
A survey on the responsive and proactive market orientation (2005–2015)

Ngatno

Doctoral Program of Social Science,
Diponegoro University,
Semarang, Central Java, Indonesia
Email: ngatno_fisip@yahoo.co.id

Abstract: In 2004 the market orientation of the second generation was introduced; it consists of the responsive market orientation (RMO) and the proactive market orientation (PMO). Since then, the RMO and the PMO have received a great deal of attention in the marketing literature. This study provides useful preliminary information to facilitate a good understanding of the RMO and the PMO. This study is intended to help researchers and practitioners to access the RMO and the PMO, and it includes definitions, applications, and problem domains. This study is expected to contribute to the provision of a means to conceptualise and operate the coverage of the RMO and the PMO. The study also found several common variables related to the performance, mediators, and moderators within manufacture and service industries. Finally, this study is expected to provide a framework to organise the results.

Keywords: responsive market orientation; RMO; proactive market orientation; PMO; performance; antecedent; consequence.

Reference to this paper should be made as follows: Ngatno (2019) 'A survey on the responsive and proactive market orientation (2005–2015)', *Int. J. Business and Globalisation*, Vol. 23, No. 2, pp.193–209.

Biographical notes: Ngatno is an Assistant Professor and Vice Dean of the Social and Political Science Faculty at the Diponegoro University, Semarang, Central Java, Indonesia. He is peer reviewer for *Journal of Business Administration*. His research interests are primarily in the areas of entrepreneurship and small business and marketing of SMEs.

This paper is a revised and expanded version of a paper entitled 'A survey of the responsive and proactive market orientation research (2005-2015)' presented at International Conference on Management In Emerging Market (ICMEM) School of Business and Management ITB, Bali, 10–12 August 2016.

1 Introduction

The marketing concept is the key to achieve corporate objectives in order to become more effective and efficient than competitors in meeting the customers' need (Kotler, 2003). Before satisfying the customers, the marketers then need to understand their customers' needs. The customers' needs are a description of the benefits of a product desired by the customers (Griffin and Hauser, 1993). The needs are essentially what the

customers want, and the needs cannot always be recognised or described verbally by the customers. According to Sanders (1992), the customers' needs can be categorised into explicit, tacit and latent ones. Others divide the customers' needs into expressed, latent and future ones (Hauser et al., 2006). Explicit needs are the needs which are expressed in words by the customers; whereas the tacit and latent needs are not expressed in words by the customers. The expressed needs are defined as current needs which the customers are aware of and actively request from firms (Slater and Narver, 1998).

The implementation of the marketing concept is a market orientation (Kohli and Jaworski, 1990).

The exploration of current, latent and future customers' needs is the main issue of market orientation in the development of new products (Ulwick and Leonard, 2002). Market orientation is explored not only to identify customers' needs which can be expressed, but it must also be able to probe latent needs and uncover future needs of current and potential customers. The evolution of this literature from the concept of market orientation to the proactive market orientation (PMO) is based mainly on the nature of the customers' needs, with researchers increasingly emphasise not only on the expressed and latent but also the current and future needs.

Measuring market orientation in their study from 1990 to 2000, observers have questioned the net benefits of the market orientation. The firms will lose their leadership position in the industry because they only focus on listening carefully to their current customers (Christensen and Bower, 2008). One organisational issue in relation to customers is whether to focus on customers and existing markets or on new customers and/or markets. Some observers argue that the market opportunity is the main reason for the development of new products; the company must focus on the existing customers and developing products to meet the unmet needs. Others will argue that the technical opportunities and product development to meet the latent needs of customers is the basis for enduring success (Lamore et al., 2013).

Slater and Narver (1998) charge that businesses appear to have an incomplete understanding of what it means to be market-oriented because they tend to ignore the proactive dimension – the discovery and satisfaction from future customers' needs (Kohli and Jaworski, 1990). Market orientation is 'inherently entrepreneurial' because a market-oriented firm is able to anticipate and respond to the latent and emerging customers' needs (Slater and Narver, 1998).

The common theme of the criticisms is that there is a penalty – for both businesses and society – if businesses only respond to customers' wishes. It is believed in the present study that the disagreement about the relationship between market orientation and market-place innovation is due to a too narrow understanding of market orientation, specifically of conceiving market orientation as only 'responsive market orientation (RMO)'. Since the measurement concept of market orientation is too narrow, Narver et al. (2004) introduced the second generation of market orientation. They were trying to solve this paradox by dividing the market orientation into two separate constructions. They explained that the concept of market orientation had both a responsive and proactive construction. The second generation market orientation consists of two important sets of behaviour. The first is the RMO referred to as customer-led (Slater and Narver, 1998). The second is the PMO, in which businesses are trying to find, understand, and meet the latent customers' needs.

Since the second generation of market orientation was introduced, the RMO and the PMO have received considerable attention in marketing literature (Narver et al., 2004;

Atuahene-gima et al., 2005) and they have continued to attract the researchers' attention. Most of this stream of research has focused on the interaction between the RMO and the PMO and business performance, product and innovation performance, as well as the moderating effects of the environment on the relationship.

This study presents a comprehensive survey of published research on RMO and PMO from 2005 to 2015 to make the second generation concept of MO more accessible. Unlike a more traditional review which looks for specific key contributions and seminal pieces of literature, this study tracks the overall growth of the second generation concept of MO research, and it presents an analysis of publication outlets, problem domains and industry settings where the research was conducted. This study takes a close look at the impact of the RMO and the PMO on performance as well as mediators and moderators of the impact. This study introduces a conceptual model of the RMO and the PMO in order to organise the vast research body on the topic. This study also strives to provide a sort of road-map to those interested in gaining a better understanding of the RMO and the PMO research. This road-map will complement the study on the relationship between the RMO as well as the PMO and performance, so the road-map is expected to be able to explain corporate performance more thoroughly. There are two variables in using the road-map: first, market orientation measurement using newer measurements; second, models equipped with the antecedent variables, mediation and moderation. Using the road-map, this study is expected to have a greater ability to explain the causal relationship between market orientation and corporate performance.

