

EXPLORING THE MARKET ORIENTATION OF OLIVE OIL CONSORTIA: AN ANALYSIS IN THE ITALIAN CONTEXT

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1. Introduction

This research aims to examine the market orientation of Olive Oil Consortia in the context of the Italian olive oil industry. Although this industry occupies a prominent position in the Italian agrifood industry due to its specific features and its reputation as a high quality *Made in Italy* product that is an integral part of the *Italian way of life*, it has seldom become a subject of in-depth academic scrutiny, apart from sporadic sectoral union and association reports. On a national level, the essential stance of the sector stems from the relative volume of production and the contribution made to the Italian balance of payments (Ismea, 2013) in an ongoing recessive economic environment. On a global scale, the industry is marked by the aspiration of firms to define and develop effective strategies for achieving sustainable competitive advantage in an industry increasingly characterized by external competitive pressures.

There are two primary reasons for focusing this study on the Italian OLIVE OIL industry and, above all, on Italian olive oil consortia. Firstly, the agrifood industry in Italy has shown greater dynamism compared to other sectors that have dominated the domestic economy in the last few years (INEA, 2013). This dynamism has stimulated strategic transformations in significant areas of relevance, such as: greater commitment to R&D projects and activities with the aim to develop innovative products and processes in coherence with environmental sustainability principles; suitable training courses for young entrepreneurs in agriculture; greater involvement in foreign markets, thus partly offsetting the negative effects of the economic crisis (INEA, 2013). As a consequence and secondary reason, these prominent industrial endeavours have motivated management and marketing researchers to observe sectors, economic activities and issues traditionally considered to be of little interest. Such contemporary research interests aim at reflecting upon and exploring new opportunities for the implementation of relevant categories of concepts, and the application of a wide range of analyses on diverse sectors. A primary conceptual tool to

achieve these aims is market orientation (MO). The basic idea advanced by a multitude of researchers (i.e., Narver and Slater, 1990; Kohli and Jaworsky, 1990; Deshpandè et al., 1993; Kirca et al., 2005; Kumar et al., 2011) is that the adoption and implementation of MO concepts may make a valuable contribution towards improving the performance of Consortia in the long-term regarding *innovation consequences* (i.e., product and/or process innovation; knowledge generation; patents), *employee consequences* (i.e., effects on employee motivation and commitment), *financial consequences* (i.e., sales growth, profitability and cash-flow) and *customer consequences* (i.e., customer satisfaction, customer loyalty) (Narver and Slater, 1990; Jaworski and Kohli, 1993; Diamantopoulos and Hart, 1993; Atuahene-Gima, 1995; Han et al., 1998; Hurley and Hult, 1998; Lukas and Ferrell, 2000; Aldas-Manzano et al., 2005).

These basic parameters and additional ones presented in the theoretical background below assume a particular importance in the context of Olive Oil Consortia since they operate in an increasingly turbulent competitive environment and need to identify suitable ways of combining their resources, competencies and capabilities in order to better satisfy customer demands and to better cope with competitive pressures from rising international players. To date, research and analyses applying the concepts of MO to the olive oil industry and specifically the relevant Consortia are scarce at best. Thus, this paper aims at exploring and clarifying linkages between the various dimensions of MO, and the strategic directions taken by Olive Oil Consortia which constitute a traditionally crucial part of Italian agrifood industry.

Specifically, the study sets out to analyze the following research questions in the context of the Italian Olive Oil Consortia:

- a) *whether* and, above all, *how* the concept of MO – a fundamental marketing notion – can be defined and implemented within the organizations under examination, focusing on the distinctive dimensions identified in the literature;
- b) *whether* and *how* the adoption of MO can influence their performance.

The study begins with a background presentation of the Italian olive oil industry and CONSORTIA, continuing with the main contributions of the existing literature on the concept of MO and its principal dimensions. It then proceeds with the methodology used to carry out the study and obtain the results, followed by a discussion of the findings. Finally, the limitations to the study, as well as further future research and managerial implications are presented and discussed.

