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Location	Title	Words Matched	Match (%)	Unique Words Matched	Unique Match (%)
http://www.oalib.com/references/13377474	A. K. Kohli and B. J. Jaworski, "Market orientation: the ...	11	< 1%	2	< 1%
https://en.wikipedia.org/wiki/Resource_based_view	Resource-based view - Wikipedia	11	< 1%	11	< 1%
http://globe.bus.sfu.ca/publications	Publications - GLOBE Project	11	< 1%	11	< 1%
https://www.coursehero.com/file/p56bqqp/Kohli-AJ-and-Jaworski-BJ-1990-Market-orientation-the-construct-research/	Kohli, A.J. and Jaworski, B.J. (1990), Market - Course Hero	20	1%	20	1%
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Critically evaluate the role of Market Orientation in achieving a competitive advantage.

This essay will analyse the outside-in approach of Market Orientation (MO) theory, focusing on key implications in practice to determine whether the key to achieving a competitive advantage is a focus on customers and competitors within the marketplace. A competitive advantage (CA) in this context relates to outperforming competitors in terms of better-market share, profitability and sales (Porter, 1980). A sustainable-competitive advantage relates to achieving this outperformance over a long-period of time.

Wilson and Fook (1990) argue that MO is a managerial orientation where success depends on the needs/wants of customers, subsequently creating products and services to outperform competition; arguing a key element of MO is a situational analysis of the state-of-the-market to see scope for future activity. This is evidenced by previous trends in airline segmentation to a shift in needs for different types of ticket-class, I.e. Business, Economy or First-Class. Kohli & Jaworski (1990) argue that the key to MO is a 'value-consensus' across organisational departments to identify current/future customer needs and subsequently strategise around these trends. This is further evidenced by changing practice from previous airline segmentation to low-cost carriers, following airlines such as Ryanair and easyJet perceiving a consumer shift towards 'low-value', capitalising to ensure operating costs were lower than the competition so constructing a 'cost leadership' CA (Porter, 1980; Annual Report, 2016). This is also applicable to increased market share of Lidl/Aldi within the supermarket industry, capitalising on the shift in demand to 'value-for-money', now gaining ground against the 'Big-4' supermarkets (Mintel, 2015). An instantaneous criticism of MO would be its simplicity; as the model assumes that a CA is dependent on outperforming competitors, how sustainable is MO long term? Research shows that Tesco has enjoyed its fastest growth in 3-years as Aldi/Lidl sales decline (The Telegraph, 2016).

Narver and Slater (1990) identified 5 aspects of MO applied to Thorntons as a case study. 'Customer-orientation' identifies what a customer values and ensures 'superior value', based on competitor approaches and key-target markets. Thorntons were originally perceived as a 'seasonal brand' limited to 'peaks' at Christmas/Easter and subsequent low-sales throughout the rest of the year (BBC, 2015). A 'push strategy' ensured that Thorntons could drive sales throughout other seasonal periods and increase sales throughout the year I.e. Valentine's Day, Mother's Day and birthdays (Marketing Week, 2016). 'Competitor-orientation' relates to an awareness of what competitors achieve and their 'routes-of-entry'. For Thorntons this relates to declining sales within Thorntons' stores and noting that competitors i.e. Lindt were having more success with an online and supermarket-retailer presence, which Thorntons then focused on to increase profit (Marketing Week, 2016). 'Inter-functional orientation' relates to internal-value by focus on improving internal-activity; e.g. closing Thorntons stores (assets) and redirecting resources to manage cost-efficiency and subsequent profitability. 'Organisational-orientation' links to this element relating to optimising employee-infrastructure to meet customer needs. For Thorntons a redistribution of staff to focus on a personalised strategy (perceiving an increase in demand for personalised products amongst their target groups; Jeff & Christie, 2013) across a digital-interface meant that Thorntons could provide a quick turnaround for products sold, improving customer satisfaction. The last aspect of the model relates to 'long-term profit focus,' linking to a sustainable-CA achieving high-profit/market share over a long-period of time. Previously, a '99p mass-push' strategy by 'New-Product Development' (Ansoff, 1957) was viewed to be detrimental to long-term brand equity i.e. the premium Thorntons brand (Mintel, 2015). The previous VW Scandal (Independent, 2015) further demonstrates where a focus on short term profit i.e. tripping emissions-testing to move product-to-market quicker can have a huge negative effect on reputation, perceivable when VW's illegal/unethical practices were unearthed.

