جامعة الشرق الأوسط
MIDDLE EAST UNIVERSITY

# The Relationship between Porter Generic Strategies and Strategic Orientation

An Applied Study on Jordanian Human Drugs Industrial Companies

## Prepared by

Ibrahim Rafid Abdulhaleem

## Supervisor

Dr. Sabah Hameed Agha

THESIS SUBMITTED IN PARTIAL FULFILLMENT

OF THE REQUIREMENTS FOR THE DEGREE OF

Master in Business Administration

Faculty of Business

Middle East University

July / 2011

# Delegation

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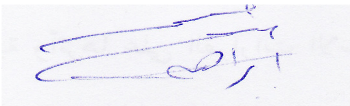
**Signature:** 

**Date:** 17/ 10 / 2011

# DISCUSSION COMMITTEE DECISION

This dissertation was discussed under title:

The Relationship between Porter Generic Strategies and Strategic Orientation: An Applied Study on Jordanian Human Drugs Industrial Companies

It was approved on 6 July 2011

**Date:** 6 / 8 / 2011

| Discussion Committee | Signature |
|---|---|
| Prof. Kamel Al- Mugrabi | ........................ |
| Dr. Sabah Hameed Agha | ........................ |
| Prof. Shawqe Najee Jawad | ........................ |

# Acknowledgement

This thesis is the product of an educational experience at MEU, various people have contributed towards its completion at different stages, either directly or indirectly, and any attempt to thank all of them is bound to fall short.

To begin, I would like to express my whole hearted and sincere gratitude to Dr. Sabah Hameed Agha for his guidance, time, and patience, for supporting me and this thesis during every stage of its development.

I would like to extend my special thanks to all workers at MEU.

**Sincerely Yours,**

***Ibrahim Rafid Abdulhaleem***

# DEDICATION

I dedicate this thesis especially to two persons

The first one is the man who is standing all the time behind me pushing me forward and never let me stop moving to the best…trying to make me the best person in this world by his encouragement, support and by providing all what I need to keep walking to success.. to the man who is living inside me … to the man who represent my spirit … so a great thanks to you Rafid AL-Taha … my unique father.

The second one is the woman who represents the heart to myself … the heart that will never stop working and will never stop beating until the last moment in my life … the heart that never think about herself and never think to take a rest … the heart that all what she think about is how to supply me with all the blood and oxygen that I need to continue my life helping me to face the worst in this life without fearing … helping me to stand up again after each downfall so a great thanks to you Hayfaa, AL-Skaikhly … my fabulous mother.

And I also want to dedicate this thesis to my sisters and my brother Mohammed for their support … so thanks for all .

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## Abstract

The main objective of this study is to examine the relationship between Porter Generic Strategies and Strategic Orientation in the Jordanian Human Drugs Industry.

This research was conducted on Jordanian Human Drugs Industry, collecting information based on a sample of General Managers and Marketing Managers who work at this Industry.

In order to achieve the objectives of the study, the researcher designed a questionnaire consisting of (33) items to gather the primary information from the study sample. The Statistical Package for Social Sciences (SPSS) program was utilized to analyze and examine the study hypothesis.

A comprehensive analysis of the relationship between Porter generic Strategies (low cost Strategy; differentiation Strategy; focus Strategy) and Strategic Orientation (Customer orientation; Competitor orientation) at level ($\alpha \leq 0.05$); the differences between top management and marketing manager's perspective about Porter generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) at level ($\alpha \leq 0.05$); the difference between top management and marketing manager's perspective about low cost Strategy at level ($\alpha \leq 0.05$); the difference between top management and marketing manager's perspective about differentiation Strategy at level ($\alpha \leq 0.05$); the difference between top management and marketing manager's perspective about focus Strategy at level ($\alpha \leq 0.05$); the difference between top management and marketing manager's perspective about Strategic Orientation (Customer orientation; Competitor orientation) at level ($\alpha \leq 0.05$) and the difference between top management and marketing manager's perspective about Customer orientation and Competitor orientation at level ($\alpha \leq 0.05$) was assessed.

Finally, the researcher draws conclusions concerning the results of the analysis, and the recommendations related to the conclusions. At the meantime the researcher gave a space for further research to do in the future.

# العلاقة بين الاستراتيجيات العامة لبورتر والتوجه الاستراتيجي

دراسة تطبيقية على شركات تصنيع الأدوية البشرية الأردنية

إعـداد

ابراهيم رافد عبدالحليم

إشـراف

الدكتور

صباح حميد أغا

## الملخص باللغة العربية

هدفت هذه الدراسة إلى بيان العلاقة بين الاستراتيجيات العامة لبورتر والتوجه الاستراتيجي في شركات تصنيع الأدوية البشرية الأردنية. ولتحقيق أهداف الدراسة قام الباحث بتصميم استبانة شملت (33) فقرة لجمع المعلومات الأولية من عينة الدراسة المكونة من (144) من المديرين العامين ومديري التسويق. وفي ضوء ذلك جرى جمع البيانات وتحليلها واختبار الفرضيات باستخدام الحزمة الإحصائية للعلوم الاجتماعية SPSS وتم استخدام العديد من الأساليب الإحصائية لتحقيق أهداف الدراسة. وبعد إجراء عملية التحليل لبيانات الدراسة وفرضياتها توصلت الدراسة إلى عدد من النتائج أبرزها:

أن التحليل الشمولي أوضح وجود علاقة دالة إحصائياً بين الاستراتيجيات العامة لبورتر (استراتيجية الكلفة المخفضة؛ استراتيجية التميز؛ استراتيجية التركيز) والتوجه الاستراتيجي (التوجه بالزبائن؛ التوجه بالمنافسين) في شركات تصنيع الأدوية البشرية الأردنية عند مستوى دلالة ($\alpha \leq 0.05$)؛ وأن هناك فروق دالة إحصائياً بين وجهة نظر الإدارة العليا ومديري التسويق حول الاستراتيجيات العامة لبورتر (استراتيجية الكلفة المخفضة؛ استراتيجية التميز؛ استراتيجية التركيز) عند

مستوى دلالة ($\alpha \leq 0.05$)؛ وهناك فروق دالة إحصائياً بين وجهة نظر الإدارة العليا ومديري التسويق حول استراتيجية الكلفة المخفضة عند مستوى دلالة ($\alpha \leq 0.05$)؛ وهناك فروق دالة إحصائياً بين وجهة نظر الإدارة العليا ومديري التسويق حول استراتيجية التميز عند مستوى دلالة ($\alpha \leq 0.05$)؛ وهناك فروق دالة إحصائياً بين وجهة نظر الإدارة العليا ومديري التسويق حول استراتيجية التركيز عند مستوى دلالة ($\alpha \leq 0.05$). وقد دلت النتائج أيضاً بوجود فروق دالة إحصائياً بين وجهة نظر الإدارة العليا ومديري التسويق حول التوجه الاستراتيجي (التوجه بالزبائن؛ التوجه بالمنافسين) في شركات تصنيع الأدوية البشرية الأردنية عند مستوى دلالة ($\alpha \leq 0.05$)؛ وأن هناك فروق دالة إحصائياً بين وجهة نظر الإدارة العليا ومديري التسويق حول التوجه بالزبائن والتوجه بالمنافسين عند مستوى دلالة ($\alpha \leq 0.05$).

وقد استنتج الباحث، ومن خلال التركيز على نتائج التحليل بالعديد من النتائج، وأوصى بالعديد من التوصيات إستناداً إلى الاستنتاجات الموضوع. وفي نفس الوقت أعطى الباحث مساحة للبحوث المستقبلية التي يمكن إجراءها في مجال البحث.

# Chapter One
# General Framework

(1-1): Introduction

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## (1-1): *Introduction*

Over the course of the last decade, the benefit of the development of Strategic orientation concept has become almost the main concern among Strategic scholars (Narver and Slater, 1990: 20-35). The increased interest in this topic of the relationship between Strategic orientation and Performance has generated several major theoretical and empirical studies in literature of strategy addressing the concept of Strategic orientation and its consequences for organizational performance (Harris & Ogbonna, 2001; Pelham, 1999; Rose & Shoham, 2002: ; Slater & Narver, 2000: Wood & Bhuian, 2000).

The result has been the generation of a substantial body of literature which suggests a positive relationship between Strategic orientation and organizational performance (Kumar, et..al, 2002; Slater and Narver, 2000). Generally, it is held that businesses which focus on the needs of their customers and strive to continually meet these needs through the provision of superior value will experience consistently positive outcomes.

As part of this surge in attention, recent findings of several researchers (Kumar,et..al, 1998; Pelham, 1999; Slater and Narver, 1994) suggest potentially serious shortcomings in accepted conceptualizations of Strategic orientation, which remain either far too broad, or too narrow, to be of optimal value from a strategic perspective. Some conceptualizations are too broad in that they are based on ill-defined notions of organizational "culture," while others are overly narrow due to being rooted in simplistic views of the strategic focus of the organization. Current models of Strategic orientation often fail to consider possible antecedents to its formation. They also fail to examine the complete range of potential mediators to the concept's relationship with organizational performance, which in literature is consistently defined in overly general profit terminology. In short, despite recent efforts to clearly explain the concept of strategic orientation, it remains an appealing but superficial slogan which both scholars and practitioners alike have yet to fully understand or utilize.

In contrast to previous efforts, the current study finds that Strategic orientation has a direct effect on performance, while competitive business strategy acts as an antecedent. Furthermore, these effects are proposed to be contingent upon similarities across organizations in their markets and in their approaches to provide value for their customers, as indicated by the business unit's position along its respective industry's value chain (Porter, 1985).

The purpose of this study is to investigate the relationship between Porter Generic Strategies and Strategic Orientation in the

Jordanian Human Drugs Industrial Companies. In addition to investigate whether there are differences between top management and marketing managers attitudes toward Porters generic strategic and strategic orientation.

## (1-2): *Study Problem and Questions*

Generic strategies can be successfully linked to organizational performance through the use of key strategic practices such as Focus on customers and competitors. Porter's (1985) generic strategies of low cost, differentiation, focus strategies are generally accepted as a strategic typology for organizations. However, little empirical research has been done on strategic practices associated with each generic strategy. Furthermore, no attention has been given to the relationship between Porter Generic Strategies and Strategic Orientation. This exploratory study attempts to address this gap in literature.

Based on above, one may demonstrate the Study Problem via stirring up the questions below:

***Question One***: Is there a relationship between Porter generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) and Strategic Orientation (Customer orientation; Competitor orientation)

***Question Two***: Is there a difference between top management and marketing manager's perspective about Porter generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) and Strategic Orientation (Customer orientation; Competitor orientation)?

