

Market-Orientation - Scales of Measurement

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1.) **Narver and Slater 1990** - in: Deshpande 1998

I. A. (N-S SCALE) In answering, please use the following response scale and place the most appropriate number to the left of each statement. Please respond to each statement.

Not at all	To a very slight extent	To a small extent	To a moderate extent	To a considerable extent	To a great extent	To an extreme extent
1	2	3	4	5	6	7

- _____ 1. Our salespeople regularly share information within our business concerning competitors' strategies.
- _____ 2. Our business objectives are driven primarily by customer satisfaction.
- _____ 3. We rapidly respond to competitive actions that threaten us.
- _____ 4. We constantly monitor our level of commitment and orientation to serving customers needs.
- _____ 5. Our top managers from every function regularly visit our current and prospective customers.
- _____ 6. We freely communicate information about our successful and unsuccessful customer experiences across all business functions.
- _____ 7. Our strategy for competitive advantage is based on our understanding of customers needs.
- _____ 8. All of our business functions (e.g., marketing/sales, manufacturing, R&D, finance/accounting, etc.) are integrated in serving the needs of our target markets.
- _____ 9. Our business strategies are driven by our beliefs about how we can create greater value for our customers.
- _____ 10. We measure customer satisfaction systematically and frequently.
- _____ 11. We give close attention to after-sales service.
- _____ 12. Top management regularly discusses competitors' strengths and strategies.
- _____ 13. All of our managers understand how everyone in our business can contribute to creating customer value.
- _____ 14. We target customers where we have an opportunity for competitive advantage.
- _____ 15. We share resources with other business units.

Kohli and Jaworski, MARKOR 1993 - in: Deshpande 1998

C. (K-J-K SCALE) In responding to the following questions, please focus on your strategic business unit (SBU) rather than the corporation as a whole. If a question is not applicable, please leave a blank.

		Strongly Disagree				Strongly Agree
1.	In this business unit, we meet with customers at least once a year to find out what products or services they will need in the future.	1	2	3	4	5
2.	In this business unit, we do a lot of in-house market research.	1	2	3	4	5
3.	We are slow to detect changes in our customers' product preferences. (R)	1	2	3	4	5
4.	We poll end users at least once a year to assess the quality of our products and services.	1	2	3	4	5
5.	We are slow to detect fundamental shifts in our industry (e.g., competition, technology, regulation). (R)	1	2	3	4	5
6.	We periodically review the likely effect of changes in our business environment (e.g., regulation) on customers	1	2	3	4	5
7.	We have interdepartmental meetings at least once a quarter to discuss market trends and developments.	1	2	3	4	5
8.	Marketing personnel in our business unit spend time discussing customers' future needs with other functional departments.	1	2	3	4	5
9.	When something important happens to a major customer or market, the whole business unit knows about it in a short period.	1	2	3	4	5
10.	Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	1	2	3	4	5
11.	When one department finds out something important about competitors, it is slow to alert other departments. (R)	1	2	3	4	5
12.	It takes us forever to decide how to respond to our competitors' price changes. (R)	1	2	3	4	5
13.	For one reason or another we tend to ignore changes in our customers' product or service needs. (R)	1	2	3	4	5
14.	We periodically review our product development efforts to ensure that they are in line with what customers want.	1	2	3	4	5
15.	Several departments get together periodically to plan a response to changes taking place in our business environment.	1	2	3	4	5
16.	If a major competitor were to launch an intensive campaign targeted at our customers, we would implement a response immediately.	1	2	3	4	5
17.	The activities of the different departments in this business unit are well coordinated.	1	2	3	4	5
18.	Customer complaints fall on deaf ears in this business unit. (R)	1	2	3	4	5
19.	Even if we came up with a great marketing plan, we probably would not be able to implement it in a timely fashion. (R)	1	2	3	4	5
20.	When we find that customers would like us to modify a product or service, the departments involved make concerted efforts to do so.	1	2	3	4	5

(R) = Reverse-scored

Validity Checks

Validity Check (Kohli, Jaworski and Kumar, 1993) Please indicate the degree to which your business unit resembles the two companies described below by distributing 100 points between them. Thus, if your strategic business unit was primarily like Company A and only remotely like Company B, you might allocate 90 points to Company A and 10 points to Company B.

