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Intra-organisational marketing culture and market orientation: a case study of the implementation of the marketing concept in a public library

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Abstract

The measurement of both marketing culture and behaviour provides the opportunity to gain more insight into the overall market focus of organisations. This article seeks to determine the market orientation and marketing culture of all staff within organisations, to ascertain to what extent other members of an organisation support or create barriers to the successful implementation of the marketing concept. This paper will provide a brief overview of the existing literature in the field of market orientation and marketing culture. After detailing the research design and methodology, a summary developed from 11 focus group sessions – consisting of all staff in one public library service in Victoria, Australia – is presented. The findings indicate that while all areas within this organisation are committed to marketing, there are various interpretations of marketing and how it should be implemented. In addition, the research finds a number of factors that could be instrumental in the successful implementation of the marketing concept in public libraries.

Introduction

It is commonly accepted that the implementation of the marketing concept (Drucker, 1954; Kotler, 1977) is related to the market orientation of the organisation (Heiens, 2000). The notion of investigating the relationship between the marketing culture of service organisations and market orientation in traditionally product-focussed organisations, such as libraries and museums, has not appeared in the international literature in any expansive form to date, although there have been some allusions to the desirability of exploring the relationship between marketing and management mindsets and organisational performance and productivity. Furthermore, the concept of intra-organisational marketing culture and orientation has only recently been empirically examined in the international marketing literature (Kennedy et al., 2002; Leisen et al., 2002), despite discussion about the desirability of such an approach by service researchers and practitioners over the past 20 years (Grönroos, 1983, p. 90; Gummesson, 1991; Heskett et al., 1997; Heiens, 2000). Kennedy et al. (2002), for example, developed an instrument for measuring customer mindsets of employees, arguing that the most important element of market orientation is an internal and external focus on customers, while Leisen et al. (2002) investigated the role of marketing culture in marketing alliances in business.

The concept of internal marketing is a research area that is closely aligned with the current paper. In brief, supporters of internal marketing maintain that organisations should treat their employees as customers and utilise the marketing concept both internally and
externally through traditional external marketing activities such as segmentation (Piercy and Morgan, 1990), attention to service quality (Broady-Preston and Steel, 2002) and supply-chain management (Lings, 2000). However, while this article does not focus explicitly on internal marketing, elements of the construct are implicit in market orientation, particularly in relation to the organisation’s marketing culture and how this is supported within the organisation through interfunctional co-ordination (Kohli and Jaworski, 1990).

This paper examines the adoption of a marketing culture and market orientation by individual workers through an exploration of cognitive, affective and conative (behavioural) attitudes to marketing (Ajzen and Fishbein, 1980; Rosenberg and Hovland, 1960), and examines how this supports or resists the adoption of the marketing concept.

**Marketing culture**

Marketing culture distinguishes itself from other organisational marketing concepts and strategies, such as market orientation and internal public relations, through a number of dimensions. First, marketing culture is a higher-level abstraction than, for example, market orientation. Market orientation research has focussed predominantly on work climate, which is “the manifest evidence (behaviours and activities) that arises from the culture” (Kennedy et al., 2002, p. 161), through the observation and measurement of the behaviours and activities of marketing and management operatives (Homburg and Pflesser, 2000; Jaworski and Kohli, 1993; Kohli and Jaworski, 1990; Yagil and Gal, 2002). Deshpandé and Webster (1989, p. 4) define organisational culture as “the pattern of shared values and beliefs that help individuals understand organisational functioning and thus provide them with norms for behaviour in the organisation”.

In other words, culture is not the behaviour of individuals within the organisation; rather, it is the underlying assumptions and attitudes that shape the behaviour of individuals within the organisation. Deshpandé et al. (1993) presented the concept of organisations possessing a marketing culture, along with adhocracy, clan and hierarchical cultures. A market culture is said to have an external focus, where the organisation’s personnel work towards common goals, competitive advantage and market superiority. All these cultures are organic, in that rather than an organisation demonstrating one particular culture, multiple cultures may exist within an organisation, and particular cultures may dominate functional, divisional or other groups within the organisation. A measurement approach that considers both culture and behaviour is considered appropriate (Gainer and Padanyi, 2002).