## (1-3): *Significance of the Study*

The importance of the current study is:

1. Investigative the variables in Porter Generic Strategies and Strategic Orientation.
2. To identify the importance relationship between study variables that clarifies the situation in front of decision makers in Jordanian Human Drugs Industrial Companies.
3. To provide a better context for Jordanian Human Drugs Industrial Companies and more information for the decision maker about the Porter Generic Strategies and Strategic Orientation benefits.

## (1-4): *Objectives of the Study*

The main objective of this study is to clarify the relationship between Porter Generic Strategies and Strategic Orientation in the Jordanian Human Drugs Industrial. This can be achieved through the following:

1. Prepare theoretical framework, about Porter Generic Strategies and Strategic Orientation topics.
2. Identify the importance level of study variables in Jordanian Human Drugs Industrial Companies.
3. Explore the relationship between Porter Generic Strategies and Strategic Orientation in the Jordanian Human Drugs Industrial Companies.
4. Explore the differences between top management and marketing manager's perspective about Porter generic strategies and Strategic Orientation.

## (1-5): *Study Hypotheses*

Based on the study problem and the literature review, the following research hypotheses were examined:

**$H_{O1}$**: There is no significant relationship between Porter Generic Strategies (Low cost Strategy; Differentiation Strategy;

Focus Strategy) and Strategic Orientation (Customer Orientation; Competitor Orientation) at the level ($\alpha \leq 0.05$).

**$H_{O2}$**: There is no significant difference between top management and marketing manager's perspective about Porter Generic strategies (Low cost Strategy; Differentiation Strategy; Focus Strategy) at the level ($\alpha \leq 0.05$).

**$H_{O3}$**: There is no significant difference between top management and marketing manager's perspective about Strategic Orientation (Customer Orientation; Competitor Orientation) at the level ($\alpha \leq 0.05$).

## (1-6): *Study Limitations*

The study focus on the following:

***Human Limitations***: The employees working in the Jordanian Human Drugs Industrial Companies who occupied the following positions (Top Management, Marketing Managers).

***Place Limitations***: Jordanian Human Drugs Industrial Companies.

***Time Limitations***: The period between (2010 – April 2011).

***Scientific Limitations***: The researcher depends on generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) that suggested by Porter (1980; 1985). However, in the Strategic Orientation (Customer orientation; Competitor orientation) the researcher depends on Narver & Slater (1990:20-35); Morgan & Strong, (1998: 1051-1073).

## (1-7): *Study Difficulties*

1. This study is limited to the Top Management, Marketing Managers working in the Jordanian Human Drugs Industrial Companies.
2. The results of this study will depend on the data gathered from respondents concerning research hypothesis.

## (1-8): *Study Terminologies*

***Generic Strategies***: Basic choices faced by companies are essentially the scope of the markets that the company would serve and how the company would compete in the selected markets. Focus on ways in which a company can achieve the most advantageous position that it possibly can in its industry (Porter, 1980, 1985). They will be measured by:

- *Low cost Strategy*: Lower costs and cost advantages result from process innovations, learning curve benefits, economies of scale, reductions, product designs that reduce manufacturing time and costs, and reengineering activities.

- *Differentiation Strategy*: Product differentiation fulfills a unique customer's need through tailoring the product or the service, allowing organizations to charge a premium price to capture market share. Differentiation strategy is effectively implemented when the business provides unique or superior value to the customer through product quality, features, or after-sale support. The quality may be real or perceived based on fashion, brand name, or image.

- *Focus Strategy*: Adopting a narrow competitive scope within the industry. Focus strategies led to grow in market share through operating in a niche market or markets not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including geography, buyer characteristics, product specifications, or requirements.

***Strategic Orientation***: is the specific approach a firm implements to create superior and continuous performance (Gatignon & Xuereb, 1997: 77-90). They will be measured by:

- *Customer orientation*: an organizational culture that facilitates the understanding of targeted buyers and allows for the continuous creation of customer value (Narver & Slater, 1990: 20-35).

- *Competitor orientation*: an organizational culture that stresses the understanding of the short-term strengths and weaknesses and long-term capabilities and strategies of the current and potential key competitors (Deshpande, et..al, 1993: 23-37).

# Chapter Two
# Theoretical Framework and Previous Studies

## (2-1): *Introduction*

Strategy is an important means for survival in the face of the dynamic nature of competitive environments (Dong, et..al, 2008: 82-88).

Mintzberg (1990: 105-236) places Porter's work in the "positioning school" which advocates an analytic approach to strategic planning and implementation. On the basis of the main competitive advantage of a firm in relation to its competitors, Porter (1980; 1985) has defined three generic strategies: 1) Cost leadership, 2) Differentiation and 3) Focus.

Strategic orientation is defined as the "strategic directions implemented by a Firm to create the proper behaviors for the continuous superior performance of the business" (Narver and Slater, 1990: 20-35) which consists of Customer orientation and Competitor orientation.

This chapter is divided into Five sections. The first three sections deal with Porter Generic Strategies, Strategic Orientation, and the relationship between Study Variables respectively. The fourth section is devoted to the previous studies, and finally the sixth highlights the study contribution to knowledge.

## (2-2): *Porter Generic Strategies*

Strategy is an essential part of any effective business plan. By using an effective competitive strategy, a company finds its industry niche and learns about its customers (Porter, 1980). Porter (1985) asserts there are basic businesses strategies – differentiation, cost leadership, and focus – and a company performs best by choosing one strategy on which to concentrate. However, many researchers see a combination of these strategies may offer a company the best chance to achieve a competitive advantage (Cross, 1999; Fuerer and Chaharbaghi, 1997; Hlavacka et al., 2001). Whatever strategy a business chooses, it must fit with the goals and objectives of the company to gain a competitive advantage (Kippenberger, 1996; Parker and Helms, 1992).

Porter purports companies must be competitive to become an industry leader (Murdoch, 1999), to be successful both nationally and abroad (Niemira, 2000; Davidson, 2001; Anon, 1998), this can be accomplished by adopting the Porter generic strategic to achieve competitive advantage which apply to all industries in most nations (Median and Chin, 1995; Campbell-Hunt, 2000).

Various types of organizational strategies have been identified over the years (Miles and Snow, 1978; Chrisman et al., 1988; Porter, 1980) but Porter's generic strategies remain the most commonly supported and identified in key strategic management textbooks (David, 2000; Miller, 1998) and in the literature (Miller and Dess, 1993). Porter's (1980) generic strategies can yield competitive advantage and ensuring long term profitability. Porter suggests that the firm must make a choice between one of the generic strategies rather than end up being "stuck in the middle".

On the basis of the main competitive advantage of a firm in relation to its competitors, Porter (1980; 1985) has defined three generic strategies: 1) ***Cost leadership***: a company capable to produce and commercialize at a lower cost than its competitors. Both the profitability and the market shares controlled by these firms are substantial, because low cost leaders are capable to match the prices of their most efficient competitors. This firm will usually target groups of consumers that have basic, unsophisticated needs, requiring cheap and low quality products and services. However, to achieve cost leadership, the firm has to obtain a high relative market share, which requires capital investment in product R&D and manufacturing, as well as aggressive pricing (Porter, 1980). 2) ***Differentiation:*** can be achieved on the basis of any specific organizational skill or competence that represents a competitive advantage in comparison with other firms. It can be argued that the Cost Leadership Strategy can also represent a version of the Differentiation strategy. 3) ***Focus*** is rather on differentiation through superior quality and service, in order to develop a unique market proposition, or on Cost Leadership strategy which is characterized by a successive reduction of the selling price, through a differentiation approach the firm is capable to use a premium price, with higher profit margins. In these conditions, the main aim of the organization is to create price loyalty and price inelasticity, which can create entry barriers for direct competitors, and mitigate the power of buyers, who lack comparable substitutes (Porter, 1980).

Porter's definition of generic strategies was largely based on the analysis of large corporations, acting in mature markets. His work provided a clear image of the essential activities of firms (Kotha & Vadlamani 1995: 75-83), integrated into a vertical chain of economic processes that include suppliers, manufacturing and commercial organizations, and finally customers. In comparison with the previous economic models that considered the business activity in the context of atomized markets, Porter's model is more realistic, focusing on large organizations that shape many industries as monopolies or oligopolies (Brandenburger, 2002: 58-60).

Porter's generic strategies framework constitutes a major contribution to the development of the strategic management literature. Generic strategies were first presented in two books by Professor Michael Porter of the Harvard Business School (Porter, 1980, 1985). Porter (1980, 1985) suggested that some of the most basic choices faced by companies are essentially the scope of the markets that the company would serve and how the company would compete in the selected markets. Competitive strategies focus on ways in which a company can achieve the most advantageous position that it possibly can in its industry (Pearson, 1999). The profit of a company is essentially the difference between its revenues and costs. Therefore high profitability can be achieved through achieving the lowest costs or the highest prices vis-à-vis the competition. Porter used the terms 'cost leadership' and 'differentiation', wherein the latter is the way in which companies can earn a price premium.

Porter has described a category scheme consisting of three general types of strategies that are commonly used by businesses to achieve and maintain competitive advantage. These three generic strategies are defined along two dimensions: strategic scope and strategic strength. Strategic scope is a demand-side dimension and looks at the size and composition of the market you intend to target. Strategic strength is a supply-side dimension and looks at the strength or core competency of the firm. In particular he identified two competencies that he felt were most important: product differentiation and product cost (efficiency).

Back in his 1980 classic Competitive Strategy: Techniques for Analyzing Industries and Competitors, Porter simplifies the scheme by reducing it down to the three best strategies. They are cost leadership, differentiation, and market segmentation (or focus). Market segmentation is narrow in scope while both cost leadership and differentiation are relatively broad in market scope.

Empirical research on the profit impact of marketing strategy indicated that firms with a high market share were often quite profitable, but so were many firms with low market share. The least profitable firms were those with moderate market share. This was sometimes referred to as the hole in the middle problem. Porter's explanation for this is that firms with high market share were successful because they pursued a cost leadership strategy and firms with low market share were successful because they used market segmentation to focus on a small but profitable market niche. Firms in the middle were less profitable because they did not have a viable generic strategy (Yamin, et..al, 1999).

Porter suggested combining multiple strategies is successful in only one case. Combining a market segmentation strategy with a product differentiation strategy was seen as an effective way of matching a firm's product strategy (supply side) to the characteristics of your target market segments (demand side). But combinations like cost leadership with product differentiation were seen as hard (but not impossible) to implement due to the potential for conflict between cost minimization and the additional cost of value-added differentiation.

In the current study, the researcher focuses on three key Strategies of Porter Generic: Cost leadership, Differentiation and Focus.

