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Effects of Firms' Market Orientation Dimensions on Shop Managers' Attitudes

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ABSTRACT
Existing research on market orientation area has the lack of the whole interpretation on the effects of firms' market orientation dimensions on shop managers' attitudes. The purpose of this study is to investigate the effects of firms'market orientation dimensions (customer orientation, competitor orientation and inter-functional coordination) on shop managers'attitudes (customer orientation, role obviousness, role conflict, job satisfaction and organizational commitment). As the results of final analysis using Structural Equation Modeling (SEM) with survey data from 152 shop managers in Korea, firms' customer orientation increases shop managers' customer orientation, role obviousness and organizational commitment. Firms' inter-functional coordination increases shop managers' customer orientation, role obviousness, job satisfaction, organizational commitment and decreases role conflict. However, firms' competitor orientation has no significant effect on all shop managers' attitudes. The results bring the importance of inter-functional coordination into relief and guide firms to make the best use of market orientation's value. A comprehensive investigating the effects of firms' market orientation dimensions on shop managers' attitudes will enable practitioners and academics to obtain significant implications.

Key words: Market orientation, customer orientation, competitor orientation, inter-functional coordination, role obviousness, role conflict, job satisfaction, organizational commitment

INTRODUCTION

Today's market place has shifted its power from sellers to buyers. This phenomenon makes firms seek their own competitive advantages to ensure their survival and profit in the severe competition. Since Narver and Slater (1990) seminal work, practitioners and academics have paid attention to the concept of market orientation (Jaworski and Kohli, 1993; Narver and Slater, 1990; Slater and Narver, 1994a, b). Market orientation is firms' effort to capture the information on market situation including customers and competitors, to reflect customers' needs and to respond to competitors'strategies and practices (Im and Workman Jr., 2004; Kirca *et al*., 2005).

So far, a great deal of research has demonstrated the positive functions (Jaworski and Kohli, 1996) of market orientation; profit, sales and market share (Kirca *et al*., 2005), perceived product quality, customer loyalty and customer satisfaction (Jaworski and Kohli, 1993, 1996), enhanced service quality (Brady and Cronin Jr., 2001), loyal customers (Slater and Narver, 1994b), new product ideas and innovation (Hult and Ketchen Jr., 2001), new product success (Im and Workman Jr., 2004), innovativeness and new product performance (Atuahene-Gima, 1996; Han *et al*., 1998) and employees'organizational performance (Kirca *et al*., 2005). Even though, some researchers report negative or non-significant relationships between market orientation and performance (Agarwal *et al*., 2003; Bhuian, 1997; Sandvik and Sandvik, 2003), the academic main stream has the perspective of positive functions of market orientation (Jaworski and Kohli, 1993; Slater and Narver, 1994b).

According to Kirca *et al*. (2005), the extant knowledge on market orientation lacks how market orientation influences employee-related variables, especially salesperson-related variables. Salespeople have an important role mediating manufacturers and customers. They contact customers directly and generate selling. However, existing research on market orientation area has the lack of the whole interpretation on the effects of firms' market orientation dimensions on salespeople, especially shop managers. Shop managers are responsible for the whole management of shops including selling. The purpose of this study is to investigate the effects of firms' market orientation dimensions (customer orientation, competitor orientation and inter-functional coordination) on shop managers' attitudes (customer orientation, role obviousness, role conflict, job satisfaction and organizational commitment).

RESEARCH HYPOTHESES

Firms' market orientation can be defined as firms' effort to capture the information on market situation including customers and competitors, to reflect customers' needs and to respond to competitors' strategies and practices (Im and Workman Jr., 2004; Jaworski and Kohli, 1993; Kirca *et al*., 2005; Narver and Slater, 1990; Slater and Narver, 1994a, b). According to Narver and Slater (1990), market orientation is composed of customer orientation, competitor orientation and inter-functional coordination. On the other hand, market orientation is composed of intelligence generation, intelligence dissemination and responsiveness to intelligence (Kohli *et al*., 1993). Market orientation has been proved to increase firms' not only profit-based but also cost-based performance (Jaworski and Kohli, 1993; Narver and Slater, 1990). Even though implementing market orientation needs cost, firms can be consequently benefited from implementing market orientation because total benefit exceeds total cost (Kirca *et al*., 2005).

