

MARKETING PLANNING, MARKET ORIENTATION AND PERFORMANCE: AN EMPIRICAL STUDY OF AUSTRALIAN ORGANISATIONS

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INTRODUCTION

Market orientation is the goal for several organisations today. The closer organisations are able to move towards being market oriented, the greater is their ability to develop superior customer value and compete successfully (Narver and Slater 1990; Jaworski and Kohli 1993; Greenley 1995). Recent literature on the market orientation of the firm has focused largely on (1) the performance benefits of being customer focused and the various conditions in which market orientation will flourish (Narver and Slater 1990; Kohli and Jaworski 1993; Greenley 1995; Diamantopoulos and Hart 1993); and (2) key attributes of market oriented firms such as reward systems, interdepartmental dynamics, involving human resources.

Piercy (1992) suggests that for an organisation to be effective both practitioners and academics must consider three pillars: customer focus, people involvement and process understanding. Unfortunately, research has not adequately examined all of the three pillars of effectiveness that are characteristic of market oriented firms. The work of Jaworski and Kohli (1993) has identified that these factors help to distinguish market oriented firms from non-market oriented firms. These insights are insufficient for managers because they do not identify process activities embedded within the fabric of the organisation that enable a market orientation to be carried out. A better understanding of the third pillar identified by Piercy (1992), process based mechanisms, in facilitating market driven activity will provide managers with a host of supporting tools and provide a fuller picture of the attributes of market driven firms. Marketing planning is the process and the means through which a goal, such as market orientation, is selected and approached (McKee, Varadarajan and Vassar 1990). Essentially, the impact of planning style on market orientation is something about which management must be aware, if they are to successfully design and achieve the future they seek.

RESEARCH OBJECTIVES

The first major contribution of this study is to advance the extant literature on market orientation. The authors sought to identify differences in the approach that organisations adopt towards marketing planning, thereby advancing the literature on market orientation by showing that market oriented companies are also distinguished by the particular planning procedures they adopt to make marketing decisions.

RESEARCH PROPOSITIONS

It is predicted that the type of planning undertaken by organisations will affect its ability to execute activities that make up market orientation. The different configurations of processes, purposes and players involved in the planning process will have implications for information generation, information dissemination and responsiveness.

Specifically, it is predicted that highly market oriented firms will have planning processes that are (1) comprehensive, (2) rational, (3) interactive, (4) participatory, and (5) unpolitical. Typically, it is also predicted that such organisations will initiate planning through the proactive and continual search for information.

RESEARCH METHODOLOGY

Data within this study was collected in a natural business setting using a self-administered questionnaire. The Strategic business Unit (SBU) was the unit of analysis. Key respondent techniques were employed. The sample comprised 105 organisations operating in a cross section of industries in Australia. These industry categories were agriculture, glassware and pottery, forestry, pharmaceuticals, milk and milk products, domestic furniture, mining and meat and game.

CONCLUSION

Overall, this study illustrates that planning processes within organisations can often be manipulated to form a solid foundation on which the goals of market orientation, customer satisfaction and superior performance can be built; planning is the means to an end. Results will be presented at the conference. References will be made available upon request.