### (2-2-1): *Cost leadership*

Cost leadership. strategy focuses on gaining competitive advantage by having the lowest cost in the industry (Bauer and Colgan, 2001; Hyatt, 2001; Davidson, 2001). In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and a workforce committed to the low-cost strategy (Malburg, 2000). The organization must be willing to discontinue any activities in which they do not have a cost advantage and should consider outsourcing activities to other organizations with a cost advantage (Malburg, 2000). For an effective cost leadership strategy, a firm must have a large market share (Hyatt, 2001). There are many areas to achieve cost leadership such as mass production, mass distribution, economies of scale, technology, product design, input cost, capacity utilization of resources, and access to raw materials (Malburg, 2000; Venu, 2001; Davidson, 2001). Porter (1985) purports only one firm in an industry that can be the cost leader (Venu, 2001).

Lower costs and cost advantages result from process innovations, learning curve benefits, and economics of scale, product designs reducing manufacturing time and costs, and reengineering activities. A low-cost or cost leadership strategy is effectively implemented when the business designs, produces, and markets a comparable product more efficiently than its competitors. The firm may have access to raw materials or superior proprietary technology which helps to lower costs.

Firms do not need to sacrifice revenue to be the cost leader since high revenue is achieved through obtaining a large market share (Porter, 1996; Bauer and Colgan, 2001). Lower prices lead to higher demand and, therefore, to a larger market share (Helms et al., 1997). As a low cost leader, an organization can present barriers against new market entrants who would need large amounts of capital to enter the market (Hyatt, 2001). The leader then is somewhat insulated from industry wide price reductions (Porter, 1980; Hlavacka et al., 2001; Malburg, 2000). The cost leadership strategy does have disadvantages. It creates little customer loyalty and if a firm lowers prices too much, it may lose revenues (Cross, 1999).

### (2-2-2): *Differentiation*

Differentiation is one of Porter's key business strategies (Reilly, 2002). When applying this strategy, a company focuses its efforts on providing a unique product or service (Hyatt, 2001; Bauer and Colgan, 2001; Hlavacka, et..al., 2001). Since the product or service is unique, it will provide high customer loyalty (Cross, 1999). Product differentiation fulfills a customer need and involves tailoring the product or service to the customer. This allows organizations to charge a premium price to capture market share.

The differentiation strategy is effectively implemented when the business provides unique or superior value to the customer through product quality, features, or after-sale services. Firms following a differentiation strategy can charge a higher price for their products based on the product characteristics, the delivery system, the quality of service, or the distribution channels. The quality may be real or perceived based on fashion, brand name, or image. The differentiation strategy appeals to a sophisticated or knowledgeable consumer interested in a unique or quality product and willing to pay a higher price.

The key step in devising a differentiation strategy is to determine what makes a company different from a competitor's (McCracken, 2002; Reilly, 2002; Berthoff, 2002; Rajecki, 2002). Factors including market sector quality of work, the size of the firm, the image, graphical reach, involvement in client organizations, product, delivery system, and the marketing approach have been suggested to differentiate a firm (McCracken, 2002; Davidson, 2001). To be effective, the message of differentiation must reach the clients (McCracken, 2002), as the customer's perceptions of the company are important (Berthoff, 2002).

When using differentiation, firms must be prepared to add a premium to the cost (Hyatt, 2001). However, since customers perceive the product or service as unique, they are loyal to the company and willing to pay the higher price for its products (Hlavacka et al., 2001; Venu, 2001; Cross, 1999).

Some key concepts for establishing differentiation include:

1. Speaking about the product to select panels (McCracken, 2002).
2. Writing on key topics affecting the company in the association's magazine or newsletter (McCracken, 2002).
3. Becoming involved in the community (McCracken, 2002).
4. Being creative when composing the company's portfolio.

5. Offering something the competitor does not or cannot offer (Rajecki, 2002).

6. Adding flair and drama to the store layout (Differentiation will be key, 2002).

7. Providing e-commerce (Chakravarthy, 2000).

8. Making access to company information and products both quick and easy (Chakravarthy, 2000).

9. Using company size as an advantage (Darrow et al., 2001).

10. Training employees with in-depth product and service knowledge (Darrow et al., 2001).

11. Offering improved or innovative products (Helms et al., 1997).

12. Emphasizing the company's state-of-the-art technology, quality service, and unique products/services (Hlavacka et al., 2001; Bright, 2002).

13. Using photos and renderings in brochures (McCracken, 2002).

14. Selecting products and services for which there is a strong local need (Darrow et al., 2001).

### (2-2-3): *Focus*

In the focus strategy, a firm targets a specific segment of the market (Davidson, 2001; Porter, 1996; Bauer and Colgan, 2001; Cross, 1999; Hlavacka et al., 2001; Hyatt, 2001). The firm can choose to focus on a select customer group, product range, geographical area, or service line (Anon, 1998; Hyatt, 2001; Venu, 2001; Darrow et al., 2001; Martin, 1999; McCracken, 2002). For example, some European firms focus solely on the European market (Stone, 1995). Focus also is based on adopting a narrow competitive scope within an industry. Focus aims at growing market share through operating in a niche market or in markets either not attractive to, or overlooked by, larger competitors. These niches arise from a number of factors including geography, buyer characteristics, and product specifications or requirements. A successful focus strategy depends upon an industry segment large enough to have good growth potential but not of key importance to other major competitors (Porter, 1980). Market penetration and market development can be an important focus strategy. Midsize and large firms use focus-based strategies but only in conjunction with differentiation or cost leadership generic strategies. But, focus strategies are most effective when consumers have distinct preferences and when the niche has not been pursued by rival firms (David, 2000).

## (2-3): *Strategic Orientation*

Business strategy has been characterized as the manner in which a firm decides to compete (Walker & Ruekert, 1987). It encompasses the pursuit, achievement, and maintenance of competitive advantage in an industry (Varadarajan & Clark, 1994). Given its position as a focal issue in organizational decision making, it is not surprising that the concept of strategy has been linked to performance outcomes. Indeed, it is a key postulate that many management researchers devote attention toward, in at least some respect, because without doubt "the notion that superior performance requires a business to gain and hold an advantage over competitors is central to contemporary strategic thinking" (Day & Wensley, 1988: 1).

Strategic orientations are aspects of corporate culture (Hurley & Hult, 1998: 42-54; Narver & Slater, 1990: 20-35).

Strategic orientation is defined as the "strategic directions implemented by a firm to create the proper behaviors for the continuous superior performance of the business" (Gatignon and Xuereb, 1997: 77-90; Menguc & Auh, 2005: 4-19).

The latter research stream is considered, at least to some extent, in most strategy studies by way of internal and external phenomena that are either controlled for or measured as explicit influences upon performance (Rajagopalan, 1996). However, an established literature base has been documented which is devoted to both understanding the nature of strategy processes (Van de Ven, 1992) and the assessment of the process – performance relationship (Hart & Banbury, 1994). Many aspects of this relationship have been examined from individual, group, and organizational viewpoints with no clear or consistent evidence having been reached (Rogers, et..al., 1999). A consequence of this lack of consensus has been that strategy content research has more recently played a greater role in explaining variations in business performance both when considered in combination with strategy process issues (Ketchen, et..al., 1996) as well as a construct in its own right (Voss & Voss, 2000).

Strategy content primarily focuses upon the outcome of strategic decisions and the manner in which business strategy content is manifest in a firm has been variously described as strategic fit, strategic predisposition, strategic thrust, strategic choice, and more commonly strategic orientation (Manu and Sriram, 1996). The literature has considered strategic orientation from three viewpoints: the narrative approach, the classificatory approach, and the comparative approach. The narrative approach endeavors to describe the nature of strategy which is unique to the event, situation, and organization (Czarniawska, 1998). The emphasis tends to be placed on qualitative methodologies such as case study analyses. The classificatory approach: This approach attempts to classify firms' strategy according to either ex ante conceptual arguments or ex post empirically derived groupings. These classifications are respectively known as typologies (Miles and Snow, 1978; Porter, 1980) and taxonomies (Wright et al., 1995). This form of methodology is well grounded in the management literature but it must be acknowledged that schemata such as these are restricted solely to intergroup comparison, which prevents any investigation of intergroup analysis (Speed, 1993).

The third approach to business strategy assessment is comparative approach. This approach seeks to evaluate strategy by way of multiple traits or dimensions common to all firms. Therefore, strategy is considered in terms of the relative emphasis made by the firm along each strategic orientation dimension. This approach, consequently, overcomes the empirical limitations of the classificatory method in that strategic orientation is viewed not across strict strategy classifications but, alternatively, along specific dimensions. Venkatraman (1989) has proposed six dimensions of strategic orientation: aggressiveness, analysis, defensiveness, futurity, proactiveness, and riskiness.

***Aggressiveness***: means how firms aggressively respond to the environment. Aggressiveness captures the facet of a firm's strategic orientation that, in comparison with its competitors, rapidly deploys resources to improve market position (Clark and Montgomery, 1996; Fombrun and Ginsberg, 1990). Such a trait is characteristic of the marketing (Achrol, 1991) that seeks first-mover advantage and exhibits a combative posture in exploiting market opportunities (Buzzell et al., 1975). The overriding theme of aggressiveness is the focus on "beating competition" (Wong and Saunders, 1993: 30), Although aggressiveness may demand high investment to constantly improve on relative market share and competitive position, the key ingredient of success and sustainability along this route must be the ability to identify customer needs through an appropriate window of opportunity and rapidly mobilize resources to respond accordingly. Hence, the offensive manoeuvres (Davidson, 1987) associated with aggressiveness are likely to be characteristic of market oriented firms.

***Analysis***: the analysis dimension of strategic orientation is distinct from Miles and Snow's (1978) analyzer type of firm which is a combination of prospecting and defensive strategy behaviours. Here, analysis is considered to represent the overall problem-solving approach to strategic decision making resulting in attempts to secure complete understanding of issues in both organizational and environmental contexts (Miller and Friesen, 1984). Furthermore, this dimension refers to the nature of internal systems used in the execution of competitive strategy to achieve desired objectives (Grant and King, 1982; Venkatraman, 1989). A parallel can be drawn between analysis and the comprehensiveness trait proposed by Fredrickson (1984) as an important construct in the strategic management process. Consequently, analysis is critical to ensure that "fit" is achieved between an organization's strategy and its environment.