Within MO, markets are considered to be dynamic/ever-changing entities. Customers are arguably largely-fragmented due to an increase in ‘communications clutter’ (Magnusson et al, 2008) by exposure to many marketing messages on a daily basis, on account of an ‘innovation boom’ in technology increasing integration and convenience, with research showing consumers engage with an average 3.64 devices daily (GlobalWebIndex, 2016). Competitors therefore have to ensure they can stand-out amongst ‘noise’ and directly appeal to the needs of a customer. One way this can be achieved is through Porter’s generic strategies (1980), where ‘positioning’ according to needs, can demonstrate a competitive advantage for examples highlighted in the diagram for the skincare market:

A further implication for managers is that strategies are now having to be submitted as working documents in order to ensure that firms do not encounter strategic drift (Davidson, 1997). In support, the CMI (2015) refer to society as ‘double-espresso’, due to the rapidly-changing entities discussed. Subsequently, companies have to ensure they can meet consumer needs at this ‘same pace’ demonstrated by the increase in services such as Amazon Prime, Deliveroo and Argos Same-day delivery (The Guardian, 2016). This can then be linked back to the 'working plan' concept where Argos innovated the market by offering ‘Same Day’ delivery i.e. value innovation (Chan & Maugborne, 2005), Amazon Prime overpowered the market with ‘Prime Now’, a 1-hour delivery service; signifying how adaptable firms need to be to maintain a sustainable CA.

The Product Life Cycle is another model which demonstrates how customer needs change, applicable to the TV/Film viewing market. Research suggests that the Cinema market is in decline (Business Insider, 2016) due to an increase in illegal streaming (technology) and consequent rise in ticket/concession price on account of declining footfall. For the Cinema industry this has thus debatably led to ‘strategic-wear out’ (Davidson, 1997) as the increase in price to account for a loss-in-business is only further pushing customers away. For the industry, resources are considered to be ‘sticky’ i.e. theatres (assets) are extremely difficult to turn into cash assets so the market is therefore arguably stuck after adopting a market-oriented approach in the 1930s where cinema first became popular after WW2. MO arguably fails to consider key aspects such as resources, as this example demonstrates a decline from a MO approach within the cinema industry. Nokia and Kodak are further examples within the Mobile and Camera market who failed to adapt to the changing needs of customers and the technology boom (BBC, 2014).

Slater and Narver (1995) further outline a 4-step process of MO where a focus is on organisational learning and adapting to the market. Organisational learning relates to constructing an in-depth understanding of customers/competitors to generate a CA. E.g. Woolworths (now-defunct) adopted a diversification strategy (Ansoff, 1957) providing ‘every type of product a consumer could possibly want’ including 40 types of pencil-cases (Telegraph, 2009). Wilko capitalised on this flawed strategy, giving less choice i.e. only 5-types of pencil case at a cheaper cost, validating how learning by MO can develop a CA and drive competitors out the market. Entrepreneurship relates to pro-activeness and innovation by the nature/nurture debate. I.e. is it learning that leads to a CA or personality traits as evidenced by Richard Branson and Virgin (2017) who have strong presence in many markets i.e. trains, airlines, casinos and financial services. Organic-organisational structure relates to fluid/ambiguous job roles adaptable to changing needs i.e. Shop assistants within retail are no longer simply ‘shelf-stackers’, as duties can include taking deliveries, cash handling and customer service to maximise efficiency (Bushe & Chu, 2011). Decentralised strategic planning refers back to the working plan aspect i.e. a participative approach to market change via flexible task-teams can ensure constant monitoring of MO (customers/competitors) as previously failed by Tesco when Lidl/Aldi adopted a cost leadership approach, leading to huge declines in sales, profit and market share (Reuters, 2015).

Limitations to consider of organisational learning include internal politics. Internally, within a firm this is a huge-barrier to consider as employees may be reluctant to share information disrupting the natural-flow of information. So arguing that a MO approach neglects to consider important aspects of a resource-based perspective (Lavie, 2006). Time/money implications are also key i.e. if a company is constantly adapting strategy to changing customer/competitive demands, this is likely to detriment finances/profitability. This is presented by Morrison’s Local, a ‘reaction’ to Tesco Express stores competing on convenience, yet failing in physical strategic location, having to sell stores at a loss (RetailWeek, 2015). Demotivation is another implication of learning by MO, as a constant change in strategy can lead to confusing-brand perception, disrupting internal-working behaviour (Jarkas et al, 2014).

Conclusively, in order to construct a CA by MO; firms need to have the correct resources (Peteraf, 1993). MO fails to disclose how these resources should be obtained/exploited instead focusing strictly on customer needs and replicating competitors. For organisations such as Sainsbury’s, with a resource-base in Central London and high salaries to consider (FT, 2017); a cost leadership approach adopted by Lidl/Aldi is unfeasible. Reasonably, a focus on ‘unique resources’ (Costa et al, 2013) suggests an appropriate alternative to MO theory is the resource-based view, whereby achieving a sustainable CA, Sainsbury’s can focus on exploiting assets such as the NectarCard (2017), exploiting this partnership through other markets (core competencies), relating to the ability to gain Sainsbury’s points through sales from large-firms such as Apple, Eurostar, eBay and Just Eat.

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