



The “ICON” archetype

Its influence on customer orientation and innovation in South African firms

The “ICON”
archetype

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Abstract

Purpose – This paper aims to investigate the relationship between a firm’s “ICON” archetype, turbulence in its operating environment and its performance.

Design/methodology/approach – A questionnaire-based survey of 258 marketing managers in South Africa used a modified ICON scale to identify archetypes, assess perceived turbulence, and measure performance with respect to profitability, market share and growth rate.

Findings – The archetype to which a firm conforms depends to some extent on its perception of environmental turbulence, and has an influence on all aspects of its performance. “Isolate” firms tend to under-perform on all measures; “shapers” exhibit significantly higher rates of growth.

Research limitations/implications – The limitations are associated with mail surveys, single-respondent bias, and subjective assessment of performance. The study nevertheless demonstrates the validity and usefulness of the ICON matrix and scale, and sets directions for further investigation.

Practical implications – Offers a simple yet powerful way for marketing managers and planners to identify their firm’s ICON archetype, and illustrates the impact it can have on performance.

Originality/value – A managerially useful adaptation of the original ICON scale is applied beyond the conventional setting of North America or Europe, in a challenging managerial environment.

Keywords Strategic planning, Corporate strategy, Marketing management, South Africa

Paper type Research paper

Introduction

The history of organizational orientation has essentially followed four phases (Kotler and Keller, 1996). In times of insufficiency, firms followed a production orientation. The industrial revolution solved the problem of scarcity through mass production, the thinking being that “if only we could make enough product, there will be markets for it”. The second orientation involved a product focus, or orientation, which in simple terms holds that if the product is the right one and the best, there will be a ready market for it. As production problems were solved, and as technology advanced to a point where there were plenty of good albeit similar product, firms focused on a selling orientation. In straightforward terms, this implied that whoever sold and advertised loudest and longest would convince customers to favour their offering. The fourth phase of this evolutionary process was marketing orientation, more commonly known as the



“marketing concept” and also loosely referred to as a “customer” or “market” orientation. The philosophy in this case is that firms will succeed by determining what customers want, and giving it to them. It is, therefore, sometimes stated simply as “the customer is always right”. The greatest tension among these four orientations has always been between the product and marketing variations.

Marketing specialists have a natural attachment to a business philosophy called the marketing concept, whereas those who view new products as the key drivers of corporate growth argue that customers are wrong at worst and misleading at best. Product orientation avows that customers will prefer those products and services offering the best quality, performance and features, and that innovation is, therefore, a critical ingredient of the philosophy. This viewpoint has been postulated in the management and academic literatures for many years (Smith, 1980; Clark and Fujimoto, 1991; Kodama, 1995; Utterback *et al.*, 1976). Marketing textbooks, on the other hand, condemn the product orientation (Kotler and Keller, 1996, p. 15), and identify numerous examples of product and corporate failure occasioned by launching offerings that customers did not want.

Managers in organizations that endorse a technological ethos dedicate themselves to innovation and attempt to invent, improve and bring to market better products and services. Customer orientationists argue that identifying the needs and wants of customers, and delivering products and services that satisfy them is the answer to the organizational success question. These issues have received attention in both the academic and practitioner literatures (Band, 1991; Day, 1990, 1994; Naumann, 1995; Webster, 1988).

The propensity to view customer and product orientations as mutually exclusive is usually exacerbated by the fact that academics, consultants and practitioners normally specialize, and either ignore or sometimes denigrate each other’s fields. There are exceptions in the literature, and some attention has been given to attempts to integrate product and customer orientations (Gupta *et al.*, 1986; Souder, 1987; Shanklin and Ryans, 1984). Although few firms apply one orientation to the full exclusion of the other, in reality organizations tend to favour one. Some attempt to apply both and, of course, some firms do neither.

Marketing decision making goes beyond the mere use of data and information. Astute marketers apply intelligence in formulating and implementing strategic marketing plans. Regardless of what the textbooks may say, they do not blindly follow customers and simply give them what they want. Neither do they merely design and develop “great products” that ignore customer wants and desires. In the minds of successful marketers and entrepreneurs, there seem to reside decision engines that successfully balance the customer-product tensions in a way that leads to superior organizational performance. It is incumbent upon marketing scholars to study these tensions and attempt to explain them.