The following section describes the methodology used in carrying out our survey. Then it is followed by an analysis of the overall growth, publication outlets, problem domains and industry settings employed in the RMO and the PMO research. This study also strives to provide a kind of roadmap for those interested in gaining a better understanding of the RMO and the PMO research. Furthermore, this study presents a concept which describes the relationship between the domains of the RMO and the PMO research; the limitations of the research; the directions for further research; and the conclusions.

2 Methodology

To achieve the objectives laid out in the research; this study focuses on a systematic exhaustive review of the existing literature. The literature review is conducted to identify the research problems as well as, relevant concepts and facts and fill the gap in the existing knowledge using a variety of published sources (journals and scientific articles). In order to collect a comprehensive list of articles in the survey, this study utilised a simple keyword search on available online journal databases. There are six online journal databases, and the major keyword phrases searched were 'RMO' and 'PMO' on December 31, 2015, from Google Scholar, Science Direct, Emerald, EBSCO-host, Pro-Quest, and Springer.

We move all articles from those publishers. This study started with the keyword 'responsive and PMO'. The result of removal from the journal with these keywords is 285 articles. The full text of each article was reviewed to eliminate those that were not appropriate to RMO and PMO. The selection criteria were as follows:

- Articles published within the period from 2005 to 2015.
- Articles are published in business, management, and economics journals, as these are the most appropriate outlets for RMO and PMO research and survey focus.
- Conference paper, master and doctoral dissertation, text book and unpublished working paper are pulled out.
- The article is not a research result and does not use the RMO or PMO constructs omitted

After filtering these original articles, we selected 50 articles to be analysed by year of publication and published journal.

3 The growth of RMO and PMO research

The distribution of articles published from 2005 to 2015 is shown in Figure 1. The study of RMO and PMO has increased significantly since 2007, but there was a slight decrease in 2014. As it can be seen, in the first seven years (2007 to 2013) there were 38 publications (76.00% of the total). Then in 2014 the number of articles which discussed the RMO and the PMO began to decline and rise again in 2015. These 50 articles about the RMO and the PMO were published in a total of seven sources. The top three sources of the articles (Pro-Quest; Emerald and Elsevier) in terms of frequency of publication accounted for 52.0% of the total. Table 1 includes a listing of the frequency of the RMO and the PMO articles for each year included in the study.

Figure 1 The distribution of RMO and PMO articles by years

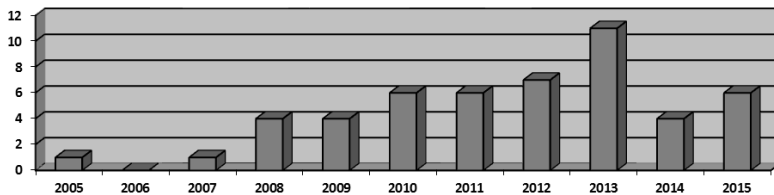


Table 1 Cross tabulation of sources of journal by years

Sources	'05	'06	'07	'08	'09	'10	'11	'12	'13	'14	'15	Total
Proquest	-	-	-	-	-	2	1	2	4	-	-	9
Elsevier	-	-	-	2	-	-	-	2	2	1	3	10
Emerald	-	-	1	2	-	2	-	-	1	1	-	7
EbscoHost	-	-	-	-	1	1	-	-	-	-	-	2
Springer	-	-	-	-	-	-	1	1	-	1	-	3
Sagepub	-	-	-	-	1	-	1	-	-	-	-	2
Wiley	1	-	-	-	-	-	-	-	1	-	-	2
Others	-	-	-	-	2	1	3	1	4	1	3	15
Total	1	-	1	4	4	6	6	7	11	4	6	50

4 RMO and PMO issues

Nowadays the responsive and the PMO literature (from its ‘rediscovery’ in 2004 onwards) deal with three issues: definition, measurement, and model. The definition issue focuses on the conceptualisation of the construct. This literature addresses the question: what are RMO and PMO? The measurement issue focuses on the development of RMO and PMO scales. This literature is concerned with how the RMO and the PMO construct can be operated and assessed. Finally, the model issue focuses on the antecedents and consequences of the RMO and the PMO. This literature deals with the causes and effects of the RMO and the PMO.

4.1 Definition issue

Research on market orientation of the first generation sees that the components of the market orientation construct are generally theorised to follow the conceptualisations of either with intelligence generation, intelligence dissemination, and responsiveness (Kohli and Jaworski, 1990) or with customer orientation, competitor orientation, and inter-functional coordination (Narver and Slater, 1990). Narver et al. (2004) argue that the disagreement about the relationship between market orientation and superior performance is due to a too narrow and incomplete understanding of market orientation, considering only the responsive dimension, in which a business attempts to discover, to understand, and to satisfy the customer’s expressed needs.

Although Kohli and Jaworski (1990) explicitly include ‘current and future customers’ needs’ in their definition of market orientation, Narver et al. (2004) states that the satisfaction of latent and future needs has received a number of theoretical comments, but no systematic empirical analysis. Narver et al. (2004) respond to this by developing a two-dimensional measure to match the full scope of the market orientation concept, namely responsive and PMO.

RMO means that a business responds to the expressed needs of its target customers. RMO refers to ‘guided or monitored by customers’. The RMO, as a customer-led culture may be described as the generation, dissemination, and responsiveness of market information, regarding the current product and market domain, and the RMO focuses on the expressed needs (Atuahene-gima et al., 2005). By contrast, the PMO refers to a business attempting to discover and satisfy customers’ latent needs, or the PMO refers to opportunities to satisfy of which a customer is unaware of. The PMO means to ‘guide or monitors the customers’, and the orientation is the search for new information and knowledge to discover and satisfy the latent, unarticulated customers’ needs (Narver et al., 2004). The PMO, as a lead-the-customer culture, accentuates discovering and satisfying the latent and/or emerging needs of customers through undertaking market experiments to discover future needs or new market opportunities, and with cannibalising sales of existing products (Atuahene-gima et al., 2005).

