

Product vs Market Orientation

	Product Orientation	Market Orientation
Main Features	An approach taken by businesses that are inward-looking. They focus on designing and making the products and then try to sell them.	An approach taken by businesses that are outward-looking. They focus on producing products that they can sell (ie are demanded by their customers).
Advantages		
Disadvantages		

- Product quality can be assured.
- The business has more control over its activities.
- Development times for new products may be quicker.
- Product development times may be long due to the need to conduct market research.
- Ignores changes in fashion and taste.
- High risk - consumers may not buy the product.
- Allows businesses to focus on making products that they are good at making.
- The approach involves a great deal of costly market research.
- Businesses are more flexible and can respond quickly to changes in the market.
- Lower risk of failure due to market research.
- Producing products to meet customer needs should lead to high customer loyalty.
- The business has less control over its activities.
- Firms may lack the skills and experience needed to produce high quality products identified by market research.