Abstract. In the last decades significant attention has been given to market orientation (MO) as the operationalization of the marketing concept, essential to gain a competitive advantage in a continuously changing scenario. Despite the great amount of contributions aimed at investigating MO along with its antecedents and consequences, a certain ambiguity still persists with reference to small- and medium-sized enterprises. As a matter of fact, empirical evidence highlighted some difficulties in assessing MO within these firms using the dimensions commonly considered in literature and mainly developed in the context of large companies. Building on these arguments, the present paper aims, on one hand, to contribute to the understanding of MO concept and identify its manifestations in the context of medium-sized firms, where marketing processes are generally quite unstructured and partly unplanned; on the other hand, to verify whether specific factors are able to influence the intensity of marketing activities realized by these firms and, if so, how do these factors differ from those identified by literature as antecedents of MO within larger organizations. To these aims we used a mixed-method approach, collecting data from 59 medium-sized manufacturing firms operating in Italy and combining qualitative and quantitative analyses.

Keywords: market orientation, medium-sized firms, mixed-method research.

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1. Introduction

An abundance of conceptual and empirical studies have been carried out in the last decades on the well-known theoretical construct of market orientation (MO), that represents the operationalization of the marketing concept (Kohli and Jaworsky, 1990; Narver and Slater, 1990; Deshpandé et al., 1993; Kohli et al., 1993). Much empirical evidence has been provided regarding the relationship between MO and firm performance (Jaworski and Kohli, 1993; Slater and Narver, 2000; Hult and Ketchen, 2001; Kirca et al. 2005) and parallel significant attention has been devoted to identify factors enhancing market-oriented activities (Webster, 1998; Jaworski and Kohli, 1993).

Despite the interest devoted by academics to MO, most studies have been focused on large companies, while research in the context of small and medium enterprises (SMEs) is to a large extent still lacking. In recent years, however, the appropriateness of consolidated frameworks to assess MO within SMEs has been questioned by a growing number of scholars (Harris, 1998; Blankson et al., 2006; Riviezzo et al., 2013) and some distinctive features of marketing activities in this context have been highlighted (Coviello et al., 2000; Pacitto et al., 2007). Nevertheless, there is still no agreement on the way MO should be assessed in the specific context of SMEs and further investigation is needed in order to provide a valid framework adapted to the specific features of this category of firms, mainly related to the informal approach to marketing activities.

Building on these arguments, the present paper aims, on one hand, to contribute to the understanding of MO concept and identify its manifestations in the context of medium-sized firms; on the other hand, to verify whether specific factors are able to influence the intensity of marketing activities realized by these firms and, if so, how do these factors differ from those identified by literature as antecedents of MO within larger organizations. With these aims in mind, we used a mixed-method approach, collecting data from 59 medium-sized manufacturing firms operating in Italy and combining qualitative and quantitative analyses. In particular, we started from interview data and then we transformed the qualitative material into codes and numerical data to be used for further statistical analyses, including a cluster analysis.

In the following sections, theoretical background and methodology of the research are presented; then the results are discussed and, finally, the limitations of the study are highlighted.

2. Theoretical background

Although the first definitions of marketing and the first studies focusing on this concept date back to the early 50s, for a long time marketing was intended just as a “business philosophy” combining the achievement of profit with satisfaction of the needs and desires of firm’s target markets. At the beginning of 90s in the international literature the focus was shifted from this traditional view of marketing as a business philosophy to a wider definition dealing with its implementation. Thus, the MO paradigm started to achieve a greater amount of theoretical robustness as a definition and empirical operationalization of the activities and behaviors that substantiate effective implementation of the marketing concept.

