

## Market and product orientation

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Market>

A market orientated company is one that organises its activities, products and services around the wants and needs of its customers. By contrast, a product-orientated firm has its primary focus on its product " and on the skills, knowledge and systems that support that product.

Until the late 20th century many firms were product-orientated and failed to understand the changing needs of their customers in an increasingly competitive marketplace. A major swing towards market-orientation has led to intensified market research and product ranges carefully designed to fit customer preferences.

However, product orientation can still be important in keeping an emphasis on quality, safety and investment in new technology.

Successful companies recognise the importance of both approaches. Products must start with the needs and wants of customers. But delivery of a profitable product depends on efficiency and quality in production.

In the real world, market and product orientation are closely intertwined so that companies like Gillette, Coca-Cola and Travis Perkins, will:

- \* carry out market research into what consumers want
- \* organise product research in line with the results of market research
- \* constantly engage in qualitative market research to find out what focus groups of customers think of new ideas
- \* test market new products in smaller market areas before launching them onto a wider market
- \* evaluate ongoing customer perception of goods and services, in order to make improvements to technologies and product offerings.

Market orientation gets the right product: product orientation get the product right.