So far, scholars have categorized the antecedents of market orientation as top manager factors, department factors and organizational system factors (Jaworski and Kohli, 1993). The CEOs' emphasis on market orientation has a positive impact on the level of organizational market orientation (Day, 1994; Narver and Slater, 1990), department factors are composed of connection and conflict between departments. Connection between departments enhances market orientation by sharing and using information (Kennedy *et al*., 2003), conflict between departments decreases market orientation by prohibiting cooperative corresponding to market needs (Jaworski and Kohli, 1993). And, organizational system factors are composed of formality, concentration, market-based compensation system and market-oriented training (Kirca *et al*., 2005). Formality decreases market orientation by hindering effective correspondence to the change of market place and firms' use of information (Jaworski and Kohli, 1993) and concentration decreases market orientation by hindering use and dissemination of information (Matsuno *et al*., 2002). And, organizational system factors promote market orientation by motivating employees (Ruekert, 1992).

The consequences of market orientation can be categorized as organizational performance, customer performance, innovation performance and employee performance (Jaworski and Kohli, 1996). Organizational performance is composed of profit, sales, market share and overall perception (Kirca *et al*., 2005) and customer performance is composed of customers' perceived quality of products, customer loyalty and customer satisfaction (Jaworski and Kohli, 1993, 1996). Market orientation guide firms to create superior customer value, to maintain it and finally to enhance customers' perceived product quality (Brady and Cronin Jr., 2001). Market-oriented firms predict customers' needs and provide products satisfying customers' needs. Accordingly, market orientation enhances customer satisfaction and loyalty (Slater and Narver, 1994b). And, innovation factors include innovativeness to create new product, idea and process (Hult and Ketchen Jr., 2001) and new product performance (Im and Workman Jr., 2004; Kirca *et al*., 2005). Market orientation is well known to increase innovativeness and new product performance by emphasizing the use of information (Atuahene-Gima, 1996; Han *et al*., 1998). About employee performance, market orientation enhances employees' organizational commitment, team spirit, customer orientation, job satisfaction and decreases employees' role conflict to hinder employees' role performance (Kirca *et al*., 2005). Also, the characteristics of measurement and sample and environmental factors can moderate the relationship between market orientation and organizational performance (Kirca *et al*., 2005). The characteristic related to measurement includes cost-based and profit-based performance (Harris, 2001; Jaworski and Kohli, 1996), objective and subjective measurement (Harris, 2001), single item and multiple items (Henard and Szymanski, 2001), manufacturers and service providers (Anderson *et al*., 1997) and cultural backgrounds (Grewal and Tansuhaj, 2001; Harris, 2001). Also, environment related factors include environmental turbulence, technological changeability and competition density (Harris, 2001; Slater and Narver, 1994a). Recently, academics have paid attention to the variables mediating the relationship between market orientation and performance in marketing area (Im and Workman Jr., 2004; Kirca *et al*., 2005). Some research investigated market orientation's direct effect on performance (Han *et al*., 1998; Noble *et al*., 2002; Kirca *et al*., 2005), in their meta-analysis research, presented the model in which customer variables and innovation variables have mediating role, based on the research of Han *et al*. (1998) and Hurley and Hult (1998). According to Kirca *et al*. (2005), market orientation increases innovativeness, innovativeness increases customer loyalty and product quality, eventually, increases organizational performance. Meanwhile, innovativeness can be replaced by new productcreativity and marketing program creativity. Also, creativity comprises in novelty and meaningfulness (Im and Workman Jr., 2004). According to Im and Workman Jr. (2004), meaningfulness is more important than novelty in enhancing performance. However, although it is overwhelming that market orientation leads to positive performance (Jaworski and Kohli, 1993; Slater and Narver, 1994b), some scholars reported insignificance or negative effect of market orientation (Agarwal *et al*., 2003; Bhuian, 1997; Sandvik and Sandvik, 2003).

