

# **PERSPECTIVE-TAKING: A CRITICAL ASPECT OF MARKET ORIENTATION**

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## **ABSTRACT**

Perspective-taking and the ability to take a customer's point of view lie at the very heart of marketing. Whilst the relevance of perspective-taking to marketing is broad, this paper proposes how the concept can be applied within the context of a firm's market orientation. It introduces the construct of perspective-taking as an aptitude that can be developed among employees and managers in order to strengthen a firm's collective market orientation. The theoretical basis for perspective-taking that is rooted in the psychology literature on aptitude complexes and formation is outlined, and conclusions are drawn.

**Keywords:** Perspective-taking; market orientation; customer orientation; aptitude; customer viewpoint;

**Stream:** MARKETING THEORY AND ORIENTATION

# **PERSPECTIVE-TAKING: A CRITICAL ASPECT OF MARKET ORIENTATION**

## **INTRODUCTION**

Perspective-taking has received attention in the realms of psychology and education. Yet, surprisingly it appears to have been largely overlooked in the marketing literature. Perspective-taking as the ability to take a customer's point of view is central to much that is done in marketing. The needs expressed by a customer can have the desired meaning ascribed to them by a marketer only if the marketer can adopt the perspective of the customer. In the increasingly competitive global markets that organizations operate in, the customer's point of view has grown in importance and should be the overriding, driving concern if long-run business performance is to be secured. A customer orientation that fosters a customer's point of view among managers is the essential building block of a market orientation. Customer understanding is crucial to marketing and a market orientation requires the marketer to undertake a process that adopts the perspective of customers by realistically comprehending their point of view. The key challenge is to determine where managers can profitably look for this understanding and it is proposed that this can come about via perspective-taking. This perspective-taking stance enables the organization to provide offerings that customers want. It lies at the basis of a 'customer's point of view'.

This paper proposes how perspective-taking can be applied within the context of an organization's market orientation. It introduces the concept of perspective-taking as an aptitude, that can be developed among an organization's employees, but especially among managers, in order to strengthen a firm's collective market orientation and the customer's point of view.

## **PERSPECTIVE-TAKING AND EMPATHY**

Perspective-taking and empathy are closely inter-linked. However, the distinction between the two is often blurred, with the two terms frequently used inter-changeably in the literature. Recent studies tended to reserve the term empathy for emotional responses and perspective-taking for cognitive responses. Galinsky et al. (2008) consider that there is clear evidence for differences between empathy and perspective-taking (e.g., Davis, 1983; Oswald, 1996) and define perspective-taking as "a cognitive capacity to consider the world from other viewpoints" that permits anticipation of the behavior and reaction of others (Galinsky et al. 2008, p.378). Empathy is viewed as "an other-focused emotional response that allows one person to affectively connect with another" (Galinsky et al. 2008, p.378). These two definitions first clearly distinguish the two concepts and secondly highlight how the perspective-taking definition with its focus on the cognitive capacity to consider the world from other viewpoints dovetails into the essence of what Drucker (1954) suggests as constituting the essence of a market orientation.

## **CONCEPTUALIZING PERSPECTIVE-TAKING AS AN APTITUDE**

A review of the management literature indicates that the perspective-taking concept has received little interest and attention. We employ the work of Johnson (1975) and Gehlbach (2004) to provide an aptitude theoretical framework for a better conceptualization of perspective-taking. Johnson (1975) uses the term Social Perspective Taking (SPT) to highlight the point that perspective-taking is primarily an *ability* that an individual has to a

higher or lesser extent. Therefore, SPT is defined as: “the ability to understand how a situation appears to another person and how that person is reacting cognitively and emotionally to the situation. It is the ability to put oneself in the place of others and recognize that other individuals may have points of view different from one’s own” (Johnson, 1975, p.241). In this context, perspective-taking is assessed as a cognitive ability whose aim is to see how accurately an individual infers the thoughts or feelings of a target other that in turn enables that individual to understand the reality of others. Gehlbach (2004), who considers the role of perspective-taking in conflict resolution in an educational context, builds on the definition by Johnson (1975) and argues that it is incomplete to consider perspective-taking simply as a cognitive ability and that it is also necessary to consider the *propensity* to undertake the perspective-taking. He points out that much of the research on perspective-taking has tended to take only one of these two dimensions. In addition, perspective-taking is a situational construct that needs to take into account not only aspects of cognitive *ability* and *propensity* but also the contextual characteristics of the situation (Gehlbach, 2004).