While some scholars use the terms market orientation and customer orientation interchangeably with each other, both solely focus on customers (e.g., Atuahene-gima et al., 2005; Narver et al., 2004; Slater and Narver, 1998). Other scholars include customer orientation and competitor orientation in their understanding of market orientation and explicitly distinguish between focusing on customers and competitors.

Similarly, between the RMO with market driven and PMO with market driving (Jaworski et al., 2000; Martín-Consuegra et al., 2008).

More recent empirical research on the RMO and the PMO aspects has developed promising measures (as Atuahene-gima et al., 2005; Zhang and Duan, 2010; Voola and O'Cass, 2010; Bodlaj, 2010; Narver et al., 2004), but they focus only on the global market orientation construct, thus neglect to distinguish between customer and competitive intelligence. However, the constructs they measure deal only with identifying and satisfying customers' needs, and they do not encompass the other traditional dimensions of a market orientation (Blocker et al., 2011). According to marketing research literature published since the beginning of the 1990s, market orientation has been considered the best option to attain and preserve a competitive advantage in the market which can serve as a powerful driver of business performance. In order to achieve this goal, businesses have to collect information both from consumers and from competitors, disseminate information across departments and use it to satisfy market needs (Kohli and Jaworski, 1990; Narver and Slater, 1990). A market consists of a set of products, a set of customers, a set of competitors, and a geographical region in which the customers and competitors interact. The salient actors of the market are customers and competitors. The customers are pivotal to all definitions of market orientation, but the debate on the role and relevance of competitors in market orientation is still warm until now. Thus, in the interest of being more precise, scholars utilise the terms RMO and PMO (Blocker et al., 2011; Herhausen, 2015).

Other scholars divide market orientation to four dimensions: responsive customer orientation, proactive customer orientation, responsive competitor orientation, and proactive competitor orientation (Nishikawa and Yoshida, 2010; Ngatno et al., 2014). To develop new products based on the fulfilment of the latent and future needs, it appears that the new differences fall into competitors, in addition to a deep understanding of the customers. In the case of a PMO, the orientation will be more effective if it is learned from two sources, namely customers and competitors. Intelligence information about both customers and competitors in the market orientation moves from responsive to proactive orientation (Mohr et al., 2010).

The purpose of the RMO is to improve and increase the efficiency of the existing markets. On the other hand, a proactive market-oriented company is built to influence the structure of the market (customers' and competitors' behaviour) to enhance the company's competitive position (Jaworski et al., 2000). The purpose of proactive activities thereby is to obtain discovery and innovation in the future. Therefore the definition of the RMO and the PMO as 'second-generation of market orientation' (Mohr et al., 2010), should be extended in order to emphasise the current and latent needs and to anticipate the current and potential competitors. From this standpoint, the traditional techniques (first generation of market orientation) to collect market information is no longer sufficient (Mohr et al., 2010), and the techniques require a series of information gathering which is not only responsive but also proactive. A RMO is defined as a business attempt to understand and to satisfy customers' expressed needs; whereas a PMO is the attempt to understand and to satisfy customers' latent needs (Narver et al., 2004). From this definition, the constructs of the RMO and the PMO are a measured deal only with identifying and satisfying customers' needs, and they do not encompass the competitors (other traditional dimensions of a market orientation). Therefore, the concept of MO should be expanded to include the customers and the competitors. MO can be classified into four dimensions.

- 1 Responsive-customer orientation (RE-CUSTOR), which refines and improves products, production, and distribution based on articulated customer needs and wants. RE-CUSTOR refers to ‘guided or monitored by customers’. The responsive customer orientation is an emphasis on articulated and expressed customers’ needs and wants.
- 2 Proactive-customer orientation (PRO-CUSTOR) which discovers and innovates product, production, and distribution based on unarticulated customers’ needs and wants. PRO-CUSTOR means ‘guide or monitors the customers’ and it is the search for new information and knowledge to discover and satisfy the latent, unarticulated customers’ needs. The proactive customer orientation emphasises on a fulfilment of latent and future needs.
- 3 Responsive-competitor orientation (RE-COMPOR), which is an effort to refine and improve products, production, and distribution based on surveys’ competitive intelligence. RE-COMPOR refers to ‘guided or monitored by the competitors’. The responsive competitor orientation is an orientation which emphasises on monitoring strengths and weaknesses of current competitors.
- 4 Proactive-competitor orientation (PRO-COMPOR) is an activity to discover and innovates products. The production and distribution are based on experimentation and search abreast of the competition. PRO-COMPOR means ‘guide or monitors the competitors’ and it is the search for new information and knowledge to anticipate competitors. The proactive competitor orientation is emphasised on the anticipation of what will be done by competitors and potential competitors (Mohr et al., 2010). The differences between the RMO and the PMO are highlighted in Table 2.

Table 2 Differences between the responsive and proactive market orientations

	<i>RMO</i>		<i>PMO</i>	
	<i>RE-CUSTOR</i>	<i>RE-COMPOR</i>	<i>PRO-CUSTOR</i>	<i>PRO-COMPOR</i>
Focus	<i>Expressed need.</i> Focused on current needs	<i>Existing competitor.</i> Focused on existing competitor	<i>Latent need.</i> Focused on future needs	<i>Existing and potential competitor.</i> Focus on existing and potential competitor
Approach	<i>Comparatively passive.</i> Customer satisfaction, feedback	<i>Responsive</i> Monitored strength and weakness	<i>Comparatively interactive</i>	<i>Anticipate</i> Anticipated action to be carried out competitors
Product/service innovation	<i>Incremental</i>	<i>Incremental</i>	<i>Novel and radical</i>	<i>Novel and radical</i>
Learning approach	Exploitative	Exploitative	Explorative	Explorative
Risk taking	Low	Low	High	High
Market	Existing	Existing	Existing and new	Existing and new

4.2 *Measurement issue*

Kohli et al. (1993) state that MARKOR scale has not found items which deal either with latent and future needs and Narver and Slater (1990) state that MKTOR scale has not found the items, either. Thus, both scales of market orientation are composed of both a responsive and proactive dimension, but that RMO towards customers' expressed needs are where 'virtually all empirical analyses to date have focused' (Narver et al., 2004). This inconsistency is meaningful for interpreting the existing research results.