In particular, two main perspectives emerged in this research stream (Kirca, Jayachandran, Bearden, 2005): the behavioral perspective (Kohli, Jaworsky, 1990); and the cultural perspective (Narvel, Slater, 1990). According to Kohli and Jaworsky (1990), MO entails three main processes: generation of information about customers; dissemination of such
information across departments; and responsiveness to market intelligence. Thereby, the starting point for managing a market oriented firm is the generation of information concerning customers (both final users and distributors) and competitors, along with an analysis of exogenous factors affecting their current and future needs, preferences and behaviors. Furthermore the authors point out the necessity to develop some mechanisms and instruments aimed at disseminating these information across all functions and business departments. Finally, coordinated and interdepartmental activities must be undertaken in order to response effectively to the identified market needs. Therefore, the concept of MO refers to a set of processes involving all the organization areas, as also pointed out by Shapiro (1988). The author maintains that in a market oriented firm key market information permeates every corporate function, strategic and tactical decisions are made interfunctionally and interdivisionally, and divisions and functions make coordinated decisions and execute them with a sense of commitment. On the other hand, Narver and Slater (1990) define MO as an organizational culture aimed at creating superior value for customers and outstanding performance for the firm. According to these authors, the construct is made up of three behavioral components: customer orientation, competitor orientation and interfunctional coordination; and two decision criteria: long-term focus and profitability. The behavioral components, coherently with Kohli and Jaworsky (1990), encompass the whole of activities dealing with the acquisition and dissemination of market information and the coordinated creation of customer value. By focusing on the domain of the construct, several studies devoted systematic effort to develop valid measures of MO within organizations (Narver and Slater, 1990; Deshpandé et al., 1993; Kohli et al., 1993).

Despite the attention given to the construct in the last decades, MO has been measured and assessed mostly within large organizations, while studies focused on SMEs are to a large extent still lacking. As highlighted by the scanty literature on the topic (Rexha et al., 1998; Hill, 2001; Blankson et al., 2006; Riviezzo et al., 2013), SMEs have distinctive features that make the traditional dimensions of MO not fully applicable to this research context. As noted by Blankson et al. (2006), the “distinct marketing style” adopted within the small business sector is related to several differences existing in comparison with large companies in terms of available resources, organizational systems, operating environment and owner-managers’ involvement and decision-making power. Empirical evidence has been provided regarding the informal approach to market research and marketing planning adopted by smaller companies (McCartan-Quinn and Carson, 2003), and this issue calls for further research aimed to understand whether and how the consolidated concept of MO can be applied and implemented within this category of firms.

The recognition of the existence of a positive relationship between firm’s MO and performance (Jaworsky and Kohli, 1993; Slater and Narver, 2000; Hult and Ketchen, 2001; Darroch et al., 2004; Kirca et al., 2005) led marketing scholars to investigate the organizational conditions that can foster the adoption of such strategic orientation. As evidenced by the study of Jaworski and Kohli (1993) the main antecedents of MO at organizational level can be traced to three main categories: (a) the commitment and the risk taking of top managers, which act as a stimulus for the members of the organization; (b) the inter-department connection, defined as an attitude to coordination and collaboration (in the formal and informal way) between different business functions; (c) the organizational systems, defined by the degree of formalization of roles and rules, the propensity to centralize activities and responsibilities, and the adoption of evaluation mechanisms based on performance achieved by the firm. From these factors it seems to emerge a processual view rather than a functional view of the implementation of the marketing concept, that is therefore not bound by the specific knowledge and skills of a small group of “specialists” but is the
result of widespread skills and activities shared within the organization (Moorman, Rust, 1999). The critical role of top management in determining the level of MO has been highlighted in several studies (Webster, 1988; Kohli and Jaworski, 1990), even if some authors described management behavior as a key-barrier to the development of a market-oriented culture. Similarly, organizational process has been found to be a potential obstacle to MO (Ruekert, 1992), while low formalization and limited centralization have been described as elements facilitating the adoption of market-oriented behaviors (Jaworski and Kohli, 1993). Once again, most studies focusing on MO’s antecedents have been conducted using data on large companies, while the influence of specific factors on the adoption of marketing practices needs further investigation within smaller businesses.

Starting from the above mentioned contributions that have defined and tested the constituent elements of the theoretical construct of MO and evaluated the antecedents and effects on business performance, over the last decade numerous studies aimed to investigate the contribution of MO to the competitive success of organizations. Despite this growing interest, however, little attention has been paid to the medium-sized firms, whose atypical characteristics, as mentioned above, seem to provide very interesting research questions as regarding the way they approach and manage their relations with the market.

3. Methodology

In this study we used a mixed-method approach, with the idea of combining the strengths of both qualitative and quantitative research (Bazeley, 2004; Srnka and Koeszegi, 2007). In particular, we started from qualitative data (i.e. interview data from 59 medium-sized firms) and then we transformed the qualitative material (respondents’ words) into codes and numerical data to be used for further statistical analyses. Therefore, qualitative and quantitative analyses are combined within one single research process, with the main aim of deriving generalizable results (i.e. generalization design) (Mayring, 2001). As it is common in research following this approach, the same data are treated both hermeneutically and statistically (Bazeley, 2004).

