

2 The Effects of Market Orientation on Product Innovation

Ljiljana Božić*

Abstract

In the literature market orientation is defined as business culture or behavior that leads to business success. Its influence on product innovation is one way to enhance business performance. The goal of this paper is to analyse the impact of behavioral components of market orientation on introduction of product innovation regarding its novelty. Research of this type was subject of Lukas and Ferrell (2000) study. Following their approach, but hypothesizing different relationships, the research on impact of market orientation behavioral components on product innovation in Croatian companies is conducted. Intensity of market orientation components is measured using MKTOR scale developed by Narver and Slater (1990) whose approach to market orientation is accepted in this paper.

Keywords: customer orientation, competitor orientation, interfunctional coordination, product innovation, MKTOR

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* Ljiljana Božić, Assistant, The Institute of Economics, Zagreb.