Most scholars use the measurement scale from Narver et al. (2004); however, the scholars also suggest that to measure the RMO they should use the MORTN scale of Deshpandé and Farley (1998) with seven items. Conversely, to measure the PMO the scholars should use MO-PRO scale of Narver et al. (2000) with eight items. Both MO-PRO and MORTN scale are used by many researchers to measure the RMO and the PMO. Among others are Narver et al. (2004); Atuahene-gima et al. (2005); Ruokonen (2007); Tsai et al. (2008); Li et al. (2008); DeFoggi and Buck (2009); Zhang and Duan (2010); Bodlaj (2010); Voola and O'Cass (2010). Many scholars are trying to develop their measurements. Herhausen (2015) has developed a measurement of the RMO with five item) and the PMO with four items. Ngatno et al. (2014) have developed a measurement for RE-COM with seven items which were adapted from Mohr et al. (2010), and they have also developed PRO-COM with seven items which were adapted from Mohr et al. (2010). David Martin developed indicators of the PMO with two indicators, namely driving the market structure and shaping the market behaviour.

4.3 *The model issue*

The next issue in RMO and PMO research is the model issue. The RMO and the PMO model issue focus on their antecedents and their consequences, as well as variables which might moderate and mediate the relationships between the RMO and the PMO and their consequences. Since the market orientation concepts are divided into the responsive and the PMO, there has been little empirical research regarding the relationship between internal organisational factors and a firm's tendency to be responsive or PMO.

4.3.1 *Organisational consequences of responsive and PMO*

Performance is the most studied variable in a market orientation. The performance can be classified into objective and subjective measures. The objective measures are factual, including return on investment (ROI); return on assets (ROA); sales growth; profitability; turnover, or overall performance. The subjective measures, on the other hand, depend upon the perceptions or opinions of individuals, including the perceived performance relative to competitors, expectations, and targets. The current degree of the RMO and the PMO is expected to correlate with current performance.

The causal effect of market orientation on performance was investigated by the first generation MO and the second generation MO. In the first generation of market orientation, this relationship was studied in large and small firms; in manufacturers and service suppliers; in industrial firms and consumer goods companies; in profit and not-for-profit organisations; in industrialised economies and in transition economies. The current degree of the RMO and the PMO is expected to correlate with current performance.

The dominant view is that an organisation's degree of the RMO and the PMO has a positive effect on performance:

- a Business performance (Atuahene-Gima et al., 2005; DeFoggi and Buck, 2009; Tsai et al., 2008; Kouropalatis et al., 2006; Zhang and Duan, 2010; Bodlaj, 2010; Voola and O'Cass, 2010; Zongling and Muqiang, 2010; Blocker et al., 2011; Lin, 2012; Brettel et al., 2011; Zain-Ul-Abideen and Saleem, 2011; Alpkam et al., 2012; Yannopoulos et al., 2012; Ergün and Kuşcu, 2013; Erfani and Kheiry, 2013; Tournois, 2013; Ngatno et al., 2014; Wei et al., 2014)
- b Product and innovation performance (Tsai et al., 2008; DeFoggi and Buck, 2009; Kouropalatis et al., 2006; Zhang and Duan, 2010; Zongling and Muqiang, 2010; Beck et al., 2011; Bodlaj, 2011; Srivastava et al., 2013; Mehmet et al., 2013; Tsou et al., 2014; Nguyen et al., 2014).

4.3.2 Organisational antecedents of responsive and PMO

MO in the first generation concluded that the benefits of market-oriented firms are greater in the competitive environment than the less competitive industry (Kohli and Jaworski, 1990). They hypothesised that the greater organisational factors are, such as management commitment; interdepartmental dynamics; and organisation systems, the more important market orientation will become (Kohli et al., 1993; Narver and Slater, 1990). Formal and informal connectedness of functions, facilitate the exchange of information, and reducing interdepartmental conflicts improves the communication required for effective market sensing (Kohli et al., 1993).

There are eight antecedents of market orientation:

- 1 top management emphasis on market orientation
- 2 top management risk aversion
- 3 interdepartmental conflict
- 4 interdepartmental connectedness
- 5 formalisation and centralisation
- 6 departmentalisation
- 7 reliance on market-based factors for evaluations
- 8 rewards (Kohli et al., 1993).

These antecedents have been widely studied in the first generation, but in the second generation, they have not been studied yet. Moreover, several studies have revealed a number of factors functioning as antecedents of the RMO and the PMO, such as driving the market structure and shaping the market behaviour (Martín-Consuegra et al., 2008); differentiation and cost leadership (Voola and O'Cass, 2010); future market focus; willingness to cannibalise; tolerance for failure and constructive conflict (Herhausen, 2015); generational stage of the family firm (Beck et al., 2011).

4.3.3 The direct effect of RMO and PMO on performance

Performance is a multi-dimensional variable which consists of more than just financial performance. Performance is also a variable of which position is dependent. This study shows that most of the RMO and the PMO have positive effects on performance. However, several studies have shown significant positive effects, others a number of studies suggest the opposite results. This survey presents the mediator variable of the research followed by the classification of each of the variables according to their general application. Table 3 shows a few examples of research which have investigated the influence of the RMO and the PMO on performance.

Table 3 The relationship between RMO and PMO and performance dimensions

<i>Author</i>	<i>Performances</i>	<i>Results</i>
DeFoggi and Buck (2009)	<ul style="list-style-type: none"> • Financial performance • New product contribution 	RMO and PMO positive effect on financial and new product contribution.
Zhang and Duan (2010)	Product innovation performance	RMO and product innovation performance could find any statistical relationship, but PMO and product innovation performance could not find any statistical relationship.
Zongling and Muqiang (2010)	Organisational performance	PMO and organisational performance could find any statistical relationship, but RMO and organisational performance could not find any statistical relationship.
Bodlaj (2010)	Innovation performance	RMO is positively not significant related to innovation performance. PMO is positively significant related to innovation performance.
Lin (2012)	Achieve rate of sales	RMO and PMO have a significant positive impact on the achieve rate of sales.
Ergün and Kuşç (2013)	E-loyalty	RMO and PMO have significant positive effect on e-loyalty.
Lamore et al. (2013)	Market performance	RMO and PMO are positively related to market performance.

