44 items were chosen using Cronbach Alpha scores from the original studies. These questions were grouped in constructs from the previous studies, in one section in the middle of the questionnaire. Based upon exploratory and confirmatory factor analysis, they produce a five dimensional model of market orientation: customer orientation, competitor orientation, interfunctional coordination, responsiveness, and profit emphasis. The measure contains 20 items.

Despite the claims of the authors to have developed a "better" measure of market orientation, there are limitations to their study that need addressing. First is the fact that little theoretical advance has been made. The random grouping together of items from alternative scales makes little sense. It would have been more fruitful to clearly delineate the domain of the market orientation construct, as in the Lado, Olivares and Rivera (1998) study. Given that the authors were intent on developing a better scale based on empirical methods alone, it is also not clear why they chose to ignore the market orientation measure developed by Ruekert (1992). The grouping together of the constructs is also problematic, in that it does not reduce the problem of demand artefacts. It can be argued that the grouping together of the constructs affects the manner in which the respondent completes the items. According to Perrien (1997, p267) this may result in results that are "demand biased". This may occur when the respondent identifies the research hypothesis and then "adopts a role resulting from this guessing," (Perrien 1997, p267).

Similarly, the authors did not take into account the problem of order effects in completing the questionnaire. In essence, order effects may be encountered when respondents become fatigued answering similar items from different measures. To overcome this potential problem, researchers alternate the order of the measures in the questionnaire, (see Oczkowski & Farrell 1998, p356 for a discussion). The inclusion of the four items measuring a profit emphasis is also a problem given the argument that a profit emphasis is a consequence of a market orientation. In terms of parsimony, the scale is longer than the MKTOR scale (14 items) and the same length as the MARKOR scale, (20 items) so no advance has been made regards the length of the scale.

In a similar study, Deshpande and Farley (1998) empirically examine three measures of market orientation, namely, Narver and Slater (1990), Kohli, Jaworski and Kumar, (1993), and Deshpande, Farley and Webster (1993). Note that the measure developed by Deshpande, Farley and Webster (1993) actually measures customer orientation, and not the broader construct of market orientation. In brief, Deshpande and Farley (1998) asked 82 marketing executives from 27 companies to complete a questionnaire containing the three aforementioned measures of market orientation. As with the study by Gray et al (1998) no mention is made of the problem of order effects in completing the questionnaire. Analysis of the scales revealed that "all appear interchangeable, and that substantive conclusions reached with each apply generally to the others" (Deshpande and Farley, 1998). Given this, Deshpande and Farley (1998) set out to develop a more parsimonious scale, by factor

analysing the items of all three scales together. This resulted in a 10 item scale, that they name 'MORTN'. However, their measure is criticised by Narver and Slater (1998) on the grounds that the conceptualisation is too narrow. In short, the Deshpande and Farley (1998) measure is primarily composed of items that focus on the customer, ignoring what Narver and Slater (1998, p. 236) call critical behaviours for creating superior value for customers: (1) a business being clear to its value discipline and value proposition; (2) a business leading its targeted customers by discovering and satisfying their latent needs and not merely responding to their expressed needs; (3) a business seeing and managing itself as a service business; (4) a business managing its targeted customers as customers for life.¹

Given the literature on market orientation, the divergence in opinions as to the relative merits of the MARKOR and MKTOR, Oczkowski and Farrell, (1998) use non-nested tests and two stage least squares estimators to compare the predictive ability of the MARKOR and MKTOR measures of market orientation. Their results suggest that the use of OLS regression and summated scales may distort the true performance of measurement scales. That is, OLS may favour a scale that is actually inferior to a competing scale, when tested under more rigorous procedures, such as 2SLS. Moreover, when using 2SLS regressions, as opposed to OLS, MKTOR is the preferred measure. This study is useful in that it provides clear evidence for the predictive ability of the MKTOR scale, whilst demonstrating the inherent weaknesses in employing OLS regressions, a point that is often neglected in the market orientation literature.