2. Background to the Study

2.1 The Italian Olive Oil Industry and Consortia

With annual production reaching 480,000 tonnes, Italy reported a record surplus of 151 million Euros in its olive oil balance of trade in 2013, an increase of 35 million compared to 2012 (Ismea, 2013). This data signals that the value of exports exceeded imports for the third year running, even if Italy remains the biggest importer of olive oil and the second biggest exporter behind Spain (Ismea, 2013).

However, while Italy's strategic positioning in international markets remains significant (International Oil Council, 2013), different players are coming onto the global scene, both from the Mediterranean area (e.g. Egypt, Morocco, Syria, Tunisia and Turkey) and from other continents (e.g. South America, Australia, North America) (INEA, 2013). These players are trying, on the one hand, to gain important positions and results in terms of olive oil production volumes and market share and, on the other hand, to improve the image of their products in comparison with those of traditional producers by proposing an important variety of alternative products in order to attract distributors and consumers.

From a demand point of view, Italy sold a total of about 218 million litres of oil worth 850 million Euros, with a slight increase (+1%) for DOP oil volumes, and showing positive trends both in volume and value (+1% and +3 % respectively) for organic products (Unaprol, 2013).

These findings highlight the increasing popularity of quality products with consumers who are increasingly more informed, responsible and more selective in their purchase and consumption practices, which result in higher levels of expectation from agrifood products. Moreover, they contribute to increased competitive pressure among producers, who are constantly involved in innovation processes geared towards offering final consumers several reasons to make conscious purchase choices, in favour of high quality products.

However, olive oil producers, of which there were 902,075 in 2010 according to the 6th General Census of Agriculture, are overwhelmingly constituted by small and medium sized firms (60% own less than 2 hectares), characterized by a prevalence of sole ownership, gradual ageing of olive oil producers (41% of firms are run by people over the age of 65) and limited generational turnover (only 3% of firms are run by people under the age of 34) (Ismea, 2013).

These aspects are, therefore, the main sources of difficulty and/or impossibility for olive oil producers attempting to achieve adequate performance levels while operating in a market characterised by aggressive players, competitive pricing policies and undifferentiated products. However,

some inter-firm arrangements have gradually given rise to collaboration forms and aggregation processes, as possible alternatives to create “critical mass” (Ismea, 2013).

Secondly, from this perspective Consortia are starting to play a leading role in the various phases of agrifood production and supply chain, as can be witnessed in the wide range of activities and services they carry out (D'Amico, 2002) with the aim of generating further sources of competitive advantage for the organization as a whole and for its individual members.

In fact, Olive Oil Consortia are concentrating mainly on the following aspects: strengthening the distinctive traits of products on the basis of territorial characteristics and wide range of varieties; exploring useful ways to obtain important certifications concerning production and product quality; adopting effective differentiation strategies that avoid forms of price competition used by certain new international players to demonstrate a combination of distinctive knowledge and competences and continuous commitment to technological innovation processes; finally, developing marketing strategies and activities in response to demand needs and incessant competitive pressure.

With regard to the latter point, it should be underlined that certain Consortia interpret marketing principles in a particular way with reference to both strategic and tactical aspects, in most cases attempting to use marketing activities to resolve day-to-day problems rather than addressing the need for a precise and rigorous strategic planning process. There is a perceptible need for a cultural change within Consortia in order to overcome the conviction that critical success factors are no longer linked only to high-quality products and the ability to reduce production and distribution costs, as well as to encourage the adoption and implementation of strategies suited to the competitive dynamics and changing conditions of the market. In other words, Consortia operating in the olive oil industry need to move towards a different philosophy focusing on the concept of MO (Narver and Slater, 1990; Kohli and Jaworsky, 1990).

2.2 Market Orientation (MO) Concept and Related Constructs

The concept of MO has received a great deal of attention from business and marketing scholars, who have debated its theoretical and practical implications (Shapiro, 1988; Narver and Slater, 1990; Kohli and Jaworsky, 1990; Kohli et al., 1993; Deshpandè et al., 1993; Day, 1994; Kirca et al., 2005; Song and Parry, 2009; Zhou et al., 2009; Kumar et al., 2011; Abbate, 2012).