Second, previous research in the area of market orientation considered organisations and all those who worked in them as a complete unit with similar attitudes and behaviours, resulting in the use of senior management, or marketing departments, to provide the assessment of market orientation (Kohli and Jaworski, 1990; Slater and Narver, 1994a). However, all people in an organisation have the ability to influence consumer evaluation, even those who are not in the marketing department nor have any direct contact with consumers (Gummessson, 1991). Certainly the marketing literature, particularly in the area of service marketing, has for some time argued that marketing is the domain of all those within the organisation, and as such, all employees are responsible for developing long-term relationships and delivering customer value (Christopher et al., 1993). Developing
relationships with customers is considered to be a way of minimising attraction costs (Grönroos, 2000; Gummannson, 1991), through factors such as the encouragement of word-of-mouth recommendation. Further, it has long been recognised that word-of-mouth is one of the most powerful forms of promotion, particularly in those services with high credence properties such as cultural, information management and educational organisations (Björkegren, 1996).

To date, there is limited empirical research that has used a sample of all staff within an organisation to determine market orientation, beliefs and attitudes. This article examines the adoption of a marketing culture by individual workers – which will be referred to as having a marketing mind-set (Kennedy et al., 2002) – and examines how these individuals might support or resist the adoption of the marketing concept.

**Market orientation**

Market orientation is considered to be an integral factor in the success of small and medium enterprises (SMEs), such as public libraries, (González et al., 2002) and relates to gaining a sustainable competitive advantage by creating a consistently superior offering for consumers. There is a general understanding that market orientation is positively related to organisational performance, and would therefore be beneficial to an organisation. There are, however, some market and industry circumstances that may not necessitate market orientation as a requirement for success, or where the cost of achieving an effective level of market orientation would be cost inhibitive (Matsuno and Mentzer, 2000; Pelham, 1997; Pelham, 2000; Slater and Narver, 1994b).

Market orientation has been found to have a positive relationship with a range of organisational performance measures, such as organisational viability and organisational responsiveness (Deshpandé et al., 1993; Gainer and Padanyi, 2002; Narver and Slater, 1990). Measures of performance are often based on business performance indicators such as market share, business profitability and financial growth (Narver and Slater, 1990), whereas in many cases, other success measures such as user satisfaction, perceptions of service quality, and loyalty measures – beyond repeat purchase – have been used less. While business performance is an important element in the measurement of business health, many industries, such as small and medium-sized nonprofit organisations such as libraries, have wider objectives than pure business performance indicators such as profits and market share. For example, the conflict between doctors and the Mayne Health Group in Australia, over a belief by doctors and hospital managers that the Mayne Group was driven purely by profits for shareholders, resulted in the resignation of the chief executive officer. In addition, many doctors argued that the organisation was too focussed on marketing and business imperatives, rather than patient care (Quinlivan, 2002). This dispute resulted in a substantial loss of value in the share price of the Mayne Group. Although the Mayne Health Group is a commercial organisation, public and employee perceptions were that health services should not be driven purely by profits.

To quantify the concept of market orientation and measure its relationship with performance measures, some authors have developed clearly defined sets of questionnaire items (Jaworski and Kohli, 1993; Kohli and Jaworski, 1993; Narver and Slater, 1990; Slater
and Narver, 1993, 1994b). Aside from some conceptual variations, the two instruments, MARKOR (Jaworski and Kohli, 1993) and MKTOR (Narver and Slater, 1990) include measures of a firm's active interactions with market dynamics, and organisational readiness and flexibility required to change with, and react to, changes occurring in the environment.

Individuals within non-profit organisations

As Christopher et al. (1993) argued that marketing is the responsibility of all within the organisation, it should, therefore, be included in an analysis of the role of evaluation of marketing culture and orientation. The involvement of all personnel in an organisation in research into marketing culture and orientation provides a deeper picture of marketing and its role in organisations. Deshpandé et al. (1993), for example, suggested that managers may not have a good sense of their organisation's market orientation and as an alternative it may be better to be aware of other staff members’ attitudes and beliefs, as well as customer perceptions of market orientation.

One of the impediments to the implementation of the marketing concept in non-profit organisations has been the existence of an internal orientation towards the offer. In many non-profit organisations there is a tendency to place emphasis on what the organisation has considered most appropriate for its market, rather than responding to market needs and wants. For example, the director or curator of a museum will determine the exhibits to be placed on display, and then direct the marketing department to “market” (or sell) the offering to the public. Public libraries build a collection of books and other resources predominantly based on internal knowledge, and, similarly, use reactive marketing techniques such as advertising and promotions to encourage the public to utilise the collection. Performing arts companies rely heavily on public relations to sell their offerings (McDonald and Harrison, 2002), and university lecturers rarely seek direct advice from their customers (students) when preparing lectures.

