

MARKETING ORIENTATION-1

MARKETING ORIENTATION

A marketing oriented firm (also called the marketing concept, or consumer focus) is one that allows the wants and needs of customers and potential customers to drive all the firm's strategic decisions. The firm's corporate culture is systematically committed to creating customer value. In order to determine customer wants, the company usually needs to conduct marketing research. The marketer expects that this process, if done correctly, will provide the company with a sustainable competitive advantage. The concept of marketing orientation was developed in the late 1960s and early 1970s at Harvard University and at a handful of forward thinking companies. It replaced the previous sales orientation that was prevalent between the mid 1950s and the early 1970s, and the production orientation that predominated prior to the mid 1950s. Since the concept was first introduced in the late 1960s, it has been modified, repackaged, and renamed as "customer focus", "the marketing philosophy", "market driven", "customer intimacy", and "the marketing concept".

APPLICATION OF THE CONCEPT

This consumer focus can be seen as a process that involves three steps.

- ¾ FIRST customer wants are researched,
- ¾ SECOND the information is disseminated throughout the firm and products are developed,
- ¾ And THIRDLY customer's satisfaction is monitored and adjustments made if necessary.

Techniques that firms use to understand the customer include:

- Quantitative marketing research - such as; surveys and questionnaires
- Qualitative marketing research - such as; focus groups and advisory panels
- Market research and industry research - such as; Porter 5 forces analysis
- Face-to-face meetings with customers
- Face-to-face meetings with frontline staff - sales reps, clerks, and receptionists
- Customer complaints department
- Customer hotlines - Web and telephone
- Visits to customers' facilities
- Frequent user programs and databases
- User groups - Beta testing
- Conferences

A marketing oriented firm will typically show the following characteristics:

- Extensive use of various marketing research techniques
- Broad product lines
- Emphasis on a product's benefits to customers rather than on product attributes
- Use of product innovation techniques, such as; brainstorming, concept testing, and force-field analysis.
 - The offering of ancillary services like credit availability, delivery, installation, and warranty
 - Customer satisfaction and complaint monitoring procedures, including; exit interviews, customer complaints database, and Web and telephone information hotlines.

- Organizational structure in which the marketing manager reports directly to the CEO.

SUSTAINABLE COMPETITIVE ADVANTAGE

In marketing and strategic management, sustainable competitive advantage is an advantage that one firm has relative to competing firms. It usually originates in a core competency. To be really effective, the advantage must be:

1. difficult to mimic
2. unique
3. sustainable
4. superior to the competition
5. applicable to multiple situations

Examples of company characteristics that could constitute a sustainable competitive advantage include:

- customer focus, customer lifetime value
- superior product quality
- extensive distribution contracts
- accumulated brand equity and positive company reputation
- low cost production techniques
- patents and copyrights
- government protected monopoly
- superior employees and management team

The list of potential sustainable competitive advantage characteristics is very long. However there are some commentators that claim that in a fast changing competitive world, none of these advantages can be sustained in the long run. They claim that the only truly sustainable competitive advantage is to build an organization that is so alert and so agile that it will always be able to find an advantage, no matter what changes occur.

CORE COMPETENCY

A company's core competency is the one thing that it can do better than its competitors. A core competency can be anything from product development to employee dedication. If a core competency yields a long-term advantage to the company, it is said to be a sustainable competitive advantage.

Core competence has three characteristics:

1. It provides potential access to a wide variety of markets,
2. It increases perceived customer benefits and
3. It is hard for competitors to imitate.

Core competency guides a firm recombining its competencies in response to demands from the environment?

So according to this definition, core competencies are harmonized, intentional constructions.