***Defensiveness***: the dimension of defensiveness reflects behaviours aimed at protecting a firm's market position as opposed to any attempt to develop it in any way (Venkatraman, 1989). In marked contrast to aggressive actions, the emphasis tends to be on cost reduction and efficiency gains, which has been explained by Thompson (1967) in his view of organizations defending their core technologies and the concept of domain defense strategy explored by Miles and Cameron (1982). Defensiveness encourages an internal focus for organizational strategists which, consequently, deflects attention away from the external environment of the firm. Therefore, when changes occur in the marketplace, the defensiveness trait means that firms have limited adaptive capabilities and may be "unlikely to notice market change or ... be able to adapt to change if it is noticed" (McKee et al., 1989: 22). Furthermore, for the defender (Miles and Snow, 1978) type of firm, Slater and Narver (1993: 38) have stated that they "gain relatively little benefit from a high magnitude of market orientation. In fact, a substantial investment of resources in market oriented activities could distract the defender from its primary preoccupation with low cost".

***Futurity***: the notion of organizational preparedness for, and positioning in, future environmental situations is at the heart of strategic management advocacy. Although the scape of the explication of competitive futures is extremely complex, planning for the evolving marketplace is still crucially important in competitive strategy (Piercy and Morgan, 1994). In this respect, Levitt (1960) has declared that the focus of marketing should not only be on recognizing customer needs per se, but should also appreciate the enduring nature of the needs organizations are attempting to satisfy. Following this, Anderson (1982) claims that the goal of marketing is to communicate the long run focus of customer and consumer satisfaction to all interests in the firm. The conceptual association between firms' marketing activities and long term emphasis is, therefore, not recent. However, the need for a long term perspective has become more important in the face of significant environmental change (Ganesan, 1994) and it is now a strategic imperative for the market oriented firm to "constantly discover and implement additional value for its customers" (Narver and Slater, 1990: 22).

***Proactiveness***: the proactive behaviour of organizations is a core constituent of innovation (Manu and Sriram, 1996). Proactiveness describes the initiative adopted by firms to continuously search for opportunities (Slater and Narver, 1993) and experiment with responses to changing marketplace conditions (Lynn et al., 1996; Venkatraman, 1989). Founded on an action orientation, proactiveness also uses the strong research and development capabilities that are a feature of this dimension (Gatignon and Xuereb, 1997). Fundamental in achieving such innovation capabilities, organizations exhibiting this proactiveness trait must encourage strong interfunctional cohesiveness (Atuahene-Gima, 1996) and direct their efforts toward a market focus (Burchill and Fine, 1997; Slater and Narver, 1995). In this case, evidence suggests that while particularly proactive firms may not be initially market oriented, a process of evolution is often experienced which requires organizations to establish processes and structures that enable them to better understand their customers (Roberts, 1990). The value of being proactive in strategic orientation has been considered in the marketing literature for some time (Dickson, 1992; Zeithaml and Zeithaml, 1984). The traditional argument suggests that marketing has adopted a reactive stance to the marketplace by responding to signals identified in the environment. This debate has now altered the prescriptive view of a proactive stance would be more accurate" (Jaworski and Kohli, 1996:126) for reflecting market oriented activities and behaviours.

***Riskiness***: the concept of risk can be considered by way of the possible losses and gains that can be derived from an action (Clark and Montgomery, 1996; March and Shapira, 1987). Conceptualizing risk in this manner means that riskiness can be manifest in resource allocation decision scenarios (Venkatraman, 1989) and be a key parameter in driving decision making for products and markets (Dickson and Giglierano, 1986). Within models of business competitiveness (Day, 1994), there is a recognition that constructive risk taking is an important factor in stimulating the entrepreneurialism (Miller, 1987) which is implicit in market opportunity-seeking behavior (Baird and Thomas, 1990). A danger of restricting marketing attention to existing customers and competitors results in the "tyranny of the served market" (Hamel and Prahalad, 1991: 83) where efforts are too narrowly focused on the expressed needs of the customer at the expense of neglecting the latent needs of both existing and potential customers. Hence, a true market orientation maintains a balance between these two elements which should “encourage a sufficient willingness to take risks” (Slater and Narver, 1995: 67). Despite the fact that businesses’ gains and losses may be high from new product introductions serving new and existing customers, market orientation requires that firms be tolerant of risk and accept the possible failures (Jaworski and Kohli, 1993). Indeed, it has been posited that in the market oriented firm, where senior executives encourage an acceptance of risk and acknowledge certain failures as inevitable, junior executives will be more inclined to develop new customer offerings in response to changing needs (Kohli and Jaworski, 1990).

Previous studies examining strategic orientations have pointed specifically to the behaviors associated with the organization-wide generation, dissemination, and use of market intelligence as being the key ingredients of a strategic orientation (Baker & Sinkula, 1999: 311-427; Kohli & Jaworski, 1990: 1-18; Narver & Slater, 1990: 20-35). An important aspect of a strategic orientation is the creation of shared values and behaviors throughout the entire organization. When strategic orientation extends to all levels of an organization, it becomes an organizational culture. Culture can unify an organization's capabilities into a "one unit".

Through reviewing the research works in the field of Strategy; Strategic Management Organization Theory, researcher noted that most authors have focused on the following dimensions of Strategic Orientation, table (2-1) show that.

Table (2-1)

The Dimensions of Strategic Orientation as reflected in many of the researchers

| Dimensions | Researchers | Year |
|---|---|---|
| Customer orientation; Competitor orientation; Cost orientation | Grawe, et..al | 2009 |
| Customer orientation; Competitor orientation | Hynes | 2009 |
| Customer orientation; Technological orientation; Entrepreneurial orientation | Kaya, et..al | 2005 |
| Customer orientation; Competitor orientation | Menguc& Auh | 2005 |
| Customer orientation; Competitor orientation | Sinkovics & Roath | 2004 |

Through the current study, the researcher focuses on two dimensions of Strategic Orientation:  Customer orientation and Competitor orientation.

Customer orientation is an organizational culture that facilitates the understanding of targeted buyers and allows for the continuous creation of customer value (Narver & Slater, 1990: 20-35). Firms with a customer orientation generate intelligence about the current and future needs of targeted customers and disseminate the new intelligence throughout the organization. Employees within a customer-oriented organization are aware of who the customers are and how they should be served. As they learn about the needs of their customers, they are quick to share the new information with other individuals and departments within the organization to ensure that the firm can continue to keep pace with customer needs, and anticipate future needs. A critical component of customer orientation is the emphasis on seeing supply chain opportunities and constraints from the perspective of the customer (Deshpande, et..al., 1993: 23-37; Narver & Slater, 1990: 20-35). This allows the firm to identify potential new customers along with opportunities to create value for the customer.

Competitor orientation is an organizational culture that stresses the understanding of the short-term strengths and weaknesses and long-term capabilities and strategies of the current and potential key competitors (Deshpande, et..al., 1993: 23-37; Narver & Slater, 1990: 20-35). Firms adopting a competitor orientation develop an in-depth assessment of targeted competitors and potential competitors and use the resulting knowledge to match or exceed competitors' strengths (Kohli & Jaworski, 1990: 1-18; Olson, et..al., 2005: 49-65). In a competitor-oriented firm, competitive assessment is not solely the responsibility of senior management. Employees throughout the organization participate in the development of intelligence regarding competitors' new products and services, as well as products and services offered by companies not considered to be direct competitors.

## (2-4): *Previous Studies*

**1.** (Yamin, et..al, 1999) Under title "***Relationship between generic strategies, competitive advantage and Organizational performance: an empirical analysis***". The main purpose of the study is to examine the relationships among generic strategy, competitive advantage, and organizational performance. This study focuses on: (i) the relationship of generic strategy and organizational performance in Australian manufacturing companies participating in the "Best Practice Program in Australia", (ii) the relationship between generic strategies and competitive advantage, and (iii) the relationship among generic strategies, competitive advantage and organisational performance. A total of 237 companies participated in the Australian Best Practice Program of which 23 companies involved in service as their main domain of business and was therefore excluded from this study. A total of 214 manufacturing companies forms the sample for this study. Finally, the implications of generic strategies, organizational performance, performance measures and competitive advantage are studied.

**2.** (Powers & Hahn, 2004) Under title “***Critical competitive methods, generic strategies, and firm performance***”. The purpose to reports research findings of the relationship between competitive methods, generic strategies, and firm performance. It was found that competitive methods in the banking industry correspond to Porter’s generic strategy types and that a cost leadership strategy provides a significant result, where as, performance advantage over banks stuck-in-the-middle. Alternatively, firms that used competitive methods to pursue a broad differentiation, customer service differentiation, or focus strategy were unable to realize a performance advantage over firms that are stuck-in-the-middle. This study suggests that in the banking industry it may be difficult to generate superior returns using a differentiation or focus strategy.

**3.** (Kaya & Seyrek, 2005) Under title “***Performance Impacts of Strategic Orientations: Evidence from Turkish Manufacturing Firms***”. The purpose of the research is to investigates the effects of basic organizational cultural orientations, namely entrepreneurial, technological and customer orientations on firm financial performance when market dynamism is high and when it is low. Data were collected from 91 manufacturing firms operating in The Marmara region of Turkey. The research results show that there is a positive and meaningful relation between entrepreneurial orientation and financial performance when the market dynamism is high. Also, there is a positive and meaningful relation between technological orientation and financial performance when the market dynamism is low. On the other hand, there is a negative and meaningful relation between customer orientation and financial performance when the market dynamism is either high or low.

**4.** (Allen & Helms, 2006) Under title "***Linking strategic practices and organizational performance to Porter's generic strategies***". The purpose is testing the following two hypotheses: specific strategic practices (or tactics) can be identified which are associated with each generic Porter strategy; and there are specific strategic practices which are more strongly associated with higher levels of organizational performance within each generic strategy. To test these hypotheses, a questionnaire was developed and administered to a sample of 226 working adults. A factor analysis and regression analysis were used to analyze the data. Findings include a list of critical strategic practices significantly associated with organizational performance for each of Porter's generic strategies.

**5.** (Sánchez & Sánchez-Marín, 2006) Under title "***Strategic Orientation, Management Characteristics, and Performance: A Study of Spanish SMEs***". The purpose of this study is to view the management characteristics of Spanish small and medium enterprises (SMEs) according to their strategic orientation and the consequences in terms of firm performance and business efficiency. The typology of strategies formulated by Miles and Snow has important implications for management, because depending on the strategic orientation adopted - defender, prospector, or analyzer - the firm can emphasize to a great extent some aspects of management, such as technological position, innovation, organizational design, and human resource management. Moreover, these aspects of management can largely determine firm performance and business efficiency. A sample of 1,351 Spanish SMEs provided the data for an empirical test of these issues. The results confirm the expected relationships, revealing, on the one hand, significant differences between prospector and defender SMEs regarding the key factors on which they base their management characteristics and, on the other hand, the different influences that each strategic orientation has on firm performance.