Company A relies heavily on its sales people to use a variety of selling techniques for getting customers to say “yes.” The primary emphasis in this company is on selling. Customer satisfaction is considered important but the emphasis is on going out and pushing the company’s products.

Company B does a lot of research to learn the concerns of its customers, and responds by developing new products and marketing programs. The emphasis is on understanding why customers act and feel the way they do, and exploiting this knowledge. Selling is considered important, but the emphasis is on making products that will almost “sell themselves.”

Company A _____ points; Company B _____ points. (Total = 100 points)

2.) Strategic Perspective - Rueckert 1992

Use of information subscale

Listens to opinions of customers
Uses customer information to improve quality
Objectives based on customer needs
Use customer information to develop technology
Use market research data in managing products
Use market research to segment markets
Obtain ideas from customers to improve products
Salesforce has information on customers and competitors
Values customer input in planning new products

Development of a market oriented strategy

Strategy relies on market research
Develop specific plans for market segments
Products have resources to improve market position
Values market position versus financial performance
Prices determined by customer value
Focus on markets which have competitive strength
Invests in building market position
Planning organized by markets rather than products

Implementation of a market oriented strategy

Keep promises we make to customers
Respond to customer needs when bidding projects
Respond to customer needs in writing contracts
Respond to customer needs in creating terms of sale
Respond to customer needs in credit policies
Respond to customer needs in delivery on time

3.) **Deshpande, Farley, Webster 1993 – in: Deshpande 1998**

B. (D-F-W SCALE) The statements below describe norms that operate in businesses. Please indicate your extent of agreement about how well the statements describe the actual norms in your business.

Instructions: Please answer in the context of your specific product/market or service/market business. (Circle one number for each line.)

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
1. We have routine or regular measures of customer service.	1	2	3	4	5
2. Our product and service development is based on good market and customer information.	1	2	3	4	5
3. We know our competitors well.	1	2	3	4	5
4. We have a good sense of how our customers value our products and services.	1	2	3	4	5
5. We are more customer focused than our competitors.	1	2	3	4	5
6. We compete primarily based on product or service differentiation.	1	2	3	4	5
7. The customer's interest should always come first, ahead of the owners.	1	2	3	4	5
8. Our products/services are the best in the business.	1	2	3	4	5
9. I believe this business exists primarily to serve customers.	1	2	3	4	5

4.) Synthesis 1 (MARKOR, Narver/Slater, Deshpande 1993) – Deshpande 1998

Instructions: The statements below describe norms that operate in business. Please indicate your extent of agreement about how well the statements describe the actual norms in your business.

Please answer in the context of your strategic business unit. (Circle one number for each line.)

	Strongly Disagree	Disagree	Neither Agree Nor Disagree	Agree	Strongly Agree
1. Our business objectives are driven primarily by customer satisfaction.	1	2	3	4	5
2. We constantly monitor our level of commitment and orientation to serving customer needs.	1	2	3	4	5
3. We freely communicate information about our successful and unsuccessful customer experiences across all business functions.	1	2	3	4	5
4. Our strategy for competitive advantage is based on our understanding of customers' needs.	1	2	3	4	5
5. We measure customer satisfaction systematically and frequently.	1	2	3	4	5
6. We have routine or regular measures of customer service.	1	2	3	4	5
7. We are more customer focused than our competitors.	1	2	3	4	5
8. I believe this business exists primarily to serve customers.	1	2	3	4	5
9. We poll end users at least once a year to assess the quality of our products and services.	1	2	3	4	5
10. Data on customer satisfaction are disseminated at all levels in this business unit on a regular basis.	1	2	3	4	5

5.) **Synthesis 2 (Lado, Madeuy-Olivares, Rivera 1996)**

Analysis of the distributor

- (1) We systematically and frequently measure distributor satisfaction
- (2) We regularly examine the current needs of our distributors
- (3) We analyse the compatibility of our marketing strategy with the objectives of our distributors
- (4) We systematically analyse the problems that our distributors can have with the marketing of our products
- (5) We regularly measure the distributors' image of our firm