In this paper, we briefly review the scholarly pedigrees of the customer and product orientation stances. We then introduce the more inclusive model proposed by Berthon *et al.* (1999), and use a simplified version of a scale they subsequently developed (Berthon *et al.*, 2003) to measure the existence of various “archetypes” in a sample of South African firms. We then examine the relationship between the resulting strategic orientation and firm performance. In simple terms, we attempt to answer the question of whether orientation matters: does it have a significant impact on corporate performance?

Customer orientation

The customer orientation concept is frequently credited to the declaration by Drucker (1954, p. 37) that the purpose of a firm is to create and serve customers. Accordingly, in order to be successful, organizations should try to determine their customer’s needs and wants, and produce the products and services that will satisfy those. This was referred to in the popular text by Peters and Waterman (1982, pp. 156-99) as staying “close to the customer” (Saxe and Weitz, 1982). For Kotler (1988, p. 17), the marketing concept rested on the same premise, that “the key to achieving organizational goals consists in determining the needs and wants of target markets and delivering the desired satisfactions more effectively and efficiently than competitors”. In simple terms: find out what your customers want and give it to them. It is interesting to note that the latest edition of the same textbook amends this to a statement that the marketing concept means “being more effective than competitors in creating and delivering superior customer value to its chosen target markets” (Kotler and Keller, 1996, p. 16).

Far-reaching theoretical and empirical endeavours to codify the construct of market orientation occurred in the marketing literature of the 1990s (Narver and Slater, 1990; Slater and Narver, 1994; Kohli and Jaworski, 1990; Jaworski and Kohli, 1993; Kohli *et al.*, 1993; Selnes *et al.*, 1997; Deshpandé and Farley, 1998; Harris and Ogbonna, 1999), defining it as the degree to which the marketing concept is implemented (Kohli and Jaworski, 1990; Narver and Slater, 1990; Shapiro, 1988). The notion of identifying and satisfying customer needs and wants has intuitive appeal. However, it too often ignores Drucker’s concept of a business as a whole, which also stresses customer creation. Simply serving customers is an over-simplification of his philosophy and makes an implicit assumption that customer wants and needs are exogenous (Carpenter *et al.*, 1997).

The creation of customers and the command to innovate (Drucker, 1973, pp. 65-7) are the more overlooked facets of Drucker’s his original injunction. Seen from this perspective, market orientation only stresses the serving of customers by catering to their observed or articulated needs. Webster (1994, p. 10) contends that constant innovation is also necessary to deliver better value to consumers in a competitive marketplace. Simply being customer oriented in the philosophical sense is not enough. Innovation has the potential to engage peoples’ minds and imaginations, and can, therefore, create customers.

Product (or, more correctly, innovation) orientation

MacDonald (1995), observing that many of the firms cited as “excellent” by Peters and Waterman had since failed, wondered whether they perhaps got “too close” to their customers. Those few that survived with reputations intact were in fact firms whose tactics deliberately distanced them from customers. The empirical work of Christensen and Bower (1996) found that firms in the markets they studied had failed to lead because impetus coalesced behind, and resources were allocated to programmes serving powerful, large, existing customers. Likewise, Frosch (1996) found that excessive market orientation leads to short-sighted research and development. Bennett and Cooper (1979) criticized market orientation for leading to incremental and trivial new product development.

The motivation for the innovation orientation is that it enables the creation of markets and customers by defining human needs, and thereby determining the nature of consumer demand. Dickson (2000) describes “super-innovations” as those that stand above other technological innovations in that they increase the speed, efficiency and effectiveness of the transmission of new ideas and technologies between individuals and cultures. Rather than consumption leading production, he contends, “new production and consumption processes feed on each other, changing behaviour with catalytic repercussive effects ...” (p. 118).

An innovation or product orientation does not completely ignore customers. Rather, firms following this path would argue that existing customers may not know enough about radical new technologies to feel the need them and then want the satisfaction. Just as in the case of market orientation, empirical studies in various market settings have positively linked an innovation orientation to business performance (Capon *et al.*, 1992; Deshpandé *et al.*, 1993, 1997; Damanpour and Evan, 1984; Khan and Manopichetwattana, 1989).

