

THE EFFECTS OF MARKET ORIENTATION AND
COOPERATION ON PERFORMANCE

Carlos Alberto Figueiral Azevedo

Dissertation submitted as partial requirement for the attainment of the Master in
Marketing

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Professor Carmen Lages, ISCTE Business School, Management Department

Co-orientation

Professor Margarida Cardoso, ISCTE Business School Quantitative Methods
Department

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Fernando Pessoa

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*Because I am for the height which I see,
I'm not the size of my height...*

Fernando Pessoa

Abstract

A *Cooperação* no campo do Marketing tem vindo a ocupar um lugar de destaque reforçado pela actual envolvente em crescente mudança, assumindo um papel cada vez mais relevante nas estratégias comerciais. Actualmente é inviável às organizações operarem sozinhas, pressionadas para reduzir custos, melhorar a qualidade do serviço e partilhar riscos, estando por isso empenhadas em cooperar na direcção dos mesmos objectivos de modo a serem competitivas. O presente estudo tem como objectivo, investigar se as empresas orientadas para o mercado revelam melhor *Desempenho* quando *Cooperam* com outras empresas. A investigação teve lugar em Portugal, com uma amostra de 221 respostas ao questionário. Destacamos na pesquisa exploratória a confirmação de que a *Orientação para o mercado* e a *Cooperação* tem um forte impacto no *Desempenho* da empresa, contudo identificamos na *Orientação para o competidor* e na *Partilha de informação* algumas excepções. Embora as empresas analisem e acompanhem as actividades dos concorrentes, e, desejam colaborar e adaptar-se às necessidades dos clientes, revelam alguma relutância na partilha interna da informação referente aos concorrentes, e na disponibilização da informação técnica, tática ou estratégica junto dos clientes, salvo se for estritamente necessário para o sucesso. Apesar desta resistência em *Partilhar informação*, a *Confiança* apresenta-se especialmente valiosa para as alianças, porque, embora em diferentes níveis, cada empresa tem de confiar no seu parceiro. Possivelmente, se as empresas *Partilharem mais informação*, podem obter melhor *Desempenho*. Consequentemente, estes achados podem construir uma ponte importante entre a *Orientação para o Mercado* e a *Cooperação* permitindo às empresas melhor *Desempenho*.

Palavras-chave: Orientação para o Mercado, Confiança, Cooperação e Performance

Classificação do JEL: M31; M10

Abstract

Cooperation in the marketing channel has conquered an increasingly prominent role in contemporary business strategy and tactics and has been considered a key driver of value for partnering companies. Currently is undesirable for organizations to operate alone, because they are under pressure to reduce costs, improve service quality and share risks. As such, companies are pressured to *Cooperate* more toward the same goals in order to remain competitive. The present study aims at investigating if *Market oriented* companies have a better *Performance* when they *Cooperate* with other companies in the context of marketing channel. The study considered *Market orientation* and *Cooperation* in order to assess their effects on *Performance*. The research setting is Portugal and the population consisted of executive board decision makers. The data comprises 221 responses through an e-mail survey. Our findings confirmed that *Market orientation* and *Cooperation* have a great impact on *Performance*. However some exceptions were found regarding *Competitor orientation* and *Information sharing*, whose impacts were no significant. Although companies analyzing their competitors' activities and are willing to collaborate and accommodates the customers' needs, they reveal reluctance in internally disseminating information about their competitors, and in sharing with their partners, technical, tactical and strategic information unless this is needed for success. *Trust* is valuable in alliances because, in different degrees, each company has to rely on their partner. It is possible that if companies practice more openly *Information sharing* they might obtain a better *Performance*. Consequently, these findings build an important bridge between *Market orientation* and *Cooperation*, suggesting that companies can to be more competitive and therefore improve their *Performance*.

Key Words: Market orientation, Trust, Cooperation and Performance.

JEL Classification: M31; M10

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Abbreviations

IAPMEI – Instituto de apoio às pequenas e médias empresas

OCDE – Organization for economic co-operation and development

SME – Small and medium size enterprises

SMS – Short message service

SPSS – Statistical package for social sciences

Executive Summary

The increasingly changing business environment is characterized by the progress of globalization, rapid technological changes and the saturation of markets due to shortened product life cycles. Therefore, organizations no more watch only the domestic market as they are pressured to seek for new ways to achieve and sustain performance advantages.

Companies endeavor build lasting relationships with their most profitable customers, based on a market oriented culture. Our study confirmed previous findings that market oriented companies are focusing on consumer's information and competitor information to create customer value (Narver and Slater, 1990), and satisfying customers through continuous needs-assessment (Day, 1994). Thus, the customer's interest come first, although not excluding those of other stakeholders such as, owners, managers, and employees (Deshpande *et al.*, 1993).

Currently, is no longer desirable that organizations operate alone. The concerning over lower costs, better quality services and shared risks, force organizations to work together toward the same goals in order to be competitive (Morgan and Hunt, 1994). Consequently, the arena has been characterized by growing instability. For that reason, we included *Trust* in our study, since it is a fundamental step in building lasting relationship between companies and because a minimum level of *Trust* is indispensable for any *Cooperation* to be formed or take place (Das and Teng, 1998).

Based on the literature review, we built a conceptual model supported on three established concepts of *Market orientation*, *Cooperation* and *Trust*. *Market orientation* consists of *Customer orientation*, *Competitor orientation* and *Intelligence generation* (Narver and Slater, 1990; Kohli and Jaworski, 1990). *Cooperation* consists of *Flexibility*, *Information sharing*, *Joint working* and *Harmony* (Heide and Miner, 1992). *Trust* was added as it could influence companies to cooperate more or less due to their effects on the decrease of uncertainty (Arino, 1997).

The purpose of this study is to investigate if *Market oriented* companies have a better *Performance* when they cooperate with other companies in current arena. The study

intended to consider both critical *Market orientation* and *Cooperation* in order to assess their effects on company *Performance*. Therefore, the *Performance* has two-dimensional construct, such as, *Economic performance* (financial profitably) and *Market performance* (customer's satisfaction).

We proposed *twelve* hypotheses, which theorized that *Market orientation* adds a positive influence on *Trust*, and on *Cooperation* as well on *Performance*, also *Trust* develop a positive effect on *Cooperation*, as well as, *Cooperation* adds a positive impact on *Performance*. Moreover, we suggested which *Market performance* influence positively *Economic performance*.

Therefore, the variables present in the theoretical framework were accessed by scales empirically tested by previous studies identified in the literature. A questionnaire was built and consisted of 40 questions related with the conceptual framework and 9 questions concerning the respondents' profile. We adopted a unique measurement seven-point Likert scale (from 1, "never", to 7, "always").

We sent an e-mail with a link to the survey, to 830 personal e-mails regarding over 700 Portuguese companies. We had 67 undeliverable e-mails, because of incorrect address. Therefore, we just regarded for the 763 valid e-mails.

From out of 763 e-mails, we collected 387 visits to the link survey, then 141 respondents did not fill the questionnaire and 25 questionnaires were filled partially. After eliminating the unusable responses, we considered 221 responses valid which were coded for data analysis. The total of 221 returned questionnaires represents an effective response rate of 29 % which is satisfactory, given that average top management survey response rates are in the range of 15 % to 20 % (Menon *et al.*, 1996).

The research setting is Portugal and the population consisted of Portuguese companies. The study relies on a non-probabilistic sampling procedure which enables to reach more sampling units. It specifically uses a convenience sampling method through a "snow ball" procedure.

The main characteristics of sample are: the services sector is the most representative with 69 % and Lisbon city represent 86 % of the sample, as well, the companies with more than 250 employees correspond to 63 %, and consequently companies with share of capital above 250 000 € is 67 %, then the turnover predominant on these companies achieve 84 % above over 1 000 000 €, furthermore, the majority of companies have more than 10 years stand for 71 %. The profile of respondents is characterized by a majority of 63 % being experts, corresponding to 114 executive boards.

The results displays a high Cronbach alpha for all eleven variables, seven of which present extremely values equal or above 0,80 so we concluded the scales are consistency and reliable.

In addition to reducing measurement error by improving variables, the research also chose to develop summated scales and was verified they were adequate since they present satisfactory coefficients, such as: all inter-item correlation coefficients were $> 0,30$ and all item-to-total correlation coefficients were $> 0,50$.

However, one exception was found in *Economic performance*. The “Item 34 – Reduced costs” reveals a low inter-items correlation and item-to-total correlation. We removed the item and since we treated “reduced costs” independently from the other variables, we got better results, with more consistency, because the error and dependency of variables were reduced.

The majority of hypotheses are verified empirically by this exploratory research, however four of them (*H1*, *H3*, *H5* and *H11*) are confirmed but subjected some conditions.

Our findings demonstrated, while “*Competitor orientation*” reveal companies have difficulties to disseminate internally information about competitors, the “*Information sharing*” reinforces *Cooperation* but, not considering *Trust* and *Market orientation*, particularly *Competitor orientation*, where *Information sharing* is not in place. Nevertheless, companies analyzing changes of their competitors and are willing to collaborates and accommodates the customer’s needs, but reveal reluctance in openly talk.

Market orientation and *Cooperation*, are related measures and they have a positive effect on *Performance* whether they are alone or associated. It is possible that if companies practice more openly *Information sharing* they will obtain better *Performance*. As a result, the findings build an important bridge between *Market orientation* and *Cooperation*, allowing companies more competitiveness and better *Performance*.

1 Introduction

The purpose of this study is to investigate if *Market oriented* companies have a better *Performance* when they cooperate with other companies. We believe that *Cooperation* deserves to be explored more deeply in order to understand its role in an increasingly competing environment.

The literature review extensively demonstrates that organizations oriented to market might increase better *Performance* (Narver and Slater, 1990), because their main focus is satisfy and add benefits to the customer desires (Day, 1994) and establish long time value with them. (Slater and Narver, 1995)

We argue that at the speed of today's world pace it is no longer desirable that organizations operate alone (Contractor and Lorange, 1988). The same authors, defended that in order to be competitive, organizations need more *Cooperation*, such as, *Information sharing*, working together toward the same goals. These drive organizations to reduce costs and share risks. Due to economies of scale, and because, avoid double investments and activities, and also increase the finance potential, and allow the access to new markets (faster market introduction and penetration), as well as, increase the time to profitability and the quality, and as close know-how gaps (Marxt and Link, 2002).

Alliances can be formed for many proposes such as vertical relations (i.e., channel dominated as well as relationships with suppliers and with customers), and horizontal relations (i.e., competitor dominated, as well as, relationships with competitors), on changes in a company's level of *Market oriented* over time (Rindfleisch and Moorman, 2003). So our studies cover a formal collaborative arrangement among two or more companies with their customers.

Our focus drops on customers, because they keep being the main motivation for companies do business, following the same line of (Drucker, 1954), there are the customers who determine what is business mean, as well as, there are the customers and just the customers who are available to buy a products or a services. These signify the production of companies' is not the most important, but the value which customers are

thinking to get. So, we defend the same vision, those customers and their concerns and needs, might coming first (Heiens, 2000). As affirmed by Narver and Slater (1990: 22) “the heart of *Market orientation* is it customers focus”.

Our conceptual model propose, a *Market oriented* companies as a main root which offer a real value to customers (Day, 1994), and through this pipeline, companies could build more *Trust* relationship with their customers (Morgan and Hunt, 1994), so, this represent a perfect environment for companies cooperate (Hunt and Lambe, 2000). For that reason, we include *Trust* in our study, because we suppose the different intensity of *Trust*, could influence companies cooperate more or less, and consequently improve the *Performance*.

Morgan and Hunt (1994) have suggested that in order to be an effective competitor in the global economy requires more *Cooperation* or networking between firms, which will lead to establish or maintain a marketing competitive advantage. Thus, this argument can be seen as a strategic issue for small and medium sized enterprises (SME's), which must seek out different alternatives of differentiation, obtaining in the end a marketing competitive advantage (Brown and Bell, 2001).

Throughout the literature review, we verified that, few studies associated market orientation with *Cooperation* (Elg, 2003), and as Morgan and Hunt (1994), and Brown and Bell (2001) suggested, *Cooperation* is relevant to current companies to get competitive advantage and to differentiate themselves on the marketplace.

Our work has been developed first by exploring the relevant literature in order to acknowledge existing knowledge. Then, we explored the conceptual definitions on the literature review to justify our conceptual model. Before we developed the empirical study, we checked a pre-test of scale measures based on survey. We use data collected from 209 Portuguese companies to test the hypothesis through path analysis using SPSS (version 17). We conclude with a discussion incorporating an overview of the study and theoretical and managerial implications.

1.1 Research background

1.1.1 Idea 1: organization forced to change in order to adapt to a new “tougher” environment

The transition from the “industrial society” to the “information society”, designation recently up dated to “knowledge society”, drove organizations to a new context. While the environment of the industrial society was characterized by stability and a low pace of change, the environment of the knowledge society made these characteristics the exception and not the norm. The current environment has been characterized by growing instability and by an enormous difficulty to make meaningful predictions (Moreira, 2000).

The increasingly changing business environment is characterized by the progress of globalization, rapid technological changes and the saturation of markets due to shortened product life cycles. As a consequence, many companies are pressured to seek for new ways to achieve and sustain *Performance* advantages through *Market orientation* and by forming collaborative relationships with their channel partners (Buzzell and Ortmeyer, 1995; Sudharshan and Sanchez, 1998; Frazier, 1999; Mentzer *et al.*, 2000; Clarke *et al.*, 2002; Martin and Grbac, 2003). Traditional exchanges involving discrete inter-company interactions and impersonal buyer-seller transactions are being replaced by *Market oriented* activities and relational type of exchanges characterized by high levels of reciprocal value delivery, joint action and long-term relationships (Dwyer *et al.*, 1987; Dyer and Singh, 1998; Morgan and Hunt, 1999; Day and Van den Bulte, 2002).

Therefore, business to business environment today is characterized by increasing globalization and organizations no more watch only the domestic market. During the last years, we have been observing a huge and quick technological development, which provide more opportunities to organizations provide better services and lower costs. The world became more open and smaller than previously which makes competition between organizations became more intensive and new solutions will be needed to add value to their customers and differentiate their services on marketplace.

1.1.2 Idea 2: organizations should adapt to the new environment with “new” tools, one of which is *Cooperation*

The literature suggests that the “best” products do not necessarily win, while the best-networked companies usually do (Srivastava *et al.*, 1998: 784), and, thus, networked market-based assets can help a company create value over and above that of stand-alone. Establishing closer relationships between buyer and seller organizations is increasingly cited as a critical differentiator of high versus low performers in marketing channels (Cousins *et al.*, 2006).

Reichheld (1996) suggests that companies should listen their customers and try to build lasting relationships with their most profitable customers instead of focusing on acquiring new customers. Interactivity, integration, customization, and co-production are currently the hallmarks of a service-cantered view and its inherent focus on the customer and on the relationship (Vargo and Lusch, 2004).

The function of the customer relationship development process is to build relationships with preferred customers (Knox, 1998). In fact, one organization may expend significant sums of money to retain an unprofitable customer, or to establish and maintain a relationship when the customer does not wish for one. Segmentation strategies, based on customer requirements, profitability, and customer loyalty are essential (Knox, 1998; Payne and Frow, 1999). This will lead to more productive marketing activities by developing and increasing individual customer loyalty (Palmatier *et al.*, 2005).

As organizations continue to expand internationally, the need to be able to understand consumer in remote places is increasing in recognition of these challenges, practicing managers and academic researchers have realized that a more integrated approach to conducting business is necessary and, as suggested, *Cooperation* and *Trust* have emerged as useful management concepts (Yener, 2003).

This involves establishing and meaningful dialog with their several stakeholders (i.e. suppliers, competitors, customers), where the level of *Trust* and *Cooperation* with them, assume a central role on achieving the best *Performance*. It has been suggested that

relationship marketing investments build stronger, more trusting customer relationships and improve financial performance (Morgan and Hunt, 1994).

In today's business-to-business arena, there is an intensive pressure to improve the efficiency and effectiveness of both marketing and procurement efforts. (Dertzousas *et al.*, 1989). *Cooperation* between companies have been successfully employed in both vertical relations (between channel members) and horizontal relations (between competitors) as a means of gaining access to new knowledge and of reducing the costs and risks associated with developing new products and processes (Brandenburger and Nalebuff, 1996 ; Millson *et al.*, 1996).

Organizations everywhere are seeking ways to perform these critical functions better, while reducing costs in the value adding process (Dertzousas *et al.*, 1989). Concerns over lower cost and better quality service, force organizations need for more *Cooperation* with their customers, and with their competitors (Cannon and Perreault Jr., 1999).

Hence, we sustain the same view of (Marxt and Link, 2002) , that on the one hand, *Cooperation* with customer's allows finding what kind of value they want or need, which increases customer satisfaction and retention, and on the other hand, *Cooperation* with competitors allows cost reduction, and margin protection.

1.1.3 Idea 3: *Market orientation* has been proved to be a fundamental driver of *Performance*

By the late 1980s, the term *Market orientation* was being used synonymously with marketing concept (Shapiro, 1988; Webster, 1988), and the governing determinants of a *Market orientation* were identified as market information collection usage. Shapiro (1988: 120) noted that “an organization has a *Market orientation* only if information on all important buying influences permeates every corporate function”, whereas Seines and Wesenberg (1993: 23) explained *Market orientation* as a “response to market information”.

In accordance with this informational focal point for *Market orientation*, Kohli and Jaworski (1990) conceptualized *Market orientation* as the implementation of the

marketing concept and developed a measure (Kohli *et al.*, 1993) that focused on the firm's activities and behaviors regarding customer needs, competitive information, market intelligence, and the sharing of such knowledge across organizational functions. Narver and Slater (1990: 21) offered a similar view, suggesting that *Market orientation* consists of three behavioral components (customer orientation, competitor orientation, and inter functional coordination).

Deshpande and Farley (1996: 13) slightly altered the definition of *Market orientation* on the basis of a factor analysis of three *Market orientation* measures. Their definition emphasizes a *Customer orientation: Market orientation* is “the set of cross-functional processes and activities directed at creating and satisfying customers through continuous needs-assessment”.

