MARKET ORIENTATION AND POSITIONING STRATEGY: REVIEW AND PROPOSITIONS

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ABSTRACT

Despite years of scrupulous debate about market orientation and positioning, still these concepts, on their own, do not offer impressive firm performance (Siguaw, Brown, and Widing II 1994; Han, Kim, and Srivastava 1998; Kaynak and Kara 2004), unless they are employed synergistically with the aim of achieving long-term success (Porter 1996, 2001; Pelham 1997; Bigne, Vila-Lopez, and Kuster-Boluda 2000). This review paper fills this gap in the literature by attempting to find answers to two questions: What is the relationship between firm market orientation capability and firm positioning strategy? And what are the relationships between specific sub-market orientation strategy and individual sub-positioning strategy? The article sheds light on these issues within the context and aims to contribute to the debate.

While market orientation ensures that firms are committed to the continuous creation of superior value for the customer (Narver and Slater 1990; Kohli and Jaworski 1990; Deshpande and Farley 1998), positioning calls for deliberate, proactive, and iterative deployment of marketing strategies that alter consumer perceptions about offering(s) and thus ensures preference for an offering over those offered by competitors. Based on the recurring theme that market orientation is concerned with identifying and responding to customer requirements (Jaworski and Kohli 1996; Slater and Narver 1994), it is reasonable to expect a market orientation capability to lead to the selection of pertinent positioning strategies and then contribute to the attainment of a strong market position in the market place. One can thus assert that market orientation contributes positively to positional advantages. It is reasonable to expect that companies with higher levels of market orientation will be more successful in formulating and delivering (i.e., implementing) effective positioning strategies (Kumar, Subramanian, and Strandholm 2002; Langerak, 2003). This conceptual article highlights the pivotal relationship between the concepts of market orientation and positioning and puts forward eight key propositions to enhance a firm's long-term competitive advantage in the marketplace.

References available upon request.