Bringing customer orientation and innovation orientation together

The evidence is that both innovation (product) and market (customer) orientation have important effects on various measures of firm performance. Berthon *et al.* (1996, 1999, 2003) stress that one cannot reduce innovation orientation to market orientation, or vice versa. Neither construct is an exclusive antecedent to the other yet, while they are distinct, they can interact. These authors have, therefore, developed a model that integrates customer and product orientations, permitting firms to identify the extent of their own orientations on both dimensions, and to be able to archetype themselves. The issue that faces a firm is then not whether it is market-oriented or innovation-oriented enough, but whether its current orientation is appropriate for the market it faces in the industry in which it operates. These authors have proposed and tested a theoretical framework based on the focus on the customer (or market) and the focus on innovation (or technology and new products). They classify and describe four alternative modes of interaction between market and innovation orientations. Based on the work of Carpenter and Nakamoto (1989) and Carpenter *et al.* (1994), they argue that managers and their companies learn from the market (a market orientation), and the customers in the market learn from new technologies (or as a result of the firm’s innovation orientation).

While this two-way flow is present to a greater or lesser extent for every product or service in every market for any particular firm, the degree of focus on innovation and/or the customer can vary substantially. Berthon *et al.* (1999) accordingly defined the four strategic “archetypes” in Figure 1: “isolate” “follower” “shaper” and “interact”. While the schema is referred to for the purposes of convenience as the “ICON matrix” that acronym derives from the measurement scale later developed to measure an organization’s *modus operandi* in terms of the matrix (Berthon *et al.*, 2003), not from the initials of the archetypes.

In simple terms, this matrix suggests four different modes of focus that an organization can adopt. A low focus on both customers and innovations makes an organization an isolate; a high focus on customers but a low focus on innovations causes the organization to be a follower; a low focus on customers but a high focus on innovations means that the organization is a shaper; and a concurrent high focus on both customers and innovations results in an organization being an interact.

Market orientation	High	<p>Follow</p> <p>The market drives innovation: the firm relies heavily on both formal or structured and informal or unstructured market research to establish the parameters of products and services, and to drive their development. Studies of customer satisfaction and service quality focus on what (dis)satisfies customers, and attempts to rectify faults, enhance positive experiences, and generally, "give customers what they want".</p> <p>Example: Toyota Lexus</p>	<p>Interact</p> <p>A true dialogue is established between the market and innovation. The term dialogue is appropriate here because it uses the metaphor of speech to underpin the market-innovation relationship, providing a spectrum ranging from "conversation" to "negotiation".</p> <p>Example: Airbus AX380</p>
	Low	<p>Isolate</p> <p>No communication between innovation and the market, the organization itself becomes the focus of its own attention. Technology either stagnates, or is developed for its own sake, and is not market-driven. Little or no market research occurs, and the needs of the customer are not really considered in management decision making. Internal operations and revenue dominate management thinking.</p> <p>Example: Gold mine</p>	<p>Shape</p> <p>Innovation shapes the market, the firm is primarily technology-oriented. Indeed, potential customers may not have even been aware that they needed or wanted the benefits derived from a particular innovation until it became available. This strategy is based on the principle that in certain circumstances innovation defines human needs, and hence determines the nature of customer demand by providing new products or services that induce changes in basic behavior.</p> <p>Example: Chrysler Voyager</p>
		Low	High
		Innovation orientation	

Source: After Berthon *et al.* (1996, 1999)

Figure 1.
The ICON matrix and brief description of archetypes

The character of an organization's strategic mode is not as simple as "one is right and the other is wrong" according to Berthon *et al.* (1999). As appealing as it may be to simply assume that an isolationist focus is incorrect and the interactionist archetype is preferable, circumstances in firms are in reality more complex. Since, strategy in general, and marketing strategy in particular, has to do with the best deployment of a firm's limited resources in an uncertain environment, the mode that a firm adopts should depend on the extent of that environmental uncertainty. Indeed, depending on the level of environmental turbulence, any of the modes might be appropriate; the case could even be made for isolation under certain conditions. It is more important that executives should know their firm's current focus, and then evaluate whether or not it is appropriate to the environment in which it operates.

Building on their matrix of archetypes (or modes), Berthon *et al.* (2003) developed the ICON scale to identify and measure a firm's mode of focus, as perceived by its executives. This instrument also demonstrated good psychometric properties.

Research hypotheses

The empirical study described in this paper has two main aims. First, we examine whether or not managers' perceptions of the level of environmental turbulence in which their firms operate relate to the strategic modes adopted. Environmental context has been shown to have a significant impact on organizational strategy, learning and consequent business performance (Eisenhardt, 1989; Menon and Varadarajan, 1992; Sinkula, 1994; Slater and Narver, 1995; Greenley and Foxall, 1997). Therefore, we postulate that:

H1. There will be significant interaction effects between archetype and environmental turbulence.