However, we adopt Slater and Narver (1994), and Kohli and Jaworski (1990), definition of *Market orientation* for use in this study as a more comprehensive conceptualization of the construct: Slater and Narver (1994: 22) stated that, “to achieve superior *Performance*, a business must developed and sustain competitive advantage. So, a business is *Market oriented* when its culture is systematically and entirely committed to the continuous creating of superior customer value. Specifically, this entails collecting and coordinating information on customers, competitors and other significant market influences (such regulators and suppliers), to use in building that value”; and Kohli and Jaworski (1990), stated that *Market oriented* provides a unifying focus for the efforts and projects of individuals, thereby leading to superior *Performance*.

1.1.4 Idea 4: the perception of *Market orientation* and *Cooperation* between companies, to face the global challenge arena.

Global competition and maturing domestic markets are creating increasingly competitive conditions for channel partners. Competitive pressures encourage companies to decrease their investments in traditional channels, finding alternative (Arthur Andersen & Co., 1995; Frazier and Antia, 1995). Thus, this kind of atmosphere enhances the motivation for companies cooperate more. (Siguaw *et al.*, 1998)

Management literature broadly supports the view that, through *Cooperation*, organizations can improve their market understanding and their ability to adapt to their environment (Axelsson and Easton, 1992; Contractor and Lorange, 1988; Gulati, 1998; Morgan and Hunt, 1994). Evidence of professional practice of this idea is increasing (Elg, 2007). *Cooperation* between companies thus, reaches beyond areas such as technology or logistics, to include the interpretation of market signals and the development of a suitable competitive response to these (Elg, 2007). Examples such as show, that *Market orientation* is largely an effect of interaction between companies. (Elg, 2007)

Inter-company *Intelligence generation* thus refers to collaborative marketing activities involving several firms. Examples could include joint projects or informal activities aimed at gathering information about consumer trends, shopping behavior, etc. Inter-company intelligence dissemination refers to members exchanging market data among themselves and could include informal one-to-one supplier–retailer chat or information exchange in a formal setting such as a trade association. Inter-company responsiveness can be exemplified by a retailer bringing together manufacturers, distributors and store units in order to perform joint promotional activities, or adapting their product development more closely to consumer needs.(Elg, 2007)

So, previous authors have suggested that the nature of the inter-company relationship affects the internal *Market orientation* of the individual retailer or manufacturer (Langerak, 2001; Martin and Grbac, 2003), and that there is a positive relationship between the interacting retailer's and supplier's internal *Market orientation* (Siguaw *et al.*, 1998) as well as between internal *Market orientation* activities and the overall quality of the inter-company relationship (Tuominen *et al.*, 2004). They have also suggested a strong link between inter-company activities and the values offered to the customer at the end of the chain (Elg, 2007).

A competitive advantage is sustainable when the organizations get a superior *Performance* to their competitors (Porter, 1989). Thus organizations have to be ahead of differentiation and customization products and services to their customers. For companies to be competitive, delivering appropriate customer benefits is essential (Day, 1990). A customer that receives little benefit from a supplier will switch to another

supplier that offers more benefits (Grönroos, 1997; Sinha and DeSarbo, 1998). In addition, Hooley and Saunders (1993: 13) state that “customers are less interested in specific features of a product or service than in what kind of benefits they get from buying, using, or consuming it”.

Previous research shows that a company’s internal degree of *Market orientation* is influenced by the *Market orientation* of other companies in the same vertical system and by relational properties such as *Trust* and commitment (Langerak, 2001; Siguaw *et al.*, 1998). So, *Market oriented* companies shape an environment to build *Trust* with customers, and generate a competitive advantage with them (Day, 1994; Hunt and Morgan, 1996). As put by Hunt and Lambe (2000: 28), companies that create superior value for customers by collaborating with other organizations “must develop a strategy of *Market orientation*”, this imply, *Cooperation* appear as a part of *Market oriented*.

The present work regards *Cooperation* activities as a specific part of *Market orientation*, as the activities performed jointly by two or more independent companies to create a network or an individual relationship more sensitive to the ultimate demands of the final market.

1.1.5 Gap found on literature

Little attention has yet been given to *Market orientation* with regard to inter-company relationships in market channels (Elg, 2003). Furthermore, knowledge about the connection between *Market orientation* and relationships between companies is limited (Grunert *et al.*, 2005; Hunt and Lambe, 2000; Tuominen *et al.*, 2004).

This lack of attention is regrettable given the potentially sweeping effects of a company’s *Market oriented* actions and the importance of productive inter-company’s relationships in marketing channels (Siguaw *et al.*, 1998; Beverland and Lindgreen, 2007).

So, we believe these variables together are very important and justify a deeply study in the current conjuncture, and in addition, because our conceptual model such as it is draw, was not investigated until now. Therefore, we suppose this conceptual model

could help companies be more efficiency or effectiveness, and improve their *Performance*.

This study intends to cover this knowledge gap by verifying if *Market orientation* companies have a better *Performance* when they cooperates with other companies and assess if the level of intensity of *Trust* could influence more or less *Cooperation* between them.

1.2 Research problem

Our theoretical model is based on literature review, in which previous research demonstrated that *Market orientation* affects positively the level of *Performance* (Gounaris *et al.*, 2003), and cooperative actions promote benefits to both partners, thus enhancing competitiveness of both partners and reducing transaction costs (Doney and Cannon, 1997; Ganesan, 1994; Morgan and Hunt, 1994).

The literature suggests *Market orientation* companies increase value for customers (Day, 1994), therefore, these construct, drive more satisfaction on customers (Anderson *et al.*, 1990) and consequently more *Trust* (Morgan and Hunt, 1994). As observed by (Luhmann, 1988), *Trust* is used to reduce the complexity of the absent and gain positive expectation, and in same line of Lane and Bachmann (1996), *Trust* is instrumental in reducing uncertainty. Therefore, the intensity the level of *Trust* could influence positively the *Cooperation* (Siguaw *et al.*, 1998), and as Brown and Bell (2001) suggested, *Cooperation* is relevant to current companies to get competitive advantage and to differentiate themselves on the marketplace.

The literature recommended these variables are very significant, so, we decided include all of them on our conceptual model, because the major propose of this study, is to understand if *Market orientation* improves better *Performance* when companies *Cooperate* and asses if the level of intensity of *Trust* leads more *Cooperation* between companies, and consequently improve the *Performance*.

The empirical test which we proposed through the hypotheses in the context of market might provide evidence on how *Market orientation*, *Customer orientation*, *Competitor*

orientation, Intelligence generation and Cooperation, through Flexibility, Information sharing, Join working and Harmony, influence positively the Performance.

2 Literature Review

Marketing literature has largely focused on the definition, measurement, impact, and organizational drivers of *Market orientation* (Jaworski and Kohli, 1996) thus, the importance of relationship oriented culture is crucial to all levels of the modern organization (Day, 1990; Deshpande and Webster, 1989; Narver and Slater, 1990; Shapiro, 1988), to face the new challenges of market.

Marketing can be defined as activities that attract, develop, maintain, and enhance customer relationships (Berry, 1995; Parasuraman *et al.*, 1991; Grönroos, 1984), and generally speaking, investing time, effort, and other irrecoverable resources in a relationship creates psychological bonds that encourage customers to stay with the relationship, and sets an expectation of reciprocation (Smith and Barclay, 1997).

2.1 Market orientation

Market orientation is valuable because it focuses the organization on first, then continuously collecting information about target customers needs and competitors capabilities and second, using this information to create continuously superior customer value (Slater and Narver, 1995) and, as mentioned by Day (1994), *Market orientation* represents superior skills in understanding and satisfying customers.

Narver and Slater (1990: 21) stated, that *Market orientation* consisting of three behavioural components, such as customer orientation; competitor orientation, and inter-functional coordination. *Customer orientation* and *Competitor orientation* both emphasize the gathering and processing of information pertaining to customer preferences and competitor capabilities (Lukas and Ferrell, 2000). Narver and Slater (1990: 22) insisted that to satisfy the target customers' current and expected needs and wants, *Market oriented* organization needed to understand and analyze the major current and potential competitors. The third component "inter-functional coordination" was defined "the coordinated utilization of company resources in creating superior value for target customers."

Kohli and Jaworski (1990: 6) based on the previous literature, suggested the three pillars of marketing concept: (1) customer focus, (2) coordinated marketing, and (3) profitability, and defined the *Market orientation* as “the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organization-wide responsiveness to it.” Three core themes underline the operational definition: (1) intelligence generation, (2) intelligence dissemination, and (3) responsiveness. According to Kohli and Jaworski (1990), market intelligence involved careful analysis and anticipation of customer needs, preferences, and various market factors such as government regulation, technology, competitors, and other environmental forces. Effective market intelligence entailed organizational activities to develop an understanding of current and future customer needs and the factors influencing them. Intelligence dissemination means that participation of all departments in an organization is required for responding effectively to a market need.

Several authors have criticised Narver and Slater’s and Kohli and Jaworski’s scales (Esteban *et al.*, 2002). Touminen and Moller’s (1996) suggest the integration of the cognitive as a cultural perspective and the behavioural perspectives of *Market orientation*. Whereas Kohli and Jaworski (1990) define *Market orientation* from a behavioral perspective, Narver and Slater (1990: 21) define *Market orientation* from a cultural perspective and assert that *Market orientation* is “an essential element of business culture that most effectively and efficiently creates the necessary behaviors for the creation of superior value for buyers (customers) and, thus, continuous superior *Performance* for the business”. Our intention is to measure *Market orientation* from the cultural perspective, in line with Narver and Slater’s proposal, and from a behavioural perspective from Kohli and Jaworski’s proposal.

Therefore, we find support on this work to measure *Market orientation* as a three-dimensional construct, such as: *Customer orientation*; *Competitor orientation*; and *Intelligence generation*.

2.1.1 Customer orientation

Customer orientation represents the organizational culture according to which managers collect and use customer information (Kohli and Jaworski 1990; Ruekert, 1992; Shapiro, 1988). Customer plays the main role, thus *Customer orientation* is the behavior in which salesperson assist customer in making purchase decisions that will satisfy long term wants and needs (Michaels and Day, 1985; Saxe and Weitz, 1982; Siguaw *et al.*, 1994). In same line, Deshpande *et al.* (1993), define *Customer orientation*, as the set of beliefs that puts the customer's interest first, while not excluding those of other stakeholders such as, owners, managers, and employees, in order to develop a long-term profitable enterprise, so, we believe *Customer orientation* holds that success will come to the organization that best determines the perceptions, needs, and wants of target markets, and satisfies them through the design, communication, pricing and delivery of appropriate and competitively viable offerings.

2.1.2 Competitor orientation

Competitor orientation means that a service provider understands the short-term strengths and weaknesses and long-term capabilities and strategies of key current and potential competitors (Narver and Slater, 1990). The same author argued that *Competitor orientation* includes the activities involved in acquiring information about the competitors in the target market and transmitting it throughout the company.

2.1.3 Intelligence generation

As for *Intelligence generation*, Narver and Slater (1990) indicate that intelligence (or knowledge) is generated when data are collected and given meaning with respect to changing the potential range of organization behavior. This intelligence provides a focus for the business's product development and sales growth efforts by enabling the business to develop strong relationships with key customers and insights into opportunities for marketing development (Camarero *et al.*, 2005). The management of information has always been an essential component of good management practice (Yaman and Shaw, 1998). However, the mere possession of information is not

sufficient; therefore, the organizations that will have a decisive competitive advantage will be those that can make the best use of the knowledge they possess (Young, 2008).

Thus, Slater and Narver (2000), argued that the critical challenge for any business is to create the combination of culture and climate that maximizes organizational learning on how to create superior customer value in dynamic and turbulent markets, because the ability to learn faster than competitors may be the only source of sustainable competitive advantages (DeGeus, 1988; Dickson, 1992).

Customer consequences of *Market orientation* include the company's bet on service quality, consumer relationships and customer satisfaction (Jaworski and Kohli, 1993). On the other hand, customer relationship activities should have positive associations with organizational *Performance* because, if effective, they increase repeat purchase behaviors and are associated with lower levels of customer complaints and negative word of mouth (Szymanski and Henard, 2001). Similarly, quality can influence *Performance* through higher prices, higher market share, and, or lower costs (Fornell, 1992; Slater and Narver, 1994; Kirca *et al.*, 2005).

So, in the same line, Whitehall *et al.* (2003: 111) points out, *Market orientation* can lead to superior *Performance* in the market place and "today's top companies are customer led". These suggest an increase level of *Market orientation* can lead to improvements in company *Performance* (Atuahene-Gima, 1996; Han *et al.*, 1998; Deshpande and Farley, 1999; Dobni and Luffman, 2000; Dawes, 2000; Narver and Slater, 1990). Higher company performance means that more value will be created for the shareholders of company, in practice this is usually measure through increase sales performance or improve company profits.

Hence, *Market orientation*'s positive association with *Market performance* provides the critical foundation (Narver and Slater, 1990). In light of these views, we include *Market orientation* in our studies, based on these findings, as Gounaris *et al.* (2003) indicate that once *Market orientation* has been developed, the company's ability to derive superior *Performance* is attributed to the subsequent skills it builds which allow for a better understanding of the customer needs and consequently differentiation this offer from their competitors.

2.2 Trust

Trust exists when one party has confidence in an exchange partner's reliability and integrity (Morgan and Hunt, 1994). According the same authors, *Trust* plays a major role in the success of developing customer relationships. Therefore, *Trust* is defined by Moorman *et al.* (1993: 315) as "a willingness to rely on an exchange partner in whom one has confidence".

In general, *Trust* is affected by perceptions of the trustee's ability, integrity, and benevolence, but in addition, these attributes are also influenced by past experiences and the trustee's reputation (Butler, 1991). Buyer *Trust* reflects the buyer's confidence in the salesperson's reliability and integrity (Crosby *et al.*, 1990). In the same line we find that *Trust* as the perceived credibility and benevolence of the supplier as viewed by the customer (Doney and Cannon, 1997; Ganesan, 1994). Thus, *Trust* is the belief that another party can be relied on with confidence to perform role responsibilities in a fiduciary manner. Therefore *Trust* is often conceptualized as encompassing perceptions of honesty and integrity, reliability and dependability, responsibility and positive motives intentions (Smith, 1998).

2.2.1 Effects of Trust on Cooperation

Trust is a fundamental step in building long-term relationship between buyer and seller (Garbarino and Johnson, 1999). As Arrow puts it, "virtually every commercial transaction has within itself an element of *Trust*" (1974: 357). Because it is impossible to monitor every detail, in most exchanges, firm must always have a minimum level of *Trust* (Das and Teng, 1998). *Trust* is especially valuable in alliances because, in varying degrees, each company has to rely on their partner's performance and might become vulnerable to partner's actions (Kumar, 1996). *Trust* is believed to be a source of confidence because, by definition, *Trust* is the degree to which the partner holds a positive attitude toward the trustee's goodwill in a risk exchange situation (Gambetta, 1988). Confidence in partner *Cooperation* is a company perceived certainty that its partner will act in a responsive manner (Das and Teng, 1998).

Various types of alliances may require different levels of confidence in partner *Cooperation*. First of all, some types of alliances require much more alliance-specific investments than others (Joskow, 1987). Alliances-specific investments often are non-recoverable investments, since they represent the amount of resources committed to the alliance that cannot be fully recovered if there is unplanned alliance dissolution. The more alliance-specific the investments, the more risk there is for partner companies. Thus, a higher level of alliances-specific investments demands a higher level of confidence in *Cooperation*, which helps assuage the partners' concerns about alliance performance. Other words, partners need more certainty about *Cooperation* in order to commit substantially to an alliance (Das and Teng, 1998).

In line of this thinking, we suggest that *Trust* level may be a moderator, although *Trust* level is not static in any given relationship (Creed and Miles, 1996).

2.2.2 Effects of Trust on flexibility

Likewise, Spekman (1988: 79) has observed that *Trust* is “the cornerstone of the strategic partnership” of long-term relationships. Why? Because relationships characterized by *Trust* are so highly valued that parties will desire to commit themselves to such relationships. Mutual *Trust* is needed to develop confidence over time and yield long-term benefits (Dwyer *et al.*, 1987). *Flexibility* defines a bilateral expectation of willingness to make adaptations as circumstances change, so, the mutual *Trust* builds a positive context for these changes (Heide and John, 1990).

2.2.3 Effects of Trust on information sharing

Then, research suggests that *Trust* reduces the perception of risk associated with opportunistic behavior, reduces transaction costs, and increases confidence in the supplier (Ganesan, 1994). In addition, as Frazier and colleagues (1994) suggest, *Trust* between a buyer and a seller allows for more open sharing of information and ideas that are beneficial to both parties in serving their customers. According to the findings of Palmatier *et al.* (2005), *Trust* is a key dimension of (objective) *Performance*, and it is widely accepted that *Trust* plays a central role in the development of relationship performance (Dwyer *et al.*, 1987; Morgan and Hunt, 1994).

2.2.4 Effects of Trust on joint working

We find on Morgan and Hunt (1994), *Trust* also leads to *Cooperative* behaviors and decrease in uncertainty. They suggested that *Trust* behavior influence customers through management policies and practices and frontline employee. *Trust* is positioned here as having a direct influence on *Cooperation* (Bendaputi and Berry, 1997; Morgan and Hunt, 1994). Thus, the level of *Trust* is an essential ingredient in the creation, development, and maintenance of long-term relationships between buyers and suppliers (Anderson *et al.*, 1990; Ganesan, 1994).

2.2.5 Effects of Trust on Harmony

Trust also represents value (Arrow, 1974) that provides enhanced benefits to both parties in a relationship (Barber, 1983) by allowing them to take risks because one's partner is unlikely to act opportunistically (Morgan and Hunt, 1994). Furthermore, the trusting party need not monitor its partner's behaviors to safeguard self-interests (Andaleeb, 1996) which should foster mutual attachment and contribute to the continuity of the relationship.

Therefore, this involves an active participation of any inter-company *Cooperation*, when one companies *Trust* the other and consequently, *Trust* is an important influence to interpersonal and inter-group behavior (Golembiewski and McConkie, 1975; Coulter and Coulter, 2003) as well as, it is a critical element of competitive success in companies (Wolfe, 2003).