As stated above, we started from open-format, qualitative data. We used a multiple case studies approach to collect information from 59 medium-sized firms, characterized by the presence of significant marketing activities. In order to highlight similarities and dissonances through the cases and to support our understanding of the phenomenon, we tried to identify firms of different typology, concerning the industry, the location and the performance. As shown in Table 1, most of the investigated firms operate in the food industry (42%) and in the Campania region (69%).

Table 1 – Distribution of the investigated firms by industry and Italian region

<table>
<thead>
<tr>
<th></th>
<th>Food</th>
<th>Fashion</th>
<th>Furnishing</th>
<th>Mechanics</th>
<th>Metals</th>
<th>Chemical-Pharmaceutical</th>
<th>Other</th>
<th>TOT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Campania</td>
<td>17</td>
<td>4</td>
<td>1</td>
<td>4</td>
<td>4</td>
<td>1</td>
<td>6</td>
<td>37</td>
</tr>
<tr>
<td>Puglia</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Abruzzo</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Calabria</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Sicilia</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Molise</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>TOT</strong></td>
<td><strong>25</strong></td>
<td><strong>8</strong></td>
<td><strong>5</strong></td>
<td><strong>4</strong></td>
<td><strong>7</strong></td>
<td><strong>3</strong></td>
<td><strong>7</strong></td>
<td><strong>59</strong></td>
</tr>
</tbody>
</table>

4
We used semi-structured interviews with entrepreneurs and top-managers to collect primary data. In each company we interviewed, beside the entrepreneur/owner, the marketing manager (when a marketing manager was present) or the sales manager (when the sales manager was in charge also for marketing activities). We had face-to-face interviews that were recorded and transcribed. A protocol interview was used to assure that all the topics relevant to the aims of the research were deepened. It was not a real questionnaire, but just an outline of orienting questions focused on marketing activities. There were also questions on different environmental, organizational and individual characteristics that, moving from the literature, we believed could be related to the intensity and the way marketing activities are implemented. Considering the inductive nature of the study, such topics have been discussed in any sort of order and unplanned topics emerged during the discussions.

We used the transcripts of all the interviews to develop case files that were content-analyzed by using the software Nvivo 10. First, we carried out a preliminary within-case study; then, a cross-case comparison to look for similarities among cases. The first step in content-analyzing the data was to break the case files down into “nodes”. Nodes ranged from a phrase, to a complete sentence, to several sentences. They were initially identified by one of the researchers. A second researcher reviewed a copy of the interview protocol and the database of nodes to independently verify the accuracy and completeness of the data and classifications. After all the text had been divided and classified, the second step was to code each node by iteratively cycling through the data. The aim was to merge similar nodes and create thematic categories. Again, after one researcher has coded the nodes to relate them to specific conceptual categories, a second researcher coded the data. Disagreements on coding were settled through consultation between the researchers. Table 2 shows the categories emerging from the analysis.

Table 2 – Definition of the main categories emerging from the content analysis of interview data

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Generation of market intelligence</td>
<td>The way information about customers and competitors are collected</td>
</tr>
<tr>
<td>2. Dissemination of market intelligence</td>
<td>The way information about customers and competitors are disseminated across the organization</td>
</tr>
<tr>
<td>3. Responsiveness to market intelligence</td>
<td>The way information about customers and competitors are used to design future strategy</td>
</tr>
<tr>
<td>4. Competitive pressure</td>
<td>The perceptions that respondents have about the intensity of competition in their industry</td>
</tr>
<tr>
<td>5. Networking</td>
<td>The use of formal and informal networks to sustain firm’s growth</td>
</tr>
<tr>
<td>6. Organization structure</td>
<td>The level of flexibility of the organizational structure in terms of decisional autonomy and delegation</td>
</tr>
<tr>
<td>7. Managerialization</td>
<td>The presence of professional managers, outside the group of firm’s owners</td>
</tr>
<tr>
<td>8. Management background</td>
<td>The level of education and previous professional experience of firm’s managers</td>
</tr>
</tbody>
</table>

Following the guidelines provided by Srnka and Koeszegi (2007), we applied a systematic procedure to convert interview data into numeric data to be used for further quantitative analyses (i.e. sequential design). Textual data, properly classified and coded, were transformed into numeric data by attributing a value on a 5-point ordinal scale: for instance, based on opinions of respondents about the intensity of competition in their industry, we attributed to each response a score from 1 to 5 (where 1 = very low competition and 5 = very high competition).
competition). Two researchers attributed, in an autonomous and independent way, such numerical value. Then, we evaluated the reliability of each value by systematically comparing the results of the two coders. For this purpose, we developed the intercoder consistency matrix (Ohnesorge, 2004) showing eventual discrepancies in the two researchers’ codings that were discussed and solved by coming back to the textual data and deepening their analysis together.