Academics and practitioners have regarded market orientation as business philosophy and marketing concept (Jaworski and Kohli, 1993). Market orientation can be delivered from top management to employees (Narver and Slater, 1990), the corporate level of market orientation determines the salespeople's level of correspondence to customer needs. It is because market orientation is naturally transferred to salespeople as corporate culture, regular education and training of employees will enhance salespeople's customer orientation (Kohli and Jaworski, 1990; Siguaw *et al*., 1994). Accordingly, corporate market orientation will increase shop manager's customer orientation. Customer orientation can be defined as shop manager's helping activities in the customer's purchase decision process. Accordingly, shop managers are representing their corporations and contacting customers. The more they perceive that their company is market-oriented, the more they try to concentrate and correspond to the customer's needs. To implement shop managers' role, shop managers' role obviousness and role conflict are very important (Siguaw *et al*., 1994). Role obviousness can be defined as how much shop managers know their roles what to do. If shop managers know their roles what to do, there will be high possibility of their implementation. If they don't know what to do, they will not implement their roles well. Thus, how shop managers know their roles obviously is very important in predicting their role performance. Also, to predict how shop managers implement their roles, role conflict is a very important factor. Role conflict can be defined as conflict perceived by shop managers in implementing their roles. Shop managers are representatives of their company. They contact and treat their customers directly in selling process. Because they should continuously interact with their customers, the existence of conflict is very important indicator of the success in selling process. Conflict undermines shop managers' intention to fulfill their best in selling process. Also, conflict disturbs and interrupts shop managers' feelings and emotions. This means that shop managers with role conflict will treat their customers badly and impolitely. Thus, if shop managers have role conflict, selling process will not lead to success.

The common goal of customer satisfaction between corporation and salesperson gives salesperson the pride, this kind of positive mind will lead to job satisfaction and organizational commitment (Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Siguaw *et al*., 1994). Firms' market orientation increases salesperson customer orientation, eventually, has a positive effect on job attitude. There can be two types of salesperson: Sales-oriented vs. customer-oriented. Compared with sales-oriented salesperson, customer-oriented salesperson has a tendency to have low role conflict and role ambiguity. Salesperson's selling behavior involves interactions with customers. Thus, the higher salesperson customer orientation, the more salesperson tries to capture and satisfy customer needs in the selling process. This good linkage leads to salesperson's low conflict and complaint with its customers. Accordingly, the higher salesperson's customer orientation is, the higher salesperson's role obviousness is, the lower role conflict is, the higher salesperson's job satisfaction and organizational commitment are. Shop managers' job satisfaction can be defined as the level of satisfaction in doing its selling behavior. Also, organizational commitment can be defined as shop managers' unity perceived with organization (Hartline and Ferrell, 1996; Siguaw *et al*., 1994). If shop managers are satisfactory to their job, they will be more involved in their organization, try more and be more loyal to their organization. In the relationship marketing paradigm, commitment is the highest level of relationships. To discuss the importance of shop managers' job satisfaction and organizational commitment, the two positive attitudes have a power to increase service quality provided to customers. If shop managers have job satisfaction and organizational commitment, they are pleasant and happy when they treat their customers, accordingly, their attitudes will be gentle and affable, they will love their jobs, as a result, will be able to provide higher quality of service to their customers. Satisfaction brings about pleasant, peaceful and comfort attitude to shop managers. Shop managers' job satisfaction and organizational commitment will lead to customers' perception of service quality, service value, satisfaction and loyalty (Cronin *et al*., 2000). Maintaining customers and lowering relationship dissolution are main tools for service providers to make profits (Cronin *et al*., 2000). In this sense, shop managers' customer orientation, role obviousness, role conflict, job satisfaction and organizational commitment are crucial factors to ensure competitive advantages in customer-related performance. According to shop managers' performance, customer loyalty, word-of-mouth intention, purchase recommendation, repurchase, selling more, complaint, negative word of mouth will vary (Szymanski and Henard, 2001). Finally, firms will get higher price, market share and corporate performance (Fornell, 1992; Slater and Narver, 1994b).