In many cases, this approach is an important element, or even a reason for being, in the operations of many non-profit organisations such as libraries, museums and arts organisations. For example, Garborino and Johnson (1999) found that loyal subscribers to a repertory theatre company in New York did not want any influence over the productions provided to them, preferring to leave repertoire selection and presentation to the director/s of the company and production. However, those who were single-ticket purchasers indicated that they did, indeed, seek more involvement in production selection, including casting and set design, and made purchase decisions based predominantly on the line-up of actors, production style and reviews. A brief scan of new theatre productions underway in Melbourne, Australia, suggests that companies are now responding more to single ticket customer needs through their casting of Australian actors who are Hollywood “stars” in main stage productions. Single ticket buyers make up approximately 45 per cent of ticket buyers at the major Australian theatre companies.

Marketing issues

Incorporating the previous review of the current literature in the area of marketing culture and market orientation, the following propositions are considered.
For public libraries: 
P1. The attitudes of individuals toward marketing are related to the organisation's marketing culture.
P2. The attitudes of individuals toward marketing are related to the organisation's market orientation. These are where attitudes have several components, namely, cognitive, affective, and conative.

Method

This paper extends recent research conducted by Kennedy et al. (2002) in that it seeks to examine how the marketing concept operationalises in the library context by investigating attitudes and behaviours of all members of the organisation. Drawing on qualitative techniques adopted by Gummesson (1991), Parasuraman et al. (1984, 1986) and Harris (1998) the paper investigates the adoption of the marketing concept through focus groups of all personnel employed in a public library.

A series of focus groups involving all staff were conducted in a public library service. In all, 11 focus groups were conducted over a period of nine weeks with a total of 165 people participating. A semi-structured approach focused on key issues, such as the role of marketing, the different elements of the marketing mix, and the influence of marketing strategy. The key questions concentrate on how individuals and groups in the library service perceived and used marketing in their day-to-day work. Focus groups lasted three-and-a-half hours, with a 15-minute break for coffee during the discussion. The length of time of the sessions allowed participants to relax and provide more substantial and candid responses. In all focus groups, the discussion was free flowing and, in addition, members were given an individual opportunity at the beginning and end, to discuss their attitudes to marketing, and how they, personally, carry out marketing at their organisation.

The focus groups were recorded on audio tape, and notes were also taken by the moderator and an assistant. The data collected from the groups were analysed using a number of methods, including a semi-fixed grid method, to determine key themes and topic.

Findings of the exploratory focus groups

Antecedents to marketing culture and market orientation

Narver and Slater (1990) developed a practical conceptualisation of market orientation through empirical research, and established that market orientated organisations presented three types of behaviour: customer orientation, competitor orientation and interfunctional co-ordination. Kohli and Jaworski (1990) proposed that an organisation with a marketing orientation will utilise information collection, dissemination and responsiveness.

Incorporating culture as attitudes and beliefs, and orientation as behaviours and activities, this paper explores the adoption of the marketing concept through four key elements:

1. the gathering of market intelligence;
2. customer orientation;
3. competitor orientation; and
4. interfunctional co-ordination.
Analysis of focus groups led to the emergence of a number of key elements related to the implementation of the marketing concept. These elements provide both positive and negative intelligence to assist managers of non-profits in strategic planning. In keeping with the focus on functional areas within the organisation, the discussion delineates perspectives from staff in four separate areas:

1. Management – including the chief financial officer and other administrative staff located remotely from the branches.
2. Branch managers – a total of 15 staff members responsible for marketing their own branch library. A separate focus group was conducted with branch managers, in addition to their participation in at least one other focus group containing other staff members.
3. Professional/customer service – the majority of the customer service staff are trained in library or information management areas. Out of the participants, less than 10 percent did not have a formal library-based degree or equivalent level of study.
4. Marketing staff – these personnel are located separately from branches, and in addition to marketing tasks such as advertising, strategy, and sponsorship, are also responsible for community relationships and staff training;

Ideally, interviews would also be conducted with board members; this should be conducted, as boards of management are often involved in micro, as well as macro-management decisions in non-profit organisations such as libraries (Kotler and Andreasen, 2003). In addition, the chief executive officer did not participate in the focus groups, which allowed more frank discussion among all other participants. As it is the usual practice to only interview the CEO or high-ranking manager in the majority of market orientation research, this atypical approach was undertaken to provide a broader picture of the organisation.

The key findings in relation to the antecedents of the implementation of the marketing concept are outlined below. In many cases, as with all strategic approaches, many of these antecedents are interrelated. This is noted in the discussion. As discussed previously, this paper utilises the three-component view of attitude, which assumes attitudes consist of affect, cognition and conation (behavioural intention or predisposition) as its main foundation for analysis (Rosenberg and Hovland, 1960).