Once we converted all the variables into numerical values, it was possible to use them for further statistical analyses. In particular, in line with the objectives of the study, we carried out a cluster analysis aiming at: 1) grouping the investigated medium-sized firms in subgroups with homogenous behavior in terms of marketing activities and market orientation; 2) investigating the common characteristics of different groups; 3) isolating the most significant variables explaining the differences between groups, and thus identifying the antecedents that significantly influence the intensity of market orientation.

Cluster analysis encompasses a number of different classification algorithms, which can be traced back to two broad families: hierarchical and non-hierarchical. In line with the prevailing literature (Ketchen and Shook, 1996), we used both procedures as complements to each other. First, we used a hierarchical procedure (Ward method) in SPSS to determine the desired number of clusters. We used one single measure of market orientation as an average of the values attributed to the three categories “Generation of market intelligence”, “Dissemination of market intelligence”, and “Responsiveness to market intelligence”. We found the agglomerative schedule and proximity matrix for the data obtained on this variable for all the cases. The SPSS output provided a proximity matrix which showed the distances (similarity) between all the cases and agglomerative schedule which was used to find the number of clusters in the data on the basis of fusion coefficients. Furthermore, a dendrogram was obtained. Based on both the proximity matrix and the dendrogram, it was quite clear the opportunity of considering three clusters. Then, we used a non-hierarchical procedure (K-means method) to obtain more stable clusters due to interactive procedure involved in it, in comparison to the single-pass hierarchical methods. Finally, we used the ANOVA to analyse which of the variables were significantly different across all the identified clusters, thus contributing more to the different intensity with which firms implement marketing activities.

4. Results

In line with the mixed-method approach we used in this study, we present first the results from the qualitative research, more oriented to contribute to discovery and theory-building, and then the results from the quantitative research, more oriented to apply statistical rigorous methods to obtain generalizable results.

4.1 How to assess marketing activities within medium-sized firms? Insights from the qualitative research

The in-depth analysis conducted on the 59 medium-sized firms was aimed to understand the role that marketing plays within each organization and, therefore, to assess its manifestations in this specific category of firms. With this aim in mind, we started by verifying the existence of a formalized marketing function within the examined firms, since both practice and literature refer to it as an important indicator of the adoption of the marketing concept. In this regard, our analysis revealed that only 26 out of 59 (that is less than half of the investigated firms) have a marketing department with its own organization and structure. It also emerged
that the number of employees working in the marketing department is between 1 and 6, with an average of 2.5. The organizational structure of the identified marketing departments is normally characterized by a low level of formalization, as emerging also from the flexible division of roles and responsibilities found in the majority of cases. The informal approach to marketing activities is also evidenced by the scant relevance recognized to the marketing plan, that is often conceived as a set of guidelines for the organization of marketing activities, rather than as an instrument of strategic reflection. Furthermore, it was quite clear that marketing department generally has limited decision-making power, as confirmed by the fact that only in 12 cases there is a budget which can be autonomously used to reach specific marketing goals. However, in many cases marketing activities are directly managed by the entrepreneur, whose decisions generally have a decisive influence on the way these activities are carried out within the examined category of firms.

The informal approach to marketing activities emerging from our analysis, however, was just a first indicator of MO patterns followed by medium-sized firms. Indeed, a deeper understanding into the application of the construct was strictly required to go beyond the organizational aspects, which cannot describe the alternative routes adopted in this specific kind of businesses to implement the key concept of marketing. As a matter of fact, the analysis of the interviews clearly highlighted that in most cases the absence of a specific marketing department does not equate neither to scant customer care nor to a lack of knowledge about market trends and needs.

Nevertheless, the dimensions traditionally adopted in literature to measure and evaluate MO in the specific context of larger organizations seemed to be not always applicable in the context of medium-sized firms, where we identified distinctive MO styles and practices, related to the specific characteristics of this business category.