This study has a goal to investigate the effects of firms' market orientation dimensions on shop managers' attitudes. From organizational research stream and relationship marketing paradigm, this study hypothesizes with three dimensions of firms' market orientation (firms'customer orientation, firms'competitor orientation and firms'inter-unctional coordination) and five shop managers' attitudes (shop managers' customer orientation, shop managers' role obviousness, shop managers' role conflict, shop managers' job satisfaction and shop managers' organizational commitment). Accordingly, based on the discussion above, we formally hypothesize as follows:

- **H1:** Firms' customer orientation (H1a), competitor orientation (H1b) and inter-functional coordination (H1c) will increase shop managers' customer orientation

- **H2:** Firms' customer orientation (H2a), competitor orientation (H2b) and inter-functional coordination (H2c) will increase shop managers' role obviousness
- **H3:** Firms' customer orientation (H3a), competitor orientation (H3b) and inter-functional coordination (H3c) will decrease shop managers' role conflict
- **H4:** Firms' customer orientation (H4a), competitor orientation (H4b) and inter-functional coordination (H4c) will increase shop managers' job satisfaction
- **H5:** Firms' customer orientation (H5a), competitor orientation (H5b) and inter-functional coordination (H5c) will increase shop managers' organizational commitment

MATERIALS AND METHODS

Data collection: To test hypotheses in this study, data was collected from shop managers in a leading departmental store in the republic of Korea. The departmental store has various shops. Thus, it is the best source to provide data for investigating the relationships between market orientation dimensions and shop managers' attitudes. Shop managers represent their companies, manage their salespeople, contact their customers and know overall selling activities. Accordingly, shop managers are the best key informants to answer all survey questionnaires. The sampling procedure is done as follows. First, was one department brand was among top three brands in the republic of Korea. Second, was on branch was among all branches of the brand. Third, 160 shops were among all shops in the branch. Five special researchers visited all the selected shops, surveyed with 1:1 interviews. Among 160 final results, 8 had missing values, thus, 152 was used for final analysis(sample size = 152).

Measurement: We measured all constructs with adjusted items based on the well-established items in prior research. Firms' market orientation was measured with 15 items from Narver and Slater (1990), shop managers' customer orientation was measure with 6 items from Saxe and Weitz (1982), shop managers' role obviousness and role conflict were measured with 5 and 4 items form Rizzo *et al.* (1970) respectively, shop managers' job satisfaction was measured with 7 items from Smith *et al.* (1969) and shop managers'organizational commitment was measured with 5 items from Porter *et al.* (1974) as shown in the Appendix: Measurement items.

RESULTS

Characteristics of sample: Shop managers' working period ranges below six months (7.2%), six months ~ below one year (13.2%), one year ~ below two years (20.4%) and above two years (59.2%). This result shows that shop managers in this sample are experienced, knowledgeable and qualified enough to respond to the questionnaires. The variety of shops' product ranges apparel (30.9%), foods/beverage (22.4%), cosmetics (11.2%), health (11.2%), shoes/bags (7.2%), accessories (5.3%), appliances (3.9%), rings/watches (3.3%), coffee-related products (2.6%) and so on. The number of employees ranges three (27%), four (19.1%), five (15.1%) and so on. Next, average sales a month ranges below $100,000 (52.0%), $100,000 ~ below $500,000 (38.8%) and above $500,000 (9.2%) and so on. Finally, the number of visiting customers a day ranges below 100 (68.4%), 100~ below 500 (18.4%) and more than 1000 (5.3%) and so on.