Analysis of the competitors

- (1) We analyse our competitor strategies systematically and regularly
- (2) We systematically examine the strengths/weaknesses of our competitors
- (3) We frequently monitor competitor marketing variables (price, product, promotion, market)
- (4) We regularly analyse the evolution of substitute products/services

Analysis of the environment

- (1) We systematically evaluate the impact of the environment on our customers

Interfunctional co-ordination

- (1) Market information is diffused systematically and regularly to all functions of the firm
- (2) Market strategies are developed by all organizational functions in a co-ordinated manner
- (3) Organizational decisions are executed with a sense of personal commitment to serve the market
- (4) We systematically organize meetings between the different functions to analyse market information
- (5) We stimulate an informal information exchange between the different functions of the firm

Strategic actions on final customers

- (1) We market products/services that adequately satisfy the final customers' current needs
- (2) We systematically market innovative products/services
- (3) We are faster than the competitors to respond to the changes of our final customers' needs
- (4) We rapidly implement the marketing plan
- (5) We develop strategies to diminish the (monetary and psychological) costs of acquiring our products
- (6) We inform our final customers on the diverse ways to obtain a better benefit from our products/services

Strategic actions on intermediary customers (distributors)

- (1) The managers are very committed in the firm's contact with its distributors
- (2) Distributors are recognized as partners in serving end-users
- (3) We constantly share information on our marketing strategies with our distributors

- (4) We develop strategies to stress the benefits that distributors obtain from maintaining their relations with our firm
- (5) We rapidly react to satisfy our distributors' complaints

Strategic actions on competitors

- (1) We are faster to respond to competitors' actions directed at our final customers
- (2) We are faster to respond to competitors' actions directed at our distributors

Strategic actions on the macro-environment

- (1) We develop strategies to influence the key groups of the macro-environment (consumers' associations, political groups)
- (2) We undertake systematic activities to stress the benefits that the firm gives to the society in general

6.) Synthesis 3 (MARKOR and Narver/Slater) Gray, Matear, Boshoff, Matheson – 1998

Customer orientation

Customer comments and complaints are encouraged because they help the company do a better job.

After sales service is an important part of business strategy.

Commitment to customers.

Ways to create customer value in the product or service are always being investigated.

Customer satisfaction is measured on a regular basis.

Competitive orientation

Regular monitoring of competitors' marketing efforts is undertaken.

Frequent collection of market data on competitor activities is used to help with marketing plans.

Sales personnel monitor and report competitor activity.

Interfunctional co-ordination

Marketing information is shared between departments.

All departments are involved in preparing business plans and strategies.

Integration of activities between departments.

Marketing people regularly interact with other departments on a formal basis.

Regular inter-departmental meetings are held to discuss market trends and developments.

Marketing people regularly discuss customer needs with other departments.

Responsiveness

How long does it take to respond to competitors' price changes.

Changes in customer's product/service needs are often ignored.

A profit emphasis

Management information systems determine the profitability of specific areas of business activities.

These include the profitability of major customers, product lines, individual sales territories and distribution channels.

7.) Verhees and Meulenberg 2004

Customer Market

1. I ask my customers regularly whether they are satisfied.
2. I regularly check whether my roses correspond with what my customers want (in addition to the information provided by the price).
3. I have information on customers, competitors and important social developments.
4. I know where and to whom my customers sell their roses.

Supplier Intelligence

1. I receive a lot of information from breeders or suppliers of plant material on the qualities of varieties.
2. I receive a lot of information from breeders and suppliers of plant material on specific characteristics of varieties.
3. I receive a lot of information from breeders and suppliers of plant material on market developments of varieties.

Innovativeness

1. I like to experiment with new ways of doing things.
2. I accept a challenge more often than other rose growers.
3. I generally like to try new things in my company.

Domain-Specific

1. In general, I am among the first in my surroundings to try a new rose variety.
2. Compared to colleagues I grow the newest varieties.
3. I like to grow new varieties before colleagues do.