4.3.4 Mediators of responsive and market proactive orientation on performance

Mediator variables appear to play an important role in increasing the strength of the association between the RMO, the PMO, and performance. In fact, some of the earlier research argued that there might not be a direct relationship among the RMO, the PMO, and performance measurement. Furthermore, if mediating variables were included in the model, the relation would be significant (Demirbag et al., 2006).

In this study, mediating effects of many variables on the relation among the RMO, the PMO and the performance from the research is proposed respectively. They consist of new products (DeFoggi and Buck, 2009); organisational innovativeness and organisational responsiveness (Kouropalatis et al., 2009); innovativeness (Zhang and Duan, 2010); organisational innovation (Zongling and Muqiang, 2010); degree of novelty (Bodlaj, 2010); new product marketing strategy (Lin, 2012); customer value (Blocker

et al., 2011; Tournois, 2013); exploratory innovation and exploitative innovation (Mehmet et al., 2013; Alpkın et al., 2012); quality of marketing effort and lean launch (Calantone and Di Benedetto, 2012); perceived usefulness and e-satisfaction (Ergün and Kuşcu, 2013), and marketing research and development integration (Lamore et al., 2013). Table 4 summarises the role of mediators.

Table 4 The role of mediators within RMO and PMO and performance linkage

<i>Author</i>	<i>Mediator</i>	<i>Results</i>
DeFoggi and Buck (2009)	New product (innovative product)	New product does not affect the relationship between RMO and PMO on financial performance and new product contribution.
Kouropalatis et al. (2009)	Organisational innovativeness and organisational responsiveness	Organisational innovativeness and organisational responsiveness are positively significant for the new product program performance and market launch capability.
Zhang and Duan (2010)	Innovativeness	The direct path dominates the impact of responsive market orientation on new product performance, while proactive. Market orientation improves product innovation primarily via innovativeness as a mediating variable.
Zongling and Muqiang (2010)	Organisational innovation	The direct path dominates the impact of proactive market orientation on organisational performance, while proactive market orientation improves organisational performance primarily via organisational innovation as a mediating variable.
Bodlaj (2010)	Degree of novelty	Degree of novelty mediates the relation between PMO and innovation performance, while RMO is not.
Lin (2012)	Rational marketing strategy Emotional marketing strategy	Rational marketing strategy significantly mediates the relationship between RMO and PMO to achieve a rate of sales. Emotional marketing strategy significantly mediates the relationship between RMO and achieve a rate of sales, while PMO is not.
Blocker et al. (2011), Tournois (2013)	Customer value	PRO-CUSTOMER and RE-CUSTOMER positively affect customer value perceptions. Customer value demonstrates high effects on satisfaction. Therefore customer value mediates the relation between RCO and PCO – satisfaction.
Mehmet et al. (2013)	Exploitative innovation and explorative innovation	Incremental innovation performance fully mediates the relation between exploitative innovation strategy and financial performance. Radical innovation performance fully mediates the relation between explorative innovation strategy and financial performance.
Calantone and Di Benedetto (2012)	Quality of marketing effort and lean launch	Quality of marketing effort significantly mediates the relation between RMO and PMO on performance. Lean launch significantly mediates the relation between RMO and PMO on performance.
Ergün and Kuşcu (2013)	Perceived usefulness and e-satisfaction	Perceived usefulness and e-satisfaction act as a mediator between PMO and innovation orientation, and e-loyalty.
Lamore et al. (2013)	Marketing R&D integration	Marketing R&D integration mediates the relation of RMO and PMO on market performance.

4.3.5 Moderators of responsive and PMO on performance

Nowadays insights on how managers may increase the RMO and the PMO of their firms are lacking. Environmental conditions may affect MO-performance relationship (Kohli and Jaworski, 1990). For instance, Kohli et al. (1993) found that market turbulence has a positive effect on MO-performance relationship. On the contrary, Slater and Narver (1994) state that the turbulence has a negative effect. Of all research which take moderators into consideration, the following variables are commonly measured: technology turbulence, market turbulence, competitive intensity, market opportunity appraisal, learning orientation, strategic consensus, strategic mission rigidity, marketing relative power in the firms, product innovation and competitive intensity (Atuahene-gima et al., 2005; Li et al., 2008; Zhang and Duan, 2010; Tsai et al., 2008; Lin and Ya-Huei, 2012).

Table 5 Illustrates some contradictory results from the role of the moderators

<i>Author</i>	<i>Moderator</i>	<i>Results</i>
Zhang and Duan (2010)	<ul style="list-style-type: none"> • Technological turbulence • Market turbulence • Competitive intensity 	<p>Technological turbulence negatively significant moderates the relationship between RMO and product innovation performance.</p> <p>Market turbulence negatively significant moderates the relationship between RMO and product innovation performance.</p> <p>Competitive intensity not significant moderates the relationship between RMO and product innovation performance.</p> <p>Technological turbulence positively moderates the relationship between PMO and product innovation performance.</p> <p>Market turbulence positively moderates the relationship between PMO and product innovation performance.</p> <p>Competitive intensity not significant moderates the relationship between PMO and product innovation performance.</p>
Lin (2012)	<ul style="list-style-type: none"> Competitive intensity Product innovation 	<p>Competitive intensity has not significant moderating effect of RMO and PMO on rational and emotional marketing strategy.</p> <p>Product innovation has a significantly moderating effect of rational and emotional marketing strategy on achieve rate of sales.</p>
Calantone and Di Benedetto (2012)	Launch timing	Launch timing did not significantly moderate the quality of marketing effort-performance relationship.