The literature review analysis reveals that a consolidation of the concept of MO came about in the early 1990s, thanks to the main contributions of Narver and Slater (1990) and Kohli and Jaworsky (1990), who elaborate a conceptual framework for the development of a systematic theory of this

orientation. Although the perspectives offered by Narver and Slater (1990) and by Kholi and Jaworsky (1990) are complementary and not reciprocally exclusive (Manzano et al., 2005), this work refers principally to the seminal study by Narver and Slater (1990), which conceptualised MO as an organizational culture that pushes a firm to achieve sustainable competitive advantage by creating superior value for customers.

Narver and Slater (1990) highlighted that MO is “the organizational culture (...) that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and, thus, continuous superior performance for the business” (p. 21).

This organizational culture is mainly characterized by three different behavioural components: (1) customer orientation, which means “the sufficient understanding of one’s target buyers to be able to create superior value for them continuously”; (2) competitor orientation, which means “that a seller understands the short-term strengths and weaknesses and long-term capabilities and strategies of both the key current and key potential competitors”; and, finally, (3) inter-functional co-ordination, which indicates “the coordinated utilization of company resources in creating superior value for target customers” (Narver and Slater, 1990, pp.21-22).

Therefore, MO can be examined as a cultural feature of an organization that puts the customer at the center of its strategies and activities, while maintaining focus on the activities of principal competitors and inter-functional coordination in order to effectively respond and adapt to changing market conditions (Narver and Slater, 1990).

However, it is also necessary to underline that the definition and implementation of MO require firms to possess dynamic capabilities (e.g., Teece et al., 1997; Eisenhardt and Martin, 2000) that allow the development of innovation capabilities to be combined with essential marketing capabilities (Morgan et al., 2009).

More specifically, these capabilities allow firms to deploy their resources in ways that match changing market conditions ahead of their competitors, to define effective strategies, and to successfully respond to demand needs and preferences (Ketchen et al., 2007; Morgan et al., 2009). From this viewpoint, MO and dynamic capabilities are considered valuable strategic sources helping organizations to obtain a competitive advantage (Morgan et al., 2009) and in turn achieve marketing objectives.

Empirical studies (Narver and Slater, 1990; Jaworski and Kholi, 1993; Despandé et al., 1993; Slater and Narver, 2000; Nwokah, 2008; Zhou et al., 2009; Kumar et al., 2011) underlined that MO is associated positively with business consequences over time: customer consequences (i.e., customer satisfaction and customer loyalty); financial consequences (i.e., growth in sales revenue, sales growth, profitability, etc.), employee consequences (i.e., motivation, commitment, etc.) and innovation consequences (i.e., de-

velopment of new products/process, generation of new knowledge, patents) (Narver and Slater, 1990; Jaworski and Kohli, 1993; Despondé et al., 1993; Diamantopoulos and Hart, 1993; Atuahene-Gima, 1995; Han et al., 1998; Hurley and Hult, 1998; Slater and Narver, 2000; Lukas and Ferrell, 2000; Manzano et al., 2005; Hsieh et al., 2008).

However, the relationship between MO and business performance may be moderated by environmental uncertainty, due to the unpredictability and instability of the external environment (Song and Parry, 2009). More specifically, three types of environmental uncertainty may affect firms' performance: 1) market uncertainty (Han et al., 1998); 2) competitive intensity (Jaworski and Kohli, 1993; Kirca et al., 2005); and, 3) technological turbulence (Kohli and Jaworski, 1990; Slater and Narver, 1994).

Market uncertainty concerns the transformation in the type and composition of customers and their changing needs/preferences (Kohli and Jaworski, 1990; Jaworski and Kohli, 1993). Competitive intensity refers to the degree of change in the competitive scenario and uncertainty concerning competitors and their strategies in order to gain competitive advantage (Kohli and Jaworski, 1990). Finally, technological turbulence refers to changes in the "entire process of transforming inputs to outputs and the delivery of those outputs to the end customer" (Kohli and Jaworski, 1990, p.14).

Based on these considerations, this study aims at analyzing the MO concept and its main dimensions in the context of Italian Olive Oil Consortia.