Dealing with marketing intelligence generation, the results of our face-to-face interviews revealed that understanding customers’ needs represents a priority in most of the investigated companies, whose success is strictly related to a wide and deep knowledge of the target markets. Nevertheless, the low formalization of market research has a great impact on the way marketing intelligence is generated in the investigated category of firms. In most cases, indeed, a systematic and ongoing process of data collection is missing as well as there is no recourse to external market research institutions. Even if none of the investigated companies has a marketing information system and only in one case there is a strategic business intelligence unit for the analysis of marketing environment, several “informal” instruments are used to get useful and timely information on customers and therefore developing products able to satisfy their needs and expectations. More specifically, in many cases market intelligence is developed through a direct and constant relationship with customers, which is based on mutual trust and offers several possibilities of product customization, thus enhancing business success. This is particularly true in the case of business-to-business activities, where intermediate customers share several information with the interviewed entrepreneurs and directly collaborate to the creation of superior value for the final customer. On this point, the chief financial officer of a medium-sized company operating in the furnishing industry claimed: “the main source from which we gather information is represented by big customers that have internal buying structures and, therefore, have access to important information on market trends; due to the mutual trust that characterizes our business relationship, they are extremely interested in having our company as an interlocutor”. Similarly, the chief executive officer of a well-known canning company stated: “our main source of information on customers comes from 80 agents operating all around the country”, while the responsible for Planning and Control of a food company mainly operating on international markets highlighted the central role of importers to get timely information on industry trends.
Furthermore, the participation in fairs and the constant reports of sales force seem to be in a relevant number of cases the most precious instruments to get insights on the latest market trends, even without starting formal and structured processes of data collection. Therefore, evidence from our interviews clearly suggests that even if the importance of marketing intelligence is not neglected by the entrepreneurs and managers of the investigated companies, in most cases its generation takes place through secondary data, both internal and external. Sales force, intermediaries, public and private databases but also trade and industry associations are in several cases the main “suppliers of knowledge” about marketing environment. In this regard, the vice-president of an important company producing generators clearly admitted: “The market needs to be addressed with all the tools, associations, Internet, but the only way to really get to know it is taking your briefcase and consuming the soles of your shoes. The approach is very personal”.

The distinctive features of MO within companies others than larger and well-structured organizations also emerged with reference to the dissemination of marketing intelligence. Indeed, the results of our analysis revealed that the informal approach to market research strongly pervades the way knowledge is shared among people and departments within the companies. More specifically, the informal and quite flexible organizational structure characterizing most of the investigated companies seems to facilitate rather than hinder marketing intelligence dissemination, that seems to be at a good level in the majority of cases. Nevertheless, it was easy to note that even if market information are easily shared and discussed through informal meetings taking place quite often within the companies, strategic and long-term decisions are generally made by entrepreneurs and top management. In this regard, the general director of a company working in the food industry asserted: “major decisions are taken by the owners, family members, but there is a strong collaboration with the heads of the various departments (…) This collaboration is aimed both at sharing the most relevant information and at working together for the development of new products or processes (…) Therefore, we have meetings and informal discussions, which can also take place daily”.

Regarding the responsiveness to marketing intelligence activities, it was possible to distinguish the investigated companies between those making systematic use of marketing knowledge and those who are still far from full awareness of the importance that knowledge generated and shared assumes for marketing decision-making processes. However, even entrepreneurs that show a general consensus about the central role of marketing often assimilate it with sales, thus making difficult to draw a line of separation between the two functions. Another relevant aspect emerging from the qualitative analysis is the scant propensity to formal planning, which is strongly linked to the central role that entrepreneurs take on in the decision-making processes. In a large number of cases, in fact, decisions are made by entrepreneurs based on their personal knowledge and experience, sometimes simply on intuition and strong motivation. As stated by the marketing manager of a well-known company in the food industry, after their acquisition data and relevant information “first of all are passed to the owner/entrepreneur, who decides the strategy to be adopted, according to the competitors already operating in those markets”.