Second, we explore whether the archetypes have different effects on the financial and strategic performance of the respondents' firms, specifically hypothesising that:

H2. A firm's profitability will be related to its archetype.

H3. A firm's market share will be related to its archetype.

H4. A firm's rate of growth will be related to its archetype.

Methodology

Setting

South Africa was chosen as the research setting for a number of reasons. First, it provides an alternative backdrop to the testing of theories originating in developed world environments, and additional evidence (or otherwise) for the suitability of measures already tested in North America, Europe and Asia. Second, the country is an interesting mix of developed and developing economic conditions, where state-of-the-art financial, manufacturing, retailing and services systems are juxtaposed against typical developing-world poverty, desperate living conditions and large-scale unemployment. Third, the past two decades have witnessed considerable political, economic and social change in the South African business environment, which has often been characterized as "turbulent" in the marketing and management literature (Morris *et al.*, 1995, 1996; Morris and Schurink, 1993).

This is not to suggest that all South African firms will experience similarly high levels of environmental turbulence. Factors other than political, economic and cultural change influence its shape and magnitude, including the product-market mix, the nature and extent of competitive rivalry, and the broader global context in which a firm competes. We rely on the ability of managers to gauge the extent of turbulence in their own specific business environment. South Africa, therefore, presents an opportunity to apply the ICON matrix in an operating environment quite different from the relatively stable political, economic and social North American and Western European settings of most research studies of this kind.

Measuring the views of senior managers in South Africa

This sampling frame for the study was 1,000 senior marketing executives in South African firms, whose names and addresses were purchased from a large commercial database. Individuals can be sorted by job title (including marketing manager, marketing director, and marketing vice-president), but there is no information on length of tenure or experience, nor on gender or other demographic criteria. Potential respondents were contacted by mail, and followed up by fax three weeks later if they had not responded. The final cut-off for returns was at six weeks.

Completed and usable questionnaires were received from 258 respondents: a satisfactory 25.8 per cent of the sampling frame. Two simple measures of response bias were applied to the sample. First, the breakdown of the mail-out by category of firm was 400 services, 400 consumer goods and 200 business-to-business. Responses were received from 101, 95 and 64 firms, respectively, relative proportions which match the frame acceptably. Second, *t*-tests measured differences in answers relating to

environmental turbulence and organizational performance between responses received before the follow-up and after it; no significant variation was found.

The questionnaire contained an amended version of the ICON scale, in that respondents were required to use a forced ranking of their firms on the items, rather than have rating them on Likert-type scales. In using ICON as a management diagnostic, a ranking is both easier and more insightful to users than a rating. By simply adding up the points allocated to each archetype, it is possible to identify which archetype a firm most and least resembles and to assess its relative similarity to the other two. There were two reasons for doing this: first, we wanted to force respondents to choose the strategic archetype closest to their firm, and thus avoid the possibility that they scored all items high on a rating scale and the outcome identified no clear archetype (a possibility noted by the scale’s developers). Second, we explained the purpose of the study in a covering letter and pointed out that respondents would be able to identify and evaluate their firm’s archetype for possible further in-house discussion and analysis. A ranking makes this type of identification much clearer and easier to do. Methodologically, however, the resulting ordinal rather than interval data limited subsequent analysis and the identification of psychometric properties.

This part of the questionnaire is shown in Figure 2. One item assessed respondents’ perceptions of the turbulence of the business environment in which their firm operated, and three measured their subjective evaluations of its performance relative to competitors in terms of profitability, market share and rate of growth: subjectively in both cases. Respondents recorded their perception of turbulence on a five-point scale ranging from “much less turbulent than most markets” to “much more turbulent than most markets”. They rated their firm’s performance relative to competitors on a set of five-point scales anchored by “far inferior” and “far superior”. There is excellent evidence in the literature that managerial perceptions of performance are generally as good as “harder” measures, and often better (Dess and Robinson, 1984).

Findings

On the basis of respondents’ perceptions, isolates were most numerous among the 258 firms from which questionnaires were returned ($n = 106$; 41 per cent), followed fairly closely by followers ($n = 90$; 35 per cent). Interacts ($n = 34$; 13 per cent) and shapers ($n = 28$; 11 per cent) taken together accounted for less than either of the other two types. We remarked earlier on the intuitively logic that would lead one to see the first two archetypes as positive and the second two as negative, and hence to draw general conclusions about South African management, but such judgments are in fact much more complex.