2.3 Cooperation

The *Cooperation* concept has been described in a variety of ways; inter organizational *Cooperation* reflects the abilities of two or more organizations to collaborate and work together in a join fashion toward their respective goals (Bengston and Kock, 1999; Kay, 1995; Stern and Reve, 1980).

Metcalf and Frear (1993) define *Cooperation* as an agreement between organizations about the appropriate role and scope of both organizations and the coordination of work

so that activities are integrated for maximum effectiveness and efficiency for both parties. Hence, mutual *Cooperation* is defined as “similar or complementary coordinated actions taken by organizations in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time” (Anderson *et al.*, 1990: 45).

In same line, Morgan and Hunt (1994) support that, *Cooperation* requires two parties in relationships to participate actively to achieve mutual benefits and that *Cooperation* promotes success in relationship, thus we defend, *Cooperation* between partners in a relationship exchange process grows as each partner perceives greater benefits from working together than from working independently.

We find in literature that *Cooperation* from the Latin *co*, meaning “together” and operate “to work”, refer to situation in which parties work together to achieve mutual goals (Anderson *et al.*, 1990). Relationships require cooperative behavior. (Morgan and Hunt, 1994) According the same author, commitment to a relationship decreases propensity to end a relationship, and, such as, suggested by Arino (1997), *Cooperation* may include commitment (i.e., making efforts). Therefore, *Cooperation* promotes relationship marketing success.

Because conflict behaviors can coexist temporally with cooperative actions, cooperative is not simply the absence of conflict (Frazier, 1983). Seen *Cooperation* in term of interactions, communications, and fight for same goals, means solve problems and conflicts easier. Kay (1995) maintains that one of the most importance objectives of a commercial relationship is *Cooperation*. As long term partnerships and strategic alliances between organizations become increasingly important, more detailed knowledge regarding achieving inter organizational *Cooperation* is needed. According Kay (1995), organization *Cooperation* with other organizations is a core distinctive competency for business success.

Organizations everywhere are seeking ways to perform these critical functions better, while reducing costs in the value adding process (Dertzousas *et al.*, 1989). Concerns over lower cost and better quality service, force organizations need for more

Cooperation with their customers, and with their competitors (Cannon and Perreault Jr., 1999).

There are several ways to develop *Cooperation* between companies, and it has been successfully employed in both vertical channel and horizontal channel (Brandenburger and Nalebuff, 1996; Millson *et al.*, 1996). Because, the customers are scarce; and without them, the companies cease to exist, plans must be laid to acquire and keep customers. Today's customers are placing greater weight on quality and value in making their purchase decisions (Kottler, 1997). For that reason, our study focuses the *Cooperation* on customer's relationship.

In sum, *Cooperation* is a complex concept that is a part of the relationship processes both parties in the relationship must engage in cooperative activities in order for the companies to reap synergistic effects (Kay, 1995). A motivation for working together is the need to overcome a lack of recourses but, an organization will avoid interactions with others if the benefits of *Cooperation* do not exceed the cost since *Cooperation* is complicated, is costly, and involves a loss of autonomy (Homburg *et al.*, 2002). Thus, we theorize, the effect of *Cooperation* between companies adds a positive impact on *Performance*.

2.3.1 Cooperation domains

Cooperation has been conceptualized as multi-dimensional by many researchers. The four dimensions of *Cooperation* were discussed by Heide and Miner (1992). We adopt Heide and Miner (1992) conceptualization where *Cooperation* includes *Flexibility*, *Information sharing*, *Joint working* and *Harmony*. "Clearly, these not four different measures of a single construct, level of *Cooperation* between companies, but four different domains in which both *Cooperation* and defection are possible" (Heide and Miner, 1992: 275).

These *domains* (or *sub dimensions*) are not intended to encompass the universe of possible intercompany cooperative behaviors. We select these domains because each seems to have gained a degree of prominence in the literature. Each domain of *Cooperation* is discussed next.

2.3.2 Flexibility

Flexibility refers to the extent to which the company is willing and able to make changes to accommodate the customer's changing needs (Anderson and Narus, 1995; Noordewier *et al.*, 1990). This typically includes quick responses to the often-unanticipated needs of customers. Thus, providing better service through quicker and easier problem solving represents an added relationship value in marketplace context and a contribution to the buyer–supplier relationship.

Company *Flexibility* can also assist customers in improving their processes and smoothing them out (Mohr and Spekman, 1994; Cannon and Homburg, 2001). In addition to cost reduction, another important benefit of supplier flexibility is the customer's resultant ability to be more flexible to its own customers (Cannon and Homburg, 2001).

Flexibility refers to the willingness of each partner to conform to changes in the environment (Heide and Miner, 1992; Kauffman and Dant, 1991), and “defines a bilateral expectation of willingness to make adaptations as circumstances change, it represents insurance that the relationship will be subject to good - faith modification if a particular practice of either party proves detrimental in the light of changed circumstances” (Heide and John, 1990: 35).

We found on currently literature that *Flexibility* means one of the tops management thinking of companies, because the high speed that innovation spread by all over world, demand organizations as to be in constant alert to anticipate the new fashions to answer their customers' needs and wants. So, to be competitive, organizations has to be more receptive new partners, cooperates each other to be stronger enough to compete in marketplace, therefore, *Cooperation* demands a rapid and high level of *Flexibility* to adapt the pressure of market competition.

2.3.3 Information sharing

Information sharing refers to open sharing and exchange of strategic technical information. This is similar to the “Information exchange” domain of Heide and Miner (1992), as well as, all purchase transactions involve information exchange.

Based on Cannon and Homburg's (2001), the amount of information sharing may be useful to relationship, in other words, the amount and frequency of *Information sharing* refers to how long and how often the organizations openly enter into contact with each other (Farace *et al.*, 1997), consequently, *Information sharing* is vital as it can strengthen relationships.

Communication it is not synonymous with the sending or receiving of information per se. For communication occur, people must not only exchange information, but also be able to decipher each other's codes (Mohr and Nevin, 1990). In communication exchange, is two ways to achieve shared understanding (Duncan and Moriarty, 1998) and it is argued that "communication is the essence of organizations" (Weick, 1987: 99). Communication can be considered to be the most important element in successful inter organization exchange, as "the most carefully designed relationship will crumble without good, frequent communication" (Bleeke and Ernst, 1993: 14). Highly interactive organizations spend managerial and financial resources to maintain and develop communication networks within their environment, reflecting management views that these communication linkages are key and beneficial to strong relationships and to the organization's performance (Calantone and Schatzel, 2000).

On the contrary, inefficient communication may lead to conflict due to misinterpretation and reciprocal dissatisfaction (Etgar, 1979). Therefore, communication quality of the relationship reflects "the nature and extent of formal and informal communications during the strategy making process" (Menon *et al.*, 1999: 22). Communications between partners (*Information sharing*) can be defined as "the formal as well as informal sharing of information" (Anderson and Narus, 1984: 66). While formal communication between parties is likely to be a routine, referring to communication through written form and formal meetings, informal forms of communication are more personalized (Ruekert and Walker, 1987). Otherwise formal communication tends to be planned, precise and structured, informal communication tends to be unplanned, vague and ad hoc (Anderson *et al.*, 1987; Mohr *et al.*, 1996).

So, information provides great value to the recipient (Moorman *et al.*, 1992). Members of the organization cooperate and are willing to share information (Miles *et al.*, 1997),

hence, *Cooperation* is based in *Sharing information* to achieve better mutual goals, and satisfaction needs each other.

2.3.4 *Joint working*

This domain refers to the parties of relationship engaging in combined decision-making and solving problems. In the business-to-business setting, *Joint working* arrangements can occur over a large set of issues, for example, product design and development, value analysis and target costing, quality control, logistics and delivery systems (Nielson, 1997). Anderson *et al.* (1987) and Dwyer *et al.* (1987) suggested that when parties in a relationship participate and make joint decisions about goals and plans affecting the outcome of the relationship and the relationship is typically successful. Specifically with respect to relationship outcomes, Mohr and Spekman (1994) found that partnerships that had higher levels of *Joint working* arrangements tend to yield higher sales.

Furthermore, *Joint working* offers the buyer a sense of co-ownership of the process and will foster a greater degree of commitment to the supplier (Anderson *et al.*, 1990), who is now more truly a partner in the relationship. As in the case of true partnership, *Joint working* arrangements with the supplier help strengthen the bond that ties the two parties' together (Anderson *et al.*, 1987; Mohr and Spekman, 1994). In other words, these *Joint working* arrangements will help cement the buyer's loyalty to the supplier.

Sethuraman *et al.* (1988) contend that relationship partners contribute to the competitive advantage that both companies share in the final customer marketplace. Related to this, complementarity appears to be the primary element for a strategic alliance (relationship) to succeed (Harrigan, 1986). Complementarity can be described as the need of each company to provide the other with some requisite competitive advantage. By doing so, "the companies jointly attain a competitive advantage that each company could not easily attain by itself" (Sethuraman *et al.*, 1988: 330).

2.3.5 Harmony

Reflects forbearance from opportunism by partners in a business relationship, as Buckley and Casson (1988) describe “forbearing” behavior as the avoidance of relationship partners “taking opportunistic advantage” for one another. In other words, when relationship partners forbear for being unfair to one another, they have harmonious co-existence. A harmonious relationship would entail each company in the relationship restraining its usage of power, as in Heide and Miner (1992) model. Joshi and Stump (1999) describe the various ways in which such behavior might be manifested in terms of governance mechanisms (i.e., incentive-based or authority-based). They further note that the trend has been for companies to adopt bilateral tools of governance that allow exchange partners to curtail opportunism in a positive manner (i.e., the incentive-based approaches).

The concept of opportunistic behavior from the transaction cost analyses literature is defined as “self-interest seeking with guide”. (Williamson, 1985: 6) Hence, instead companies adopted opportunistic behavior, they performed aware their partnership. This behavior, contributes for a harmonious environment between companies.

2.3.6 Openness

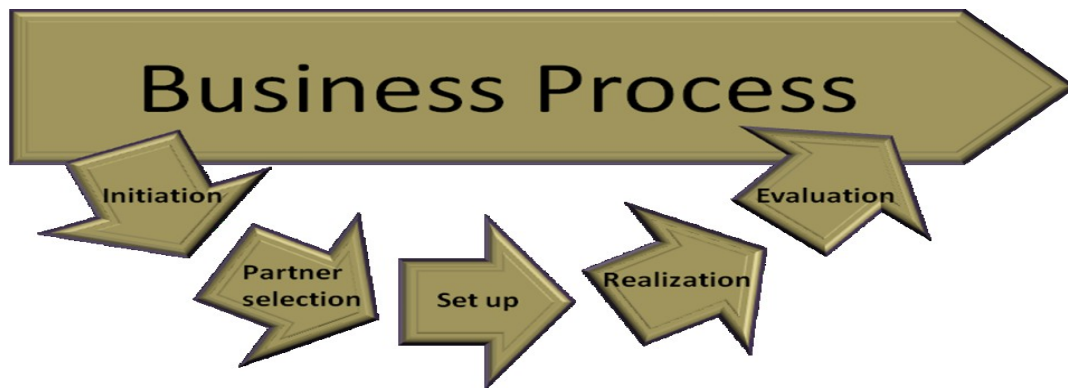
Cooperation is a multivariate construct which combine several dimensions. The “*Openness*” dimension was adapted from Kauffman and Dant (1991) and added to the other *Cooperation* dimensions (*Flexibility, Information sharing, Joint working and Harmony*). *Openness* means the participants open attitude to joint working. The designation “*Openness*” is a re-labeling of the dimension originally labeled by Kauffman and Dant (1991) as “*Cooperation*”; in order to avoid the same designation as the construct’s. Furthermore, its items do not overlap but complement the existing ones.

Therefore, *Cooperation* is an essential and evident part of most inter-organizational activity (Morgan and Hunt, 1994; Sigauw *et al.*, 1998). Two companies that cooperate are also likely to find a need to adapt more to each other, exchange more information, learn more about each other’s markets and consumers, etc. (Contractor and Lorange, 1988; Ford *et al.*, 1998).

When the exchange involves, for instance, more complex products or technological issues, it can also be expected to involve more employees from the organizations, and thus the number of contacts and opportunities to exchange market information will increase as well (Elg, 2003). *Cooperation* is, however, also about norms and expectations (Anderson *et al.*, 1990), so, the existence of norms and structures that reward cooperative behavior in general can also be expected to support inter-company *Market orientation* (Elg, 2003).

2.3.7 Cooperation process

Any relationship has risks and same probability failed, however we not cover this issue in this investigation. This chapter just show as *Cooperation* developed between partners. As most of the activities in modern enterprises the inter-company *Cooperation* can be understood as a process. This process can be divided in the following five phases: initiation, partner selection, setup, realization and the evaluation (including termination or re-launch). Figure 1 shows the main elements of this process (Marxt and Link, 2002). In order to simplify the figure, possible loops from one phase back to precedent are not shown, neither is the involvement of the partner during set-up, realization and evaluation. Whenever a partner is contacted by another, he needs to carry out a reverse initiation and partner selection phase in order to determine if the *Cooperation* project matches with its own strategies. In the following they are only explained from the point of view of the partner, which initiates the *Cooperation*. The management focus varies along the collaboration process, the amount of information grows and the uncertainty should decrease (Marxt and Link, 2002).

Figure 1 – *Cooperation* process and chance management activities

Source from Marxt and Link

2.3.7.1 *Initiation*

Before, a process of *Cooperation* can be initiated a chance analysis have to be carried out during project planning. Based on these thoughts either *Cooperation* can be initiated or other strategic options (e.g. acquisitions or joint ventures), have to be considered (Staudt *et al.*, 1992).

2.3.7.2 *Partner selection*

The choice of the right partner is probably the most critical issue in order to collaborate successfully. The management has to audit carefully, which portfolio of competencies, know-how and resources the partner offers. Following the requirement profile the best suiting partner is selected. In addition to that cultural factors (e.g. trust, engagement, and risk awareness) and structural factors (e.g. distance, size) have to be considered. The objectives of the partners have to match. If no fit between the partners' strategies can be established, the *Co-operation* should be stopped at that point of time (Das and Teng, 1998).

2.3.7.3 *Set up of the cooperation*

Further discussion leads to a detailed accordance. The business situation for both partners in the first phases of the *Cooperation* has to be analyzed and a combined analysis of strengths, weaknesses, opportunities and threats (SWOT) will be carried out.

Afterward the project goals will be clearly defined. During the set-up of the *Cooperation* the overall risks and chances are well to the fore. From this point in time, the project will be managed together and the risks and chances have to be analyzed by both partners. The mutual project team gains know-how, which can be used optimally for planning and executing the project. With a combination of the know-how of the partners the uncertainty can be reduced. During the set-up phase a project risk and chances analysis should be carried out together. Prior to signing the contract, each partner has to review the contract in terms of fairness, tasks and responsibilities. Thereby the balance between risks, benefits and expenditure of the overall package should be taken into account (Marxt and Link, 2002).

2.3.7.4 Realization

The realization corresponds to “common” project management. During the realization the focus is on analyzing and handling risks. The risk management activities in a *Cooperation* project are not much different from a common internal project. The responsibilities and rights have to be specified and communicated. Clearly defined milestones, regular project reviews and a culture of *Trust* is necessary. Conflicts should be solved prior to escalation. Opportunistic behavior often results from unsolved conflicts and from a latent dissatisfaction with the actual situation (Marxt and Link, 2002).

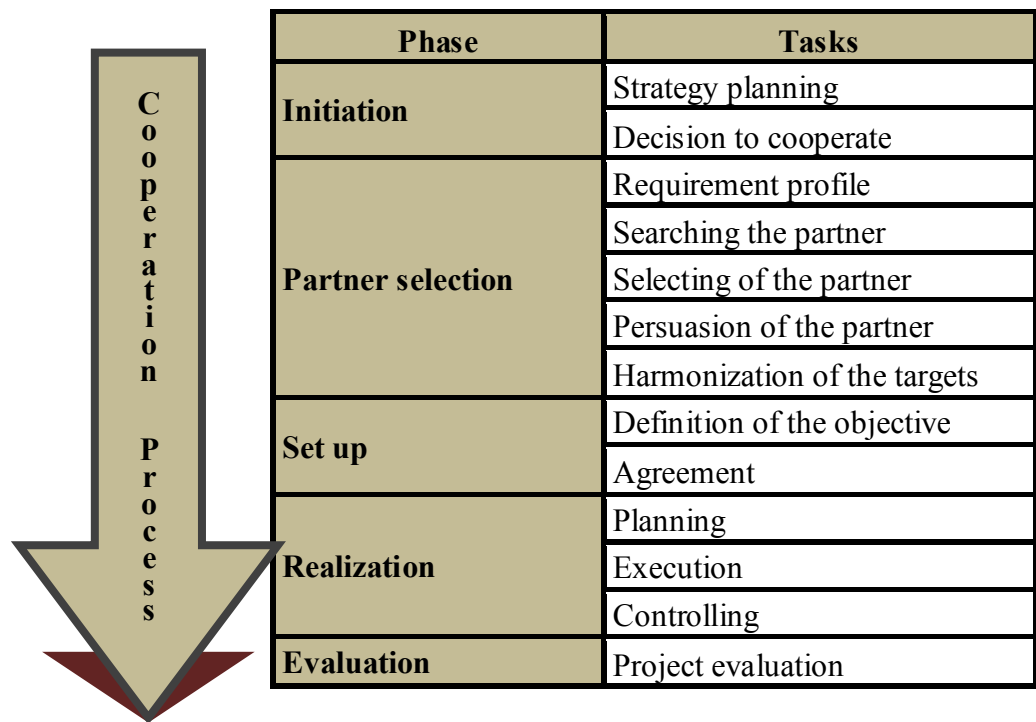
2.3.7.5 Evaluation

The internal and external processes and the success of the *Cooperation* as a whole are evaluated. This allows a project-to-project know-how transfer and assures that the experience with *Cooperation* in general and with is specific partner is made known in the company. The partner and his behavior are also analyzed (Marxt and Link, 2002).