3. Methodology

3.1 Research Context

In Italy, the majority of enterprises producing olive oil are Small and Medium Enterprises (SMEs). They traditionally have had to confront several difficulties due to their small size, scarcity of resources (i.e., human, financial, technological), low coordination among activities and the limited capacity to face the aggressive strategies brought about by the emerging competitors. In addition, they often lack essential managerial know-how and financing, while falling behind the quality or production volume necessary. However, these hurdles can often be overcome through the establishment and/or maintenance of cooperation forms that foster the active involvement and participation of these SMEs. Among the wide range of collaboration forms, the Consortium represents an interesting form of inter-organizational aggregation that is created when potential members decide to achieve various activities in common (D'Amico, 2002). With reference to the nature of activities pursued together, these aggregations can be classified in the following categories: Consortium of purchase, Consor-

tium of production, Consortium for sustained research and development (R&D) activities, Consortium dedicated to financial activities of associates, Consortium oriented to promotion and Consortium offering services (Dep-peru, 1996).

In accordance with the act of 21/10/1999 n.526 and its related documents, the main assignment of Consortia can be synthesized as the protection and valorization function of typical products including the following actions: 1) quality policies using specific disciplinary processes with regard to olive oil production; 2) protection of brand and denomination through market supervision; promotion and dissemination of information to customers; and 3) services and support to satisfy firms' requirements by primarily supporting internationalization policies (D'Amico, 2002).

3.2 Sample and Data Collection

To achieve the research objectives, a qualitative method was chosen since it is deemed more appropriate for exploring the complex phenomenon, addressing the questions of "if" and "how" (Yin, 1994) and also obtaining useful ideas and interpretations that are more difficult to obtain from quantitatively-oriented methods. In detail, a multiple case study approach was adopted due to the fact that this method is considered appropriate for an explorative study and has been suggested to increase the methodological rigor of the study through "strengthening the precision, the validity and stability of the findings" (Miles and Huberman, 1994, pp. 29) In addition, the evidence obtained from this approach "is often considered more compelling" (Yin, 1994, pp. 45). Moreover, this method allows the investigation of "a contemporary phenomenon within its real-life context", using a variety of data sources (Yin, 1994).

The particularity of explorative qualitative analysis, represented by the opportunity of conducting the study on a limited number of cases that reproduce the population characteristics on a small scale, allowed the authors to conduct the study on 10 Olive Oil Consortia. These were identified through analysis of institutional documents, reports, dossiers and websites of public/private organizations in the olive oil industry, permitting the collection of data and dissemination of results. Thus, the sample selected for this research can be considered "opportunistic", emerging "from following leads during field work" (Patton, 1990, p.182).

Table 1 Information on Italian Olive Oil Consortia subject to case analysis

Consortium	Foundation Year	Number of associates	Area of production	Number of employees	Principal market	Incidence of exportation
A.P.O.R	1977	4800	South Italy	<10	Domestic	<5%
Consorzio Tutela Olio Dop Terra D'Otranto	2002	25	South Italy	<10	Domestic	5-15%
Oleificio Cooperativo di Ostuni	1959	386	South Italy	<10	Domestic	<5%
Olivicoltori Toscani Associati	1982	21.849	Central Italy	10-49	Domestic	<5%
Conasco	1982	-	South Italy	10-49	Domestic	<5%
Consorzio Sabina Dop	2009	106	Central Italy	<10	Domestic	5-15%
Associazione Olivicoltori Sanniti	1988	-	South Italy	<10	Domestic	<5%
Consorzio Peranzana Alta Daunia	2012	20	South Italy	<10	Domestic	15-30%
Consorzio Dop Monti Iblei	2000	267	Insular Italy	10-49	Domestic	15-30%
Consorzio Dop Monte Etna	2007	35	Insular Italy	Volunteers	Domestic	15-30%

As illustrated in Table 1 above, the cases hereby examined reflect the following characteristics: located principally in geographical areas with a recognized tradition of olive oil production (Central/Southern Italy, Sicily and Sardinia), due to historical and environmental factors (i.e., favourable climate, quality, variety of products, etc.); the number of employees is comprised between 10 and 50; and their olive-oil production is mainly oriented to the domestic market. The data were gathered using multiple sources of information (Yin, 2013). First, extensive in-depth face-to-face interviews with two different organizational members were performed, namely the president of the Consortium or the marketing managers. The authors preferred to hold interviews with these well-defined actors because in these organizations they can be considered as key informants and respondents who possess detailed information about internal day to day activities, projects, operations and prominent external market conditions. The aim was to explore the following aspects with relation to the MO construct:

- ✓ general marketing characteristics, mainly examining those marketing mix elements which a Consortium adopts in order to make its own strategic choices according to its marketing plan (i.e., product, processing, transformation, market research, packaging, etc.);

- ✓ the main motivations that stimulate a Consortium to change its own organizational culture and to adopt a strategic approach to MO;
- ✓ the principal factors that influence the effective implementation of the principal dimensions characterizing the MO; the main activities and initiatives realized and linked to customer orientation, competitive orientation and inter-functional coordination;
- ✓ the principal difficulties in defining and developing the main MO dimensions (customer orientation, competitor orientation and inter-functional coordination);
- ✓ the relationship between MO of the Consortium and its business performance;
- ✓ the market-oriented Consortia behavior as related to the characteristics of continuous environmental changes such as market uncertainty, intensity of competition (mainly new players) and turbulence arising from technological transformation.

It should be noted, however, that the questions were kept deliberately broad in a semi-structured format in order to allow the interviewees as much freedom in their answers as possible. In addition, during the interviews an informal relationship with the interviewees was established, allowing additional questions to be addressed so as to probe into particular aspects of the survey.

The interviews lasted approximately two hours on the average and were conducted from March to May 2014, in line with the traditional methodological prescriptions on collecting data through personal interviews (Lee, 1999). The data and information obtained by means of the interviews were transcribed, codified and analyzed using text mining and lexical analysis. To validate the qualitative analysis, the results were presented to the respondents in order to obtain their feedback and incorporate any corrections and suggestions (Elliott, 1999).

In addition to the interviews, secondary data sources were also consulted as suggested by Yin (1994), including mission statements, marketing strategy documents, internal documents, available customer satisfaction reports, brochures, market reports, and industry statistics. It is believed that the use of multiple sources of evidence, along with the interview process, helped improve the data credibility of this research (Patton, 1980).

4. Results and Discussion

The in depth case analysis approach allowed the authors to highlight certain points of particular interest regarding the MO of the Italian Oil Consortia under examination. Above all, the study pinpointed the major diffi-

culties/barriers faced by these organizations in their attempt to undertake the identification and implementation of the three principal dimensions characterizing MO. In addition, the examined case studies made it possible to identify several points of interest directly concerning the relationship between MO and business performance, evidenced in the marketing literature pertinent to this field.

First of all, it can be clearly deduced that most of the Oil Consortia under examination have, up to now, paid little attention to analysis, understanding and monitoring of the principal market forces that influence their business the most, especially from the viewpoint of consumers and competitors.

The Consortia recognize the importance of the above-mentioned activities and, above all, the necessity to effectively determine and concretely implement them, so as to identify and exploit different improvement and advancement opportunities. However, little commitment has been demonstrated to the continuous and systematic gathering, collection and processing of data on the main market phenomena that could affect, in one way or another, the forces under consideration.

As concerns consumers, the Oil Consortia underline that detailed knowledge of consumer requirements, both effective and potential, is now a crucial and essential element in order to succeed in taking advantage of new opportunities as they arise, as well as pre-empting the main competitors.

Indeed, by using the resources and expertise acquired by member firms, this knowledge may be the premise for experimenting with and creating new products that better respond to consumer needs/requirements and allow a higher level of customer satisfaction to be achieved.

In this regard, an interviewed marketing manager has pointed out that *"for developing and commercializing sophisticated products with the right set of features that meet and satisfy customer needs, there is a strong necessity to understand and to accurately examine their requirements and expectations, even if they evolve more rapidly over time"*.

However, these activities have been sporadic, occasional, poorly planned and, although dictated by the need to face up to continual changes in an uncertain and turbulent competitive environment, they have focused only on clear and existent consumer needs.