There is no common result to be concluded which variable has a permanent effect on MO – performance. For example, Li et al. (2008) found that PMO and strategic mission rigidity are negatively related to radical innovations. The relation between the PMO and radical innovations is strong when learning orientation is higher than when the orientation is low. The relation between the RMO and incremental innovations is weak when market opportunity appraisal is higher than when the orientation is low. The RMO and strategic consensus are positively related to incremental innovations. The PMO on incremental innovations is weaker than RMO. Tsai et al. (2008) found that high technological

turbulence strengthens the inverted U-shaped relation between responsive MO and new product performance, but the relation weakens the curvilinear relationship between proactive MO and new product performance; and high competitive intensity weakens the curvilinear relationship between proactive MO and new product performance. Zhang and Duan (2010) found that technological turbulence and market turbulence have moderating effect upon market orientation (both responsive and proactive). Instead, competitive intensity has no moderating effect upon market orientation (responsive and proactive) and new product performance. Lin and Ya-Huei (2012) found that competitive intensity has moderating effect upon PMO on rational marketing strategy, but has no moderating effect upon RMO.

The relation between business age and size to company performance has been highlighted in terms of both theoretical and empirical research. Business age is an indication of the company's experience. Business's older age will be more experienced and better resourced endowed (Urban, 2004). So, the older the business is, or the more experience it has, it will have an influence on the relation between the market orientation and the company's performance. The business size is one indication of the magnitude of the business resources. The larger the company is, the greater the company's resources are. Therefore, the larger scale or size of business, the better business performance. At the empirical level, past studies have shown a positive relationship between business size and company's performance (Wiklund and Shepherd, 2005).

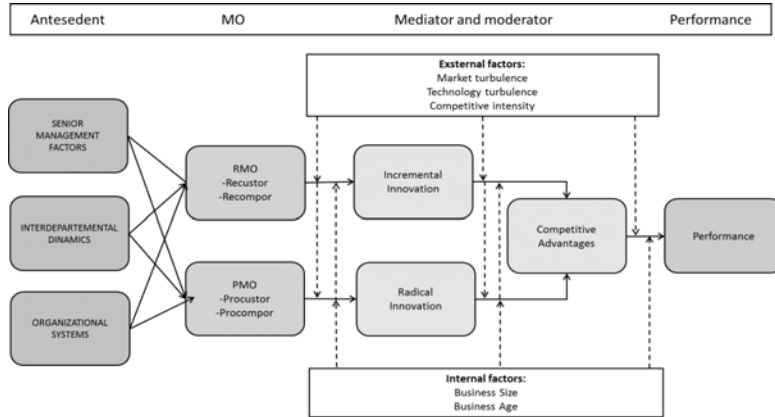
5 Discussion

The most common variables have considered in this framework. Figure 2 shows the impact of RMO on performance. This impact should be viewed as an occurring over a single linear relation. Results of this survey reflect the fact that mediators and moderators play an important role in practices enhancing or impeding the RMO and the PMO – performance. This figure also draws the most common map of the RMO and the PMO – performance. 50 researches on the RMO and the PMO are summarised in this study. The RMO and the PMO have an important impact on organisations' innovation (incremental and radical). The internal and external environmental factors will strengthen or weaken its impacts. Besides, this figure shows that environmental impact will integrate into incremental and radical innovations (Garcia and Calantone, 2002), and competitive advantage. This study is intended to establish equilibrium to create a sustainable competitive advantage. The internal business factors (business age and size) can strengthen or weaken the effect of the RMO and the PMO on innovation, the effect of the innovation on competitive advantage, and the effect of the competitive advantage on performance. This is the strategy level of the framework reflects a major impact on the adaptability to uncertain environments.

The centre of the model represents the capability level of the literature on the RMO and PMO. The equilibrium is made possible by embracing the RMO and the PMO, which would not only create a favourable internal climate conducive to the development of organisational capabilities but also generate competitive advantages externally by improving overall performance. This study refers the last level as the overall level. It represents the bulk of the RMO and the PMO research to date. This reflects the impact of the RMO and the PMO on the organisations' ability to survive and grow, and the impact

is reflective of the large quantity of research which investigates the RMO and the PMO-performance link.

Figure 2 Antecedent and consequences of RMO and PMO



6 Conclusions

This survey reviews empirical research related to the responsive and the PMO and performance interaction from 2005 to 2015. It provides a guideline for scholars and practitioners. The study depicts a considerable leap research in the responsive and the PMO-performance since 2005 simultaneously to the universal growth. It shows that the RMO and the PMO are a universal phenomenon. This survey found out that the RMO and the PMO have been considered important for service and manufacturing industries; small and large industries; private and public organisation. This study concludes that it may have a direct relationship between implementing the RMO and the PMO and the performance. Furthermore, studies should prove this proposition. Besides the relationship between the RMO and the PMO and the performance, this survey pulled out the most common research variables related to mediators, moderators and performance dimensions among practitioners and scholars. For conclusion, a framework is already prepared for researchers and practitioners who are involved in the field of the RMO and the PMO and the performance. This study definitely has some limitations. First, this study focuses only on research which has been published on five online databases. There are certainly more articles in other online databases, theses, papers and also local journals. Later, this survey concentrates only on the relation between market orientation and performance, so it lacks antecedents which are considerable. Future research would be better if it examines the antecedents of the RMO and the PMO and examines the moderating effects of internal and external environments which can strengthen or weaken the relationship between the RMO-PMO and the performance.