Hence, following the work of Marxt and Link (2002), the *Cooperation* process intended to give practical advice on how project managers can successfully handle risks. From Figure 2, it can be seen that the chance management of an intercompany *Cooperation* is highly complex. The presented concept offers a good help in planning a cooperative

venture. Figure 2 gives a simple overview on activities managers have to deal with in which phase of the *Cooperation* process. The concept cannot guarantee success, but it should help the project manager

Figure 2 – Analysis phase versus main tasks of the *Cooperation* process



Therefore, we theorize that importance of intercompany *Cooperation* in our framework, affects positively the company strategy and *Performance*, because the level of *Cooperation* is widely recognized in both the buyer and seller relationship and channels literatures. For example, Franzier *et al.* (1988) theorized that *Cooperation* can result in lower costs and improve products and technology which leads to increase revenues and profits (Frazier, 1983). In the area of channel relationships, theorized that the extrinsic rewards of *Cooperation* include increases in market share, sales volume and profits. So, Sethuraman *et al.* (1988) contend that relationship partners contribute to the competitive advantage that both companies share in the customer marketplace. Each company can provide the other one, competitive advantages; In fact, “the companies jointly reach

competitive advantages that each company could not easily achieve by itself' (Sethuraman *et al.*, 1988: 330).

2.4 Performance

It is acknowledged that *Performance* is a multidimensional construct, consisting of two broad measures, which we distinguish between *Market performance* as the judgmental measure of performance and *Economic performance* as the objective measure of performance (Agarwal *et al.*, 2003).

2.4.1 Market performance

Concretely, *Market performance* refers to the improvement of the company's market positioning (Srivastava *et al.*, 1999) and consisting in judgmental performance, such as, customers' satisfaction and customer loyalty, with the organization and their products (Rajshekhar *et al.*, 2005). We find that satisfaction is achieved when the consumer's expectations about the *Performance* of the product or service being consumed are met or exceeded (Oliver *et al.*, 1997). The *judgmental performance* consist also in the rise of loyalty (e.g. customer service loyalty) (Agarwal *et al.*, 2003), and retention (Evans and Laskin, 1994). We find that customer loyalty is a buyer's overall attachment or deep commitment to a product, service, brand, or organization (Oliver, 1999), and manifests itself in a variety of behaviors, the more common ones being recommending a service provider to other customers and repeatedly patronizing the provider (Dwyer *et al.*, 1987; Fornell, 1992).

2.4.2 Economic performance

This dimension, measure the financial *Performance* of company, such as, *objective performance* – (e.g. return on assets – ROA) (Agarwal *et al.*, 2003), and profit margins, market share and sales volume, (e.g. return on investment – ROI) (Day and Wensley, 1988).

As we find on literature, *Market* and *Economic performance* are two related dimensions, than, *Market performance* affect the company's financial *Performance* (Srivastava *et al.*, 1998), and through previous some empirical results, indicate that improved non-financial *Performance* leads to raised financial *Performance* (Homburg *et al.*, 2002; Rust *et al.*, 1995).

In same line of Camarero *et al.* (2005), we theorize that *Market performance* has a direct effect on economic results, such as *Market orientation* has a direct impact on *Economic performance* (Hult and Ketchen, 2001; Menguc *et al.*, 2007), and follow the same point of view, several scholars have proposed that the company's competitive position and superior performance are related to the ability to create collaborative business relationships and to deliver value to customers and other stakeholders (Sudharshan and Sanchez, 1998; Hogan and Armstrong, 2001; Srivastava *et al.*, 2001; Day and Van den Bulte, 2002; Martin and Grbac, 2003). So, we posit that, level of *Performance* is affected by the influence of *Market orientation* and *Cooperation*.

3 Conceptual Framework and Hypothesis

Figure 3 display the conceptual model used in our study. This section introduces an integrated framework that shows the relationships between the key concepts involved in Figure 3. We propose the following main effects: The two dimensions of *Performance* (*Market* and *Economic performance*), are directly affected by the degree of *Cooperation* and *Market orientation*. We also propose a moderating effect of *Trust*, which influencing *Cooperation*. As a result, we theorize that *Market performance* influence the *Economic performance*.

Market orientation symbolized the root of our conceptual model, and it is composite by *Customer* and *Competitor orientation* and by *Intelligence generation*, based on theory of Kohli and Jaworski (1990) and Narver and Slater (1990).

Despite extensive research can be found on each individual variables under study, the role of *Market orientation* on *Cooperation* capabilities and their effects on *Performance* has, to the best of the author's knowledge, not been empirically investigated (Elg, 2003; Kirca *et al.*, 2005). In our conceptual model, *Cooperation* is composite by five dimensions, *Openness*, *Flexibility*, *Information sharing*, *Harmony* adapted from Kauffman and Dant (1991) and *Joint working*, adopted from Heide and Miner (1992).

Otherwise, based on literature review, *Market orientation* can achieve maximum effectiveness only if it is complemented by a spirit of entrepreneurship, appropriate organizational climate, namely structures, processes, and incentives to operationalize the culture and values.

Currently, managers are concerning on lower costs, and focused in developing long term relationships with customers, being extremely *Customer oriented*, and view the prospect and the customer as an investment developing win-win relationships, creating mutually satisfying agreements and requires a collective collaboration between seller and buyer (Saxe and Weitz, 1982). Thus, we theorize that our conceptual model following the next hypothesis:

Hypothesis 1: *Market orientation* has a positive influence on *Cooperation*.

Hypothesis 2: *Market orientation* has a positive influence on *Trust*.

Hypothesis 3: *Market orientation* has a positive effect on *Market performance*.

Hypothesis 4: *Market orientation* has a positive effect on *Economic performance*.

Hypothesis 5: *Trust* developed a high positive effect on *Cooperation*.

Hypothesis 6: The more intense of *Flexibility* between organizations adds a positive impact on *Cooperation*.

Hypothesis 7: The more intense of *Information sharing* between organizations adds a positive impact on *Cooperation*.

Hypothesis 8: The more intense of *Joint working* between organizations adds a positive impact on *Cooperation*.

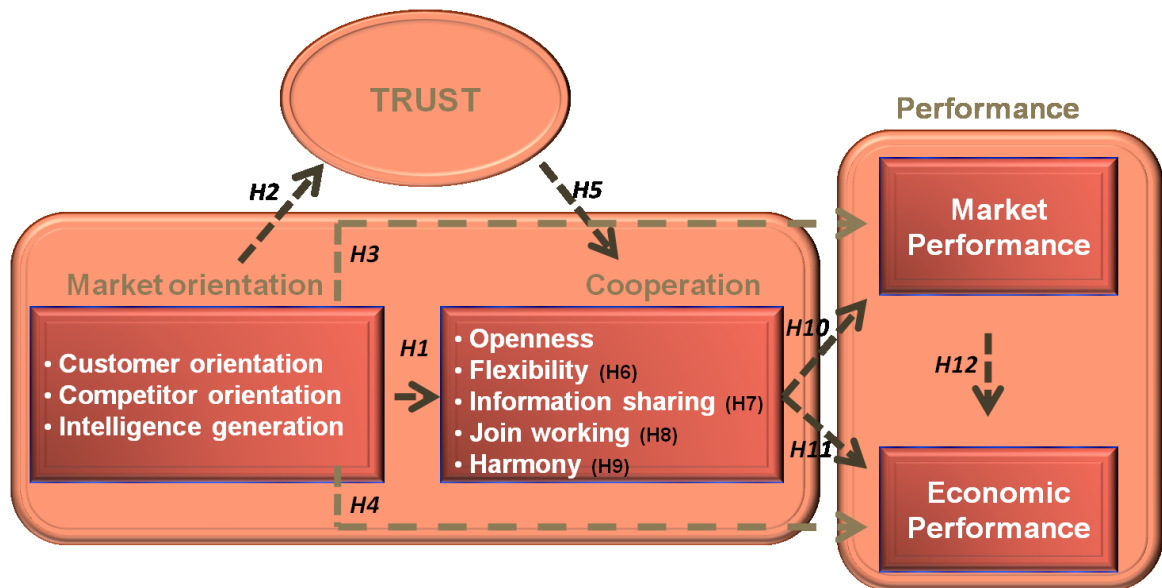
Hypothesis 9: The more intense of *Harmony* between organizations adds a positive impact on *Cooperation*.

Hypothesis 10: *Cooperation* has a positive effect on *Market performance*.

Hypothesis 11: *Cooperation* has a positive effect on *Economic performance*.

Hypothesis 12: *Market performance* has a positive influence on *Economic performance*.

Figure 3 – Conceptual Framework



Source from author

4 Construct Definition and Operationalization

Based on previous studies, we developed twelve hypotheses. All measures used in this study were adapted from existing scales. The wording of scales was adapted to suit the context of investigation, covered by the survey.

4.1 Market orientation

The measurement of *Market orientation* reflects the three dimensions previously referred, where “the organizational culture that most effectively and efficiently creates the necessary behaviors for creation of superior value for buyers and thus, contributes for a superior *Performance* on business” (Narver and Slater, 1990: 21). The measures for *Customer orientation* and *Competitor orientation* consisted of four and two items, respectively, based on Narver and Slater (1990) and the measure for *Intelligence generation* consisted of four items and derives from Kohli and Jaworski’s (1990). The original scale was five-point Likert questions, but to keep the homogeneous score in this investigation survey, we readapted to seven-point Likert questions, ranging from 1, “never”, to 7, “always”.

Our conceptual model, *Market orientation* companies are posited to affect the perception of *Cooperation* positively and directly. The *Cooperation* construct reflects the belief that both parties in a relationship must combine their efforts, or cooperate, to be successful (Cannon and Perreault Jr., 1997). Therefore, in this study, *Cooperation* is defined as the perception of the joint efforts of both companies to achieve mutual and individual goals successfully (Cannon and Perreault Jr., 1997; Stern and Reve, 1980) while refraining from opportunistic actions.

If companies are oriented to market, this is, working to satisfy their customers and their stakeholders, such as, customers, suppliers, partnerships needs, employees, shareholders, then both parties are working toward the mutual goals to satisfy their needs, thus we expect the companies orientated to market, influence positively the *Cooperation* between companies, and contribute to reduce costs, reduce investments

risks and differentiated their positioning on market. In accordance with these arguments, we offer the following hypothesis:

Hypothesis 1: *Market orientation* has a positive influence on *Cooperation*.

Trust has been called a “fundamental relationship model building block” (Wilson, 1995: 337) and requires credibility and benevolence. Credibility is comprised of the belief that a trading partner is expert and reliable in conducting transactions effectively; benevolence is based on the beneficial “intentions and motives” of one partner for the other (Ganesan, 1994).

Using this definition in a channel relationship context, *Market orientation* of the companies is likely to increase the companies *Trust* because a *Market oriented* company will share information and advantages with the companies without being asked to do so (Smeltzer, 1997), and convey favorable motives and intentions, which are necessary for increased levels of *Trust*; and maintain open communications and responsiveness to customer needs, which should convey greater competence, credibility, and reliability to trading partners.

Prior research has indicated that people *Trust* organizations which allow open communication and an opportunity to participate (Carnevale and Wechsler, 1992), necessary conditions for a *Market orientation*. These arguments suggest that when a company is operating in a *Market oriented* manner, will report increased levels of relationship *Trust* in its channel partner, thus:

Hypothesis 2: *Market orientation* has a positive influence on *Trust*.

According to Narver and Slater (1990: 21), “to maximize its long-run *Performance*, the business knows it must build and maintain a long-run mutually beneficial relationship with its buyers”. Statements such as “stay close to the customer” and “put the customer at the top of organization chart”, and “define the purpose of a business as the creation and retention of satisfied customers”, indicate that companies that offer superior customer value are “expected to enjoy superior long-run competitive advantage and superior profitability” (Day, 1994: 37).

Moreover, a satisfied employee is committed to the organization and has high *spirit de corps* (Kohli and Jaworski, 1990). Heskett *et al.* (1994) observe that profitability and revenue growth result from customer loyalty, which, in turn, is created when highly satisfied employees deliver superior customer satisfaction.

Satisfied customers spread the good word to other potential customer and keep coming back to the organization providing it with more business. Thus the marketing concept, basically suggests that superior judgmental *performance* is a prerequisite for a superior objective *performance*. In fact, Jaworski and Kohli (1993) examined the relationship between *Market orientation* and both objective and judgmental measures of *Performance*, and found that *Market orientation* is not associated with objective measures of *Performance* but is positively associated with judgmental measures of *Performance*.

Hence, *Market orientation* construct has indicated that *Market oriented* behaviors have positive effects on profitability (e.g., Ruekert, 1992; Slater and Narver, 1994), and employee attitudes (e.g., Jaworski and Kohli, 1993), so:

Hypothesis 3: *Market orientation* has a positive effect on *Market performance*.

Hypothesis 4: *Market orientation* has a positive effect on *Economic performance*.

4.2 Trust

Buyer *Trust* reflects confidence in an exchange partners reliability and integrity, and comprises two items adapted from DeWulf *et al.* (2001) and two items from Garbarino and Johnson (1999), which capture the perception of customer *Trust* on company. All measures were measured using a seven-point Likert questions, ranging from 1, “never”, to 7, “always”. Morgan and Hunt (1994) suggested that *Trust* engenders a higher level of *Cooperation*, reduces conflict, and increases satisfaction, as said Anderson *et al.* (1990), thus:

Hypothesis 5: *Trust* developed a high positive effect on *Cooperation*.

As we referred previously, *Cooperation* has been conceptualized as multi-dimensional by many researchers. We adopt Heide and Miners (1992) conceptualization where *Cooperation* includes different domains, such as, *Flexibility*, *Information sharing*, *Joint working* and *Harmony*. Each measures scale are detailing next:

4.3 Flexibility

To create superior value and add competitive advantage, is not just a function of how well a company plays by the existing rules of the game, but more important, it depends on the organization's ability to radically change those rules so quickly and adapt them on competitive environment (Govindarajan and Gupta, 2001).

Supported on Kaufmann and Dant (1992), the measures contain four items and the scale was based on seven-point Likert questions, ranging from 1, "never", to 7, "always".

Hypothesis 6: The more intense of *Flexibility* between organizations adds a positive impact on *Cooperation*.

4.4 Information sharing

Information is a key element in developing and implementing effective marketing strategies (Craig and Douglas, 2000). Based on Kaufmann and Dant (1992), the measures contain two items and the scale was measured on seven-point Likert questions, ranging from 1, "never", to 7, "always".

Hypothesis 7: The more intense of *Information sharing* between organizations adds a positive impact on *Cooperation*.

4.5 Joint working

This dimension has been defined as a degree of interpenetration of organizational boundaries (Heide and John, 1990: 25). We based on five items from Nielson's (1998),

and adopted a scale over seven-point Likert questions, ranging from, 1, “never”, to 7, “always”.

Hypothesis 8: The more intense of *Joint working* between organizations adds a positive impact on *Cooperation*.

4.6 Harmony

Provides enhanced benefits to both parties in a relationship (Barber, 1983) by allowing them to take risks because one’s partner is unlikely to act opportunistically (Morgan and Hunt, 1994). The scale was developed from Kaufmann and Dant (1992), and the measures contain four items on seven-point Likert questions, ranging from 1, “never”, to 7, “always”.

Hypothesis 9: The more intense of *Harmony* between organizations adds a positive impact on *Cooperation*.

4.7 Cooperation

“*Cooperation* is proactive” (Morgan and Hunt, 1994), and it is a function of the behaviors of both companies in a relationship. In order to capture this aspect of the construct, we adopted five dimensions; four from Kauffman and Dant (1991), *Openness*, *Flexibility*, *Information sharing* and *Harmony*, and one from Heide and Miner (1992), *Joint working*. The construct was measured on seven-point Likert scale, ranging from 1, “never”, to 7, “always”.

Hypothesis 10: *Cooperation* has a positive effect on *Market performance*.

Hypothesis 11: *Cooperation* has a positive effect on *Economic performance*.

4.8 Performance

Market and *Economic performance* were measured by two subjective and formative scales, based on the work of Srivastava *et al.* (1999), Siguaw *et al.* (1998), Sheth and

Sisodia (2002), and Homburg *et al.* (2002). *Market performance* was measured as a composite index that gathers the extent, to which the company has reduced the number of complaints, has improved its positioning, has increased the number of loyal and satisfied customers and has developed a competitive advantage over competitors based on relationships with customers. On the other hand, *Economic performance* was measured as the extent to which the relationship marketing activities impact on market share, competitive position, incomes, costs and benefits. We used six items for *Market performance* and five items for *Economic performance*. The original scale was five-point Likert questions, but to keep the homogeneous score in this investigation survey, we readapted to seven-point Likert questions, ranging from 1, “never”, to 7, “always”.

Hypothesis 12: *Market performance* has a positive influence on *Economic performance*.

5 Data Collection

5.1 Operationalization of variables

The variables presented in the theoretical framework (see figure 3) were accessed by scales empirically tested by previous studies identified in the literature. The questionnaire consisted of 40 questions related with the conceptual framework and 9 questions concerning the respondents' profile. We adopted a unique measurement seven-point Likert scale (from 1, "never", to 7, "always") for the questions concerning the model's constructs, thus obtaining a more homogeneous questionnaire and richer information.

Table 1 presents the conceptualization and operationalization of the measures, adapted from previous research.