**6.** (Fuentes, et..al, 2006) Under title "***Total Quality Management, Strategic Orientation and Organizational Performance: the Case of Spanish Companies***". The purpose of this study is to examines the relationship between strategy and Total Quality Management (TQM) implementation, as well as the impact of both TQM and Strategic orientation on organizational performance. They have used the emphasis on cost leadership, differentiation on marketing and differentiation on innovation as strategic dimensions to develop four great strategic configurations. The Sample of 1550 privately-owned Spanish companies that have embraced TQM implementation. The degrees of implementation of the TQM elements in each of them, as well as their associations to the various types of performances have been studied. The results significantly support the hypotheses proposed, and suggest differences in TQM implementation depending on the selected strategy. It is also noticed that companies with greater degrees of co-alignment between their strategies and TQM are those with the highest levels of performance.

**7.** (Guner, et..al, 2007) Under title "***Strategic Orientation and Export Performance: A Three-Country Study of Manufacturing Firms***". The study aimed to examine the linkage between strategic variables and the export performance of firms in the United States, Germany, and Japan. R&D Intensity, Capital Intensity, Average Collection Period, Debt Leverage, and Labor Productivity are used as measures of strategic variables. sample for the present study included a total of 988 firms, consisting of 320 U.S. firms, 358 Japanese firms, and 310 German firms in manufacturing sector. R&D intensity and Labor Productivity are found to have a strong and positive association with export performance in all three countries. Capital intensity and average collection period also have significant relationship with export performance in the United States and Japan, respectively.

**8.** (Chung, et..al, 2008) Under title "***The Impact of Strategic Orientation and HRM Systems on Firm Performance".*** The purpose is to address the impact of strategic orientation and HRM systems on firm performance and empirically investigates whether human resources management structure is significantly related with performance. In particular, we examine interaction effects between strategic orientation variable and HRM systems. These hypotheses are tested with a sample of 278 companies listed on the Korean Workplace Pane Surveys (WPS) from 2004 to 2006. The analysis provided the results listed below. First, the typology of strategies formulated by Miles & Snow has implication for HRM system, because depending on the strategic orientation adopted, the firm can emphasize to a great extent some aspects of HRM. The results confirm the relationships, revealing, on the band, significant differences between prospector, analyzer and defender. Second, the strong effect of HRM system on organizational performance. This result is likely to rooted in Korean context of Korean business organization. Third, this article show that the strength of relationship between HRM systems and performance will varies with different types/ levels of business strategy. In the case organization pursuing prospector's strategy the strength of relation between HRM systems and performance will be stronger as compare to the analyzers and defenders.

## (2-5): *Study contribution to knowledge*

To clarify what distinguishes the current study from previous studies, some comparisons have been made, which are presented as follows:

1. Concerning the environment, all studies have been mainly conducted in American, European and Asian countries. In

contrast, the current study was carried in an Arab country, namely the Jordan.

2. Most of the previous studies have been mainly focusing on service industry areas, while this one is all about a manufacturing environment.

3. In terms of objectives, previous studies aimed to clarify the effect of Strategic Orientation on Performance, while the current study is concerned to verify the Relationship between Porter Generic Strategies and Strategic Orientation on Jordanian Human Drugs Industrial Companies.

# Chapter Three
# Method and Procedures

## (3-1): Introduction

This chapter is divided into the following six sections: Study Methodology; Study Population and Sample; Study Model; Study Tools and Data Collection; Statistical Treatment; Reliability and Validity.

## (3-2): Study Methodology

Descriptive research involves collecting data in order to test hypotheses or to answer questions concerned with the current status of the subject of the study. Typical descriptive studies are concerned with the assessment of attitudes, opinions, demographic information, conditions, and procedures. The research design chosen for the study is the survey research. A survey is an attempt to collect data from members of a population in order to determine the current status of that population with respect to one or more variables .The Survey research of knowledge at its best can provide very valuable data. It involves a careful design and execution of each of the components of the research process.

The researcher designed a survey instrument that could be administered to selected subjects. The purpose of the survey instrument was to collect data concerning respondent's attitudes towards Porter Generic Strategies and Strategic Orientation.

## (3-3): Study Population and Sample

To increase credibility, it is important to choose the sample that will represent the population under investigation. The population of the study represents the whole workers in the Jordanian Human Drugs Industrial Companies. The sample of the study is the General Mangers and Marketing Managers who work at the Jordanian Human Drugs Industrial Companies was (169). Table (3-1) shows the Jordanian Human Drugs Industrial Companies.

Table (3-1) Jordanian Human Drugs Industrial Companies

| No. | Jordanian Human Drugs Industrial Companies | General Management | Marketing Manager |
|---|---|---|---|
| 1 | Jordanian Pharmaceutical Manufacturing | 1 | 12 |
| 2 | Arab Pharmaceutical Manufacturing | 1 | 12 |
| 3 | Al-Kindi Pharma | 1 | 12 |
| 4 | Hayat Pharmaceutical Industries | 1 | 12 |
| 5 | Jordan River for Pharmaceutical Industries | 1 | 12 |
| 6 | Jordan Sweden Medical and Sterilization | 1 | 12 |
| 7 | Hikma Pharmaceuticals | 1 | 12 |
| 8 | Pharma International | 1 | 12 |
| 9 | Dar Al Dawa | 1 | 12 |
| 11 | Middle East Pharmaceutical & Chemical Industries | 1 | 12 |
| 12 | Arab Center Co. for Pharmaceuticals & Chemicals | 1 | 12 |
| 13 | The United Pharmaceutical Manufacturing | 1 | 12 |
| Total | | 13 | 156 |

Table (3-1) shows the Jordanian Human Drugs Industrial Companies and manager's number from two positions. After distributing (169) questionnaires, a total of (153) answered questionnaires were retrieved, of which (9) were invalid. Therefore, (144) answered questionnaires which were valid for analysis.

Table (3-2) Descriptive sample of the demographic variables

| No. | Variables | Categorization | Frequency | Percent |
|---|---|---|---|---|
| 1 | Gender | Male | 113 | 78 |
| | | Female | 31 | 22 |
| Total | | | 144 | 100 |
| 2 | Age | Less than 30 years | 43 | 30 |
| | | Between 30 – 40 Years | 64 | 44 |
| | | Between 41 – 50 years | 10 | 7 |
| | | Above 51 Years | 27 | 19 |
| Total | | | 144 | 100 |
| 3 | Education Level | BSc | 75 | 52 |
| | | High Diploma | 3 | 2 |
| | | Master | 52 | 36 |
| | | PhD | 14 | 10 |
| Total | | | 144 | 100 |
| 4 | Position | General Manager | 11 | 8 |
| | | Marketing Manager | 133 | 92 |
| Total | | | 144 | 100 |
| 5 | Experience | Less than 5 years | 13 | 9 |
| | | Between 5 – 10 Years | 59 | 41 |
| | | Between 11 – 15 years | 41 | 28 |
| | | Above 16 Years | 31 | 22 |
| Total | | | 144 | 100 |

The table shows that (78%) of the study sample is male and (22%) is female. On the other side the (81%) of the sample ranged below (51) years. This indicates that the focus will be on the element of youth and new blood. Concerning the educational level, all members of the study sample have a scientific qualification which is a good sign in adopting accomplish the work in the Jordanian Human Drugs Industrial Companies.

## (3-4): Study Model

The following Study model was designed by the researcher.

The Porter Generic Strategies is named as an Independent variable in this model, while strategic orientation represents the dependent variable.

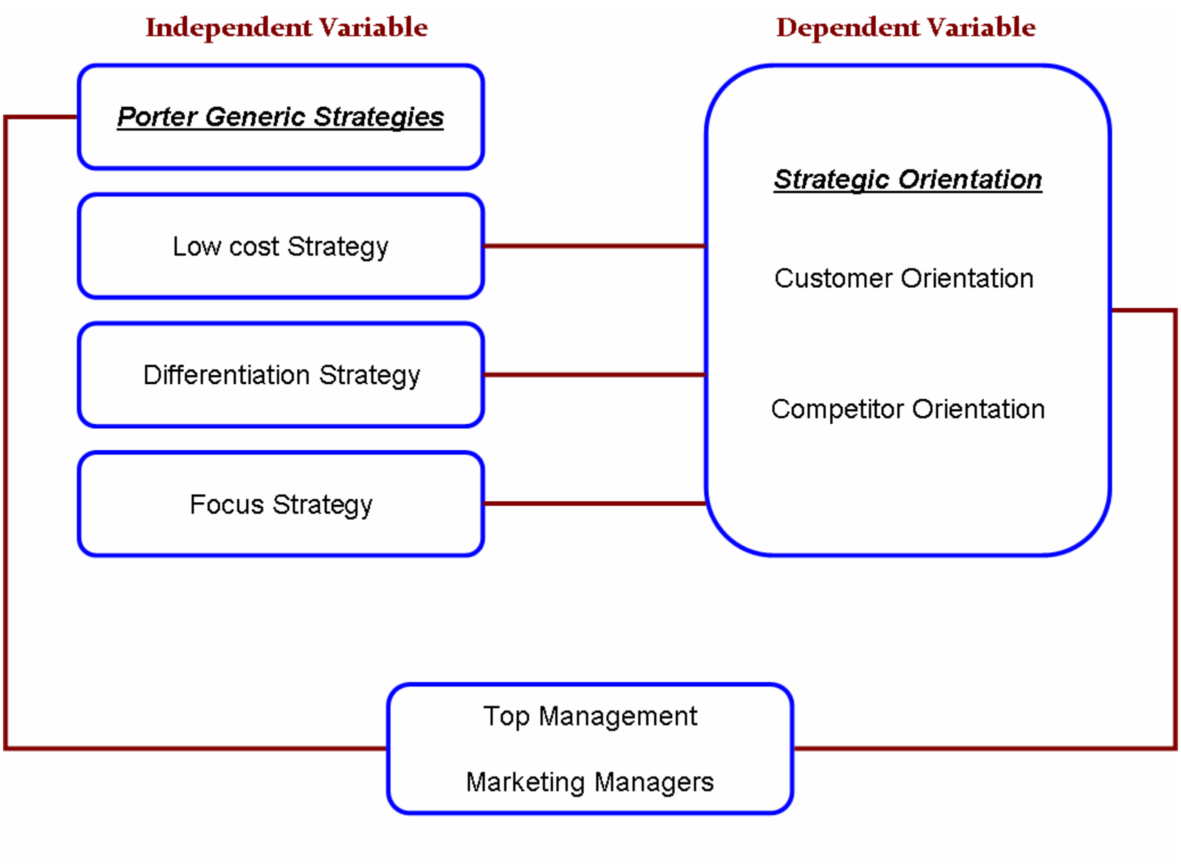


Figure (3-1)

Study Model

## (3-5): Study Tools and Data Collection

The current study is two-fold, theoretical and practical. In the theoretical side, the researcher relied on the scientific studies/thoughts that are related to this study. Regarding in the practical side, the researcher relied on descriptive and analytical methods using the practical manner to collect, analyze data and test hypotheses.