To illustrate the simplicity of constructing a 'better' measure of market orientation, as per the Gray et al (1998) study, and the study by Deshapande and Farley (1998), we develop a 'new' measure of market orientation, by utilising the items that comprise the MARKOR and MKTOR scales. We regress the new measure against a dependent variable, organisational performance, and compare the results with those for both the original MARKOR and MKTOR scale. In brief, we combine the items from the MARKOR and MKTOR scales. Initially the Cronbach Alpha of the sub-constructs that form the respective scales was Items were dropped if it resulted in a higher alpha, taking into account computed. recommendations by Nunnally, (1978). Both scales were then factor analysed, using principal components and varimax rotation. This resulted in a five-factor model. Based upon this, a new measure of market orientation was derived. This 'new' measure contains a total of 13 items from the MKTOR scale, and 20 items from the MARKOR scale. Only one item from the sub-construct of inter-functional coordination was deleted based on reliability analysis. To compare the predictive ability of this new measure, three separate regressions were computed. In the following section we discuss the measures used in this study.

Measures

(For a detailed discussion of the reasoning behind the inclusion of the following variables, see Slater & Narver 1994).

Dependent variable

Five dimensions of business performance relative to all other competitors in the organisation's principal served market segment over the past year. (a) customer retention;

¹ However, as one reviewer pointed out, these critical behaviours are contentious. For example, it may be inappropriate for a business to see itself as a service business, and to also view customers for life, given the mobility of certain customer segments.

(b) new product success; (c) sales growth; (d) return on investment; (e) overall performance. A measure of business performance was also developed which included all of the previous indicators in a five item summated scale, named business performance.

Independent variables

Market Orientation.

 (MKTOR). The simple average of an organisation's scores on customer orientation, competitor orientation, and interfunctional coordination, (Narver & Slater 1990; Slater & Narver 1994). Expected sign (+). (MARKOR). The simple average of an organisation's score on intelligence generation, intelligence dissemination, and responsiveness, (Jaworski & Kohli 1993). Expected sign: (+).

Note: We do not include Ruekert's (1992) measure for the following reasons: Firstly as stated earlier, the measure does not include sufficient items which focus upon the competitive environment which is inconsistent with other work (Porter 1980; Day and Wensley 1983, 1988; Aaker 1988). Secondly, the literature in this area has not adopted the measure by Ruekert and has consistently utilised either of the MARKOR and MKTOR measures.

- (2) Relative cost. An organisation's average total operating costs (administrative, production, rent, marketing, sales) in relation to that of its largest competitor in its principal served market segment, (Day 1990; Narver & Slater 1990; Slater & Narver 1994; Greenley 1995a); Expected sign: (-).
- (3) Market turbulence. The extent to which the composition and preferences of an organisation's customers tended to change over time (Jaworski & Kohli 1993). Expected sign: (+).
- (4) Competitive intensity. The behaviour, resources and ability of competitors to differentiate (Jaworski & Kohli 1993). Expected sign: (+).
- (5) Technological turbulence. The extent to which technology in an industry is in a state of flux (Jaworski & Kohli 1993). Expected sign: (+).
- (6) Buyer power. The extent to which customers of the organisation are able to negotiate lower prices from it (Porter 1980; Narver & Slater 1990). Expected sign: (-).
- (7) Market growth. The estimated annual rate of change of market size in the organisation's principal served market segment over the last three years, (Narver & Slater 1990). Expected sign: (+).
- (8) Relative size. The size of an organisation's sales revenue in its principal served market segment compared to that of its largest competitor, (Narver & Slater 1990). Expected sign: (+).
- (9) Ease of entry. The likelihood of new entrants earning satisfactory profits within three years after entry in the organisation's principal served market segment, (Scherer 1980; Porter 1980; Narver & Slater 1990). Expected sign: (+).
- (10) Supplier power. The extent to which an organisation is able to negotiate lower prices from its sources of supply, (Narver & Slater 1990). Expected sign: (+).