ICON and environmental turbulence

To determine the relationship between archetype and perceived level of environmental turbulence, a one-way analysis of variance (ANOVA) was performed, with the archetypes as independent variable and turbulence as the dependent variable. The results are shown in Figure 3.

The small but significant R^2 of 0.035 ($F = 3.0350$; $p < 0.05$) suggests that there are differences in the way levels of environmental turbulence are perceived, according to ICON archetype. This can also be observed from the means-diamonds plot in the table, which visually compares the mean and standard error for each sample group. The line across each diamond represents the group mean, its height the 95 per cent

Amended ICON scale

Instructions:

Think about the organization you work for - how it views its customers, its competitors, how it thinks about technology in the form of products and services, its perceptions of the business environment in which it operates, its employees, and of course, itself. Then complete the short questionnaire below. Read each of the four descriptions of an organization, A, B, C and D and then mark a "1" next to the description that you think best fits your organization, a "2" next to the description that fits it next best, and so on, until you place a "4" next to the description that least describes your organization. In many cases of course, you may find the descriptions quite similar, so read them carefully. Also, there may be instances where you want to say, "It all depends". Don't worry too much about this - there are no "right" or "wrong" answers, so simply record your first impression.

Descriptions of Organizations

1. *Our organization views customers as:*

- A. Necessary sources of revenue for the firm _____
- B. The primary reason for the firm's existence _____
- C. People who will respond positively to innovative products and services _____
- D. Co-partners in the development of customized products and services _____

2. *Our organization views innovative products and services as:*

- A. A means to extract revenue from customers _____
- B. A means of responding to the needs and wants of customers _____
- C. The primary reason for the firm's existence _____
- D. As something which is co-developed with customers _____

3. *Our organization views the business environment (factors such as the political and legal situation, the economy, and socio-cultural change) as:*

- A. Of primary importance, because of its impact on the firm _____
- B. Of primary importance, because of its impact on customers _____
- C. Of primary importance, because of its impact on innovative products and services _____
- D. Of primary importance, because of its impact on the interaction between customers and innovative products and services _____

4. *Our organization views competitors as:*

- A. Rivals who attempt to take away our firm's market share and financial rewards _____
- B. Rivals who attempt to satisfy customers needs and wants better than we do _____
- C. Rivals who attempt to develop innovative products and services, and shape wants better than we do _____

(Continued)

Figure 2.
Amended ICON scale

D. Rivals who attempt to engage customers in interaction with innovative products and services better than we do _____

5. *Our organization views itself as:*

A. A vehicle for the creation of shareholder and employee wealth _____

B. A vehicle for the creation of satisfied customers _____

C. A vehicle for the creation of innovative products and services _____

D. A vehicle for the creation of interactions between customers and innovative products and services _____

6. *Our organization views employees as:*

A. Dedicated to the service of the firm _____

B. Dedicated to the service of the customer _____

C. Dedicated to the development of innovative products and services _____

D. Dedicated to the establishment of interaction between customers and innovative products and services _____

Instructions for Scoring

Once you have completed your impressions of all the situations, add up all your scores for "A" descriptions, and place them in the box under "Type A" firms below, then do the same for all the "B" descriptions, then the "C", and so on.

Type "A" Firm	Type "B" Firm	Type "C" Firm	Type "D" Firm

In order to check your calculations and scoring, you might want to remember that the largest number that could be in a box above is 24, and the smallest, 6. Also, once you have completed the four boxes, the numbers in them must add up to a total of 60.

Figure 2.

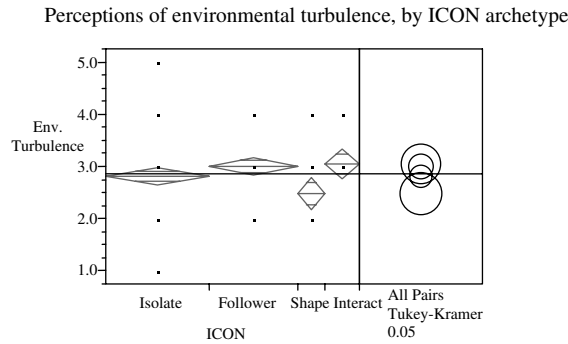
confidence interval for each group, and the width is the group sample size. The levels of perceived environmental turbulence are lower for C, the shaper archetype, than for the three others. To further test the significance of this, the Tukey-Kramer honestly significant difference (HSD) test was conducted: an exact α -level test if the sample sizes are the same and conservative if they are different. Figure 3 shows that positive values exhibit pairs of means that are significantly different. Whereas there are no significant differences among the isolate, follower and interact archetypes, shapers differ significantly from followers with respect to perceptions of environmental turbulence.