The data collection, manners analysis and programs used in the current study are based on two sources:

1. Secondary sources: books, journals, theses to write the theoretical framework of the study.
2. Primary source: a questionnaire that was designed to reflect the study objectives and questions.

In this study, both primary and secondary data were used. The data collected for the model was through questionnaire. After conducting a thorough review of the literature pertaining to Porter Generic Strategies and Strategic Orientation, the researcher formulated the questionnaire instrument for this study.

The questionnaire instrumental sections are as follows:

Section One: ***Demographic variables***. The demographic information was collected with closed-ended questions, through (5) factors (Gender; Age; Education Level; Position and Experience).

Section Two: ***Porter Generic Strategies***. This section measured the Porter Generic Strategies (cost leadership differention and focus strategies) through (15) items on a Likert-type scale: ***Low cost Strategy*** Measured through (6) questions from (1) to (6). ***Differentiation Strategy*** Measured through (6) questions from (7) to (12). ***Focus Strategy*** Measured through (3) questions from (13) to (15).

Section Three: ***Strategic Orientation***. This section measured the Strategic Orientation suggested from Narver & Slater (1990:20-35); Morgan & Strong, (1998: 1051-1073) (Customer orientation; Competitor orientation), through (2) dimensions using (18) items on a Likert-type scale: ***Customer orientation*** Measured by (12) questions from (16) to (27). ***Competitor orientation*** Measured by (6) questions from (28) to (33).

## (3-6): Statistical Treatment

To analyze data collected from the questionnaire the researcher used Statistical Package for the Social Sciences (SPSS). Finally, the researcher used the suitable Statistical methods that consist of:

- Cronbach's α to test the questionnaire reliability.
- Percentage and Frequency.
- Arithmetic Mean and Standard Deviation.
- Pearson Correlation.
- $Chi^2$ to identify the different perspective between top management and marketing managers about study variables.
- Relative importance of scale, assigning due to:

$$\text{Class Interval} = \frac{\text{Maximum Class} - \text{Minimum Class}}{\text{Number of Level}}$$

$$\text{Class Interval} = \frac{5-1}{3} = \frac{4}{3} = 1.33$$

The Low Value from 1- less than 2.33

The Medium Value from 2.33 – less than 3.66

The High Value from 3.67 and above.

## (3-7): Validity and Reliability

### (A) Validation

To test the questionnaire for clarity and to provide a coherent research questionnaire, a macro review that covers all the research constructs was accurately performed by academic reviewers - from Jordanian universities - specialized in Business Administration, Marketing, and Statistics. Some items were added based on their valuable recommendations .Some others were reformulated to become more accurate and to enhance the research instrument. The academic reviewers are (4) and the overall percent of respond is (100%), (see appendix "1").

### (B) Study Tool Reliability

The reliability analysis applied to the level of Cronbach Alpha (α) is the criteria of internal consistency which was at a minimum acceptable level (Alpha ≥ 0.60) suggested by (Sekaran, 2003). The overall Cronbach Alpha (α) = (0.916), whereas the High level of Cronbach Alpha (α) is to Customer orientation = (0.852). The lowest level of Cronbach Alpha (α) is to Focus Strategy = (0.689). These results are acceptable as suggested by (Sekaran, 2003). The results were shown in Table (3-3).

Table (3-3)

Reliability of Questionnaire Dimensions

| No. | Dimensions | Alpha Value (α) |
|---|---|---|
| 1 | Low cost Strategy | 0.791 |
| 2 | Differentiation Strategy | 0.746 |
| 3 | Focus Strategy | 0.689 |
| Porter Generic Strategies | | 0.884 |
| 4 | Customer orientation | 0.852 |
| 5 | Competitor orientation | 0.745 |
| Strategic Orientation | | 0.880 |
| ALL Questionnaire | | 0.916 |

# Chapter Four
# Analysis, Results & Hypotheses Test



## (4-1): Introduction

According to the purpose of the research and the research framework presented in the previous chapter, this chapter describes the results of the statistical analysis of the data collection for the research questions and research hypotheses. The data analysis includes a description of the Means and Standard Deviations for the questions of the study; Multiple and Simple Linear and Regression analysis are used.

## (4-2): Descriptive analysis of study variables

### (4-2-1): *Porter Generic Strategies*:

**Low cost Strategy:**

The researcher used the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-1).

Table (4-1)

Arithmetic mean, SD, item importance and importance level of Low cost Strategy

| No. | Low cost Strategy | Mean | Standard deviation | Item importance | Importance level |
|---|---|---|---|---|---|
| 1 | The Company follows the low-pricing strategy to meet the customer's needs | 4.32 | 0.47 | 5 | High |
| 2 | The Company follows the low-cost strategy to achieve competitive advantage in the long run | 4.54 | 0.50 | 1 | High |
| 3 | The company moving towards expansion the volume of sales to reduce the product cost | 4.39 | 0.49 | 3 | High |
| 4 | The company moving to expand the market share which would reduce the price | 4.39 | 0.49 | 3 | High |
| 5 | The company seeks to obtain the resources at a lower price that reflected in the lower -cost | 4.42 | 0.49 | 2 | High |
| 6 | Accumulation the experience of company has lead to increased productivity and low cost | 4.31 | 0.64 | 6 | High |
| General Arithmetic mean and standard deviation | | 4.40 | 0.51 | | |

Table (4-1) Clarifies the importance level of Low cost Strategy, where the arithmetic means range between (4.31 - 4.54) compared with General Arithmetic mean amount of (4.40). We observe that the highest mean for the item "***The Company follows the low-cost strategy to achieve competitive advantage in the long run***" with arithmetic mean (4.54), Standard deviation (0.50). The lowest arithmetic mean was for the item "***Accumulation the experience of company has lead to increased productivity and low cost***" With Average (4.31) and Standard deviation (0.64).

### Differentiation Strategy:

The researcher used the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-2).

Table (4-2)

Arithmetic mean, SD, item importance and importance level of Differentiation Strategy

| No. | Differentiation Strategy | Mean | Standard deviation | Item importance | Importance level |
|---|---|---|---|---|---|
| 7 | The excellence support the company's competitive position in the market | 4.27 | 0.71 | 5 | High |
| 8 | Research and Development could company to provide a competitive product | 4.33 | 0.68 | 3 | High |
| 9 | The company moving towards providing an integrated product line to achieve a competitive advantage in the market | 4.32 | 0.62 | 4 | High |
| 10 | The company confirm on effectiveness of the distribution system to achieve the geographical spread advantage | 4.13 | 0.74 | 6 | High |
| 11 | The company allocate a budget to support their reputation and products in the market | 4.37 | 0.48 | 2 | High |
| 12 | The company confirm on service quality to achieve customer satisfaction | 4.43 | 0.50 | 1 | High |
| General Arithmetic mean and standard deviation | | 4.31 | 0.62 | | |

Table (4-2) Clarifies the importance level of Cooperation, where the arithmetic mean ranges between (4.13 - 4.43) compared with the General Arithmetic mean amount of (4.31). We observe that the highest mean for the item "***The company confirm on service quality to achieve customer satisfaction***" with arithmetic mean (4.43) and Standard deviation (0.50). While the lowest arithmetic mean was for the item "***The company confirm on effectiveness of the distribution system to achieve the geographical spread advantage***" with Average (4.13) and Standard deviation (0.74).

**Focus Strategy:**

The researcher uses the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-3).

From that table, the arithmetic mean range between (4.41 - 4.52) compared with the General Arithmetic mean amount of (4.47). We observe that the highest mean for the item "***The company focuses on providing high quality products to serve a niche market of customers***" with arithmetic mean (4.52) and Standard deviation (0.50). While the lowest arithmetic mean was for the item "***The Company follows the excellence method on competitors through non-price competitive advantages that the customers preferences***" with Average (4.41) and Standard deviation (0.49).

Table (4-3)

Arithmetic mean, SD, item importance and importance level of Focus Strategy

| No. | Focus Strategy | Mean | Standard deviation | Item importance | Importance level |
|---|---|---|---|---|---|
| 13 | The company focuses on efforts to service a specific sector of the market and less priced than competitors | 4.49 | 0.50 | 2 | High |
| 14 | The company focuses on providing high quality products to serve a niche market of customers | 4.52 | 0.50 | 1 | High |
| 15 | The Company follows the excellence method on competitors through non-price competitive advantages that the customers preferences | 4.41 | 0.49 | 3 | High |
| General Arithmetic mean and standard deviation | | 4.47 | 0.50 | | |

## (4-2-2): *Strategic Orientation*:

### Customer Orientation:

The researcher uses the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-4).

Table (4-4)

Arithmetic mean, SD, item importance and importance level of Customer Orientation

| No. | Customer Orientation | Mean | Standard deviation | Item importance | Importance level |
|---|---|---|---|---|---|
| 16 | For our customers, price is the most important selling feature | 3.65 | 1.10 | 9 | Medium |
| 17 | We encourage customer comments—even complaints—because they help us to do a better job | 3.79 | 0.82 | 5 | High |
| 18 | After sales service is an important part of our business strategy | 3.84 | 0.90 | 4 | High |
| 19 | We concentrate on production and let our distributors worry about sales | 3.65 | 0.82 | 9 | Medium |
| 20 | In our company "sales" and "marketing" are pretty much the same thing | 3.70 | 0.92 | 8 | High |
| 21 | We have a strong commitment to our customers | 4.01 | 0.52 | 1 | High |
| 22 | We look for ways to create customer value in our products | 3.79 | 0.82 | 5 | High |
| 23 | We measure customer satisfaction on a regular basis | 3.08 | 1.08 | 12 | Medium |
| 24 | Our company would be much better off if our salesforce just worked a bit harder | 3.72 | 0.91 | 7 | High |
| 25 | In our company, marketing's most important job is to promote our products and services to our customers | 3.64 | 0.90 | 11 | Medium |
| 26 | In our company, marketing's most important job is to identify and help meet the needs of our customers | 3.97 | 0.75 | 2 | High |
| 27 | We define product quality in terms of customer satisfaction | 3.89 | 0.70 | 3 | High |
| General Arithmetic mean and standard deviation | | 3.73 | 0.85 | | |

Table (4-4) clarifies the importance level of Customer Orientation, where the arithmetic mean ranges between (3.08 - 4.01) compared with the General Arithmetic mean amount of (3.73). We observe that the highest mean for the item "***We have a strong commitment to our customers***" with arithmetic mean (4.01) and

Standard deviation (0.52). While the lowest arithmetic mean was for the item "***We measure customer satisfaction on a regular basis***" with Average (3.08) and Standard deviation (1.08).