Sample and Unit of Analysis

Kohli and Jaworski (1990) argue that the 'Strategic Business Unit' (SBU) is the appropriate unit of analysis because different SBU's may be more or less market oriented. Narver and Slater (1990) surveyed 140 SBU's of a large organisation in the food products division of the organisation. However, they offered no methodological reasoning to this approach. In the study by Slater and Narver (1994), they argue that by using SBU's from only two organisations they are able to achieve high response rates and access to multiple respondents within each SBU. This reduction in measurement error, they argue, increases the internal validity of the study, and is a reasonable trade-off between internal validity and generalizability. Similarly, both Jaworski and Kohli (1993) and Narver and Slater (1990; 1994) obtained responses from top managers.

Pelham (1993, p. 103) notes that respondents from the study by Kohli and Jaworski (1993) were marketing and non-marketing executives of SBU's. Pelham criticises this approach on two grounds: Firstly, respondents may have not been at a sufficiently senior level to make accurate judgments on measures of performance; Secondly, non-marketing executives may be "internally oriented" and thus not able to make accurate judgments on measures of market orientation, market turbulence, competitive intensity.

Greenley (1995b) obtained responses from directors at the corporate level, especially managing director/CEO's. The reasons for selecting this unit of analysis, argues Greenley, is that; responsibility for top management commitment is at the corporate level (Webster 1992); managers are not as well placed as Directors to have an understanding of the organisation's overall market orientation; the balance of stakeholder interests should be initiated in the corporate mission and culture, which is the responsibility of directors (Webster 1992). Greenley (1995b) cites Deshpande et al (1993) who argue that managers may be uncertain about the appropriate culture for a market orientation, and the changes in attitude that would be required. However, this would be understood at the level of director (Webster 1992).

Method

The sample for this study is the Dun and Bradstreet top 861 public and top 1164 private companies in Australia, as defined by annual revenue. Large firms are chosen because they are more likely to have marketing departments, and systematic intelligence gathering. The unit of analysis is the corporation, with the CEO/General Manager as the key informants. As per the recommendation of Greenley (1995b) a limited pilot test was undertaken in order to ensure that the questions were compatible with the Australian business culture. A questionnaire and a personal letter were mailed to the managing director/CEO of the respective organisations. This was followed two weeks later with another mail out, in an attempt to improve response rates.

A number of questionnaires were either returned to sender (13 private, 19 public) or not completed due to company policy on questionnaires (39 private, 31 public). In total, 262 public and 206 private companies responded, of which 237 (public) and 206 (private) were useable, resulting in an effective response rate of 28.6% (public) and 17.4% (private) respectively. For the combined samples the effective useable response rate is 22.2%. Informants were told that the purpose of the survey was to investigate business practices in Australia. No mention was made of market orientation. To account for the problems of respondent fatigue in completing the questionnaire, two questionnaires were designed. One

questionnaire contained the MARKOR scale, followed by the MKTOR scale, and vice versa The questionnaires were divided equally between both for the second questionnaire. samples, in order that each sample received an equal percentage of both types of questionnaire. Tests were conducted which determined that there were no statistically significant differences between respondents to the different questionnaires, or between late versus early respondents. Finally, a T-test was conducted between those respondents that requested a summary of the survey results, and those who did not. Results indicate that for only one variable ROI (return on investment) was there a statistically significant difference, p >0.08.

Results

The findings are based on the results in Tables 1, 2, and 3.

The results in Table 1 indicate that the 'new' measure of market orientation performs reasonably well, in terms of explaining variation in the dependent variable, business performance. The R^2 of .378 for the regression is acceptable and is actually higher than the corresponding R^2 results in both Tables 2 and 3, which are concerned with the regression results from the MARKOR and MKTOR scales. Prima facie then, based on the overall results one may argue that the new measure is superior to the existing measures in explaining variation in business performance.