Once again, in the distinctive styles and behaviors emerging from the concrete manifestation of MO dimensions within the examined companies, trust plays a decisive role. Indeed, the interviews revealed that market information generated and disseminated through informal mechanisms are used within or outside the organization to create value only if there is a shared pattern, that often sees entrepreneurs and their personal networks with customers and intermediaries as the central core.
4.2 What actually does affect the intensity of marketing activities within medium-sized firms? 
Insights from the quantitative research

As a result of the cluster analysis, the 59 investigated medium-sized firmswere clustered, based on their level of market orientation, into three different groups: Cluster 1 composed of 16 firms characterized by high level of market orientation; Cluster 2 composed of 19 firms with medium level of market orientation; and Cluster 3 composed of 24 firms with lowest level of market orientation. The groups we obtained are particularly balanced: we know that the relationship between the biggest group and the smallest one should be less than 2 (Ketchen and Shook, 1996); in our case it is equal to 1.5.

Figure 1 shows the main differences between the three groups in terms of environmental, organizational and individual characteristics we identified through the content analysis of interview data.

The first cluster is composed of firms that present the highest levels of market orientation. They operate in a competitive environment that they perceive as particularly hostile. They are more open to partnerships with external stakeholders than other firms. They have a good level of involvement of professional managers and high delegation of decision-making, with an organizational structure rather flexible and lean. They are run by entrepreneurs and managers who have accumulated considerable experience, both in terms of education and previous job positions.

The second cluster consists of firms that have medium levels of market orientation. They operate in a competitive environment that is not considered as hostile. They are distinguished by the frequency of collaborations with external partners. They have a good level of involvement of professional managers and executives who have accumulated a good experience before entering the company, even though these firms are characterized by limited delegation of decision-making, with an organizational structure rather verticalized.

The third cluster is composed of firms that present the lowest levels of market orientation. They operate in a hostile competitive environment. They are less oriented to use external networks than other firms and they present a lower number of professional managers than all the other firms. Business owners and managers leading these companies have been almost always trained in-house, without significant experience in other contexts.

Figure 1 – Main characteristics of the three clusters of investigated medium-sized firms
We used the ANOVA to analyze which variables were significantly different between the identified clusters, thus contributing more to the different intensity with which firms implement marketing activities. As shown in Table 3, all the variables significantly differ among the three clusters.

Table 3 – ANOVA

<table>
<thead>
<tr>
<th>Cluster</th>
<th>MeanSquare</th>
<th>df</th>
<th>Error</th>
<th>MeanSquare</th>
<th>df</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>MO</td>
<td>7,991</td>
<td>2</td>
<td>.395</td>
<td>56</td>
<td></td>
<td>20,233</td>
<td>.000</td>
</tr>
<tr>
<td>Competitive pressure</td>
<td>4,649</td>
<td>2</td>
<td>.856</td>
<td>56</td>
<td></td>
<td>5,433</td>
<td>.007</td>
</tr>
<tr>
<td>Networking</td>
<td>13,733</td>
<td>2</td>
<td>.531</td>
<td>56</td>
<td></td>
<td>28,876</td>
<td>.000</td>
</tr>
<tr>
<td>Organization structure</td>
<td>11,778</td>
<td>2</td>
<td>.576</td>
<td>56</td>
<td></td>
<td>20,457</td>
<td>.000</td>
</tr>
<tr>
<td>Managerialization</td>
<td>8,326</td>
<td>2</td>
<td>.894</td>
<td>56</td>
<td></td>
<td>9,314</td>
<td>.000</td>
</tr>
<tr>
<td>Management background</td>
<td>12,740</td>
<td>2</td>
<td>.618</td>
<td>56</td>
<td></td>
<td>20,607</td>
<td>.000</td>
</tr>
</tbody>
</table>

5. Discussion

This paper aimed at addressing a gap in the flourishing literature on MO, that to date has been mainly focused on large companies. Following other studies on the topic (Blankson et al., 2006; Riviezzo et al., 2013), we analyzed this theoretical construct within medium-sized firms, with the main aim of providing insights into its nature and its role in this specific and largely neglected context. As widely explained before, indeed, traditional measures of MO have been mostly developed within large companies typically characterized by wider resources and more formalized processes and structures; thus, the appropriateness of MO within smaller companies needs to be examined in depth, in search for possible adaptations of consolidated frameworks to the specific features of SMEs domain. Answering the calls from previous literature (Blankson et al., 2006), this paper adds to the body of knowledge on MO within SMEs through the combination of qualitative and quantitative methods.