### Competitor orientation:

The researcher uses the arithmetic mean, standard deviation, item importance and importance level as shown in Table (4-5).

Table (4-5)

Arithmetic mean, SD, item importance and importance level of Competitor orientation

| No. | Competitor orientation | Mean | Standard deviation | Item importance | Importance level |
|---|---|---|---|---|---|
| 28 | We regularly analyze our competitors' marketing programs | 3.89 | 0.68 | 4 | High |
| 29 | We frequently collect market data to help direct our new product plans | 3.59 | 0.82 | 6 | Medium |
| 30 | Our salespeople are instructed to monitor and report on competitive activity | 3.68 | 0.84 | 5 | Medium |
| 31 | We respond rapidly to competitors actions | 4.23 | 0.60 | 1 | High |
| 32 | Our top managers often discuss competitors programs | 4.11 | 0.65 | 2 | High |
| 33 | We target opportunities based on competitive advantage | 3.92 | 0.83 | 3 | High |
| General Arithmetic mean and standard deviation | | 3.90 | 0.74 | | |

Table (4-5) clarifies the importance level of Competitor orientation, where the arithmetic means range between (3.59 - 4.23) comparing with General Arithmetic mean amount of (3.90). We observe that the highest mean for the item "***We respond rapidly to competitors actions***" with arithmetic mean (4.23) and Standard deviation (0.60). While the lowest arithmetic mean was for the item "***We frequently collect market data to help direct our new product plans***" with Average (3.59) and Standard deviation (0.82).

## (4-3): Study Hypotheses Test

The researcher in this part tested the main hypotheses and studied sub hypotheses, through Pearson Correlation, and Chi² to identify the different perspective between General management and marketing managers about study variables:

**$H_{O1}$**: *There is no significant relationship between Porter generic Strategies* (low cost Strategy; differentiation Strategy; focus Strategy) *and Strategic Orientation* (Customer orientation; Competitor orientation) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the Pearson Correlation to ensure the Correlation between Porter generic Strategies (low cost Strategy; differentiation Strategy; focus Strategy) and Strategic Orientation (Customer orientation; Competitor orientation) in Jordanian Human Drugs Industrial Companies. As shown in Table (4-6).

Table (4-6)

Correlation between Porter generic Strategies (low cost Strategy; differentiation Strategy; focus Strategy) and Strategic Orientation (Customer orientation; Competitor orientation) in Jordanian Human Drugs Industrial Companies

| Variables | Customer orientation | Competitor orientation |
|---|---|---|
| low cost Strategy | 0.355** Sig=0.000 N=144 | 0.752** Sig=0.000 N=144 |
| differentiation Strategy | 0.818** Sig=0.000 N=144 | 0.386** Sig=0.000 N=144 |
| focus Strategy | 0.210* Sig=0.012 N=144 | 0.289** Sig=0.000 N=144 |

Significant at $P \leq 0.05$
Significant at $P \leq 0.01$

Table (4-6) illustrates the correlation coefficients between the independent and dependent variables, It has been shown that the highest correlation values between differentiation Strategy and Customer orientation (0.818**) and it is Significant at level ($\alpha \leq 0.05$), while values of lower correlation were between the focus Strategy and Customer orientation (0.210*) and it is Significant at level ($\alpha \leq 0.05$). And that assures invalid first hypotheses. Therefore, we refuse the null hypothesis and accept the alternative hypothesis:

***There is significant relationship between Porter generic Strategies (low cost Strategy; differentiation Strategy; focus Strategy) and Strategic Orientation (Customer orientation; Competitor orientation) at level ($\alpha \leq 0.05$).***

**$H_{O2}$**: *There is no significant difference between top management and marketing manager's perspective about Porter generic strategies* (low cost Strategy; differentiation Strategy; focus Strategy) at level ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the $Chi^2$ to identify the difference between top management and marketing manager's perspective about Porter generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) in Jordanian Human Drugs Industrial Companies. As shown in Table (4-7).

Table (4-7)

Difference between top management and marketing manager's perspective about Porter generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) in Jordanian Human Drugs Industrial Companies

| Variables | Top Management | | Marketing manager's | | $Chi^2$ Calculate | $Chi^2$ Tabulated | Sig* |
|---|---|---|---|---|---|---|---|
| | Mean | S.D | Mean | S.D | | | |
| Porter Generic Strategies | 4.49 | 0.21 | 4.35 | 0.22 | 30.893 | 3.412 | 0.030 |

Table (4-7) illustrates the differences between top management and marketing manager's perspective about Porter generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) in Jordanian Human Drugs Industrial Companies, the results showed that there is a significant statistical difference between top management and marketing manager's perspective about Porter generic strategies in Jordanian Human Drugs Industrial Companies. The value of $Chi^2$ Calculate (30.893) compared with the values of $Chi^2$ Tabulated. As shown in the table (4-7). And that assures invalid second hypotheses. Therefore we refuse the null hypothesis and accept the alternative hypothesis:

***There is significant differences between top management and marketing manager's perspective about Porter generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) at level ($\alpha \leq 0.05$).***

To ensure the Difference between top management and marketing manager's perspective about (low cost Strategy; differentiation Strategy; focus Strategy) in Jordanian Human Drugs Industrial Companies, the researcher divides the first main hypothesis to three sub hypotheses, and uses the $Chi^2$ analysis to test each sub-hypotheses ,as follows:

**$H_{O2\text{-}1}$**: *There is no significant difference between top management and marketing manager's perspective about low cost Strategy at level* ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the $Chi^2$ to identify the difference between top management and marketing manager's perspective about low cost Strategy in Jordanian Human Drugs Industrial Companies. As shown in Table (4-8).

Table (4-8)

Difference between top management and marketing manager's perspective about low cost Strategy in Jordanian Human Drugs Industrial Companies

| Variables | Top Management | | Marketing manager's | | $Chi^2$ Calculate | $Chi^2$ Tabulated | Sig* |
|---|---|---|---|---|---|---|---|
| | Mean | S.D | Mean | S.D | | | |
| low cost Strategy | 4.55 | 0.24 | 4.38 | 0.26 | 13.910 | 13.960 | 0.053 |

Table (4-8) illustrates the differences between top management and marketing manager's perspective about low cost Strategy in Jordanian Human Drugs Industrial Companies, where the results showed that there is no significant Statistical difference between top management and marketing manager's perspective about low cost Strategy in Jordanian Human Drugs Industrial Companies. The value of $Chi^2$ Calculate (13.910) compared with the values of $Chi^2$ Tabulated. As shown in the table (4-8). Accepted null hypothesis:

***There is no significant difference between top management and marketing manager's perspective about low cost Strategy at level ($\alpha \leq 0.05$).***

**$H_{O2-2}$**: *There is no significant difference between top management and marketing manager's perspective about differentiation Strategy at level* ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the $Chi^2$ to identify the difference between top management and marketing manager's perspective about *differentiation Strategy* in Jordanian Human Drugs Industrial Companies. As shown in Table (4-9).

Table (4-9)

Difference between top management and marketing manager's perspective about differentiation Strategy in Jordanian Human Drugs Industrial Companies

| Variables | Top Management | | Marketing manager's | | $Chi^2$ Calculate | $Chi^2$ Tabulated | Sig* |
|---|---|---|---|---|---|---|---|
| | Mean | S.D | Mean | S.D | | | |
| differentiation Strategy | 4.35 | 0.41 | 4.27 | 0.33 | 14.336 | 14.339 | 0.111 |

Table (4-9) illustrates the differences between top management and marketing manager's perspective about differentiation Strategy in Jordanian Human Drugs Industrial Companies, where the results showed that there is no significant statistical difference between top management and marketing manager's perspective about differentiation Strategy in Jordanian Human Drugs Industrial Companies. The value of $Chi^2$ Calculate (14.336) compared with the values of $Chi^2$ Tabulated as shown in the table (4-9). Therefore we accept the null hypothesis:

***There is no significant difference between top management and marketing manager's perspective about differentiation Strategy at level ($\alpha \leq 0.05$).***

**$H_{O2\text{-}3}$:** *There is no significant difference between top management and marketing manager's perspective about focus Strategy at level* ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the $Chi^2$ to identify the difference between top management and marketing manager's perspective about focus Strategy in Jordanian Human Drugs Industrial Companies. As shown in Table (4-10).

Table (4-10)

Difference between top management and marketing manager's perspective about focus Strategy in Jordanian Human Drugs Industrial Companies

| Variables | Top Management | | Marketing manager's | | $Chi^2$ Calculate | $Chi^2$ Tabulated | Sig* |
|---|---|---|---|---|---|---|---|
| | Mean | S.D | Mean | S.D | | | |
| focus Strategy | 4.67 | 0.24 | 4.45 | 0.34 | 5.751 | 5.758 | 0.124 |

Table (4-10) illustrates the differences between top management and marketing manager's perspective about focus Strategy in Jordanian Human Drugs Industrial Companies, the results showed that there is no significant statistical difference between top management and marketing manager's perspective about focus Strategy in Jordanian Human Drugs Industrial Companies. The value of $Chi^2$ Calculate (5.751) compared with the values of $Chi^2$ Tabulated. As shown in the table (4-10). Accepted null hypothesis:

***There is no significant difference between top management and marketing manager's perspective about focus Strategy at level ($\alpha \le 0.05$).***

**$H_{O3}$**: *There is no significant difference between top management and marketing manager's perspective about Strategic Orientation* (Customer orientation; Competitor orientation) at level ($\alpha \le 0.05$).

To test this hypothesis, the researcher uses the $Chi^2$ to identify the difference between top management and marketing manager's perspective about Strategic Orientation (Customer orientation; Competitor orientation) in Jordanian Human Drugs Industrial Companies. A shown in Table (4-11).