Independent Variables			Beta Value	Т	Sig t		
New	Market	Orientation	.569	13.5	.000		
Measu	e						
Relative Size			.117	2.48	.013		
Relativ	e Cost		174	-3.83	.000		
Entry E	try Barriers		.002	.047	.963		
Supplie	er Power	Power072		-1.73	.084		
Buyer 1	Buyer Power		.059	1.47	.142		
Market	Growth	h .131 3.31 .001		.001			
Compe	titive Intensi	ty	017	382	.703		
Market	Turbulence	096 -2.16 .031					
Technological Turbulence		.079	1.85	.064			
Dopond	ant Variabla	Organizational	Dorformanco				

Table 1. OLS Results of New Measure of Market Orientation

Dependent Variable – Organisational Performance

Sig f = .000

 $R^2 = .378$

F = 25.28

Independent Variables	Beta Value	Т	Sig t
MKTOR	.522	12.07	.000
Relative Size	.128	2.63	.009
Relative Cost	184	-3.93	.000
Entry Barriers	.002	.052	.958
Supplier Power	094	-2.19	.028
Buyer Power	.082	1.98	.048
Market Growth	.138	3.38	.001
Competitive Intensity	.002	.055	.956
Market Turbulence	092	-2.00	.045
Technological Turbulence	.086	1.97	.049

Table 2. OLS Results of MKTOR Measure of Market Orientation

ependent Variable – Organisational Performance

 $R^2 = .337$

F = 21.15Sig f = .000

Table 5. ULS Results of MARKOR Measure of Market Orientation
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Indonandant Variables	Rota Valua	Т	Sig t
independent variables	Deta value	1	Sig t
MARKOR	~	12.04	000
MARKOR	.544	13.04	.000
Relative Size	.133	2.81	.005
Relative Cost	158	-3.44	.001
Entry Barriers	.002	.041	.967
Supplier Power	068	-1.640	.102
Buyer Power	.067	1.64	.102
Market Growth	.116	2.90	.004
Competitive Intensity	.007	.164	.870
Market Turbulence	070	-1.57	.116
Technological Turbulence	.079	1.85	.065
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Dependent Variable – Organisational Performance $R^2 = .365$

F = 23.88

Sig f = .000

Conclusion

This paper has critically reviewed several measures of market orientation, published since 1990. In general, one may argue that little advance has been made in the endeavour to develop alternative measures of market orientation. Apart from the study by Lado, Olivares and Rivera (1998), the measures developed have, been composed by combining, and factor analysing the items from several scales. This empiricism has resulted in scales that prima facie appear to meet the requirements of content validity. However, the lack of theory and proper conceptualisation that was applied to the original measures is lacking. For example, the sudden introduction of a profit emphasis in some measures is debatable. Kohli and Jaworski (1990, p. 3) state that

"...without exception, interviewees viewed profitability as a consequence of market orientation rather than a part of it." Kohli and Jaworski (1990, p. 3) further state, "this finding is consistent with Levitt's (1969, p. 236) strong objection to viewing profitability as a consequence of market orientation, which he (Levitt) asserts is like saying that the goal of human life is eating."

Furthermore, Narver and Slater (1990) found a lack of empirical evidence to support the proposition that profitability is a component of market orientation.

Similarly, the measures developed in the studies do not clearly acknowledge the debate concerning whether market orientation is mainly a function of a culture, or behaviour, (see Narver & Slater 1998; and Deshpande & Farley 1998), and what implications this may have for measurement. Conversely, a recent study by Homburg and Pflesser (2000) does make a contribution to measurement of market orientation, by the development of a multiple-layer model of market oriented organisational culture. Perhaps even more disturbing is the fact that the marketing discipline cannot agree upon a precise measurement of the key concept of market orientation. If the marketing discipline is to mature, it is important that we develop valid and reliable measures of our key concepts that we can agree upon. Minor variations based on empirical evidence alone are not sufficient to constitute progress in theory development. Whilst healthy debate is to be encouraged, it should be conducted on strong theoretical grounds. As a guide to the complexity and effort that researchers expend into developing scales in other disciplines, readers are encouraged to the literature concerning the JDI-index (Job Description Index), (see Smith et al 1987; Stanton et al 2002).

The study has demonstrated empirically the simplicity of constructing 'new' measures based on synthesising existing measures of the same construct. However, as the paper argues, this is a superficial contribution and is to be avoided without reference to appropriate theory and conceptualisation.

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