Perspective-taking can be appropriately conceptualized using an aptitude framework complex (Snow, 1978). Aptitudes have been proposed in an educational context and are defined as “the degree of readiness to learn and to perform well in a particular situation or in a fixed domain” (Corno and Snow, 1986, p. 3). Yet aptitudes are central to all human endeavors and signify some aspect of the present state of an individual that is propaedeutic to some future achievement in some particular situation (Corno and Snow, 1986, p.605). Snow expanded the definition of aptitude beyond the conventional cognitive-based strategies and abilities. With this wider view of aptitude, Snow’s ‘aptitude-complexes’ theory seeks to account for the interaction between an individual’s personal antecedent variables (e.g., experience, motivation, ability, and knowledge) and situational demands. As such it incorporates not only cognitive and affective aspects but also conative attributes of persons that predict success in specified endeavors (Corno and Snow, 1986). Aptitudes develop along a ‘performance pathway’ that encompasses the cognitive elements and a ‘commitment pathway’ that captures the affective and conative aspects (Snow, Corno and Jackson, 1996). In the performance pathway, cognitive resources are assembled to achieve tasks in given situations that determine the *ability* to take action. In the commitment pathway, processes involving motivational elements run in parallel and concurrently with affective and conative resources to determine the *propensity* that an action is taken. It is the effective coordination of these two pathways that over time combine into ‘aptitude complexes’ that results in successful outcomes (Gehlbach, 2004).

In addition, aptitudes occur within a ‘problem space’ and this makes it necessary to consider the contextual nature of perspective-taking due to the fact that personal antecedent and situational variables are simultaneously at play to impede or foster the desired outcome. Over time, these dynamic relationships may change as new aptitudes are applied and/or the tasks altered. Conceptualizing perspective-taking as an aptitude complex provides a useful foundation that appears to have been overlooked in marketing. The customer-centric aptitude conceptualization of perspective-taking may be applied within the context of a firm’s market orientation. We proceed to position perspective-taking as an aptitude that is relevant to an organization’s market orientation.

### **ON MARKET ORIENTATION**

The firm-level perspective or cultural view (Narver and Slater 1990; Slater and Narver 1995) of market orientation provides an alternative to the individual – level or behavioral view of market orientation. Both streams of research are driven by how the value desired by