H1 is, therefore, accepted: there are significant interaction effects between archetype and environmental turbulence.

ICON and profitability

A further series of ANOVAs was run to test the hypotheses associated with this relationship, with the results shown in Figure 4.

The R^2 value of 0.091 ($F = 8.46; p < 0.05$) is again significant. There are differences in a firm's perceived profitability, according to ICON archetype, confirmed graphically in the diamond-means plots. Profitability is lower for A, the isolate archetype. The Tukey-Kramer HSD test produces pairs of means for the positive values that are significantly different. There are no significant differences among the shaper, follower



One-way Anova
Summary of Fit

RSquare	0.034606
RSquare Adjusted	0.023204
Root Mean Square Error	0.871935
Mean of Response	2.875969
Observations (or Sum Weights)	258

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	3	6.92224	2.30741	3.0350
Error	254	193.10877	0.76027	Prob>F
C Total	257	200.03101	0.77833	0.0298

Means for One-way Anova

Level	Number	Mean	Std Error
Isolate	106	2.81132	0.08469
Follower	90	3.00000	0.09191
Shaper	28	2.50000	0.16478
Interact	34	3.05882	0.14954

Std Error uses a pooled estimate of error variance

Means Comparisons

Dif=Mean[i]-Mean[j]	Interact	Follower	Isolate	Shaper
Interact	0.000000	0.058824	0.247503	0.558824
Follower	-0.05882	0.000000	0.188679	0.500000
Isolate	-0.2475	-0.18868	0.000000	0.311321
Shaper	-0.55882	-0.5	-0.31132	0.000000
Alpha=	0.05			

Comparisons for all pairs using Tukey-Kramer HSD

q*
2.58614

Abs(Dif)-LSD	Interact	Follower	Isolate	Shaper
Interact	-0.54691	-0.3951	-0.19693	-0.01663
Follower	-0.3951	-0.33615	-0.13453	0.012048
Isolate	-0.19693	-0.13453	-0.30974	-0.16781
Shaper	-0.01663	0.012048	-0.16781	-0.60266

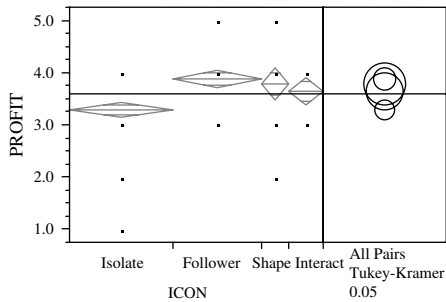
Positive values show pairs of means that are significantly different.

Figure 3.
Perceptions of
environmental turbulence,
by ICON archetype

and interact archetypes, but isolates differ significantly from both shapers and followers, with respect to perceived profitability.

H2 is, therefore, accepted: there are significant interaction effects between archetype and firm profitability.

Perceptions of firm's profitability, by ICON archetype



One-way Anova
Summary of Fit

RSquare	0.090891
RSquare Adjusted	0.080154
Root Mean Square Error	0.841136
Mean of Response	3.604651
Observations (or Sum Weights)	258

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	3	17.96692	5.98897	8.4649
Error	254	179.70750	0.70751	Prob>F
C Total	257	197.67442	0.76916	<.0001

Means for One-way Anova

Level	Number	Mean	Std Error
Isolate	106	3.30189	0.08170
Follower	90	3.88889	0.08866
Shaper	28	3.78571	0.15896
Interact	34	3.64706	0.14425

Std Error uses a pooled estimate of error variance

Means Comparisons

Dif=Mean[i]-Mean[j]	Follower	Shaper	Interact	Isolate
Follower	0.000000	0.103175	0.241830	0.587002
Shaper	-0.10317	0.000000	0.138655	0.483827
Interact	-0.24183	-0.13866	0.000000	0.345172
Isolate	-0.587	-0.48383	-0.34517	0.000000
Alpha=	0.05			

Comparisons for all pairs using Tukey-Kramer HSD

q*

2.58614

Abs(Dif)-LSD	Follower	Shaper	Interact	Isolate
Follower	-0.32427	-0.36754	-0.19606	0.275205
Shaper	-0.36754	-0.58137	-0.41648	0.021618
Interact	-0.19606	-0.41648	-0.52759	-0.08356
Isolate	0.275205	0.021618	-0.08356	-0.2988

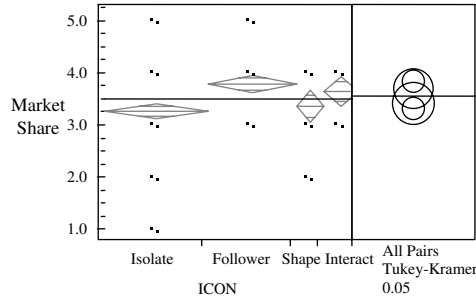
Positive values show pairs of means that are significantly different.