References

- Alpkan, L., Mehmet, Ş. and Ayden, Y. (2012) 'Market orientation, ambidexterity and performance outcomes', *Procedia – Social and Behavioral Sciences*, Vol. 41, pp.461–468, DOI: 10.1016/j.sbspro.2012.04.056.
- Atuahene-gima, K., Slater, S.F. and Olson, E.M. (2005) 'The contingent value of responsive and proactive market orientations for new product program performance', *J. Prod. Innov. Manag.*, Vol. 22, No. 1, pp.464–482.
- Beck, L., Janssens, W., Debruyne, M. and Lommelen, T. (2011) 'A study of the relationships between generation, market orientation, and innovation in family firms', *Family Business Review*, Vol. 24, No. 3, pp.252–272, DOI: 10.1177/0894486511409210.
- Blocker, C.P., Flint, D.J., Myers, M.B. and Slater, S.F. (2011) 'Proactive customer orientation and its role for creating customer value in global markets', *J. of the Acad. Mark. Sci.*, Vol. 39, pp.216–233, DOI: 10.1007/s11747-010-0202-9.
- Bodlaj, M. (2010) 'The impact of a responsive and proactive market orientation on innovation and business performance', *Economic and Business Review*, Vol. 12, No. 4, pp.241–261.
- Bodlaj, M. (2011) 'Market orientation and degree of novelty', *Managing Global Transitions International Research Journal*, Vol. 9, No. 1, p.63.
- Brettel, M., Engelen, A. and Oswald, M. (2011) 'What is the 'right' market orientation for new entrepreneurial ventures?', *Zeitschrift für Betriebswirtschaft*, Vol. 81, No. S6, pp.83–109, DOI: 10.1007/s11573-011-0511-6.
- Calantone, R.J. and Di Benedetto, C.A. (2012) 'The role of lean launch execution and launch timing on new product performance', *J. of the Acad. Mark. Sci.*, Vol. 40, pp.526–538, DOI: 10.1007/s11747-011-0258-1.
- Christensen, C.M. and Bower, J.L. (2008) 'Investment, customer power, strategic of leading firms and the failure', *Strategic Management Journal*, Vol. 17, No. 3, pp.197–218.
- DeFoggi, J.M. and Buck, J.M. (2009) 'Proactive marketing orientation in the US medical manufacturing industry', *Journal Applied Business and Economics*, Vol. 10, No. 2, pp.91–110.
- Demirbag, M., Koh, S.C.L., Tatoglu, E. and Zaim, S. (2006) 'TQM and market orientation's impact on SMEs' performance', *Industrial Management and Data Systems*, Vol. 106, No. 8, pp.1206–1228, DOI: 10.1108/02635570610710836.
- Deshpandé, R. and Farley, J.U. (1998) 'Measuring market orientation: generalization and synthesis', *Journal of Market-Focused Management*, Vol. 2, No. 3, pp.213–232, DOI: 10.1023/A:1009719615327.
- Erfani, E. and Kheiry, B. (2013) 'The survey of proactive marketing strategies impacts on business performance during recession; study of active Iranian companies in Abbasabad industrial park', *Research Journal of Applied Sciences, Engineering and Technology*, Vol. 6, No. 4, pp.575–586.
- Ergün, H.S. and Kuşçu, Z.K. (2013) 'Innovation orientation, market orientation and e-loyalty: evidence from Turkish e-commerce customers', *Procedia – Social and Behavioral Sciences*, Vol. 99, pp.509–516, DOI: 10.1016/j.sbspro.2013.10.520.
- García, R. and Calantone, R. (2002) 'A critical look at technological innovation typology and innovativeness: a literature review', *The Journal of Product Innovation Management*, Vol. 19, No. 2, pp.110–132.
- Griffin, A. and Hauser, J.R. (1993) 'Griffin and Ross.pdf', *Marketing Science*, Winter, Vol. 12, No. 1, pp.1–27, The Institute Management Science.
- Hauser, J.R., Tellis, G.J. and Griffin, A. (2006) 'Research on innovation: a review and agenda for', *Marketing Science*, Vol. 25, No. 6, pp.687–717, DOI: 10.1287/mksc.1050.0144.
- Herhausen, D. (2015) 'Unfolding the ambidextrous effects of proactive and responsive market orientation', *Journal of Business Research*, Elsevier Inc., DOI: 10.1016/j.jbusres.2015.10.139.

- Jaworski, B.J., Kohli, A.K. and Sahay, A. (2000) 'Market-driven versus driving markets', *Journal of the Academy of Marketing Science*, Vol. 28, No. 1, pp.45–54, DOI: 10.1177/0092070300281005.
- Kohli, A.K. and Jaworski, B.J. (1990) 'Market orientation the construct, proposition and implication.pdf', *Journal of Marketing*, April, Vol. 54, pp.1–18.
- Kohli, A.K., Jaworski, B.J. and Kumar, A. (1993) 'MARKOR: a measure of market orientation', *Journal of Marketing Research*, 30(4), pp. 467–477.
- Kotler, P. (2003) *Marketing Management*, Prentice Hall, New Jersey.
- Kouropalatis, Y., Kingdom, U. and Morgan, R.E. (2006) 'The polydextrous effects of peripheral vision capability, proactive and responsive market orientation on new product program', *American Marketing Association*, Winter, Vol. 20, pp.207–216.
- Kouropalatis, Y., Kingdom, U. and Morgan, R.E. (2009) 'The polydextrous effects of peripheral vision capability, proactive and responsive market orientation on new product program', *American Marketing Association*, Winter, Vol. 20, pp.207–216.
- Lamore, P.R., Berkowitz, D. and Farrington, P.A. (2013) 'Proactive/responsive market orientation and marketing-research and development integration', *J Prod. Innov. Manag.*, Vol. 30, No. 4, pp.695–711, DOI: 10.1111/jpim.12024.
- Li, C-R., Lin, C-J. and Chu, C-P. (2008) 'The nature of market orientation and the ambidexterity of innovations', *Management Decision*, Vol. 46, No. 7, pp.1002–1026, DOI: 10.1108/00251740810890186.
- Lin, L. (2012) 'The Impact of new product marketing strategy on new product performance: the moderating effects of competitive intensity and product innovation', Vol. 2, No. 2, pp.135–149.
- Lin, L. and Ya-Huei, C. (2012) 'The relationship of market orientation, product innovation, competitive intensity and new product marketing strategy: an empirical study of Taiwan food industry', *International Journal of Research in Management*, Vol. 3, No. 3, pp.249–265.
- Martín-Consuegra, D., Molina, A. and Esteban, Á. (2008) 'Market driving in retail banking', *International Journal of Bank Marketing*, Vol. 26, pp.260–274, DOI: 10.1108/02652320810884795.
- Mehmet, Ş., Alpkan, L., Aren, S. and Sezen, B. (2013) 'Linking market orientation and ambidexterity to financial returns with the mediation of innovative performance', *Journal of Economic and Social Research*, Vol. 15, No. 1, pp.31–54.
- Mohr, J., Sengupta, S. and Slater, S. (2010) *Marketing of High-technology Products and Innovations*, 3rd ed., Pearson Prentice Hall.
- Narver, J.C. and Slater, S.F. (1990) 'The effect of market orientation on business profitability', *Journal of Marketing*, October, Vol. 54, No. 4, pp.20–35.
- Narver, J.C., Slater, S.F. and MacLachlan, D.L. (2000) *Total Market Orientation, Business Performance, and Innovation*, Working paper, pp.1–2.
- Narver, J.C., Slater, S.F. and MacLachlan, D.L. (2004) 'Responsive and proactive market orientation and new product success', *The Journal of Product Innovation Management*, Vol. 21, No. 5, pp.334–347, DOI: 10.1111/j.0737-6782.2004.00086.x.
- Ngatno, N., Suharyono, Suyadi Imam, A.M. (2014) 'Market orientation, service innovation, and performance', *European Journal of Business and Management*, Vol. 6, No. 13, pp.102–114.
- Nguyen, B., Yu, X., Melewar, T.C. and Chen, J. (2015) 'Brand innovation and social media: knowledge acquisition from social media, market orientation, and the moderating role of social media strategic capability', *Industrial Marketing Management*, Elsevier Inc., Vol. 51, pp.11–25, DOI: 10.1016/j.indmarman.2015.04.017.
- Nishikawa, H. and Yoshida, M. (2010) 'Re-examining the classification of market learning: a case study of 30 years' history of Diaper Wars in Japan', *Journal of International Business Research*, Vol. 9, No. 2, pp.1–16.