Table 1 – Variables conceptualization and operationalization

Variable Definition	Variable Dimension Definition	Adapted from	Item
Market orientation • Is valuable because it focuses the organization on first, continuously collecting information about target customers needs and competitors capabilities and second, using this information to create continuously superior customer value (Slater and Narver, 1995) and, as mentioned by Day (1994) Market orientation represents superior skills in understanding and satisfying customers.	• Customer orientation Represents the organizational culture according to which managers collect and use customer information (Kohli and Jaworski, 1990). The set of beliefs that puts the customer's interest first (Deshpande et al., 1993).	• Narver and Slater (1990)	4
	• Competitor orientation means that a service provider understands the short-term strengths and weaknesses and long-term capabilities and strategies of key current and potential competitors (Narver and Slater, 1990).	• Narver and Slater (1990)	2
	• Intelligence Generation Slater and Narver (2000) indicated that intelligence (or knowledge) is generated when data are collected and given meaning with respect to changing the potential range of organization behavior. This intelligence provides a focus for the business's product development and sales growth efforts by enabling the business to develop strong relationships with key customers and insights into opportunities for marketing development.	• Kohli and Jaworski (1990)	4
Trust • Trust exists when one party has confidence in an exchange partner's reliability and integrity (Morgan and Hunt, 1994). • A willingness to rely on an exchange partner in whom one has confidence (Moorman et al., 1993).		• DeWulf et al. (2001) • Garbarino and Johnson (1999)	4

Variable Definition	Variable Dimension Definition	Adapted from	Item
<p>Cooperation</p> <ul style="list-style-type: none"> An agreement between organizations about the appropriate role and scope of both organizations and the coordination of work so that activities are integrated for maximum effectiveness and efficiency for both parties. (Metcalfe and Frear, 1993). <p>“similar or complementary coordinated actions taken by organizations in interdependent relationships to achieve mutual outcomes or singular outcomes with expected reciprocation over time” (Anderson et al., 1990: 45).</p>	<p>• Openness</p> <p>Because this measure has the same designation of construct, we re-label to openness. Cooperation is viewed as a set of behaviors or activities between companies to achieve beneficial outcomes. Openness intent cover the idea of collaboration, work together in a spirit of teamwork, honesty, and the sincerity on relationships, with an open communication. This is what we intend clarify with this re-label from cooperation by (Kaufmann and Dant, 1992)</p>	<p>• Kaufmann and Dant (1992)</p>	3
	<p>• Flexibility</p> <p>The extent to which the supplier is willing and able to make changes to accommodate the customer’s changing needs (Anderson and Narus, 1995; Noordewier et al., 1990).</p>	<p>• Kaufmann and Dant (1992)</p>	4
	<p>• Information sharing</p> <p>Open sharing and exchange of strategic technical information (Heide and Miner, 1992).</p>	<p>• Kaufmann and Dant (1992)</p>	2
	<p>• Joint working</p> <p>Arrangements that can occur over a large set of issues, for example, product design and development, value analysis and target costing, quality control, logistics and delivery systems (Nielson, 1998).</p>	<p>• Heide and Miner (1992)</p>	4
	<p>• Harmony</p> <p>Reflects from opportunism by partners in a business relationship “forbearing” behavior as the avoidance of relationship partners “taking advantage” for one another. For other words, when relationship partners forbear from being unfair to one another, they have harmonious co-existence (Buckley and Casson, 1988).</p>	<p>• Kaufmann and Dant (1992)</p>	2
<p>Performance</p> <ul style="list-style-type: none"> It is acknowledged that performance is a multidimensional construct, consisting of two broad measures, which we distinguish between market performance as the judgmental measure of performance and economic performance as the objective measure of performance (Agarwal et al., 2003). 	<p>• Economic Performance</p> <p>Financial performance of company. Objective performance such as return on assets – ROA, return on investment – ROI, profit margins, market share and sales volume (Agarwal et al., 2003; Day and Wensley, 1988).</p>	<p>• Srivastava et al. (1999) • Siguaw et al. (1998) • Sheth and Sisodia (2002) • Homburg et al. (2002)</p>	5
	<p>• Market performance</p> <p>The improvement of the firm’s market positioning (Srivastava et al., 1999). Shaping customers’ satisfaction with the organization and their products (Rajshekhhar et al., 2005). The rise in customer loyalty and retention (Evans and Laskin, 1994).</p>		6

5.2 Sampling

This study relies on a non-probabilistic sampling procedure which is adequate for the exploratory nature of the study. It specifically uses a convenience sampling method through a “snow ball” procedure which enables to reach more sampling units.

The research setting is Portugal, the population consisting of Portuguese companies. In fact the unit samples are the Portuguese board executives and commercial consultant that can provide the information relevant to the present work.

We first select the potential respondents in a database and send an e-mail to those matching the above referred characteristics. Then, these potential respondents are invited (a telephone call, e-mail and *SMS* were used) to forward the e-mail to other potential respondents with similar characteristics on their professional contact list. In fact, we specifically advised the respondents to only share the questionnaire with colleagues with similar professional characteristics. This snow ball method enables achieving a convenient sample to respond the questionnaire in a faster, easier and cheaper way.

5.3 Data collection procedures

We sent an e-mail with a link to the survey questionnaire (created with Zoomerang software survey) to 830 respondents included in the researcher's professional contact list. In the e-mail we presented the study, asked respondents to fill the questionnaire and to forward the e-mail to other potential respondents from their professional contact list with similar characteristics to themselves. On the 7th October 2009, 830 e-mails were sent. After 48 hours a reminder message was sent by *SMS*.

In order to increase the response rate, a telephone call was done a day before the email questionnaire. Furthermore, as an incentive, a report with the final conclusions of our research was offered to respondents willing to answer. Confidentiality was assured.

The questionnaire was distributed to 830 personal e-mails representing over 700 Portuguese companies. These 830 e-mails regard 144 individuals that are part of a personal network (the researcher's network), and were sent an individual invitation to fill the questionnaire with a personalized cover e-mail. The remaining 686 e-mails were included in a private database: they received a standard e-mail. As a result, we had 67 undeliverable e-mails, because of incorrect address. Therefore, we consider a total of 763 valid e-mails.

From out of the 763 valid e-mails we confirmed 387 visits to the questionnaire site (a 57 % preliminary response rate regarding the visits to the online Zoomerang survey). From out of these 387 visits, 141 respondents did not fill the questionnaire and 25 questionnaires were filled partiality, thus, being considered nulls. After eliminating the unusable responses, we considered 221 responses valid which were coded for data analysis.

Thus, the respondents returning the complete questionnaires represented an effective response rate of 29 % which is satisfactory, since top management survey average response rates are in the range of 15 % to 20 % (Menon *et al.*, 1996). The 221 respondents correspond to 209 different Portuguese companies.

The data collection procedure ended within 8 days in October 2009.

6 Data Analysis ^[1]

6.1 Respondent's main characteristics

A preliminary data analysis regarded the respondents' characteristics.

The sample covers all Economy sector considering the classification of IAPMEI – Instituto de Apoio às Pequenas e Médias Empresas e Inovação (the Portuguese Institute that supports small and medium firms). In the present sample 69 % of respondents work in the service sector and 18 % of respondents in the commerce sector (see Table 2).

Table 2 – Activity Sector

Sector	Number of Cases	Percentage
Commerce	40	18 %
Energy	5	2 %
Manufacturer industry	13	6 %
Tourism	3	1 %
Construction	6	3 %
Services	152	69 %
Extraction industry	2	1 %
Total	221	100 %

[1] Data analysis was done with SPSS – Statistical Package for Social Sciences (v17).

Table 3 – Geographic Location

Localization	Number of Cases	Percentage
Lisboa	191	86 %
Porto	12	5 %
Leiria, Faro	3	1 %
Aveiro, Braga, Santarém	2	1 %
Castelo Branco, Coimbra, Portalegre, Setúbal, Viana Castelo, Viseu	1	0 %
Beja, Bragança, Évora, Funchal, Guarda, Ponta Delgada, Vila Real	0	0 %
Total	221	100 %

The majority of respondents work in Lisbon, 86 %, followed by Porto with 5 %. Only 14 % of respondents were not placed in Lisbon (see Table 3).

Table 4 – Share of capital

Value	Number of Cases	Percentage
< 10 000 €	16	7 %
10 000 € – 50 000 €	23	10 %
50 000 € – 125 000 €	23	10 %
125 000 € – 250 000 €	11	5 %
> 250 000 €	148	67 %
Total	221	100 %

Table 5 – Turnover of company

Value	Number of Cases	Percentage
-	-	-
< 25 000 €	8	4 %
250 000 € – 50 000 €	11	5 %
50 000 € – 1 000 000 €	15	7 %
> 1 000 000 €	176	84 %
Total	210	100 %

The Company size was measured by share of capital and turnover. Companies with a share of capital above 250 000 € represent 67 % of the sample. Next, 10 % of companies have 10 000 € to 50 000 € and 10 % are within 50 000 € to 125 000 €. In

terms of annual turnover, 84 % is the range above 1 000 000 € and only 7 % are within 500 000 € to 1 000 000 € turnover.

Table 6 – Years of activity

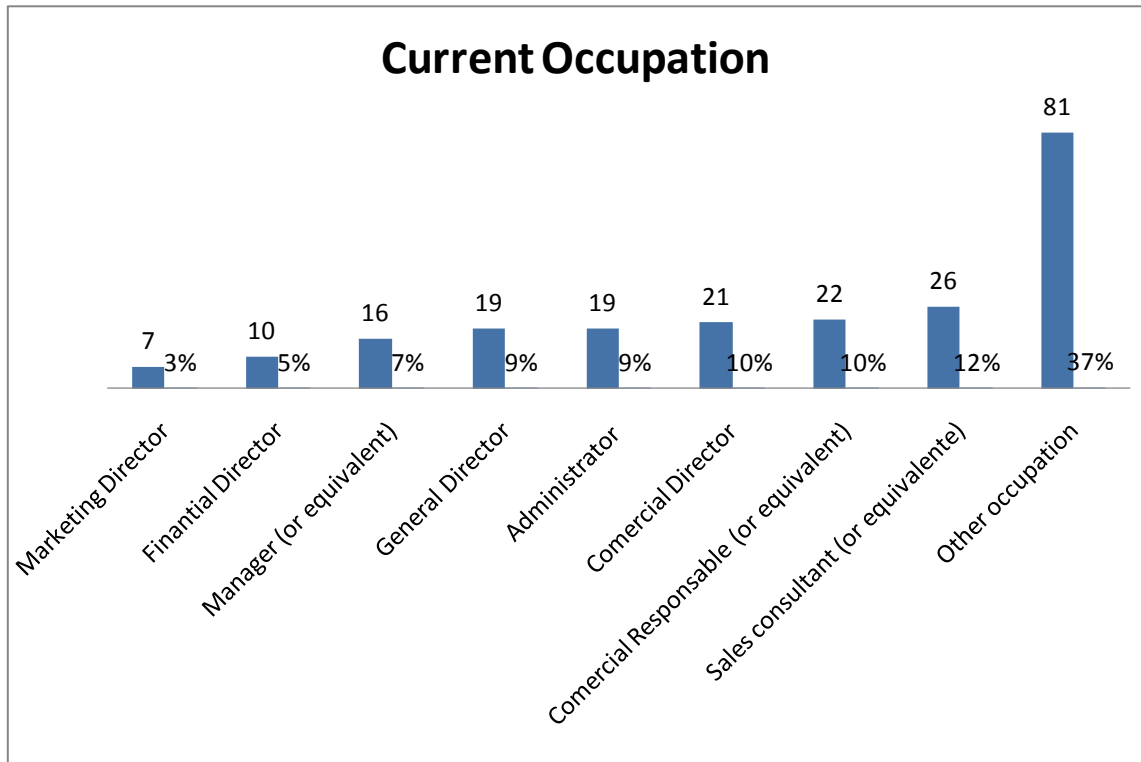
Activity	Number of Cases	Percentage
< 2 years	10	5 %
2 – 5 years	23	10 %
5 – 10 years	31	14 %
> 10 years	167	71 %
Total	221	100 %

Table 7 – Number of employees

Employees	Number of Cases	Percentage
< 10 employees	23	10 %
10 – 50 employees	43	19 %
50 – 250 employees	63	29 %
> 250 employees	92	42 %
Total	221	100 %

Companies with more than 10 years of activity represent 71 % of the sample and from 5 to 10 years represent 14 %. While 42 % of companies have more than 250 employees, 29 % have 50 to 250 employees.

Figure 4 – Current occupation



The respondents' characteristics assured us that the vast majority is adequate to the survey, as most are top managers with direct access to pertinent and classified information. 114 respondents are executive boards. The majority of respondents may be included in an experts' class (63 %) corresponding to top executives plus sales consultants. 37 % have "other occupations" (81 cases).

6.2 Descriptive Statistics for the main constructs

We first summarize the main results regarding the answers to the 11 main constructs and the corresponding items in the questionnaire. Table 8, Table 9, Table 10 and Table 11 records their means, modes and standard deviations.

The modes of items concerning *Market orientation* generally range from 5, "frequently", to 6, "very frequently", the mode of *Competitor orientation* being an exception: it is 4, "sometimes". The "Item 8 – We encourage our employees to collect information about customers", has the highest standard deviation.

Table 8 – Descriptive Statistics for Constructs' Measures: *Market orientation*

Measure		*Nr. Item	Measurement Items	Mean	Mode	Standard Deviation
Market Orientation	Customer orientation	1	We analyze in detail the evolution of customers (transactions, satisfaction) in order to plan future actions	5,181	5	1,308
		2	All the areas of the company consider that attending the interests of customers is more important than attending the own interests	4,692	5	1,252
		3	We try to integrate and coordinate all the functions of the firm in order to achieve the customer's satisfaction	5,385	6	1,203
		4	We pay attention to the after-sales service in order to achieve a standard of zero defects or faults	5,258	6	1,258
	Competitor orientation	5	In our company, we detect and analyze any change in the competitors' activities	4,986	5	1,469
		6	In our company they are disseminated periodical reports which provide information about our competitors	3,914	4	1,656
	Intelligence generation	7	We analyze the factors that influence on the customer's decisions	4,810	5	1,332
		8	We encourage our employees to collect information about customers	4,810	5	1,687
		9	We own complete and updated information of our customers and we make use of it to our activities	5,362	5	1,274
		10	We consult our sales people about the current and future products commercialized	4,959	5	1,422

Notes: All scales have seven-point response levels. (*) Question number of questionnaire. N = 221.

The items concerning *Trust* have a unique mode: 6, “very frequently”.

Table 9 – Descriptive Statistics for Constructs' Measures: *Trust*

Measure		*Nr. Item	Measurement Items	Mean	Mode	Standard Deviation
Trust	Trust	11	I have trust in my company	5,566	6	1,210
		12	The company is trustworthy	5,312	6	1,078
		13	The firm puts the interest's customers firms	5,199	6	1,162
		14	I can count on the company to respond to my requests	5,475	6	1,186

Notes: All scales have seven-point response levels. (*) Question number of questionnaire. N = 221.

Modes referred to *Cooperation* items generally range from 5, “frequently”, to 6, “very frequently”. Nevertheless, one exception was found in the 2 *Information sharing* items (22 and 23), with modes 4, “sometimes”, and 1, “never” (respectively). We verified the minimum mean is 2,796 corresponding to “Item 23 – My organization willingly provides proprietary information”. The maximum mean is 4,932 for “Item 27 – Both companies actively provide input into this product development process” and the item exhibiting more heterogeneous responses is “Item 26 – Our two companies jointly solve many of our technical problems” (it has the highest standard deviation).

Table 10 – Descriptive Statistics for Constructs' Measures: *Cooperation*

Measure		*Nr. Item	Measurement Items	Mean	Mode	Standard Deviation
Cooperation	Openness	15	My organization collaborate	4,837	6	1,232
		16	My organization tries to work together in a spirit of teamwork	5,190	6	1,265
		17	My organization develops an open communication	5,199	6	1,220
	Flexibility	18	My organization is flexible in response to requests from the customer	5,177	6	1,092
		19	My organization adjusts to meet unforeseen needs that might occur	5,167	6	1,150
		20	My organization readily accommodates the customer needs when things outside our control change	5,267	6	1,235
		21	My organization handles change well	5,258	6	1,088
	Information sharing	22	My organization willingly provides important strategic, technical and operating information if needed for the project's success	4,262	4	1,454
		23	My organization willingly provides proprietary information	2,796	1	1,480
	Joint working	24	Our two companies make many important technical decisions that might impact our relationship with each other	5,181	6	1,154
		25	Our two companies jointly decide on the goals and objectives for our relationship with each other	4,471	5	1,554
		26	Our two companies jointly solve many of our technical problems	4,498	5	1,560
		27	Both companies actively provide input into this product development process.	4,932	5	1,352
	Harmony	28	My organization resolve conflicts amicably	5,443	6	1,020
29		My organization handles project-related problems or differences congenially	5,407	6	1,135	

Notes: All scales have seven-point response levels. (*) Question number of questionnaire. N = 221.

The items concerning *Performance* have a unique mode: 5, “very frequently”. The “Item 40 – The organization own a competitive advantage over the competitors based on its relationships with customers”, representing has the highest standard deviation with 1,279.

Table 11 – Descriptive Statistics for Constructs’ Measures: Performance

Measure		*Nr. Item	Measurement Items	Mean	Mode	Standard Deviation
Performance	Economic Performance	30	The organizations has increased its market share	4,824	5	1,276
		31	The organization has increased the volume of trade with some customers	4,760	5	1,137
		32	The organizations has increased its global benefits	4,697	5	1,181
		33	The organization has improved its competitive position	4,986	5	1,181
		34	The organizations as reduce costs	4,738	5	1,068
	Market Performance	35	The organization has reduced the number of complaints and conflicts	4,679	5	1,125
		36	The organization has improved its image on the market	5,149	5	1,140
		37	The organizations has increased the percentage of retained customers	4,923	5	1,179
		38	The organization has customer committed that do not act in an opportunist way	4,611	5	1,133
		39	The organization is satisfied with the relationship with customers	5,005	5	0,998
		40	The organization own a competitive advantage over the competitors based on its relationships with customers	5,027	5	1,279

Notes: All scales have seven-point response levels. (*) Question number of questionnaire. N = 221.

In general we concluded that results concerning the constructs’ items tend to be associated, the only exceptions being referred to *Competitor orientation* (Item 6) and *Information sharing* (items 22 and 23). Next we further study the items’ association focusing on the scales consistency.

6.3 The constructs’ reliability

In order to evaluate each construct’s reliability we used the Cronbach’s alpha. The Cronbach’s alpha measures how well a set of items (or variables) measures a single unidimensional latent construct (Hair *et al.*, 2008). It can be written as a function of number of test items and the average inter-correlation among the items. The corresponding formula is as follows (where N is equal to the number of items and \bar{r} is the average inter-item correlation among the items):

[Equation 1]

$$\alpha = \frac{N \cdot \bar{r}}{1 + (N - 1) \cdot \bar{r}}$$

If the inter-item correlations are high, then there is evidence that the items are measuring the same underlying construct. The generally agreed upon lower limit for Cronbach's alpha is, 0,70 although, it may decrease to 0,60 in exploratory research (Hair *et al.*, 2008).