The mistake has been that of neglecting latent market requirements coupled with the lack of analysis and detailed study of the strategies and policies adopted by domestic and international competitors. Moreover, the Oil Consortia under examination also point out that sometimes their energy and effort are essentially directed towards maintaining stable relationships with member firms in order to understand their most pressing problems, to propose suitable solutions and lastly, to develop useful platforms oriented towards facilitating interaction and the exchange of competences, knowledge and experiences. This has often led to the definition of activities

and initiatives aimed mainly at stimulating the involvement, interaction and participation of member firms in the planning and management of the Oil Consortia while encouraging a necessary cultural change in these firms, which are more focused on their own performance objectives. Thus, they neglect often market targets.

As regards competitors, the Oil Consortia representatives emphasized the little importance given to the analysis and evaluation of the main characteristics, strategies, policies, behaviour and performance levels of major competitors, who are becoming more and more ruthless, aggressive and, above all, dangerous, for Italian olive oil producers.

The reasons for this behavior can be found in the deep-rooted conviction, not only in the Oil Consortia under examination, but throughout the Italian olive oil industry, that the excellent quality of Italian olive oil differentiates it from competitor products and guarantees the achievement of satisfactory sales and customer loyalty.

Moreover, the Oil Consortia have as their main objective the achievement and maintenance of a high-quality level for Italian products, brought about by a series of complex innovative processes. The result is underestimating and/or delaying the creation of stable relationships, which require well planned marketing focused on consumers and their heterogeneous requirements. These findings are an indication of how the Oil Consortia are still focused on products, on their main characteristics and on necessary innovations to essentially increase quality levels in the deep-rooted conviction that product quality is the unique critical factor for generating and maintaining positive business performance. Consequently, it seems that product orientation is still prevalent over MO, despite the risk deriving from the fluctuation in demand and the relentless pressure from foreign competitors.

It is also interesting to note how, in some of the Consortia under examination, the assumption of decisions, not only strategic but also tactical ones, are still left to the intuition and experience of their Presidents and managers. They thus develop their own idea of market development without the necessary support of a sound information base collected from different sources (internal and external to Oil Consortia) to be interpreted/evaluated for the development of future scenarios and in support of formal decision-making processes. Moreover, the distinction between strategic and tactical decisions is often not easily or immediately understood, which confirms the need to adopt and to implement a more professional managerial approach. Regarding the exchange, sharing and spreading of information and knowledge concerning the most important aspects of market demand (final and intermediate) and the dynamics of other market forces among the various resources of the Oil Consortia and, in particular, among the member firms, it was ascertained that these activities take place in an

informal, spontaneous and occasional way (i.e., periodic meetings, events, workshops) without the use and support of effective and specifically dedicated channels. Undoubtedly, this aspect reduces the possibility to develop and promote the logic of sharing and participation in achieving objectives and also the development of projects within these organizations.

Another important aspect that emerged in most of the cases studied is that the adoption and implementation of activities characterizing MO require the availability of a set of human resources with specialist capabilities, economic-financial resources to sustain appropriate investments and last but not least, technological resources that are fundamental in order to guarantee the efficient and effective monitoring of consumers, competitors and other market forces/actors.

However, an interviewed Oil Consortium president has underlined that *“economic and financial resources are really limited and [the lack of resources] influences strongly our decisions, our directions of development and our main activities.”*

In fact, the scarcity and, in some cases, the lack of resources poses a series of central questions regarding the appropriateness of sustaining investments in areas offering more immediate returns (e.g. promotional activity, participation in specific events to promote products, European product/process quality certifications). These questions, which are linked to aspects of economic convenience, particularly involve the top management of Italian Oil Consortia, which find themselves having to confront and respond to continuous changes in the competitive environment, characterized by high levels of market and technological uncertainty.

From this discussion it can be deduced that regarding the first research question, Italian Olive Oil Consortia have a basic idea of the definition of the MO concept and its dimensions, but are constrained in its implementation by various factors including but not limited to, resource scarcity, well-rooted traditional convictions about the product and its target market, and inadequate competitor analysis. Finally, it also emerged that in the Oil Consortia that set in motion the first activities and initiatives in a move towards MO, an improvement is noted in business performance.

This is especially observed in reference to aspects linked to *customer satisfaction*, to the generation of new knowledge and the capacity to find new unexplored market opportunities and to implement processes aimed at product innovation (e.g., organic products) and/or phases of the production processes, with the intention of obtaining a better position with respect to their new competitors. Thus the second research question is answered in the sense that adoption of MO is certainly recognized as a factor which will improve economic performance by means of improved customer satisfaction and enhanced competitive advantage in international markets.