Figure 4.
Perceptions of firm's profitability, by ICON archetype

ICON and market share

The ANOVA results in Figure 5 again show a small but significant R^2 of 0.060 ($F = 6.51$; $p < 0.05$). There are differences in a firm's market share, according to ICON archetypes, also observable in the diamond-means plots. The level of market share reported by

Perceptions of firm's market share, by ICON archetype



One-way Anova
Summary of Fit

RSquare	0.071358
RSquare Adjusted	0.06039
Root Mean Square Error	0.855972
Mean of Response	3.51938
Observations (or Sum Weights)	258

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	3	14.30039	4.76680	6.5059
Error	254	186.10271	0.73269	Prob>F
C Total	257	200.40310	0.77978	0.0003

Means for One-way Anova

Level	Number	Mean	Std Error
Isolate	106	3.28302	0.08314
Follower	90	3.80000	0.09023
Shaper	28	3.35714	0.16176
Interact	34	3.64706	0.14680

Std Error uses a pooled estimate of error variance

Means Comparisons

Dif=Mean[i]-Mean[j]	Follower	Interact	Shaper	Isolate
Follower	0.000000	0.152941	0.442857	0.516981
Interact	-0.15294	0.000000	0.289916	0.364040
Shaper	-0.44286	-0.28992	0.000000	0.074124
Isolate	-0.51698	-0.36404	-0.07412	0.000000
Alpha=	0.05			

Comparisons for all pairs using Tukey-Kramer HSD

q*
2.58614

Abs(Dif)-LSD	Follower	Interact	Shaper	Isolate
Follower	-0.32999	-0.29268	-0.03616	0.199684
Interact	-0.29268	-0.53689	-0.27501	-0.07226
Shaper	-0.03616	-0.27501	-0.59163	-0.39624
Isolate	0.199684	-0.07226	-0.39624	-0.30407

Positive values show pairs of means that are significantly different.

Figure 5. Perceptions of firm's market share, by ICON archetype

respondents in isolate firms is significantly lower than that enjoyed by followers, as confirmed by the Tukey-Kramer HSD test. There are no significant differences among shaper, follower and interact archetypes with regard to this dimension of performance.

H3 is, therefore, accepted: there are significant interaction effects between archetype and a firm’s market share.

ICON and growth rate

This relationship is analysed in Figure 6. Here, the R^2 is larger than before, a significant 0.214 ($F = 6.51; p < 0.05$). The results of ANOVA present a more complex set of observations than the three previous analyses. The reported rates of growth are more widely spread among the ICON archetypes. Shapers grow significantly faster and isolates significantly slower than the other three archetypes. The Tukey-Kramer HSD values show that followers grow significantly faster than interacters.

H4 is, therefore, accepted: there are significant interaction effects between archetype and a firm’s rate of growth.

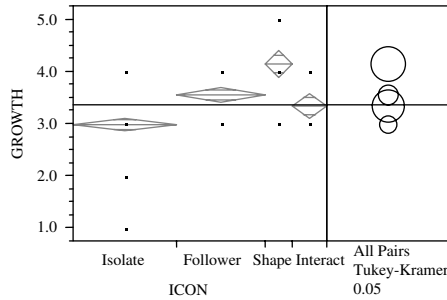
Discussion: managerial implications, research limitations and avenues for further research

This paper has investigated customer versus product orientation in South African firms, concentrating on identifying ICON archetypes and establishing their relationship to managerial perceptions of environmental turbulence, and on measuring differences in organizational performance among the archetypes. The analysis is based on the conceptual model of Berthon *et al.* (1999), which proposes four archetypal modes (or orientations, or foci) within a broader framework that includes the familiar “market orientation” and a predisposition to innovation.

