

Project Research Proposal and Statement of Purpose

Working title

Exploring market orientation's role in integrating an increase in the absolute level of a firm's market information resource over time with new product development (NPD).

Theoretical Framework

For firms the development of product-market strategies indicates that they have made important decisions regarding the deployment of their market information resources at hand (Vorhies, 1998). Market knowledge in firms is reliant on the absolute level of market information resource concerning customers, competitors, supply-chain and their broader environment in target markets. Market information therefore represents a particularly important knowledge resource as it provides firms with insights into which value-adding activities they should undertake, and how these should be accomplished through innovation that meets customer needs (Day, 1994; Slater and Narver, 1995).

Marketing literature while not explicit indicates that an increase in the absolute level of a firm's market information resource is a partial indicator of innovation success (Baker and Sinkula, 2009). Market knowledge in firms is reliant on the absolute level of market information resource concerning a firm's customers, competitors, supply-chain and their broader environment in target markets. Innovation success refers to new product development (NPD) and customer service improvements by which firms maintain and expand consumer and product markets (Baker and Sinkula, 2009). Notwithstanding, there is evidence that firms' ability to achieve innovation success through increased levels of market information resource is reliant on market orientation (MO) (Didonet et al. 2016). Analoui and Karami (2003) view MO as a means of clarifying management thinking and providing direction for firms in establishing priorities and improving the quality of marketing knowledge. High levels of MO

are associated with greater flexibility and responsiveness to market conditions (Kohli and Jaworski, 1990; Narver and Slater, 1990).

The marketing literature considers MO as the extent to which an organization's analysis of the external marketing environment influences the strategic planning process including the acquisition and allocation of resources (Baker and Sinkula, 2002). Narver and Slater (1990) focus on three behavioral components of MO: customer orientation; competitor orientation; and, inter-functional coordination. They reside within an organizational culture that nurtures them towards creating superior value for customers as well as the organization. Kohli and Jaworski (1990) focus MO on the generation, dissemination of, and response to market intelligence. Superior customer value is created through a behavioral cycle of collecting and critiquing customers and competitors. Market-oriented firms seek to discover and understand current and potential customers' needs, monitor and react to current and potential competitors, and focus capabilities and resources on exploiting opportunities that arise (Menguc and Auh, 2006; Panigyrakis and Theodoridis, 2007). They are distinguished in sensing market events and trends, broadly shared throughout the organization, acting coherently to retain or attract customers, improve channel relations, and thwart competitors.

Research into innovation has largely neglected to consider strategic orientations such as MO (e.g. Laforet and Tann, 2006; Laforet, 2008; Bigliardi et al., 2011; Hoffman et al., 1998; Barnett and Storey, 2000). Evidence from extant studies shows that MO can support innovation that generates superior value for customers, which in turn can generate superior firm performance (Narver and Slater, 1990; Kohli and Jaworski, 1990; Slater and Narver, 1994; Hult and Ketchen, 1998; Langerak et al., 2004). Of particular note in this regard is MO's role in achieving innovation success for firms. To successfully deploy market information resources at the product-market level, firms require marketing capabilities and a market orientation that enables them to achieve innovation success (Noble, 1999; Baker and Sinkula, 2009). In this study the focus is not on the relationship between market information resource and marketing capabilities from a general perspective. Rather, the focus is on MO's role in integrating an increase in the absolute level of a firm's market information resource over time with its new product development (NPD) as a key constituent of innovation success.

Hult (2011) asserts that now more than ever, marketing is assuming a key boundary-spanning role – a role that he believes is also redefining the composition of the marketing organization.

We conceive that MO acts as a knowledge broker in firms, integrating increases in the absolute level of their market information resource with NPD over time (Bergenholtz, 2011). This moves away from the RBV as developed by authors such as Barney (1991), where resource heterogeneity alone can drive competitive advantage. It is particularly pertinent, given the lack of previous work in the RBV literature regarding the process by which marketing resources are transformed into outputs of value for customers (Vorhies et al. 2009).

To sum up these perspectives. The level of market information resources a firm possesses concerning current and future customer needs, competition strategies and actions, channel requirements and abilities and the broader business environment, is related to business performance (Hult et al. 2005). This represents a ‘know-what’ market knowledge in firms (Slater and Narver, 1995). Morgan et al. (2003) state that market information resources impact choices concerning the selection and performance of needed marketing tasks in firms such as NPD. Of interest to this study then is the potential influence of an increase in the absolute level of a firm’s market information resource over time on their NPD and the role of MO. We attempt to address these areas of research and their spatial perspective through conducting a longitudinal study of firms from the food industry where NPD is particularly critical to innovation success. The qualitative and longitudinal nature of this study facilitates fine-grained assessments of the study area of interest.

Research Goals and Context

The aim of this research is to explore market orientation’s role in integrating an increase in the absolute level of a firm’s market information resource over time with new product development (NPD).

Specific research objectives are:

- 1) Assess a firm’s NPD prior to increases in the absolute level of their market information resource
- 2) Assess how increases in the absolute level of a firm’s market information resource over time influences NPD

- 3) Uncover the process by which a firm's MO integrates an increase in the absolute level of market information resource over time with NPD

The food industry in Northern Ireland is growing and has traditionally played an important role in the economy. As a result there is a drive to build on its stability and strengths to deliver 40% growth by 2020. However, across the industry, there still remains a level of fragmentation, due in part to limited collaboration between the constituent firms, that hinders the full exploitation of combined capabilities and thus greater penetration of current and new markets. Furthermore, a combination of resourceful ambition in the Republic of Ireland and Scottish food industries, the power of major food retailers, volatile energy/feed costs, plus fierce competition in a global context, are all aspects that could be considered detrimental to the progress of the sector (McKenna, 2012). Additionally, the Northern Ireland food industry is increasingly challenging with pressures from multiple food retailer customers such as Tesco as well as changing consumer food purchasing behaviours (less weekly and more daily and smaller shops for example as well as more online purchasing). Improving the competitive position of the Northern Ireland food industry through innovation and co-operative research with academic institutions to work towards future commercial success, augmenting the sector's knowledge and skills sets. This in turn will invigorate the development of the industry so that it can then compete more strongly in local, national and international markets. A long-term project involving Queen's Management School, Norwich Business School and Ulster University Business School is an example of such cooperation. The researchers will conduct qualitative fine-grained research on a longitudinal basis with food firms involved with the project to address the research aim and objectives. Individual firms will be provided with access to several sources of market information resource and alongside this will be engaged by the researchers through ongoing in-depth interviews and observational research techniques.

Dr Geoff Simmons

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