Table (4-11)

Difference between top management and marketing manager's perspective about Strategic Orientation (Customer orientation; Competitor orientation) in Jordanian Human Drugs Industrial Companies

| Variables | Top Management | | Marketing manager's | | $Chi^2$ Calculate | $Chi^2$ Tabulated | Sig* |
|---|---|---|---|---|---|---|---|
| | Mean | S.D | Mean | S.D | | | |
| Strategic Orientation | 3.56 | 0.73 | 3.75 | 0.46 | 28.485 | 28.494 | 0.692 |

Table (4-11) illustrates the differences between top management and marketing manager's perspective about Strategic Orientation (Customer orientation; Competitor orientation) in Jordanian Human Drugs Industrial Companies, the results showed that there is no significant statistical difference between top management and marketing manager's perspective about Strategic Orientation in Jordanian Human Drugs Industrial Companies. The value of $Chi^2$ Calculate (28.485) compared with the values of $Chi^2$ Tabulated. As shown in the table (4-11). That assures invalid third hypotheses. Therefore, we refuse the null hypothesis and accept alternative hypothesis:

***There is significant difference between top management and marketing manager's perspective about Strategic Orientation (Customer orientation; Competitor orientation) at level ($\alpha \leq 0.05$).***

To ensure the Difference between top management and marketing manager's perspective about (Customer orientation; Competitor orientation) in Jordanian Human Drugs Industrial Companies, the researcher divides the third main hypothesis into two sub hypotheses, and uses the $Chi^2$ analysis to test each sub-hypotheses ,as a follows:

**$H_{O3\text{-}1}$**: *There is no significant difference between top management and marketing manager's perspective about Customer orientation at level* ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the $Chi^2$ to identify the difference between top management and marketing manager's perspective about Customer orientation in Jordanian Human Drugs Industrial Companies. As shown in Table (4-12).

Table (4-12)

Different between top management and marketing manager's perspective about Customer orientation in Jordanian Human Drugs Industrial Companies

| Variables | Top Management | | Marketing manager's | | $Chi^2$ Calculate | $Chi^2$ Tabulated | Sig* |
|---|---|---|---|---|---|---|---|
| | Mean | S.D | Mean | S.D | | | |
| Customer orientation | 3.49 | 0.79 | 3.70 | 0.53 | 42.530 | 14.884 | 0.029 |

Table (4-12) illustrates the difference between top management and marketing manager's perspective about Customer orientation in

Jordanian Human Drugs Industrial Companies, where the results showed a difference statistically significant between top management and marketing manager's perspective about Customer orientation in Jordanian Human Drugs Industrial Companies. The value of $Chi^2$ Calculate (42.530) compared with the values of $Chi^2$ Tabulated. As shown in the table (4-12). And that assures invalid hypotheses. Therefore, we refuse the null hypothesis and accept alternative hypothesis:

***There is significant difference between top management and marketing manager's perspective about Customer orientation at level ($\alpha \leq 0.05$).***

**$H_{O3\text{-}2}$**: *There is no significant difference between top management and marketing manager's perspective about Competitor orientation at level* ($\alpha \leq 0.05$).

To test this hypothesis, the researcher uses the $Chi^2$ to identify the difference between top management and marketing manager's perspective about Competitor orientation in Jordanian Human Drugs Industrial Companies. As shown in Table (4-13).

Table (4-13)

Difference between top management and marketing manager's perspective about Competitor orientation in Jordanian Human Drugs Industrial Companies

| Variables | Top Management | | Marketing manager's | | $Chi^2$ Calculate | $Chi^2$ Tabulated | Sig* |
|---|---|---|---|---|---|---|---|
| | Mean | S.D | Mean | S.D | | | |
| Competitor orientation | 3.69 | 0.70 | 3.86 | 0.47 | 15.883 | 15.896 | 0.321 |

Table (4-13) illustrates the difference between top management and marketing manager's perspective about Competitor orientation in Jordanian Human Drugs Industrial Companies, the results showed there is no significant statistical difference between top management and marketing manager's perspective about Competitor orientation in Jordanian Human Drugs Industrial Companies. The value of $Chi^2$ Calculate (15.883) compared with the values of $Chi^2$ Tabulated. As shown in the table (4-13). Therefore, we accept the hypothesis:

***There is no significant difference between top management and marketing manager's perspective about Competitor orientation at level ($\alpha \leq 0.05$).***

# Chapter Five

# Results, Conclusions and Recommendations

**(5-1):** Results

**(5-2):** Conclusions

**(5-3):** Recommendations

## (5-1): Results

1. The importance level of Low cost Strategy in Jordanian Human Drugs Industrial Companies was high (4.04).
2. The importance level of Differentiation Strategy in Jordanian Human Drugs Industrial Companies was high (4.31).
3. The importance level of Focus Strategy in Jordanian Human Drugs Industrial Companies was high (4.47).
4. The importance level of Customer Orientation in Jordanian Human Drugs Industrial Companies was high (3.73).
5. The importance level of Competitor Orientation in Jordanian Human Drugs Industrial Companies was high (3.90).
6. There are significant relationship between Porter generic Strategies (low cost Strategy; differentiation Strategy; focus Strategy) and Strategic Orientation (Customer orientation; Competitor orientation) at level ($\alpha \le 0.05$).
7. There are significant differences between top management and marketing manager's perspective about Porter generic strategies (low cost Strategy; differentiation Strategy; focus Strategy) at level ($\alpha \le 0.05$).

8. There are no significant difference between top management and marketing manager's perspective about low cost Strategy at level ($\alpha \leq 0.05$).

9. There are no significant difference between top management and marketing manager's perspective about differentiation Strategy at level ($\alpha \leq 0.05$).

10. There are no significant difference between top management and marketing manager's perspective about focus Strategy at level ($\alpha \leq 0.05$).

11. There are significant difference between top management and marketing manager's perspective about Strategic Orientation (Customer orientation; Competitor orientation) at level ($\alpha \leq 0.05$).

12. There are significant difference between top management and marketing manager's perspective about Customer orientation at level ($\alpha \leq 0.05$).

13. There are no significant difference between top management and marketing manager's perspective about Competitor orientation at level ($\alpha \leq 0.05$).

## (5-2): Conclusions

1. Top management and marketing managers at the human drugs companies acknowledge the important role of generic strategies (low cost, differentiation and focus) in the field of human drugs industry.
2. The findings of this study indicated that human drugs companies promote strategic orientation (customers and competitors orientation).
3. The leaders and managers recognized that employees play an important role in contributing to quality outcomes.
4. The marketing managers were acknowledged as the group that provided the care and understood the needs of their customers.

## (5-3): Recommendations

1. Human Drugs companies should concentrate on customer satisfaction and quality Outcomes to attain competitive advantage and achieve market share.
2. Leader and managers should enhance the relationship between generic strategies and strategic orientation through understanding of their customer wants and needs.
3. Top management and marketing managers work as a group and placed more emphases on communication to achieve their organizational goals.
4. For further research the researcher suggest to investigate the same model in not-for- profit organizations.

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# Apendices

# Appendix (1)

## Names of arbitrators

| No. | Name | Specialization | University |
|---|---|---|---|
| 1 | Prof. Dr. Mohammad Al - Nuiami | Information System | MEU |
| 2 | Prof. Dr. Najim Abdullah AL-Azawi | Business Administration | MEU |
| 3 | Dr. Ali Abas | Business Administration | MEU |
| 4 | Dr. Laith Salman Al-Rubaiee | Marketing | MEU |

Appendix (2)

# Questionnaire of the Study

## The Relationship between Porter Generic Strategies and Strategic Orientation

### An Applied Study on Jordanian Human Drugs Industrial Companies

*Mr/Mrs ……………………….. Greeting*

The researcher purposed to *The Relationship between Porter Generic Strategies and Strategic Orientation in Jordanian Human Drugs Industrial Companies*

.

This Questionnaire is designed to collect information about your organization. I would be very grateful if you could answer ALL questions as completely and accurately as possible.

*Thanks for answer all the items in the Questionnaire*

**Ibrahim Rafid Abdulhaleem**

## *Part (1): Demographics Information*

**(1) Gender**

| | | | |
|---|---|---|---|
| Male | ☐ | Female | ☐ |

**(2) Age**

| | | | |
|---|---|---|---|
| Less than 30 years | ☐ | Between 30 – 40 Years | ☐ |
| Between 41 – 50 years | ☐ | Above 51 Years | ☐ |

**(3) Education Level**

| | | | |
|---|---|---|---|
| BSc | ☐ | High Diploma | ☐ |
| Master | ☐ | PhD | ☐ |

**(4) Position**

| | | | |
|---|---|---|---|
| General Manager | ☐ | Marketing Manager | ☐ |

**(5) Experience**

| | | | |
|---|---|---|---|
| Less than 5 years | ☐ | Between 5 – 10 Years | ☐ |
| Between 11 – 15 years | ☐ | Above 16 Years | ☐ |

## *Part (2): Porter Generic Strategies*

***First Strategy: Low cost Strategy***

**1.** The Company follows the low-pricing strategy to meet the customer's needs

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**2.** The Company follows the low-cost strategy to achieve competitive advantage in the long run

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**3.** The company moving towards expansion the volume of sales to reduce the product cost

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**4.** The company moving to expand the market share which would reduce the price

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**5.** The company seeks to obtain the resources at a lower price that reflected in the lower -cost

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**6.** Accumulation the experience of company has lead to increased productivity and low cost

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

***Second Strategy: Differentiation Strategy***

**7.** The excellence support the company's competitive position in the market

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**8.** Research and Development could company to provide a competitive product

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**9.** The company moving towards providing an integrated product line to achieve a competitive advantage in the market

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**10.** The company confirm on effectiveness of the distribution system to achieve the geographical spread advantage

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**11.** The company allocate a budget to support their reputation and products in the market

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**12.** The company confirm on service quality to achieve customer satisfaction

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

***Third Strategy: Focus Strategy***

**13.** The company focuses on efforts to service a specific sector of the market and less priced than competitors

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**14.** The company focuses on providing high quality products to serve a niche market of customers

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**15.** The Company follows the excellence method on competitors through non-price competitive advantages that the customers preferences

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

# *Part (3): Strategic Orientation*

## *Customer Orientation*

**16.** For our customers, price is the most important selling feature

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**17.** We encourage customer comments—even complaints—because they help us to do a better job

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**18.** After sales service is an important part of our business strategy

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**19.** We concentrate on production and let our distributors worry about sales

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**20.** In our company "sales" and "marketing" are pretty much the same thing

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**21.** We have a strong commitment to our customers

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**22.** We look for ways to create customer value in our products

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**23.** We measure customer satisfaction on a regular basis

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**24.** Our company would be much better off if our salesforce just worked a bit harder

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**25.** In our company, marketing's most important job is to promote our products and services to our customers

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**26.** In our company, marketing's most important job is to identify and help meet the needs of our customers

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**27.** We define product quality in terms of customer satisfaction

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

***Competitor Orientation***

**28.** We regularly analyze our competitors' marketing programs

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**29.** We frequently collect market data to help direct our new product plans

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**30.** Our salespeople are instructed to monitor and report on competitive activity

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**31.** We respond rapidly to competitors actions

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**32.** Our top managers often discuss competitors programs

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐

**33.** We target opportunities based on competitive advantage

Strongly Agree ☐ Agree ☐ Neutral ☐ Disagree ☐ Strongly Disagree ☐