Product price relative

1. On average, I have received a lower price for my roses than the average price for a particular variety.
2. For roses of a particular variety I receive a higher price than colleagues do.

8.) Customer Satisfaction – (Piercy 2000:54-57)

Please rate on a scale from 1 - 10 (very poor performance – excellence performance/market leadership)

<p>1. Measuring customer satisfaction Our success in measuring customer satisfaction – not just doing it, but being seen to do it, and being seen to do it validly, systematically and routinely.</p>
<p>2. Using customer satisfaction measurements to change our marketing policies Whether we use such measurements to change the way we do things for customers, and whether we are seen and are appreciated to be responsive.</p>
<p>3. Using customer satisfaction measurements to evaluate and reward staff Our effectiveness in using customer satisfaction measurements as a basis for evaluating and rewarding staff – this obviously impacts directly on front-line operational staff, but we should include management at various levels. Effective use also implies that we are positive and not negative in how we use customer satisfaction measures.</p>
<p>4. Ensuring all staff understand our strategy on customer service and quality Our performance in successfully communicating our policies, strategies and positioning on customer service and quality to all staff. This means more than just telling them, it means getting understanding, agreement and commitment, and listening to what they say.</p>
<p>5. Setting staff measurable goals for customer service and quality, and evaluating performance Whether we are seen to set reasonable goals for staff in delivering service and quality to the customer, and whether we are seen to evaluate and follow up performance on these goals (e.g. do we react appropriately to customer complaints, lost accounts, order switched by customers, unfavourable informal comments about our performance, and so on?)</p>
<p>6. Consulting staff about customers' needs, expectations, complaints – and taking notice of what they say How well do we do at finding out what our staff believe to be the customer's critical needs, expectations and why they complain – do we take notice of what they say and respond to what they say?</p>
<p>7. Managers setting a good example in providing service and quality to customers Are managers seen to set a good example in providing service and quality to customers – or do we signal our real attitudes by being unavailable to meet customers face-to-face 'in meetings' when the customer telephones, slow or recalcitrant in answering customers letters, and so on?</p>
<p>8. Working together to remove obstacles and barriers to quality and service delivery Are we seen to be working together to remove all the obstacles and barriers to delivering good service and quality to the customer – even if it means changing company 'rules' and 'policies' and the like?</p>
<p>9. Regularly evaluation our competitors' service and quality provision Do we regularly and systematically look at our competitors' effect on sales, market share, customer loyalty, profitability, and so on?</p>
<p>10. Having a clear and actionable service and quality strategy compared to our competitors Finally, do we have a strategy on our provision of customer service and quality in all that what we do for the customers, which is clear, and which we are capable of consistently delivering to the customers, and which gives us a clear position compared to our competitors?</p>

9.) Self-Examination Checklist (Shapiro 1988:125)

Are we easy to do business with?

Easy to contact?
Fast to provide information?
Easy to order from?
Make reasonable promises?

Do we keep our promises?

On product performance?
Delivery?
Installation?
Training?
Service?

Do we meet the standards we set?

Specifics?
General tone?
Do we even know the standards?

Are we responsive?

Do we listen?
Do we follow up?
Do we ask 'why not,' not 'why' ?
Do we treat customers as individual companies and individual people?

Do we work together?

Share blame?
Share information?
Make joint decisions?
Provide satisfaction?