**Gathering of market intelligence**

Kohli and Jaworski (1990, p. 4) contend that the “starting point of a market orientation is market intelligence”. The monitoring of customers’ needs and preferences, competitor actions and offerings, changing environmental conditions including political and sociological factors, are all important elements in market intelligence. Market intelligence is said to provide the ability for organisations to not only monitor current issues, but to identify future needs of both customers and the organisation. Kohli and Jaworski (1990) argue that the gathering of market intelligence goes beyond customer surveys, through a variety of formal and informal means, for example, meetings with customers, suppliers and staff; analysis of sales; monitoring of customer satisfaction; and debriefing of staff.
In the case of the library under investigation, limited intelligence gathering processes were currently in place. Regular, relatively unsophisticated, surveys were conducted, investigating user satisfaction and seeking suggestions for future acquisitions. As one customer service staff member said, “We'll put out a survey whenever we need to, but it isn't a regular thing”. Analysis of these surveys was limited to summaries of descriptive information such as mean ratings or averages of satisfaction. Management and the board monitored usage through rudimentary quantitative methods, such as the number of borrowings and traffic through each branch. However, very little market intelligence beyond these methods was being gathered. The staff were receptive to the development of innovative intelligence gathering mechanisms that would go some way towards accurately measuring the reach and impact of the services offered, however, they were not sure what was available. “We tend to measure what's easy, rather than what's important”, mentioned one staff member when asked why they believed they were being assessed on the number of book borrowings, rather than user satisfaction. They identified that the perceived community value of the organisation was not measured and that an analysis of usage patterns and behaviours in relation to population segments was required.

**Customer orientation**

Narver and Slater (1990, p. 21) define customer orientation as “the sufficient understanding of one's target buyers to be able to create superior value for them continuously”. They argue that members of the organisation need to understand their customers’ entire value chain, and how this will affect their current and future behaviour. Kohli and Jaworski (1990) found in their interviews with managers that a customer focus is a critical element in determining market orientation. In the context of libraries, this incorporates factors such as the comprehension of patron satisfaction, awareness of processes leading to their participation in the library experience, and the constraints or barriers to patrons using the service (such as social and psychological risk).

All personnel were highly committed to customer service and valued the importance of customers to the organisation. Both attitudes and illustrations of their behaviour demonstrated a high commitment to achieving high levels of satisfaction and service quality. Most of the professional/customer staff were willing to go beyond their normal duties to assist customers. These staff were also committed to forming long-term relationships with their customers and saw that their role included making the customers feel comfortable and relaxed in the library environment.

However, there was conflict between the perceptions of customer service, and management and marketing staff, who believed that the customer service staff were not committed to providing high-quality service. For example, during one session, one of the marketing managers stated that there were some “hard-nosed” staff who didn't believe that they had to provide service to customers and “would prefer to do things the way they always have”.

Two staff members expressed frustration in trying to interpret what “head office” (management and marketing departments) wanted from them. As one customer service staff member commented, “they keep coming out with new plans and processes that show
that they don't really know what goes on at the branches”. Other customer service staff stated that they would be happier if there was more standardisation in the customer service process and some even displayed antipathy toward their perception of customer orientation based behaviours. In particular, five members in different focus groups said, without prompting, “Would you like fries with that?” when they were informed that we would be discussing the role of marketing in the library service, which can be interpreted as a hostility to some elements of marketing.

**Competitor orientation**

The analysis of competitors’ long-term capabilities, strengths and weaknesses is a key factor in determining market orientation and culture. Kennedy et al. (2002) found that an awareness of the marketplace by individuals within an organisation influences marketing culture.

Discussions with all participants revealed a simplified perception of competitors. When participants were asked to comment on competitors, their initial reaction was that they had no competitors. After probing, the majority of participants named bookshops as their main competitors. As one branch manager said:

... the patrons want the latest best-seller, and if we don't have it, then they just go across the street to the bookshop and buy it for fifteen dollars. It doesn't make sense, but that's what they do.

No participants initially considered other libraries, even within their network, as competitors. Overall, there was little awareness of how competitors impact on their organisation, from upper management through to front-line service staff. However, one marketing staff member commented, “I guess you could even say that the Internet is a competitor, as well” after discussion about the information management role of libraries.

**Interfunctional co-ordination**

A number of academics and practitioners have argued all individuals within an organisation have the ability to create value for customers. It is, therefore, critical that all functions within an organisation are integrated and have similar marketing goals (Gummesson, 1991; Narver and Slater, 1990; Porter, 1985). Rather than allowing marketing to be the domain of the marketing department, a culture of integrating all functions toward creating customer value should lead to a market orientation within the organisation and successful implementation of the marketing concept.