Table 1: Results of confirmatory factor analysis

Construct	Item	Factor loading	t-value	AVE	Composite reliability	R^2	Cronbach's alpha,	Communality	Redundancy
Firm's customer orientation	cu1	0.67	10.64	0.53	0.87	-	0.82	0.53	-
	cu2	0.79	21.90						
	cu3	0.77	20.15						
	cu4	0.78	17.07						
	cu5	0.59	8.81						
	cu6	0.72	14.64						
Firm's competitor orientation	cp1	0.66	8.47	0.54	0.82	-	0.72	0.54	-
	cp2	0.65	7.57						
	cp3	0.78	13.20						
	cp4	0.83	18.65						
Firm's inter-functional coordination	fc1	0.85	41.32	0.65	0.90	-	0.87	0.65	-
	fc2	0.81	25.55						
	fc3	0.83	28.55						
	fc4	0.78	19.40						
	fc5	0.77	16.17						
Shop managers'customer orientation	co1	0.75	18.86	0.60	0.90	0.38	0.87	0.60	0.19
	co2	0.76	19.01						
	co3	0.71	15.15						
	co4	0.83	27.73						
	co5	0.85	35.43						
	co6	0.76	22.90						
Shop managers'role obviousness,	ro1	0.82	24.14	0.64	0.90	0.30	0.86	0.64	0.16
	ro2	0.76	16.07						
	ro3	0.65	11.03						

Table 1: Countinue

Construct	Item	Factor loading	t-value	AVE	Composite reliability	R square	Cronbach's alpha,	Communality	Redundancy
	ro4	0.89	39.58						
	ro5	0.85	34.48						
Shop managers' role conflict	rc1	0.62	3.42	0.53	0.81	0.07	0.72	0.53	0.00
	rc2	0.57	2.73						
	rc3	0.78	5.19						
	rc4	0.90	8.14						
Shop managers' job satisfaction	js1	0.71	12.76	0.50	0.87	0.12	0.83	0.49	0.02
	js2	0.65	6.63						
	js3	0.85	19.22						
	js4	0.78	13.21						
	js5	0.73	11.11						
	js6	0.47	5.10						
	js7	0.67	8.82						
Shop managers' organizational commitment	oc1	0.74	13.67	0.59	0.88	0.22	0.83	0.59	0.06
	oc2	0.86	28.86						
	oc3	0.73	12.56						
	oc4	0.76	17.67						
	oc5	0.76	14.81						

All factor loadings are significant at p<0.01, AVE: Average variance extracted

Table 2: Means, standard deviations and correlations

Construct	Mean	SD	1	2	3	4	5	6	7	8
Firm's customer orientation	4.00	0.76	1.00							
Firm's competitor orientation	3.80	0.81	0.45	1.00						
Firm's inter-functional coordination	3.71	0.71	0.55	0.43	1.00					
Shop managers'customer orientation	4.18	0.66	0.58	0.38	0.47	1.00				
Shop managers'role obviousness	4.21	0.67	0.52	0.35	0.41	0.69	1.00			
Shop managers'role conflict	2.87	0.96	-0.13	-0.01	-0.23	-0.13	-0.11	1.00		
Shop managers'job satisfaction	3.19	0.79	0.25	0.17	0.34	0.37	0.25	-0.22	1.00	
Shop managers'organizational commitment	3.57	0.75	0.37	0.26	0.44	0.52	0.45	-0.27	0.51	1.00

n = 152, correlations greater than 0.137 are significant at p<0 .01, correlations greater than 0.107 are significant at p<0.05 (two-tailed)

Table 3: Results of testing hypotheses

From	To	Coefficient	t-value	Supported	Hypothesis
Firms'customer orientation,	Shop managers'customer orientation	0.43	4.48**	Yes	1a
	Shop managers'role obviousness	0.39	3.10**	Yes	2a
	Shop managers'role conflict	-0.04	0.40	No	3a
	Shop managers'job satisfaction	0.10	0.78	No	4a
	Shop managers'organizational commitment	0.18	1.76*	Yes	5a
Firms'competitor orientation	Shop managers'customer orientation	0.10	1.36	No	1b
	Shop managers'role obviousness	0.11	1.29	No	2b
	Shop managers'role conflic	0.12	1.11	No	3b
	Shop managers'job satisfaction	0.00	0.01	No	4b
	Shop managers'organizational commitment	0.04	0.46	No	5b
Firms' inter-functional coordination	Shop managers'customer orientation	0.18	2.28*	Yes	1c
	Shop managers'role obviousness	0.15	1.70*	Yes	2c
	Shop managers'role conflict	-0.27	2.68**	Yes	3c
	Shop managers'job satisfaction	0.28	3.07**	Yes	4c
	Shop managers'organizational commitment	0.32	3.57**	Yes	5c