Table 9 displays a high Cronbach alpha for all 11 variables, 7 of which present extremely values equal or above 0,80.

Table 12 – Cronbach Alpha

Variable	Coefficient	Items
Customer orientation	0,84	4
Competitor orientation	0,81	2
Intelligence generation	0,70	4
Trust	0,90	4
Openness	0,80	3
Flexibility	0,90	4
Information sharing	0,73	2
Joint working	0,82	4
Harmony	0,80	2
Market performance	0,80	5
Economic performance	0,88	6

Note: All measures used 7 point Likert Scale. N = 221.

Thus, we conclude the scales are consistent.

6.4 Summated scales

In addition to reducing measurement error by improving variables, the research may also choose to develop summated scales, for which several variables are joined in a composite measure to represent a concept. The objective is to avoid the use of only a single variable to represent a concept, and instead to use several variables as indicators, all representing differing facets of the concept to obtain a more well-rounded perspective. The use of multiple indicators enables the researcher to more precisely specify the desired responses. It does not place total reliance on a single response, but instead on the “average” or typical response to a set of related responses (Hair *et al.*, 2008).

Thus, summated scales, is a method of combining several variables that measure the same concept into a single variable in an attempt to increase the reliability of the measurement through multivariate measurement. In most instances, the separate variables are summed and then their total or average score is used in the analysis (Hair *et al.*, 2008).

In the present work summated scales (averages of within-constructs items) were built for: *Customer orientation*, *Competitor orientation*, *Intelligence generation*, *Trust*, *Openness*, *Flexibility*, *Information sharing*, *Joint working*, *Harmony*, *Economic performance* and *Market performance*.

The results obtained are presented in Appendix 4 at the end of the present work.

We verified that the summated scales were generally adequate since they present satisfactory coefficients, such as:

- all inter-item Pearson correlation coefficients were above 0,30
- all item-to-total Pearson correlation coefficients were above 0,50

For example, in Table 13 we illustrate summated scale results concerning *Trust*. All inter-item correlation coefficients were above 0,60 and all item-to-total correlation coefficients were above 0,80. Thus, necessary conditions for the summated scale are met.

Table 13 – Inter-item and item-to-total (average) correlations: *Trust*

Item	11	12	13	14	Av_T
11	1	0,753	0,608	0,708	0,877
12	0,753	1	0,647	0,708	0,880
13	0,608	0,647	1	0,735	0,852
14	0,708	0,708	0,735	1	0,899
Av_T	0,877	0,880	0,852	0,899	1

Notes: Av_T – Average trust (items: 11_12_13_14). N = 221. Item identification: **Item 11** – I have trust in my company; **Item 12** – My company is trustworthy; **Item 13** – The firm puts the interest’s customers firm first; **Item 14** – I can count on the company t respond to my requests.

However, we found one exception regarding the *Economic Performance* construct. It is illustrated on Table 14 where the “Item 34 – *Reduced costs*” reveals low inter-items and item-to-total correlations. According to these results all the other items reveal a positive and satisfactory correlation, which means they are measuring the same concept.

Table 14 – Inter-item and item-to-total (average) correlations: *Economic Performance*
(5 items)

Item	30	31	32	33	34	Av_EP
30	1	0,670	0,459	0,728	0,223	0,841
31	0,670	1	0,616	0,580	0,101	0,803
32	0,459	0,616	1	0,519	0,200	0,753
33	0,728	0,580	0,519	1	0,286	0,843
34	0,223	0,101	0,200	0,286	1	0,467
Av_EP	0,841	0,803	0,753	0,843	0,467	1

Notes: Av_EP – Average Economic Performance (items: 30_31_32_33_34). N = 221.
Item identify: **Item 30** – The organization has increased its market share; **Item 31** – The organization has increased the volume of trade with some customers; **Item 32** – The organization has increased its global benefits; **Item 33** – The organization has improved its competitive position; **Item 34** – The organization has reduced costs.

As a consequence, we decided to kept *Reduced costs* as a separate item and created a new summated scale based on the remaining 4 items (see Table 15). The new results obtained were satisfactory: the inter-item correlation coefficients improved to above 0,30 and the item-to-total correlation coefficients to above 0,50. Furthermore, the Cronbach’s alpha referring to these 4 items is 0,854 which reinforce the adequacy of the summated scale.

Table 15 – Inter-item and item-to-total (average) correlations: *Economic Performance*
(4 items)

Item	30	31	32	33	Av_EP4
30	1	0,670	0,459	0,728	0,863
31	0,670	1	0,616	0,580	0,854
32	0,459	0,616	1	0,519	0,773
33	0,728	0,580	0,519	1	0,848
Av_EP4	0,863	0,854	0,773	0,848	1

Notes: Av_EP – Average Economic Performance (items: 30_31_32_33). N = 221. Item identify: **Item 30** – The organization has increased its market share; **Item 31** – The organization has increased the volume of trade with some customers; **Item 32** – The organization has increased its global benefits; **Item 33** – The organization has improves its competitive position.

6.5 The model's Hypothesis

The summated (average) scales built were then used to evaluate the models' hypothesis (see Figure 3). The correlations between the summated scales (and the separated reduced costs item) are displayed in Table 16.

Table 16 – Summated scales correlations

Dimension		Market Orientation			Trust			Cooperation			Performance		
		1	2	3	4	5	6	7	8	9	10	11	12
Market Orientation	1 – Customer orientation	1	0,498	0,689	0,743	0,619	0,660	0,209	0,551	0,582	0,424	0,240	0,522
	2 – Competitor orientation		1	0,693	0,346	0,394	0,292	0,047	0,320	0,228	0,371	0,285	0,274
	3 – Intelligence generation			1	0,637	0,579	0,560	0,222	0,600	0,471	0,498	0,274	0,529
Trust	4 – Trust				1	0,673	0,720	0,230	0,621	0,624	0,488	0,276	0,686
Cooperation	5 – Openness					1	0,710	0,340	0,636	0,654	0,556	0,212	0,656
	6 – Flexibility						1	0,380	0,668	0,733	0,512	0,225	0,651
	7 – Information sharing							1	0,486	0,336	0,300	0,004	0,366
	8 – Joint working								1	0,612	0,560	0,214	0,632
	9 – Harmony									1	0,507	0,209	0,659
Performance	10 – Economic performance										1	0,244	0,696
	11 – Reduce costs											1	0,280
	12 – Market performance												1

Notes: All measures adopted 7 point Likert scale. Item identification: **1** – Customer Orientation; **2** – Competitor Orientation; **3** – Intelligence Generation; **4** – Trust; **5** – Openness; **6** – Flexibility; **7** – Information Sharing; **8** – Joint Working; **9** – Harmony; **10** - Economic Performance; **11** - Reduce Costs; **12** - Market Performance.

In general we found satisfactory correlation coefficients’ values (above 0,50) corresponding to the associations previously stated in the proposed model (see Figure 3). There are, however, some exceptions, which are worthwhile to explore.

Competitor orientation exhibited a weak correlation with variables with which it is theoretically linked, such as *Information sharing* and *Market performance* (Table 17).

Table 17 – Competitor orientation correlation with other variables

Item	Market Orientation			Trust			Cooperation			Performance		
	1	2	3	4	5	6	7	8	9	10	11	12
2 – Competitor orientation	0,498	1,000	0,693	0,346	0,394	0,292	0,047	0,320	0,228	0,371	0,285	0,274

Notes: Item identification: **1** – Customer Orientation; **2** – Competitor Orientation; **3** – Intelligence Generation; **4** – Trust; **5** – Openness; **6** – Flexibility; **7** – Information Sharing; **8** – Joint Working; **9** – Harmony; **10** - Economic Performance; **11** - Reduce Costs; **12** - Market Performance.

Information sharing exhibited a weak correlation with most variables in the model (Table 18). This finding probably is reflecting the reluctance of sampled companies to share information.

Table 18 – Information sharing correlation with other variables

Item	Market Orientation			Trust			Cooperation			Performance		
	1	2	3	4	5	6	7	8	9	10	11	12
7 – Information sharing	0,209	0,047	0,222	0,230	0,340	0,380	1,000	0,486	0,336	0,300	0,004	0,366

Notes: Item identification: **1** – Customer Orientation; **2** – Competitor Orientation; **3** – Intelligence Generation; **4** – Trust; **5** – Openness; **6** – Flexibility; **7** – Information Sharing; **8** – Joint Working; **9** – Harmony; **10** - Economic Performance; **11** - Reduce Costs; **12** - Market Performance.

Reduced costs, also has a weak correlation with all variables (see Table 19), exhibiting an independent behavior.

Table 19 – Reduced costs correlation with other variables

Item	Market Orientation			Trust			Cooperation			Performance		
	1	2	3	4	5	6	7	8	9	10	11	12
11 – Reduce costs	0,240	0,285	0,274	0,276	0,212	0,225	0,004	0,214	0,209	0,244	1,000	0,280

Notes: Item identification: **1** – Customer Orientation; **2** – Competitor Orientation; **3** – Intelligence Generation; **4** – Trust; **5** – Openness; **6** – Flexibility; **7** – Information Sharing; **8** – Joint Working; **9** – Harmony; **10** - Economic Performance; **11** - Reduce Costs; **12** - Market Performance.

We summarize the results concerning our model's hypothesis in Table 20. In general we could observe high correlations regarding the hypothesis previously stated in the proposed model. This fact empirically supports the model. For example: the correlation coefficient between the summated scales corresponding to *Trust* and *Customer Orientation* is 0,743 (see Table 16) illustrating a good association between them. In what concerns H1, H3, H5, H11 and H12, and taking into account observations related with Table 17, Table 18 and Table 19, we should refer that:

H1: We verified that *Market orientation* had a positive influence on *Cooperation* except for *MO-Competitor orientation* which has a weak correlation with the *Cooperation* items (Table 17). This fact may be related with problems in sharing information since the referred item includes the original "Item 6 – In our company they are disseminated periodical reports which provide information about our competitors".

H3: We verified that, generally, *Market orientation* has a positive effect on *Market performance*. However *MO-Competitor orientation* established a weak correlation with *Market performance*. Again (see H1, above) this may be related with the fact that companies rarely provide, internally, information about competitor's activities.

H5: We verified that *Trust* has a high positive effect on *Cooperation*. However *Trust* demonstrated a weak correlation with *Information sharing*.

H11: We verify that *Cooperation* has a positive effect on *Economic performance*, except for *Information Sharing*. However we also verified a different behavior concerning *Reduces costs* which has weak correlation with *Cooperation*.

H12: As stated before, the *Reduces Costs* item exhibited a specific pattern which led to its exclusion from the *Economic performance* summated scale. When evaluating the association between *Market Performance* and *Economic Performance*, excluding the *Reduce Costs* item a we found a good association.

Table 20 – Summary of hypothesis analysis

Hypothesis of investigation		Empirical support
H1	Market orientation has a positive influence on cooperation	Yes, subject to some restrictions
H2	Market orientation has a positive influence on trust	Yes
H3	Market orientation has a positive effect on market performance	Yes, subject to some restrictions
H4	Market orientation has a positive effect on economic performance	Yes
H5	Trust developed a high positive effect on cooperation	Yes, subject to some restrictions
H6	The more intense of flexibility between organizations adds a positive impact on cooperation	Yes
H7	The more intense of information sharing between organizations adds a positive impact on cooperation	Yes
H8	The more intense of joint working between organizations adds a positive impact on cooperation	Yes
H9	The more intense of harmony between organizations adds a positive impact on cooperation	Yes
H10	Cooperation has a positive effect on market performance	Yes
H11	Cooperation has a positive effect on economic performance *	Yes, subject to some restrictions
H12	Market performance has a positive influence on economic performance *	Yes

Notes: (*) excluding Reduced Costs.

After analyzing the proposed conceptual model's hypothesis, which was based on existing knowledge, we empirically confirmed them (exceptions referred in Table 20) by this exploratory research.

7 Main Findings and Discussion

The purpose of this study is to investigate if *Market oriented* companies have a better *Performance* when they cooperate with other companies in an increasingly competing environment. Based on literature, we find numerous references about the influence of *Market orientation* on *Performance*, and about the importance of *Trust* on relationship. The study intended to consider both critical *Market orientation* and *Cooperation* in order to assess their effects on firm *Performance*.

Market orientation is one of the most solid concepts present in the marketing literature. It argues for the role of marketing in organizations. Our study furthermore confirms that companies that gather consumer's information, competitor's information and that share such knowledge within the organization in a sustainable manner do create superior customer value. As such, an organization that is systematically *Market oriented* assumes a certain organizational culture in which the customer's interest comes first (Narver and Slater, 1990; Deshpande *et al.*, 1993).

Interestingly, *Competitor orientation* demonstrated a different result. Although organizations analyze changes in their competitor's activities, they rarely share periodical reports with their employees, or provide them information about competitors. This reveals that companies have some obstacles to disseminate internally information about competitors. One might suggest that there may be a cultural characteristic explaining such obstacles to openly talk about competitors. Nevertheless, companies should be aware that previous empirical research in many different cultural setting do confirm the positive influence of sharing information about competitors as an *Intelligence generating* activity that aids better decision making and as such *Performance* results.

It is well established in the literature that *Trust* is a fundamental step in building long-term relationship between companies (Garbarino and Johnson, 1999) and that a minimum level of inter-company *Trust* is indispensable for any *Cooperation* to be formed and to function (Das and Teng, 1998). In the same line, members of the organization cooperate and are willing to share information in the presence of *Trust*

(Miles *et al.*, 1997). Our study confirmed previous studies only partially when considering *Trust* and *Market orientation* as well *Cooperation*, particularly *Competitor orientation*, and *Information sharing* is not in place.

Among the possible reasons for this contradictory results in the Portuguese top management context, maybe the belief that “information is power” restrain companies from disseminating it, or maybe it is a cultural trait related with high levels of interpersonal mistrust (OCDE, 2008). Further, low entrepreneurship activity fosters an environment of retention of information and absent of proactivity as opposed to sharing of information (Dubinsky *et al.*, 2003).

On the other hand, findings also show that companies are available to share operating, technical or strategic information with their partners although they are reluctant to share proprietary information. Probably when needed for some project’s success “sensitive” *Information sharing* will take place. If so, theory suggest that will lead to more *Trust* and reduce the perception of risk associated with opportunistic behavior. Sharing not only reduces transaction costs, but it increases the *Trust* between the partners (Ganesan, 1994), implying a favorable environment to *Cooperation*.

One might argue that environmental conditions might pressure unwilling companies to cooperate. Increasing global competition in maturing domestic markets promote competitiveness. This enhanced competitive pressure encourages companies to decrease their investments in traditional channels, finding alternative ways of creating value chains through marketing channels. Marketing channels imply negotiation and *Cooperation* for mutual gain. As such, it is possible that the environmental evolution promotes increasing *Cooperation* among companies (Siguaw *et al.*, 1998).

We confirmed that companies are willing to collaborate and work together in a spirit of teamwork, to develop high levels of *Openness*, with indispensable *Flexibility* in order to accommodate the customer’s changing needs (Anderson and Narus, 1995). High levels of *Joint working* tend to yield higher sales, and instead of companies adopting opportunistic behavior they make an effort to solve conflicts amicably (Mohr and Spekman, 1994; Williamson, 1985).

The study confirms that *Market orientation* and *Cooperation*, are related measures and that they have a positive effect on *Performance* whether they are alone or associated. It is possible that if companies practice more openly *Information sharing* they will obtain better *Performance*. As a result, the findings build an important bridge between *Market orientation* and *Cooperation*, allowing companies more competitiveness and better *Performance*.

8 Limitations and Suggestions for Future Studies

A first limitation of this study is the choice of a convenience sample. Time constraints were the main reason for the selection of data collection procedures used in the present work. Similarly to other studies the other reasons for the choice are of a pragmatic nature: simpler, cheaper and faster to deploy. As a consequence, the obtained results cannot be statistically inferred to the population of interest. We suggest, for future research, using a random sampling method.

A second limitation is that we only considered one side of a phenomenon with multiple actors. The point of view of other stakeholders beyond managers should be included in future studies. For example, *Cooperation* was considered in relation to customers instead of suppliers or competitors.

Nevertheless, the sample reflects some characteristics of the population as the majority of companies are from the service sector (69 %) and the majority of respondents are located in Lisbon (86 %). As the sample revealed that (37 %) of respondents have “other occupations” rather than the ones presented, for example, commercial back office and after-sales services, it could be relevant in future studies, to consider other occupation types.

Since our findings identified *Reduce costs* as an independent item within the *Economic performance* construct (originally it was included in this construct), we suggest this item should be studied in detail in future works.

The conceptual model was developed based on *Market orientation*, *Trust* and *Cooperation*. These variables assumed the central role of the model. Thus, could be pertinent to analyze the contribution of other variables such as, commitment, policies and best practices, switching costs, or other else, and evaluate their effects on *Performance*.

Furthermore, we expect this conceptual model contributes to additional advancement on the fields of relationship marketing.

9 Conclusion

We developed a conceptual framework sustained on a literature review to verify the role of *Market orientation* and *Cooperation* in the presence of *Trust* in enhancing *Performance*. Several theoretical contributions developed implications from this study. First, although not conclusive, the conceptual model based in existing established concepts, such as *Market orientation*, *Cooperation* and *Trust* has been confirmed in its essence. This conceptual model creates new understanding leading to better *Performance*.

Secondly, our findings suggest that the *Market orientation* and *Cooperation* might be associated for companies to enhance their competitive capabilities, and consequently improve their *Performance*.

Thirdly, *Cooperation* is a multi-dimensional concept and comprises a set of behaviors, as observed (Heide and Miner, 1992). We believed that *Information sharing* is beneficial for both parties and consequently enhance *Trust*, but we did not find confirmation within our data. Further research could explore why this is so by doing, for example, a qualitative study next to respondents of the questionnaire.

Fourthly, a question related to the theory of *Cooperative* behavior dimensions. Is there “universal” a set of *Cooperative* behaviors or differ according the context? Are the dimensions of *Cooperative* uniformly applicable across each context? Is, for example, *Information sharing* common to each context?