Given the evidence that the ICON archetype influences firm performance, it will be a worthwhile exercise for managers in South Africa (and indeed in other business environments) to identify their firm’s ICON archetype, the fit with the environment in which the firm operates, and the strategies it does or should follow. The more complex observations from the data in this study are that the ICON archetype is related significantly to environmental turbulence. Specifically, firms defined as shapers seem to operate in less turbulent environments. Furthermore, while those conforming to the follower archetype tend to enjoy higher profitability and market share than the other archetypes, shapers exhibit higher rates of corporate growth. These findings are worthy of note by marketing planners, and also merit further research by academics.

The research study described in this paper has some methodological limitations. First, the sample, though of adequate size for statistical analysis, is still relatively small. It would ideally have included a greater variety of firms, perhaps plus NGOs and non-profit organizations, for those too face the consequences of customer orientation versus product orientation. Furthermore, no analysis was undertaken of such intervening variables as demographic profile, location of the firm, nature of its business and so forth. Second, the views represented in the study are from one individual in an organization only, and may not necessarily represent the views of others in the same firm. They are furthermore subjective assessments of a firm’s performance. Despite evidence from the literature that these are often dependable, they cannot be not wholly objective, and it would be useful in future to incorporate “harder”

Perceptions of firm's growth, by ICON archetype



One-way Anova Summary of Fit

RSquare	0.214219
RSquare Adjusted	0.204938
Root Mean Square Error	0.719191
Mean of Response	3.356589
Observations (or Sum Weights)	258

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Ratio
Model	3	35.81603	11.9387	23.0817
Error	254	131.37776	0.5172	Prob>F
C Total	257	167.19380	0.6506	<.0001

Means for One-way Anova

Level	Number	Mean	Std Error
Isolate	106	2.98113	0.06985
Follower	90	3.55556	0.07581
Shaper	28	4.14286	0.13591
Interact	34	3.35294	0.12334

Std Error uses a pooled estimate of error variance

Means Comparisons

Dif=Mean[i]-Mean[j]	Shaper	Follower	Interact	Isolate
Shaper	0.00000	0.58730	0.78992	1.16173
Follower	-0.58730	0.00000	0.20261	0.57442
Interact	-0.78992	-0.20261	0.00000	0.37181
Isolate	-1.16173	-0.57442	-0.37181	0.00000
Alpha=	0.05			

Comparisons for all pairs using Tukey-Kramer HSDq*

Abs(Dif)-LSD	Shaper	Follower	Interact	Isolate
Shaper	-0.49709	0.184828	0.315266	0.766525
Follower	0.184828	-0.27726	-0.17179	0.307830
Interact	0.315266	-0.17179	-0.4511	0.005230
Isolate	0.766525	0.307830	0.005230	-0.25548

Positive values show pairs of means that are significantly different.

Figure 6.
Perceptions of firm's
growth, by ICON
archetype

measures whenever possible. Fourth, the ICON measuring instrument was applied in a modified format, and its psychometric properties were not tested. Fifth, single-item scales were used as measures of perceived environmental turbulence and the various aspects of corporate performance.

From a methodological perspective, this study has hopefully provided a route map for future research. For a start, while the instrument used has demonstrated sound psychometric properties, no attempt was made to corroborate those under South African conditions. It would be worth testing the instrument across a range of offerings and institutional situations, to assess the extent to which industry or market-specific issues have an impact on this aspect of its performance. In addition, it would be both interesting and useful to tie management’s perceptions of ICON archetypes to other institutional variables, such as structure and to such other aspects of organizational performance as customer ratings, relative quality and reputation. Tracking studies would permit researchers to evaluate the relationship between ICON archetypes and other variables over time. Given that the data in this study derived only from marketing specialists, it would be useful to investigate the degree of convergence on archetype-related opinions and perceptions across functional areas.

So what should firms as a whole, and marketers in particular, think about archetypes and their impact on business performance? Do modes of focus and orientations actually matter, and does the answer depend on the amount of environmental turbulence? Perhaps, it is time to question the wisdom of blindly following the familiar and simplistic marketing mantra: give customers what they want. The results of this study suggest that the intelligent marketer understands that there is a time to follow and a time to lead, a time for reaction and a time for innovation, a time for intense dialogue, and a time to refrain from interaction with customers and get on with running the company. Marketing planners might wish to consider the ICON diagnosis as part of a process of intelligence-gathering, strategic planning and managerial implementation process, so that the organization’s archetype is the result of a decision made consciously, and not merely the outcome of chance or inertia.

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Further reading

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