10.) Cravens 1997 – MO / Strategy Evaluation

	How are we doing?						
	Needs improvement					Outstanding	
<i>Market driven culture and learning process</i>							
What is our process for obtaining information about customers, competitors, and other influences?	1	2	3	4	5	6	7
Do we have an interfunctional process of sharing information, interpreting its implications, and deciding what actions to take?	1	2	3	4	5	6	7
Are we a learning organization, drawing from experience, experimenting with new ideas, learning from others, and tapping our existing knowledge base?	1	2	3	4	5	6	7
Do we have a shared vision about the market and how it is likely to change in the future?	1	2	3	4	5	6	7
<i>Determining the value proposition</i>							
What is our strategy for superior customer value and is it producing positive results?	1	2	3	4	5	6	7
Are we committed to building customer equity?	1	2	3	4	5	6	7
Does our value strategy respond to differences in customer needs and preferences?	1	2	3	4	5	6	7
<i>Strategy for competing on capabilities</i>							
Have we mapped and analyzed our capabilities and decided which are unique?	1	2	3	4	5	6	7
Are our capabilities difficult to copy, linked to promising customer groups(s), and superior to the competition.	1	2	3	4	5	6	7
Do we have a strategy for improving our distinctive capabilities?	1	2	3	4	5	6	7
<i>Relationship strategies</i>							
Have we recently reviewed our relationship strategies with customers, suppliers channel members, and competitors?	1	2	3	4	5	6	7
Are we developing internal relationship strategies across business functions?	1	2	3	4	5	6	7
Do we have a process for evaluating and selecting relationship partners?	1	2	3	4	5	6	7
<i>Re-inventing the organization</i>							
Do we have indications that our organization design is not working well (e.g. slow product development, ineffective communications, low productivity, internal conflict)?	1	2	3	4	5	6	7
Is career pathing and management development aligned with our competitive path?	1	2	3	4	5	6	7
Are our decisions on capabilities linked to organizational realities and implementation skills?	1	2	3	4	5	6	7
Are changes needed in our organization design to facilitate our route to improved competitiveness?	1	2	3	4	5	6	7
Is our organization becoming less hierarchial, more process oriented, and networked with other organizations?	1	2	3	4	5	6	7

11.) Cravens 2000 MO / New Product Strategy

Strategic issue	Very unsatisfactory			Very satisfactory			
<i>Technology versus business design</i>							
Processes for finding, developing and commercializing new products	1	2	3	4	5	6	7
Integration of products and technology into the business design	1	2	3	4	5	6	7
Effectiveness of business design's processes for recognizing change pressures	1	2	3	4	5	6	7
<i>Growth mandate</i>							
Advances toward improving organizational effectiveness – identifying new capabilities created	1	2	3	4	5	6	7
New products for expanding market position in existing markets	1	2	3	4	5	6	7
New products for gaining position in new markets	1	2	3	4	5	6	7
<i>Market vision</i>							
Processes for obtaining information about customers, competitors and other market influences	1	2	3	4	5	6	7
Cross-functional processes of sharing information, interpreting its implications and deciding what action to take	1	2	3	4	5	6	7
Shared vision about the market and how it will change in the future	1	2	3	4	5	6	7
<i>Capabilities/value match</i>							
Strategies for superior customer value which take into account differences in customer needs and preferences and evolving drivers of value for different customer groups	1	2	3	4	5	6	7
Development of capabilities that are difficult to copy, linked to promising customer group(s), and superior to the competition	1	2	3	4	5	6	7
Strategies for matching distinctive capabilities with superior customer value opportunities	1	2	3	4	5	6	7
<i>Strategic relationships</i>							
Relationship strategy opportunities with customers, suppliers channel members, and competitors to enhance product strategies	1	2	3	4	5	6	7
Internal cross-functional team relationships for managing organizational processes	1	2	3	4	5	6	7
Methods for evaluating and selecting relationship partners and managing relationships	1	2	3	4	5	6	7
<i>Building strong brands</i>							
Identification and evaluation of the drivers of brand equity	1	2	3	4	5	6	7
Strategy for building and protecting brand equity	1	2	3	4	5	6	7
Processes for strategic brand portfolio	1	2	3	4	5	6	7
<i>Brand leveraging strategy</i>							
Mapping and assessment of the corporate brand structure	1	2	3	4	5	6	7
Strategy for line extension(s)	1	2	3	4	5	6	7
Strategy for brand extension(s)	1	2	3	4	5	6	7
<i>Proactive cannibalization</i>							
Understanding of the opportunities and threats of proactive cannibalization	1	2	3	4	5	6	7
Benefit/cost analysis of brand cannibalization opportunities	1	2	3	4	5	6	7
Development of proactive cannibalization strategy for promising opportunities	1	2	3	4	5	6	7

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At chiligum strategies we are dedicated to advance and inspire marketing strategies based on sound reason -- and a fresh breeze of creative thinking.

Any question or suggestion?
Please don't hesitate to get in touch.

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