This study’s main practical contribution should be interest to managers concerned with developing and improving the relationship between companies. We have identified and validated two specific behaviors which have a favorable impact on firm *Performance*.

First, although companies maintain a focus on customers’ needs and analyzing the competitors’ activities, they reveal difficulties when have to allocate this knowledge within organization. In addition, we verified some tendency for organizations to retain information and slow down the free flow information. This behavior reduces the competitive spirit of employees and weakens the relationship. This is opposed to several

Market orientation scientific research findings. To sum it up, having a strong focus on *Competitor orientation* using the information to create continuously superior customer value aids better decision and, as such, improves *Performance*.

Secondly, while the organizations are willing to collaborate to satisfy customer's requests, they do not usually provide technical, tactical or strategic information to their partners, unless it is critical for success. This type of behavior is divergent from what is defended by Cannon and Homburg's (2001) and Miles *et al.* (1997), which stated that the amount of *Information sharing* may be useful to improve the relationship and consequently add a positive impact to *Cooperation*.

Several reasons could justify this ambiguous phenomenon, such as, eventually cultural characteristics, overall mistrust, bureaucracy, resistance to proactivity or the belief that "information is power" or "the secret is the soul of the business".

It is no longer desirable that organizations operate alone (Contractor and Lorange, 1988). As the current environment has been characterized by growing instability and by an enormous difficulty to make meaningful predictions there is an increasing need for companies to *Cooperate* more. Together, companies might reach competitive advantages that each company alone could not easily achieve.

Among the possible reasons to the increase of *Cooperation* one might suggest benefits due to economies of scale, avoidance of double investments and waste of resources, increase financial potential facilitating access to new markets (faster market introduction and penetration) reduce the time to profitability and close know-how gaps.

Moreover, this study's findings suggest that different intensities of *Trust* influence companies to *Cooperate* more or less. It is unquestionable the role of *Trust* and its effect on *Cooperation* as it decreases uncertainty and fosters a positive attitude.

Lastly, it is hoped that this research aids the theoretical understanding of *Market orientation* and *Cooperation* as well as aid managers by providing evidence that *Market oriented* companies have a better *Performance* when they cooperate with other companies.

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Appendix

Appendix I – Cover e-mail survey

From: Carlos Azevedo

Sent: terça-feira, 13 de Outubro de 2009 12:08

To: (-----)

Subject: CONVITE_Participar no Inquérito do Projecto Investigação_Os Efeitos da “Orientação para o Mercado” e da “Cooperação” no Desempenho da Empresa_ISCTE

Bom dia, (-----)

Espero não estar a incomodar, mas sei que posso contar com a sua ajuda.

Estou a realizar um projecto de investigação em Marketing na Escola de Gestão do ISCTE – Instituto Universitário de Lisboa.

Na sequência deste projecto, venho solicitar a sua colaboração para o preenchimento de um questionário que permita estudar os factores que têm maior impacto no desempenho de uma empresa.

O estudo em causa, Os Efeitos da “Orientação para o Mercado” e da “Cooperação” no Desempenho da Empresa, visa compreender como é que na actual envolvente em crescente mudança, as empresas podem obter melhor desempenho numa perspectiva de marketing.

Note que:

- O tempo médio de resposta ao questionário é de 8 minutos.
- Garantimos total confidencialidade dos dados (que só têm utilidade de análise, quando agregados todos os respondentes).
- A sinceridade da sua resposta é fundamental para podermos chegar a conclusões válidas.
- Não existem respostas certas ou erradas. É a sua opinião pessoal que nos interessa.
- Desde já agradecemos a sua colaboração neste projecto respondendo às questões que se referem à sua empresa e que se encontram em:

Atrevo-me ainda, a pedir sff, para identificar junto dos seus contactos, pessoas com idêntico perfil profissional, para nos ajudar neste estudo. Peço apenas, reenvie o e-mail com o link do questionário aos seus contactos. É muito importante, contar com uma amostra robusta e diversificada. Tenciono fechar o inquérito até 5ª feira.

Estamos ao dispor para o esclarecimento de dúvidas que possam surgir no preenchimento do referido questionário e teremos todo o gosto em partilhar consigo um relatório com as conclusões finais desta investigação.

Obrigado pela colaboração

Carlos Figueiral Azevedo

Tlm. 917 640 450

Think green before print



Appendix II – Survey



Os Efeitos da "Orientação para o Mercado" e da "Cooperação" no "Desempenho" da Empresa

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Button Options: Labels
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Os Efeitos da "Orientação para o Mercado" e da "Cooperação" no "Desempenho" da Empresa

Page 1 - Heading

Orientação para o cliente - São as atitudes que colocam os interesses do cliente em primeiro lugar, de forma a desenvolver uma relação duradoura e lucrativa (Desphandé, 1993).

Page 1 - Question 1 - Rating Scale - One Answer (Horizontal)

A evolução dos clientes é analisada em detalhe (transacções, satisfação geral).

Nunca Muito raramente Raramente Por vezes Frequentemente Muito frequentemente Sempre

Page 1 - Question 2 - Rating Scale - One Answer (Horizontal)

Cada departamento considera que os interesses dos clientes são mais importantes do que os seus próprios interesses.

Nunca Muito raramente Raramente Por vezes Frequentemente Muito frequentemente Sempre

Page 1 - Question 3 - Rating Scale - One Answer (Horizontal)

Há um esforço de integrar e coordenar todas as funções da empresa com o objectivo de satisfazer o cliente.

Nunca Muito raramente Raramente Por vezes Frequentemente Muito frequentemente Sempre

Page 1 - Question 4 - Rating Scale - One Answer (Horizontal)

A empresa dá atenção ao pós venda com o objectivo de eliminar as falhas.

Nunca Muito raramente Raramente Por vezes Frequentemente Muito frequentemente Sempre

Page 2 - Heading

Orientação para a concorrência - Todas as actividades que envolvam a aquisição de informação referente aos concorrentes e à sua divulgação pela empresa (Narver and Slater, 1990).

Page 2 - Question 5 - Rating Scale - One Answer (Horizontal)

[Mandatory]

As actividades dos nossos concorrentes são acompanhadas e devidamente analisadas.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 2 - Question 6 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa partilha periodicamente relatórios com informação sobre os concorrentes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 3 - Heading

Sistemas de inteligência - A informação obtida nas bases de dados, contribui para o desenvolvimento do produto, para o crescimento das vendas, facilitando o desenvolvimento de relações fortes com os clientes e a detecção de novas oportunidades (Narver and Slater, 1990).

Page 3 - Question 7 - Rating Scale - One Answer (Horizontal)

[Mandatory]

Os factores que influenciam as decisões dos nossos clientes são consideradas e analisadas antecipadamente.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 3 - Question 8 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa incentiva os colaboradores a recolher informação da concorrência.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 3 - Question 9 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa têm a preocupação de actualizar a informação dos clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 3 - Question 10 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A equipa comercial é consultada sobre os produtos e serviços, actuais e futuros.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 4 - Heading

Confiança - Actua como principal papel no desenvolvimento das relações com os clientes quando uma parte confia na idoneidade e integridade da outra (Morgan and Hunt, 1994).

Page 4 - Question 11 - Rating Scale - One Answer (Horizontal)

[Mandatory]

Tenho confiança na minha empresa.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 4 - Question 12 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A minha empresa cumpre aquilo que promete.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 4 - Question 13 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A minha empresa põe os interesses dos clientes em primeiro lugar.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 4 - Question 14 - Rating Scale - One Answer (Horizontal)

[Mandatory]

Posso contar com a minha empresa para dar resposta às questões colocadas pelos clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 5 - Heading

Cooperação - Quando duas ou mais organizações colaborarem conjuntamente na direcção do mesmo objectivo (Bengtsson and Kock 1999).

Page 5 - Question 15 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa estabelece parcerias com regularidade.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 5 - Question 16 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa trabalha junto dos seus clientes, com espírito de equipa.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 5 - Question 17 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa desenvolve uma comunicação aberta com os seus clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 6 - Heading

Flexibilidade - Reflecte a forma como a empresa deseja fazer as alterações necessárias, para se adaptar aos clientes (Anderson and Narus, 1995).

Page 6 - Question 18 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa responde com flexibilidade aos pedidos dos clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 6 - Question 19 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa ajusta-se aos imprevistos que ocorrem com os seus clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 6 - Question 20 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa prepara-se para responder aos clientes, quando qualquer situação está fora de controlo.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 6 - Question 21 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa assegura que tudo decorre conforme planeado na relação com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 7 - Heading

Partilha de informação - A duração e a frequência da informação partilhada, por uma empresa em contacto com uma outra (Cannon and Homburg's, 2001).

Page 7 - Question 22 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa está disponível para partilhar informação "técnica", "estratégica" e "operacional" com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 7 - Question 23 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa está disponível para partilhar informação "reservada" e "confidencial" com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 8 - Heading

Trabalho conjunto - As partes que se relacionam combinam adoptar decisões e resolver problemas conjuntamente (Nielson, 1997).

Page 8 - Question 24 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa toma decisões importantes, com o objectivo de produzir impacto no relacionamento com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 8 - Question 25 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa decide qual o objectivo comum atingir em conjunto com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 8 - Question 26 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa resolve os problemas técnicos em conjunto com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 8 - Question 27 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa partilha activamente com os clientes, informação sobre produtos, serviços e processos.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 9 - Heading

Harmonia - Comportamento entre as partes, que não permite tomar qualquer "vantagem oportunista" de uma parte sobre a outra (Buckley and Casson, 1988).

Page 9 - Question 28 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa resolve amigavelmente os problemas com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 9 - Question 29 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa prepara alternativas para dar resposta aos problemas dos clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 10 - Heading

Resultados económicos - Resultado financeiro da empresa (Agarwal et al., 2003).

Page 10 - Question 30 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa aumentou a quota de mercado.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 10 - Question 31 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa aumentou o volume de transações por cliente.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 10 - Question 32 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa aumentou a oferta de benefícios globais.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 10 - Question 33 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa melhorou a sua posição competitiva no mercado.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 10 - Question 34 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa reduziu custos.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 11 - Heading

Resultados de mercado - Posição da empresa no mercado, quanto à satisfação e fidelização dos clientes com a empresa e seus produtos (Rajshekhar et al., 2005).

Page 11 - Question 35 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa reduziu o número de reclamações e conflitos.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 11 - Question 36 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa melhorou a imagem no mercado.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 11 - Question 37 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa aumentou a percentagem de retenção de clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 11 - Question 38 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa tem clientes empenhados em não actuar de forma oportunista.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 11 - Question 39 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa está satisfeita na relação com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 11 - Question 40 - Rating Scale - One Answer (Horizontal)

[Mandatory]

A empresa ganhou vantagem competitiva sobre os seus concorrentes, baseando-se nas relações com os clientes.

Nunca **Muito raramente** **Raramente** **Por vezes** **Frequentemente** **Muito frequentemente** **Sempre**

Page 12 - Heading

Dados pessoais

Page 12 - Question 41 - Rating Scale - One Answer (Horizontal)

[Mandatory]

Género

Feminino

Masculino

Page 12 - Question 42 - Choice - One Answer (Drop Down)

[Mandatory]

Idade

- < 18 anos
- 18 a 25 anos
- 25 a 35 anos
- 35 a 45 anos
- 45 a 55 anos
- > 55 anos

Page 12 - Question 43 - Choice - One Answer (Drop Down)

[Mandatory]

Sector de actividade

- Comércio
- Energy
- Indústria Transformadora
- Turismo
- Construção
- Serviços
- Industria Extractiva

Page 12 - Question 44 - Choice - One Answer (Drop Down)

[Mandatory]

Função actual

- Administração
- Director Geral (ou equivalente)
- Director Comercial
- Director Financeira
- Director de Marketing
- Responsável comercial (ou equivalente)
- Gerente (ou equivalente)
- Gestor comercial (ou equivalente)
- Outra função

Page 12 - Question 45 - Choice - One Answer (Drop Down)

[Mandatory]

Local de trabalho

- Aveiro
- Beja
- Braga
- Bragança
- Castelo Branco
- Coimbra
- Évora
- Faro
- Funchal
- Guarda
- Leiria
- Lisboa
- Ponta Delgada
- Portalegre
- Porto
- Santarém
- Setubal
- Viana Castelo
- Vila Real
- Viseu

Page 12 - Question 46 - Choice - One Answer (Drop Down)

[Mandatory]

Capital social da empresa

- < 10.000 €
- 10.000 € a 50.000 €
- 50.000 € a 125.000 €
- 125.000 € a 250.000 €
- > 250.000 €

Page 12 - Question 47 - Choice - One Answer (Drop Down)

[Mandatory]

Quantos anos de actividade têm a empresa

- < 2 anos
- 2 a 5 anos
- 5 a 10 anos
- > 10 anos

Page 12 - Question 48 - Choice - One Answer (Drop Down)

[Mandatory]

Quantos empregados tem a empresa

- < 10 empregados
- 10 a 50 empregados
- 50 a 250 empregados

- > 250 empregados

Page 12 - Question 49 - Choice - One Answer (Drop Down)

Qual o volume de facturação da empresa

- < 250.000 €
 250.000 € a 500.000 €
 500.000 € a 1.000.000 €
 > 1.000.000 €

Page 12 - Question 50 – Sim ou Não

[Mandatory]

Gostaria de receber o relatório com os resultados finais do estudo?

- Sim
 Não

Para que endereço de e-mail devemos enviar?

Obrigado pelo seu contributo

Screen Out Page

(Standard - Zoomerang branding)

Survey Closed Page

Os Efeitos da Orientação para o Mercado e da Cooperação na Performance da Empresa

Appendix III – Questionnaire response status

Survey Results

The effects of "Market Orientation" and "Cooperation" on Performance

Response Status: Completes

Filter: No filter applied

Oct 14, 2009 3:19 PM PST

Customer orientation - As the set of beliefs that puts the customer's first, while not excluding those the other stakeholders such as, owners, managers, and employees, in order to develop a long-term profitable enterprise (Desphandé, 1993).

1. We analyze in detail the evolution of customers (transactions, satisfaction) in order to plan future actions.		
Never	3	1 %
Very rarely	6	3 %
Rarely	14	6 %
Sometimes	30	14 %
Frequently	74	33 %
Very frequently	60	27 %
Always	34	15 %
Total	221	100 %

2. All the areas of company consider that attending the interests of customers is more important than attending the own interests.		
Never	1	0 %
Very rarely	9	4 %
Rarely	24	11 %
Sometimes	61	28 %
Frequently	74	33 %
Very frequently	32	14 %
Always	20	9 %
Total	221	100 %

3. We try to integrate and coordinate all the functions of the firm in order to achieve the customer's satisfaction.

Never	1	0 %
Very rarely	2	1 %
Rarely	9	4 %
Sometimes	43	19 %
Frequently	51	23 %
Very frequently	74	33 %
Always	41	19 %
Total	221	100 %

4. We pay attention to the after sales service in order to achieve a standard of zero defects or faults.

Never	1	0 %
Very rarely	5	2 %
Rarely	15	7 %
Sometimes	35	16 %
Frequently	57	26 %
Very frequently	75	34 %
Always	33	15 %
Total	221	100 %

Competitor orientation - Includes the activities involved in acquiring information about the competitors in the target market and transmitting it throughout the company (Narver and Slater, 1990).

5. In our company, we detected and analyze any change in the competitor's activities.

Never	7	3 %
Very rarely	6	3 %
Rarely	20	9 %
Sometimes	39	18 %
Frequently	61	28 %
Very frequently	54	24 %
Always	34	15 %
Total	221	100 %

6. In our company they are disseminated periodical reports which provide information about our competitors.

Never	25	11 %
Very rarely	18	8 %
Rarely	41	19 %
Sometimes	58	26 %
Frequently	38	17 %
Very frequently	28	13 %
Always	13	6 %
Total	221	100 %

Indicate that intelligence (or knowledge) is generate when data are collected and given meaning with respect to changing the potential range of organization behavior and this intelligence provide a focus for business. (Narver and Slater, 1990).

7. We analyze the factors that influence on the customer's decisions.

Never	5	2 %
Very rarely	5	2 %
Rarely	23	10 %
Sometimes	53	24 %
Frequently	61	28 %
Very frequently	56	25 %
Always	18	8 %
Total	221	100 %

8. The company encourages our employees to collect information about customers.

Never	13	6 %
Very rarely	17	8 %
Rarely	28	13 %
Sometimes	36	16 %
Frequently	58	26 %
Very frequently	39	18 %
Always	30	14 %
Total	221	100 %

9. We own complete and update information of our customers and we make use of it to our activities.

Never	2	1 %
Very rarely	3	1 %
Rarely	13	6 %
Sometimes	28	13 %
Frequently	72	33 %
Very frequently	55	25 %
Always	48	22 %
Total	221	100 %

10. We consult our sales people about the current and future products commercialized.

Never	5	2 %
Very rarely	8	4 %
Rarely	23	10 %
Sometimes	29	13 %
Frequently	77	35 %
Very frequently	48	22 %
Always	31	14 %
Total	221	100 %

Trust - Exists when one part has confidence in an exchange partner's reliability and integrity (Morgan and Hunt, 1994).

11. I have trust in my company.		
Never	1	0 %
Very rarely	3	1 %
Rarely	8	4 %
Sometimes	25	11 %
Frequently	62	28 %
Very frequently	65	29 %
Always	57	26 %
Total	221	100 %

12. My company is trustworthy.		
Never	1	0 %
Very rarely	3	1 %
Rarely	7	3 %
Sometimes	31	14 %
Frequently	76	34 %
Very frequently	79	36 %
Always	24	11 %
Total	221	100 %

13. The company puts the interests of customers first.		
Never	2	1 %
Very rarely	3	1 %
Rarely	7	3 %
Sometimes	47	21 %
Frequently	65	29 %
Very frequently	72	33 %
Always	25	11 %
Total	221	100 %

14. I can count on the company to respond to my requests.

Never	2	1 %
Very rarely	2	1 %
Rarely	6	3 %
Sometimes	31	14 %
Frequently	63	29 %
Very frequently	72	33 %
Always	45	20 %
Total	221	100 %

Openness - Reflect the abilities of two or more organizations to collaborate and work together toward their same goals (Bengtsson and Kock 1999).