*p<0.05, **p<0.01 (One-tailed test)

Reliability and validity of measurement items: The reliability and validity of measurement items was checked with confirmatory factor analysis by using software program SmartPLS 3.0 before testing hypotheses. About reliability, the internal consistency, Cronbach's α and composite reliability of all constructs exceeded the generally recommended level, 0.7 (Nunnally, 1978) as shown in Table 1. There was no low item to total correlation item. Thus, no item was deleted during the process of checking reliability. Accordingly, it was confirmed that the measurement items have reliability. About content validity, the five marketing professors examined the measurement items and confirmed that there is no problem such as ambiguity and so on. About convergent validity, all factor loadings exceed the recommended level and have statistical significance (t>2.73, p<0.01). Finally, about discriminant validity, all AVEs exceed the squares of correlation between constructs which means the measure items have good discriminant validity. Accordingly, the reliability and validity of all measurement items were confirmed.

Testing hypotheses: To test hypotheses in this study, structural equation modeling with SmartPLS 3.0 was used. Table 2 shows means, standard deviations and correlations of constructs used in this study. Table 3 shows the results of testing hypotheses. Firms' customer orientation and inter-functional coordination have positive effect on shop managers' customer orientation. But firms' competitor orientation has no effect on shop managers' customer orientation. Thus, H1a and H1c are supported, but H1b are not supported. Firms' customer orientation and inter-functional coordination have positive effect on shop managers' role obviousness. But firms' competitor orientation has no effect on shop managers' role obviousness. Thus, H2a and H2c are supported but H2b are not supported. Firms' inter-functional coordination has negative effect on shop managers' role conflict. But firms' customer orientation and competitor orientation have no effect on shop managers' role conflict. Thus, H3c is supported but H3a and H3b are not supported. Firms' inter-functional coordination has positive effect on shop managers' job satisfaction. But firms' customer orientation and competitor orientation have no effect on shop managers' job satisfaction. Thus, H4c is supported, but H4a and H4b are not supported. Firms' customer orientation and inter-functional coordination have positive effect on shop managers' organizational commitment. But firms' competitor orientation has no effect on shop managers' organizational commitment. Thus, H5a and H5c are supported but H5b are not supported. Accordingly, the 8 of 15 hypotheses in this study are supported.

DISCUSSION

This study has a goal to answer Kirca *et al.* (2005) call and investigate the effects of firms' three market orientation (Jaworski and Kohli, 1993; Narver and Slater, 1990; Slater and Narver, 1994a, b) dimensions on shop managers' five crucial attitudes, being inspired by Cronin *et al.* (2000). Thus, this is the first study to examine the effect of three market orientation dimensions on shop managers' five attitudes. After testing hypotheses, we come to know very interesting and intriguing implications. Thus, this study has theoretical and managerial contributions as follows.

First, this study examined the relationships between firms' three market orientation dimensions and shop managers' five attitudes. This effort has a goal to answer Kirca *et al.* (2005) question. Shop managers represent their firms, overall manage their salespeople and directly contact their customers. Shop managers play crucial roles in creating selling and making profits (Szymanski and Henard, 2001). This study gives light on the avenue of focusing on and motivating shop managers (Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Siguaw *et al.*, 1994) in implementing market orientation. Shop managers bridge between firms and their customers (Hartline and Ferrell, 1996). Firms should treat and train shop managers well.

Second, this study gives good reason what dimension is the most important among firms' three market orientation dimensions. So far, academics and practitioners have paid equal attention to the three market orientation dimensions. But the results of this study highlight firms' inter-functional coordination among three dimensions. As shown in Table 3, firms' inter-functional coordination has significant effect on all of five shop managers' attitudes. Firms' customer orientation (Kohli and Jaworski, 1990; Siguaw *et al.*, 1994) has significant effect on only three shop managers' attitudes. Furthermore, firms' competitor orientation has significant effect on none of shop managers' attitudes. Thus, we found the importance of focusing on and emphasizing firms' inter-functional coordination. Of course, it is important for firms to have orientation and capture information about customers and competitors. But it is more important for firms to share information and collaborate in their inter-functional coordination. Accordingly, firms should try to establish system to enable fluent inter-functional coordination.