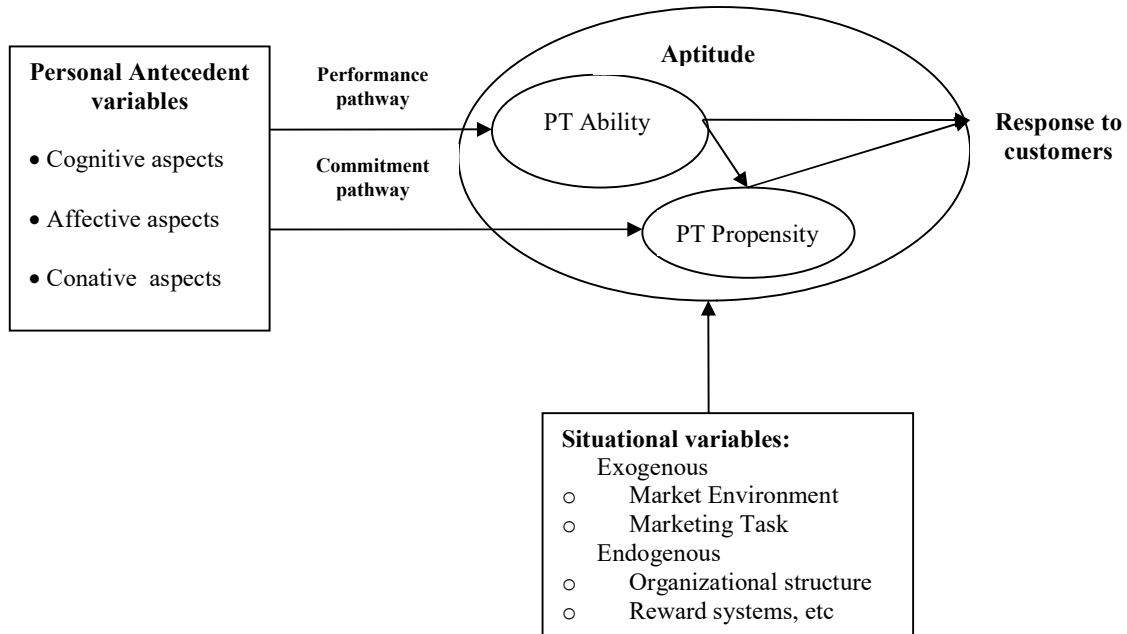
customers can be provided. In the cultural perspective a market orientation is about an organizational culture and climate. Market orientation is said to consist of three 'behavioral' criteria, specifically: customer orientation; competitor orientation and inter-functional coordination together with two separate 'decision' criteria: long-term focus and profit. Deshpandé, Farley and Webster (1993) see customer orientation and market orientation as being synonymous and as being part of an overall, but much more fundamental, corporate culture.

The individual-level perspective or behavioral view of market orientation is highlighted in the work of a number of authors (e.g., Kohli and Jaworski 1990; Ruekert 1992). This view is echoed in the conceptual definition of market orientation by Kohli and Jaworski, (1990, p.6) who suggest that it involves: "the organization-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments and organization-wide responsiveness to it". This definition of market orientation focuses on activities of managers at the organizational/ SBU unit of analysis that seek to capture the implementation of a market orientation among firms (Jaworski and Kohli 1993; Kohli, Jaworski and Kumar 1993). Ruekert, (1992, p.228) focuses at the business unit level and defines market orientation as "the degree to which the business unit obtains and uses information from customers, develops a strategy which will meet customer needs, and implements that strategy by being responsive to customer needs and wants". The emphasis in this stream of research is on activities that lead to or are behavior causing. Such activities among managers are not easy to individualize and to pursue. With its emphasis on the perspective-taking ability and propensity among an organization's employees, perspective-taking can be envisaged within this stream of research on market orientation. Yet it can also be argued that this provides a basis for bridging both streams of research. In an organization where employees engage in perspective-taking the prevailing organizational culture will necessarily be market oriented. The next section proposes how the customer-centric aptitude conceptualization of perspective-taking may be applied within the context of a firm's market orientation.

### **PERSPECTIVE-TAKING AS AN APTITUDE IN A MARKET ORIENTATION CONTEXT**

The conceptualization of an aptitude complex lends itself well to explaining the perspective-taking of an organization's employees in a market orientation context. Personal antecedent variables covering cognitive, affective and conative aspects together with situational variables that are both exogenous and endogenous can be put forward as affecting the perspective-taking aptitude of employees. This takes place via a performance and commitment pathway. In the performance pathway, cognitive resources (such as employees' sensitivity to customers moods, body language, memory of previous experience with similar customers, knowledge of customer history and other manifestations) are assembled to achieve tasks in given situations that determine the *ability* of a an organization's employees to understand how a market situation appears to a customer (*PT ability* in Figure 1). In the commitment pathway, processes involving motivational elements (such as the extent to which employees' are prepared to make an effort to talk to customers at length, listen carefully to customer complaints and requests) run in parallel and concurrently with affective and conative resources to determine the *propensity* of that organization's employee to exercise this ability (*PT propensity* in Figure 1). These two factors form the organization's employees' aptitude for perspective-taking and operate within the demands of a particular market context. The perspective-taking stances adopted among an organization's employees, but more especially

among senior managers and key marketing personnel, determines the firm's success in adopting a customer's point of view. The model showing the dynamic interactions among these various elements appears in Figure 1.