15. My organization collaborates.

Never	2	1 %
Very rarely	10	5 %
Rarely	21	10 %
Sometimes	41	19 %
Frequently	66	30 %
Very frequently	77	35 %
Always	4	2 %
Total	221	100 %

16. My company tries to work together in a spirit of teamwork.

Never	2	1 %
Very rarely	3	1 %
Rarely	17	8 %
Sometimes	40	18 %
Frequently	56	25 %
Very frequently	73	33 %
Always	30	14 %
Total	221	100 %

17. My organization develops an open communication.

Never	1	0 %
Very rarely	5	2 %
Rarely	15	7 %
Sometimes	33	15 %
Frequently	69	31 %
Very frequently	70	32 %
Always	28	13 %
Total	221	100 %

Flexibility - refers to the extent to which the company is willing and able to make changes to accommodate the customer's changing needs (Anderson and Narus, 1995).

18. My organization is flexible in response to requests from the customer.

Never	1	0 %
Very rarely	3	1 %
Rarely	8	4 %
Sometimes	44	20 %
Frequently	72	33 %
Very frequently	74	33 %
Always	19	9 %
Total	221	100 %

19. My organizations adjust to meet unforeseen needs that might occur.

Never	1	0 %
Very rarely	3	1 %
Rarely	12	5 %
Sometimes	44	20 %
Frequently	65	29 %
Very frequently	74	33 %
Always	22	10 %
Total	221	100 %

20. My organization readily accommodates the customer needs when things outside our control change.

Never	2	1 %
Very rarely	2	1 %
Rarely	10	5 %
Sometimes	46	21 %
Frequently	60	27 %
Very frequently	63	29 %
Always	38	17 %
Total	221	100 %

21. My organization handles change well.

Never	1	0 %
Very rarely	1	0 %
Rarely	8	4 %
Sometimes	43	19 %
Frequently	71	32 %
Very frequently	71	32 %
Always	26	12 %
Total	221	100 %

Information sharing - the amount and frequency of information sharing refers to how long and how often the organizations openly enter into contact with each other (Cannon and Homburg's, 2001).

22. My organization willingly provides important strategic, technical and operating information.

Never	9	4 %
Very rarely	18	8 %
Rarely	32	14 %
Sometimes	68	31 %
Frequently	47	21 %
Very frequently	35	16 %
Always	12	5 %
Total	221	100 %

23. My organization willingly provides proprietary information.

Never	59	27 %
Very rarely	36	16 %
Rarely	58	26 %
Sometimes	40	18 %
Frequently	16	7 %
Very frequently	11	5 %
Always	1	0 %
Total	221	100 %

Joint working - refers to the parties of relationship engaging in combined decision making and solving problems (Nielson, 1997).

24. Our two companies make many important technical decisions that might impact our relationship with each other.

Never	2	1 %
Very rarely	2	1 %
Rarely	9	4 %
Sometimes	48	22 %
Frequently	63	29 %
Very frequently	74	33 %
Always	23	10 %
Total	221	100 %

25. Our companies jointly decide on the goals and objectives for our relationship with each other.

Never	11	5 %
Very rarely	14	6 %
Rarely	33	15 %
Sometimes	45	20 %
Frequently	55	25 %
Very frequently	46	21 %
Always	17	8 %
Total	221	100 %

26. Our two companies jointly solve many of our technical problems.

Never	13	6 %
Very rarely	14	6 %
Rarely	23	10 %
Sometimes	50	23 %
Frequently	60	27 %
Very frequently	43	19 %
Always	18	8 %
Total	221	100 %

27. Both companies actively provide input into this product development process.

Never	6	3 %
Very rarely	8	4 %
Rarely	12	5 %
Sometimes	45	20 %
Frequently	68	31 %
Very frequently	62	28 %
Always	20	9 %
Total	221	100 %

Harmony - behavior as the avoidance of relationship partners "taking opportunistic advantage" for one another (Buckley and Casson, 1988).

28. The organization solves conflicts amicably.

Never	1	0 %
Very rarely	1	0 %
Rarely	5	2 %
Sometimes	28	13 %
Frequently	71	32 %
Very frequently	87	39 %
Always	28	13 %
Total	221	100 %

29. My organization handles project-related problems or differences congenially.

Never	1	0 %
Very rarely	2	1 %
Rarely	8	4 %
Sometimes	35	16 %
Frequently	58	26 %
Very frequently	83	38 %
Always	34	15 %
Total	221	100 %

Economic performance - measure the financial performance of company, such as, objective performance (Agarwal et al., 2003).

30. The organization has increased its market share.

Never	4	2 %
Very rarely	5	2 %
Rarely	20	9 %
Sometimes	54	24 %
Frequently	70	32 %
Very frequently	50	23 %
Always	18	8 %
Total	221	100 %

31. The organization has increased the volume of trade with some customers.

Never	4	2 %
Very rarely	2	1 %
Rarely	15	7 %
Sometimes	69	31 %
Frequently	72	33 %
Very frequently	50	23 %
Always	9	4 %
Total	221	100 %

32. The organization has increased its global benefits.

Never	3	1 %
Very rarely	7	3 %
Rarely	19	9 %
Sometimes	60	27 %
Frequently	76	34 %
Very frequently	48	22 %
Always	8	4 %
Total	221	100 %

33. The organizations have improved its competitive position.

Never	3	1 %
Very rarely	4	2 %
Rarely	12	5 %
Sometimes	47	21 %
Frequently	81	37 %
Very frequently	56	25 %
Always	18	8 %
Total	221	100 %

34. The organization reduce costs.

Never	2	1 %
Very rarely	2	1 %
Rarely	20	9 %
Sometimes	64	29 %
Frequently	79	36 %
Very frequently	48	22 %
Always	6	3 %
Total	221	100 %

Market performance - refers to the improvement of the company's market positioning and consisting in judgmental performance, such as, customer's satisfaction and customer's loyalty, with the organization and their products (Rajshekhar et al., 2005).

35. The organization has reduced the number of complaints and conflicts.

Never	1	0 %
Very rarely	6	3 %
Rarely	21	10 %
Sometimes	67	30 %
Frequently	76	34 %
Very frequently	40	18 %
Always	10	5 %
Total	221	100 %

36. The organization has improved its image on the market.

Never	2	1 %
Very rarely	0	0 %
Rarely	15	7 %
Sometimes	40	18 %
Frequently	77	35 %
Very frequently	63	29 %
Always	24	11 %
Total	221	100 %

37. The organization has increased the percentage of retained customers.

Never	4	2 %
Very rarely	2	1 %
Rarely	13	6 %
Sometimes	57	26 %
Frequently	71	32 %
Very frequently	60	27 %
Always	14	6 %
Total	221	100 %

38. The organization has customers committed that do not act in an opportunist way.

Never	3	1 %
Very rarely	7	3 %
Rarely	17	8 %
Sometimes	72	33 %
Frequently	75	34 %
Very frequently	41	19 %
Always	6	3 %
Total	221	100 %

39. The organization is satisfied with the relationship with customers.

Never	1	0 %
Very rarely	1	0 %
Rarely	13	6 %
Sometimes	45	20 %
Frequently	91	41 %
Very frequently	61	28 %
Always	9	4 %
Total	221	100 %

40. The organization own a competitive advantage over the competitors based on its relationships with customers.

Never	5	2 %
Very rarely	4	2 %
Rarely	14	6 %
Sometimes	41	19 %
Frequently	70	32 %
Very frequently	67	30 %
Always	20	9 %
Total	221	100 %

Personal information

41. Gender

Female	90	41 %
Male	131	59 %
Total	221	100 %

42. Age

< 18 years	1	0 %
18 to 25 years	8	4 %
25 to 35 years	78	35 %
35 to 45 years	92	42 %
45 to 55 years	35	16 %
> 55 years	7	3 %
Total	221	100 %

43. Sector of activity

Commerce	40	18 %
Energy	5	2 %
Manufacturer industry	13	6 %
Tourism	3	1 %
Construction	6	3 %
Services	152	69 %
Extraction industry	2	1 %
Total	221	100 %

44. Current occupation

Administrator	19	9 %
General Director	19	9 %
Comercial Director	21	10 %
Finantial Director	10	5 %
Marketing Director	7	3 %
Comercial Responsable (or equivalent)	22	10 %
Manager (or equivalent)	16	7 %
Sales consultant (or equivalente)	26	12 %
Other occupation	81	37 %
Total	221	100 %

45. Geographic Location

Aveiro	2	1 %
Beja	0	0 %
Braga	2	1 %
Bragança	0	0 %
Castelo Branco	1	0 %
Coimbra	1	0 %
Évora	0	0 %
Faro	3	1 %
Funchal	0	0 %
Guarda	0	0 %
Leiria	3	1 %
Lisboa	191	86 %
Ponta Delgada	0	0 %
Portalegre	1	0 %
Porto	12	5 %
Santarém	2	1 %
Setúbal	1	0 %
Viana Castelo	1	0 %
Vila Real	0	0 %
Viseu	1	0 %
Total	221	100 %

46. Share of Capital		
< 10.000 €	16	7 %
10.000 € to 50.000 €	23	10 %
50.000 € to 125.000 €	23	10 %
125.000 € to 250.000 €	11	5 %
> 250.000 €	148	67 %
Total	221	100 %

47. Years of activity		
< 2 years	10	5 %
2 to 5 years	23	10 %
5 to 10 years	31	14 %
> 10 years	157	71 %
Total	221	100 %

48. Number of employees		
< 10 employees	23	10 %
10 a 50 employees	43	19 %
50 a 250 employees	63	29 %
> 250 employees	92	42 %
Total	221	100 %

49. Turnover of company (*)		
< 250.000 €	8	4 %
250.000 € a 500.000 €	11	5 %
500.000 € a 1.000.000 €	15	7 %
> 1.000.000 €	176	84 %
Total	210	100 %

(*) Annual

50. Do you like receive the results?

Yes	153	69 %
No	68	31 %
Total	221	100 %

Appendix IV – SPSS Tests

```
RELIABILITY
/VARIABLES=OC_1 OC_2 OC_3 OC_4
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,844	4

Item Statistics

	Mean	Std. Deviation	N
customer orientation	5,1810	1,30864	221
customer orientation	4,6923	1,25241	221
customer orientation	5,3846	1,20285	221
customer orientation	5,2579	1,25824	221

```
RELIABILITY
/VARIABLES=OCC_5 OCC_6
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,810	2

Item Statistics

	Mean	Std. Deviation	N
competitor orientation	4,9864	1,46932	221
competitor orientation	3,9140	1,65607	221

RELIABILITY

```

/VARIABLES=SI_7 SI_8 SI_9 SI_10
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
    
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,767	4

Item Statistics

	Mean	Std. Deviation	N
generation information	4,8100	1,33147	221
generation information	4,5656	1,68725	221
generation information	5,3620	1,27394	221
generation information	4,9593	1,42164	221

RELIABILITY

```

/VARIABLES=C_11 C_12 C_13 C_14
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
    
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,899	4

Item Statistics

	Mean	Std. Deviation	N
trust	5,5656	1,21037	221
trust	5,3122	1,07758	221
trust	5,1991	1,16236	221
trust	5,4751	1,18151	221

RELIABILITY

```

/VARIABLES=COO_15 COO_16 COO_17
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
    
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,795	3

Item Statistics

	Mean	Std. Deviation	N
cooperation	4,8371	1,23240	221
cooperation	5,1900	1,26494	221
cooperation	5,1991	1,21961	221

RELIABILITY

```

/VARIABLES=F_18 F_19 F_20 F_21 F_22 F_23
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.

```

RELIABILITY

```

/VARIABLES=F_18 F_19 F_20 F_21
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.

```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,899	4

Item Statistics

	Mean	Std. Deviation	N
flexibility	5,1765	1,09153	221
flexibility	5,1674	1,14971	221
flexibility	5,2670	1,23445	221
flexibility	5,2579	1,08774	221

RELIABILITY

```

/VARIABLES=PI_22 PI_23
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
    
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,731	2

Item Statistics

	Mean	Std. Deviation	N
information sharing	4,2624	1,45349	221
information sharing	2,7964	1,47992	221

RELIABILITY

```

/VARIABLES=TC_24 TC_25 TC_26 TC_27
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
    
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,820	4

Item Statistics

	Mean	Std. Deviation	N
join working	5,1810	1,15357	221
join working	4,4706	1,55367	221
join working	4,4977	1,55979	221
join working	4,9321	1,35174	221

RELIABILITY

```

/VARIABLES=H_28 H_29
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
    
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,796	2

Item Statistics

	Mean	Std. Deviation	N
harmony	5,4434	1,01923	221
harmony	5,4072	1,13488	221

RELIABILITY

```

/VARIABLES=RM_30 RM_31 RM_32 RM_33 RM_34
/SCALE('ALL VARIABLES') ALL
/MODEL=ALPHA
/STATISTICS=DESCRIPTIVE.
    
```

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	221	100,0
	Excluded ^a	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
,802	5

Item Statistics

	Mean	Std. Deviation	N
Economic performance	4,8235	1,27586	221
Economic performance	4,7602	1,13676	221
Economic performance	4,6968	1,18069	221
Economic performance	4,9864	1,18122	221
Economic performance	4,7376	1,06766	221

RELIABILITY

/VARIABLES RM_35 RM_36 RM_37 RM_38 RM_39 RM_40
 /SCALE (' ALL VARIABLES ') ALL
 /MODEL = ALPHA
 /STATISTICS= DESCRIPTIVE.

Reliability

Scale: ALL VARIABLES

Case processing summary

		N	%
Cases	Valid	221	100,0
	Excluded	0	,0
	Total	221	100,0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of items
,877	6

Item Statistics

	Mean	Std. Deviation	N
Market performance	4,6787	1,12450	221
Market performance	5,1493	1,14032	221
Market performance	4,9231	1,17877	221
Market performance	4,6109	1,13325	221
Market performance	5,0045	,99771	221
Market performance	5,027	1,27891	221

CORRELATIONS

Dimension		Market Orientation			Trust	Cooperation				Performance			
		1	2	3	4	5	6	7	8	9	10	11	12
Market Orientation	1 – Customer orientation Sig. (2-tailed) N	1 ,000 221	0,498 ,000 221	0,689 ,000 221	0,743 ,000 221	0,619 ,000 221	0,66 ,000 221	0,209 ,002 221	0,551 ,000 221	0,582 ,000 221	0,424 ,000 221	0,240 ,000 221	0,522 ,000 221
	2 – Competitor orientation Sig. (2-tailed) N	0,498 ,000 221	1 ,000 221	0,693 ,000 221	0,346 ,000 221	0,394 ,000 221	0,292 ,000 221	0,047 ,487 221	0,320 ,000 221	0,228 ,001 221	0,371 ,000 221	0,285 ,000 221	0,274 ,000 221
	3 – Intelligence generation Sig. (2-tailed) N	0,689 ,000 221	0,693 ,000 221	1 ,000 221	0,637 ,000 221	0,579 ,000 221	0,560 ,000 221	0,222 ,001 221	0,600 ,000 221	0,471 ,000 221	0,498 ,000 221	0,274 ,000 221	0,529 ,000 221
Trust	4 – Trust Sig. (2-tailed) N	0,743 ,000 221	0,346 ,000 221	0,637 ,000 221	1 ,000 221	0,673 ,000 221	0,720 ,000 221	0,230 ,001 221	0,621 ,000 221	0,624 ,000 221	0,488 ,000 221	0,276 ,000 221	0,686 ,000 221
Cooperation	5 – Openness Sig. (2-tailed) N	0,619 ,000 221	0,394 ,000 221	0,579 ,000 221	0,673 ,000 221	1 ,000 221	0,710 ,000 221	0,340 ,000 221	0,636 ,000 221	0,654 ,000 221	0,556 ,000 221	0,212 ,001 221	0,656 ,000 221
	6 – Flexibility Sig. (2-tailed) N	0,66 ,000 221	0,292 ,000 221	0,560 ,000 221	0,720 ,000 221	0,710 ,000 221	1 ,000 221	0,380 ,000 221	0,668 ,000 221	0,733 ,000 221	0,512 ,000 221	0,225 ,001 221	0,651 ,000 221
	7 – Information sharing Sig. (2-tailed) N	0,209 ,002 221	0,047 ,487 221	0,222 ,001 221	0,230 ,001 221	0,340 ,000 221	0,380 ,000 221	1 ,000 221	0,486 ,000 221	0,336 ,000 221	0,300 ,000 221	0,004 ,954 221	0,366 ,000 221
	8 – Joint working Sig. (2-tailed) N	0,551 ,000 221	0,320 ,000 221	0,600 ,000 221	0,621 ,000 221	0,636 ,000 221	0,668 ,000 221	0,486 ,000 221	1 ,000 221	0,612 ,000 221	0,560 ,000 221	0,214 ,001 221	0,632 ,000 221
	9 – Harmony Sig. (2-tailed) N	0,582 ,000 221	0,228 ,001 221	0,471 ,000 221	0,624 ,000 221	0,654 ,000 221	0,733 ,000 221	0,336 ,000 221	0,612 ,000 221	1 ,000 221	0,507 ,000 221	0,209 ,002 221	0,659 ,000 221
Performance	10 – Economic performance Sig. (2-tailed) N	0,424 ,000 221	0,371 ,000 221	0,498 ,000 221	0,488 ,000 221	0,556 ,000 221	0,512 ,000 221	0,300 ,000 221	0,560 ,000 221	0,507 ,000 221	1 ,000 221	0,244 ,000 221	0,696 ,000 221
	11 – Reduce costs Sig. (2-tailed) N	0,240 ,000 221	0,285 ,000 221	0,274 ,000 221	0,276 ,000 221	0,212 ,001 221	0,225 ,001 221	0,004 ,954 221	0,214 ,001 221	0,209 ,002 221	0,244 ,000 221	1 ,000 221	0,280 ,000 221
	12 – Market performance Sig. (2-tailed) N	0,522 ,000 221	0,274 ,000 221	0,529 ,000 221	0,686 ,000 221	0,656 ,000 221	0,651 ,000 221	0,366 ,000 221	0,632 ,000 221	0,659 ,000 221	0,696 ,000 221	0,280 ,000 221	1 221