Third, this study gives us the necessity to acknowledge and utilize market orientation. As shown in the results of this study, firms' market orientation plays crucial role to promote shop managers' positive attitudes (customer orientation, role obviousness, job satisfaction and organizational commitment) and demote shop managers' negative attitude (role conflict). By the way of this good role-playing (Siguaw *et al.*, 1994), market orientation enhances corporate performance (Szymanski and Henard, 2001) such as sales, profit, market share and so on.

This study has some research limitations and they guide us to future research directions. First, this study used shop managers as key informant. Although shop managers represent their firms, overall manage salespeople, contact customers, create selling and profit and know overall situation related to the topic of this study, to enhance the generalizability of the results of this study, it is necessary to collect data from various sources such as firms' CEO, salespeople and customers.

Second, this study has cross-sectional approach. To capture more accurate phenomena related to market place, it is necessary to have longitudinal approach in the future study. The reason why longitudinal study is necessary that we can capture dynamic changes between variables with longitudinal approach.

Third, we collected data from shop managers in the republic of Korea. We cannot exclude any possibility of bias influenced by national culture. For the enhanced generalizability, it is necessary to collect data from multi-national sources.

Fourth, we used three dimensions of market orientation and five shop managers' attitudes. We are not sure of the same results if other variables related to market orientation and shop managers' attitudes are used in the future research. This avenue will be very useful to capture the real relationship between market orientation and shop managers' attitudes.

Fifth, it is bright avenue to examine the effect of market orientation in new product launch (Hult and Ketchen Jr., 2001; Im and Workman Jr., 2004; Kirca *et al.*, 2005).

Appendix: Measurement items

Firms' market orientation: 15 items from Narver and Slater (1990)

Customer orientation

It is important for us to commit to our customers
We try to create customer value
We understand our customers' needs
We have a business goal to satisfy our customers

We regularly assess the level of customer satisfaction
We acknowledge the importance of after service

Competitor orientation
Our salespeople share the information on our competitors
We quickly respond to the changes of our competitors
We regularly discuss the strategies of our competitors
We pay attention to the opportunity of having competitive advantages

Inter-functional coordination
To respond to customers' needs, we collaborate inter-functionally
We share important information inter-functionally
We have the same business strategies inter-functionally
We contribute to customer value inter-functionally
We share resources inter-functionally

Shop managers' customer orientation: 6 items from Saxe and Weitz (1982)
To implement my role, it is important for me to commit to my customers
I try to create customer value
I understand my customers' needs well
I have a goal to satisfy my customers
I always try to capture my customers' satisfaction
I know the importance of after service

Shop managers' role obviousness: 5 items from Rizzo *et al*. (1970)
I know my role assigned by my company
I have obvious and planned goal about my role
I know the balance of assigning my time to my family and my role
I know my obligation well
I know what my company expects to me

Shop managers' role conflict: 4 items from Rizzo *et al*. (1970)
To do my role, I sometimes violate my company's regulations or policies
I should work together with heterogeneous people
I am sometimes forced to do something impossible
I sometimes do something unacceptable to somebody

Shop managers' job satisfaction: 7 items from Smith *et al*. (1969)
I am satisfactory to my job
I am satisfied with my colleagues
I am satisfied with my company's policy and support
I am satisfactory to my company's management
I am satisfied with my salary
I am satisfactory to my customers
I am satisfied with my promotion opportunity

Shop managers' organizational commitment: 5 items from Porter *et al*. (1974)
I will try more than generally expected to contribute to my company's success
I always feel loyal to my company
I will do whatever my company asks to me
I talk to people that I am the part of my company
I am sincerely concerned about my company's future

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