**Figure 1: Conceptual Model of Perspective-taking as an Aptitude in a Market Orientation Context**

The focus of the model in Figure 1 highlights the core elements of perspective-taking. The personal antecedent variables consisting of cognitive, affective and conative aspects represent indicative headings that each captures various personal constructs. Situational factors relevant to a market orientation context can include both exogenous variables relating to the market environment in which the firm operates as well as the marketing task at hand. The market environment grouping includes a number of variables that can be expected to influence the pursuit of a customer's point of view. For example, the meta-analysis by Kirca, Jayachandran and Bearden (2005) considers three environmental variables as having a moderating role in the link between their conceptualization of the market orientation construct and performance. They looked at market turbulence, competitive intensity and technological turbulence but their results offered no support for a mediating effect. Various issues may give rise to such findings including the possibility that management dampens its perspective-taking propensity because it recognizes that market conditions may be such that they impede the need for the development of a refined customer's point of view. Besides the market environment there are other situational variables that also need to be considered such as marketing tasks. Tasks in marketing are many and varied. They can range from developing strategies for offerings, to formulating communication messages, to developing innovative products and processes. These activities require the production of knowledge that comes from the ability to take the perspectives of others and to develop a community of knowledge that strengthens and 'complexifies' understanding thereby becoming potentially more useful (Boland and Tenkasi, 1995). In addition to the exogenous situational variables discussed above it is possible to

highlight a number of endogenous variables related to the organization that also play a role and would include organizational structure, climate, history and reward system.

The ultimate objective is for the organization to offer a customer-centric response that matches what customers expect. Such a response is likely to involve considerable tailoring as it would otherwise be rather challenging to offer the desired customer response with generic offerings. A tailored response will lead to higher levels of satisfaction, a customer's desire to remain in a relationship and long-term customer loyalty with all the positive outcomes that this can bring about.

## CONCLUSIONS

Conceptualizing perspective-taking as a customer-centric aptitude in a market orientation context can incorporate aspects of both a behavioral and a cultural perspective of market orientation. In the behavioral perspective, activities at an individual level are used to assess the market orientation of the firm. However, perspective-taking also incorporates issues of organizational culture in terms of marketing task. The resultant model provides a strong rationale for understanding the steps required to alter the behaviors of managers and employees so that they develop a customer-centric perspective. Grounded in aptitude theory, the proposed model of perspective-taking in a market orientation context can suggest various possibilities as to why managers can exhibit different levels of taking the customer's point of view. The model suggests the need to screen managers (and possibly employees) carefully for both ability and propensity as a deficit in one or both can determine the market orientation of the firm. It recognizes the critical importance of human beings in organizations and the importance of understanding the cognitive, affective and conative aspects that drive individuals. The model also recognizes that while ability and propensity represent important cornerstones, on their own they are insufficient to understand and influence the desired customer centric outcomes. Identifying the component of perspective-taking allows the firm to address the separate issues involved when a customer's viewpoint is not undertaken. The role of situational variables, both via exogenous variables in terms of such factors as market turbulence, competitive circumstances and technological change as well as via endogenous variables like organizational structure, climate, history and reward systems also need to be factored in.

Like most things in life, if perspective-taking is taken too far it can be dysfunctional and can potentially lead to negative performance. Taking the customer's perspective all the time is therefore not always a good idea as it may, for instance, hinder the development of innovative offerings in the market. However, marketing can only take place effectively with an understanding of others. It can be said that perspective-taking is relevant wherever and whenever marketing to the customer is involved.

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