- Ruokonen, M. (2007) 'Market orientation and product strategies in small internationalising software companies', *Journal of High Technology Management Research*, Vol. 18, No. 2, pp.143–156, DOI: 10.1016/j.hitech.2007.12.002.
- Sanders, E.B-N. (1992) 'Converging perspectives: product development research for the 1990s', *Design Management Journal*, Vol. 3, No. 4, pp.49–54, DOI: 10.1111/j.1948-7169.1992.tb00604.x.
- Slater, S.F. and Narver, J.C. (1994) 'Does competitive environment moderate the market orientation performance relationship', *Journal of Marketing*, January, Vol. 58, pp.46–55, DOI: 10.2307/1252250.
- Slater, S.F. and Narver, J.C. (1998) 'Customer-led and market-oriented: let's not confuse the two', *Strategic Management Journal*, Vol. 19, No. 10, pp.1001–1006, DOI: 0.1002/(SICI)1097-0266(199810)19:1.
- Srivastava, P., Yoo, J.J., Frankwick, G.L. and Voss, K.E. (2013) 'Evaluating the relationship of firm strategic orientations and new product development program performance', *Journal of Marketing Theory and Practice*, Vol. 21, No. 4, pp.429–440, DOI: 10.2753/MTP1069-6679210406.
- Tournois, L.D. (2013) 'Total market orientation, customer value, and market performance from a dual perspective', *Journal of Applied Business Research*, July/August, Vol. 29, No. 4, pp.1157–1173.
- Tsai, K.H., Chou, C. and Kuo, J.H. (2008) 'The curvilinear relationships between responsive and proactive market orientations and new product performance: a contingent link', *Industrial Marketing Management*, Elsevier Inc., Vol. 37, No. 8, pp.884–894, DOI: 10.1016/j.indmarman.2007.03.005.
- Tsou, H-T., Chen, J-S. and Liao, W-H. (2014) 'Market and technology orientations for service delivery innovation: the link of innovative competence', *Journal of Business and Industrial Marketing*, Vol. 29, No. 6, pp.499–513, DOI: 10.1108/JBIM-09-2011-0128.
- Ulick, A.W. and Leonard, D. (2002) 'Turn customer input into innovation', *Harvard Business Review*, Vol. 80, No. 1, pp.91–97.
- Urban, B. (2004) *Understanding the Moderating Effect of Culture and Self Efficacy on Entrepreneurial Intentions*, Doctoral thesis, April, pp.1–172.
- Voola, R. and O'Cass, A. (2010) 'Implementing competitive strategies: the role of responsive and proactive market orientations', *European Journal of Marketing*, Vol. 4, Nos. 1–2, pp.245–266, DOI: 10.1108/03090561011008691.
- Wei, Z., Zhao, J. and Zhang, C. (2014) 'Organizational ambidexterity, market orientation, and firm performance', *Journal of Engineering and Technology Management – JET-M*, Elsevier B.V., Vol. 33, pp.134–153, DOI: 10.1016/j.jengtecman.2014.06.001.
- Wiklund, J. and Shepherd, D. (2005) 'Entrepreneurial orientation and small business performance: a configurational approach', *Journal of Business Venturing*, Vol. 20, No. 1, pp.71–91, DOI: 10.1016/j.jbusvent.2004.01.001.
- Yannopoulos, P., Auh, S. and Menguc, B. (2012) 'Achieving fit between learning and market orientation: implications for new product performance', *Journal of Product Innovation Management*, Vol. 29, No. 4, pp.531–545, DOI: 10.1111/j.1540-5885.2012.00923.x.
- Zain-Ul-Abideen, A.S. and Saleem, S. (2011) 'Examining market orientation and its impact on new-product success in Pakistan', *European Journal of Business and Management*, Vol. 3, No. 4, pp.299–307.
- Zhang, J. and Duan, Y. (2010) 'The impact of different types of market orientation on product innovation performance', *Management Decision*, Vol. 48, No. 6, pp. 849–867, DOI: <http://dx.doi.org/10.1108/00251741011053433>.
- Zongling, X. and Muqiang, Z. (2010) 'Market orientation, organizational innovation and organizational performance-evidence from Fujian and Guangdong province in China', *Journal of Management Science and Statistical Decision*, Vol. 7, No. 4, pp.13–23.