

Customer Orientation and Firm Performance: Do Different Measures Lead to Different Results? An Abstract

Dahan Gavriel and Shoham Aviv

Abstract Strategic orientations in general and customer orientation in particular have attracted scholars' attention. While the impact of customer orientation (CO) on performance has been studied extensively, researchers have focused on one specific CO operationalization and mostly ignored others. Our major purpose is to examine if different conceptualizations and operationalizations of CO predict performance differently. We developed and tested identical models with two distinct CO operationalization. One model is based on Jayachandran et al. (2005) unidimensional conceptualization and operationalization of CO. The second model is based on Blocker et al. (2011) with responsive and proactive dimensions. Following Jaworski and Kohli (1993), we examined *Formalization* and *Centralization* as CO antecedents in both models. Then, we assessed the two approaches vis-à-vis their impact on performance through three customer relationship management (CRM) capabilities, namely, customer *interaction* management, customer *relationship* upgrading, and customer *win-back* capabilities. Data were collected through a professional online panel company. The sample included 198 respondents to a questionnaire with 7-point scales (1=strongly disagree to 7=strongly agree). All scales were reliable with Cronbach's alpha coefficient exceeding 0.70 (Nunnally 1978). The findings in both models are quite similar and reflect almost identical results. We found that the most influential CO antecedent is formalization. So, managers should devote attention to it in order to create a right process of knowledge transfers. Additionally, we found that CO does affect CRM capabilities. These capabilities, however, contribute to firm performance and strengthen the relationships between firms and its customers in both models. Finally, CO positively affects firm performance. In sum,

D. Gavriel (✉)
Western Galilee College, Acre, Israel
e-mail: gabid@wgalil.ac.il

S. Aviv
University of Haifa, Haifa, Israel
e-mail: ashoham@univ.haifa.ac.il

managers should strive to enhance CO in order to achieve strong CRM capabilities. Only by doing so can they capitalize on opportunities and respond to competitive threats in the marketplace, which eventually improve the firm's performance.

References Available Upon Request