In the case of this research, there was a wide acceptance of the need for interfunctional co-ordination, particularly by branch managers. However, there was a clear distinction between the attitudes and perceived outcomes in this context. Branch managers and production/customer service personnel believed that there was little practical interfunctional co-ordination beyond the branch level, i.e. interfunctional co-ordination was limited by geography. One example provided was the charging of patrons to have a book brought from one branch to another, “this is supposed to be a library network, yet we
charge our patrons to have a book brought across from another branch in our network. They don't even do that in book and clothing shops”, was the statement from a branch manager, which was a similar response from a number of other branch managers and customer service personnel.

Personnel at the branch level felt that they were left out of the loop when management were determining marketing strategy, offering that if marketing and management staff spent more time at the branches, they would understand why there should be different marketing approaches depending on the location and users of the service. However, this was disputed by a marketing staff member, who said that branch staff were represented at the marketing strategy level by their branch manager's involvement in the marketing committee.

Discussion and managerial implications

It is far more difficult to implant marketing-orientation in an organisational culture, than textbook authors and university professors usually realise (Gummesson, 1991).

The marketing literature clearly indicates that the implementation of the marketing concept can have an influence on an organisation's performance. The findings from this research have direct managerial implications, which could be applied to many libraries, as well as other non-profit organisations such as museums and sporting clubs.

The research indicates that there exists a conflict between approach and implementation of the marketing concept, which can be attributed directly to the psychological and geographical distances between the branch and management. An integrated multi-level approach is required that will ensure management, marketing and branch staff share the marketing concept and can apply its tools effectively.

Better communication of management and marketing strategies, and more thorough integration of management and branch staff needs to be undertaken. Interdepartmental initiatives could be undertaken and easily carried out, such as lunches involving personnel from different branches and management and marketing personnel. At a more formal level, the involvement of management and marketing staff at branch level, and vice versa, could facilitate better communication. For example, a number of participants noted that the focus groups provided an opportunity for them to meet and catch up with staff from other branches, as well as the opportunity to ascertain attitudes and behaviours in relation to marketing at other branches and at headquarters.

It has been demonstrated that staff at the branch level can impact on the successful implementation of the marketing concept. A standardised approach to marketing strategy across all branches, which was being sought by some marketing staff, may not necessarily suit this environment, whose competitive advantage may lie in its ability to respond to local community needs appropriately.

Through marketing intelligence this organisation can gain an appreciation for the potential value offered by marketing. All staff need to explore more sophisticated ways of gathering
information about customers and the competition beyond basic methods such as book borrowings and rudimentary customer satisfaction surveys. Again, a less ad hoc, and more objective focused research strategy would benefit the library service.

Staff at the branch level seemed to view marketing as a threat, rather than understanding that the overall purpose of the marketing concept – which is to integrate strategy around customers, competition and marketing information – could be of benefit to the survival of libraries. Rather than a strategic, or longer-term, perspective, management and marketing staff had been forced to take short-sighted view of marketing, perhaps brought about as a result of pressure from a board occupied predominantly by managers from a financial background.

In Kohli and Jaworski’s (1990) seminal paper on market orientation, they held that the implementation of market orientation was only appropriate if the benefits outweighed the costs. In the case of libraries, the adoption of the marketing concept is critical to their survival in the current environment of technological turbulence, increasing competition and easier access to information. As libraries compete for the attention of consumers, they will need to come up with more innovative ways of providing services to their communities. In research conducted by the Australia Council, more than 75 per cent of Australians said that libraries were an important part of their social fabric. If we are to heed calls from Booth (1993) and Shuter (1989) for libraries to integrate marketing more thoroughly in public libraries, an adoption of the marketing concept as discussed above will be necessary to assist libraries to remain relevant to their users.

Limitations and future research

The approach to this article is conceptual and integrative. Its purpose is to contribute to theory and instrument generation grounded on qualitative, empirical data rather than quantitative theory testing. As such, the findings provide insight, rather than generalisable, conclusions. Future research can utilise the insights from these focus groups to develop an instrument to measure the adoption of the marketing concept. In addition, the researchers will investigate the relationship between marketing culture and market orientation, and consumer evaluation. Of particular interest is the relationship between functional or divisional areas of the public library, such as production departments, and evaluation of the offering by their varied publics. The distinction between the cognitive, affective, and conative components facilitates the understanding of the relevant attitudes, and hence the scope for targeted intervention, as appropriate.

References


**Further Reading**