5. Conclusions

The cases of Italian Oil Consortia examined in this study signal certain interesting factors for the adoption of a market oriented culture.

Although the Oil Consortia are now aware of the need to focus their efforts on customers, on the strategies of major international competitors and on changes in the competitive environment in order to identify different opportunities, the definition and implementation of these activities are difficult to achieve. This is due to the lack of available human competencies and mainly, financial and technological resources. Concurrently, the Oil Consortia subject to examination are still heavily product oriented and led by a concentration on the improvement of product characteristics because they are strongly convinced that the superiority, excellence and quality of Italian products are sufficient motives for consumers to choose and purchase them.

From this perspective, MO is a certain necessity leading to changing the culture, while giving rise to a process of transformation that brings with it the spread of an indispensable market sensitivity to develop sources of competitive advantage. The MO mentality could somehow limit the conviction that excellence is the only virtue capable of guaranteeing superior results in performance.

However, the processes of definition and implementation of MO within these organizations are neither simple nor costless, but imply significant organizational challenges.

The Consortia members need to adopt coherent behaviors and, primarily, continuously reinforce their commitment to the heterogeneous related activities, by allocating (as much as possible) adequate resources (human, financial and technological) to different initiatives that might ensure the benefits expected from a market oriented entity.

From a managerial point view, this study contributes to practice by delineating the importance of emphasizing the creation and implementation of a market oriented business environment while taking into account the benefits and limitations of each component to obtain positive results. In addition, it highlights that MO supports managers in becoming more connected to their competitive environment by encouraging innovative activities stimulated by a different strategic approach to the sectoral dynamics.

From a theoretical point of view, the study adds to the existing body of MO research by extending the relevant concepts, its dimensions and its scope on business performance in the agrifood industry.

However, the findings and the conclusions of this study need to be considered in the light of the following limitations. First, the results may not be generalized to the universe of Olive Oil Consortia in Italy, especially when such organizations operate in different regions of Italy characterized by

different environmental conditions. In turn, this study should be intended as an exploratory research aimed at investigating the MO construct within these organizations and the agrifood business.

With this in mind, the authors look forward to improving the qualitative case approach and expanding the research range with empirical analyses in future research steps, broadening the sample size, and accomplishing a useful quantitative analysis more oriented towards the scrutiny of the relationship between MO and business performance.

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Abstract

This paper aims to investigate the market orientation of Olive Oil Consortia in Italy. Through an exploratory qualitative analysis, the study sets out to look in detail at: a) whether and how the principal features and main activities characterizing this fundamental marketing concept are defined and effectively implemented in the organizations under examination; b) whether and how the adoption of market orientation influences their business performance. Findings suggest that Olive Oil Consortia recognize the relevance of principal dimensions of market orientation in order to develop innovative products that meet customers' needs and to achieve positive performance. However, the adoption of market orientation constitutes a significant challenge to Consortia because it requires a cultural change as well as the availability of economic and human resources needed to adopt and implement this orientation.

Riassunto

Il lavoro intende esaminare l'orientamento al mercato dei Consorzi di olio italiani, focalizzando l'attenzione sulle principali dimensioni che, caratterizzanti in maniera peculiare tale orientamento, possono trovare applicazione nelle organizzazioni indagate ed influenzare i loro risultati aziendali. Il lavoro realizza un'analisi qualitativa esplorativa, adottando il metodo del caso studio. I principali risultati possono così sintetizzarsi: i Consorzi di olio italiani riconoscono la necessità di definire ed implementare le principali dimensioni dell'orientamento al mercato al fine di sviluppare nuovi prodotti ed ottenere migliori performance, tuttavia, tale adozione rappresenta una importante sfida, richiedendo sia un cambiamento culturale sia la disponibilità di risorse umane, finanziarie e tecnologiche.

Keywords (Parole chiave): performance-“ keywords: firm, firms, market performance, market structure. (studio, aziende, performance di mercato, struttura del mercato).

Jel Classification: M31

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