The qualitative analysis, based on in-depth interviews with owners and managers of 59 firms, offers a significant contribution to the debate on MO in smaller organizations, since it sheds further light on actual manifestations of the construct in this poorly explored context. Coherently with previous studies (Harris, 1998; Riviezzo et al., 2013), our results suggest that the real essence of MO cannot be captured in the realm of medium-sized firms using the same measures traditionally adopted within large organizations. A first justification of the limited applicability of consolidated MO frameworks in our context of analysis relies on the characteristics and role of marketing function emerging from the results reported above. As already explained, indeed, in most cases there is not a specific department in charge of marketing activities, that are generally not formalized in official documents and do not receive a dedicated budget. Nevertheless, most of respondents seemed not to neglect the importance of marketing activities, mostly devoted to customer care and market intelligence, realized mainly through close and constant relationships with their target markets. From the words of many interviewed, however, it clearly emerged a certain difficulty to differentiate between commercial and marketing activities, with the latter being under the direct responsibility of sales department in a significant number of cases. Furthermore, in line with Pacitto et al. (2007), our study highlighted the predominance of a short-term perspective rather than a long-term perspective for marketing activities, to which are generally assigned operative goals rather than strategic ones. Thanks to the in-depth examination carried out in our qualitative research study, however, it was possible to assert that nor the absence of
formal marketing planning and research or the vanishing boundaries between sales and marketing department imply a lack of MO, which is manifested through alternative and peculiar practices and behaviours, strictly connected to the distinctive features of medium-sized firms.

Importantly, our findings suggest that the assessment of MO within medium-sized firms cannot disregard personal and relational dimensions emerging as crucial in the implementation of the marketing concept. Even not neglecting the relevance of organizational and environmental conditions to better understand the patterns of MO in smaller organizations, indeed, our results claim for a shift of attention from an organizational level to an individual level, therefore calling for a stronger emphasis on entrepreneurs/managers behaviours and relations.

The need to examine specific variables able to affect the nature and intensity of MO adopted within medium-sized firms led us to the quantitative phase of our research. Based on a cluster analysis that divided our sample in three groups of firms, each characterized by a different level of MO, we provided empirical support for the existence of specific factors that may influence the adoption of market-oriented behaviours within medium-sized companies. Importantly, determinants of MO showed by medium-sized firms in our sample coincide only partially with variables highlighted by literature developed using data on large organizations. Regarding entrepreneurs and top management, among the most relevant aspects enhancing market-oriented activities a central role is played by their previous experience and background, that strongly impact on the way they manage decisions and marketing activities in order to meet market needs and industry trends.

Some noteworthy aspects also emerge with reference to organizational structure, whose flexibility and low formalization make somehow medium-sized firms quite reactive to market and favours informal relationships with direct and intermediate customers, which are at the central core of MO nature and implementation in the medium-sized firms domain. Once again, the results of our analysis provide support for the existence of specific features that not only enhance MO within our context of analysis, but also suggest the adoption of evaluating schemes quite far from the rigidity of structured larger companies.

Finally, the crucial role of entrepreneurs in the decision-making process along with the importance of networking that they use to enhance firms’ competitiveness call for the adoption of a relational marketing perspective, difficult to evaluate through the analytical tools traditionally related to the theoretical construct of MO.

6. Limitations and directions for future research

This study is one of the first examples of in-depth analysis of the theoretical construct of MO in the specific context of medium-sized firms, by adopting a mixed-method research approach. Of course it is not without limitations. The main limitation is the inability to generalize results, mainly due to the number and the nature of case studies. We just considered manufacturing firms operating in the South of Italy. More empirical efforts are needed to verify the extent to which our results are confirmed in different research settings (e.g. in other countries) and with different typology of firms (e.g. firms operating in service industries). Therefore, an interesting extension of the study would be the investigation of more firms from different countries and different industries, in order to increase the size and the homogeneity of the sample. This larger number of data could allow developing more complex models, including latent (unobserved) variables, formative variables, chains of effects (mediation), and multiple group comparisons (e.g. multilevel analysis). Furthermore, in this study we used just
perceived data from key informants. Even if this method has been proved to be effective, it would be interesting to use also factual data. For instance, the assessment of firm’s market orientation could be based on secondary and objective data, and not only on the perceptions of key informants. In so doing, it would be possible to analyze the results also controlling for the effective intensity and typology of marketing activities. Future studies should put some efforts into using objective data besides perceived data.

References


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