



An International Examination of Market Orientation and Performance in Residential Property Management

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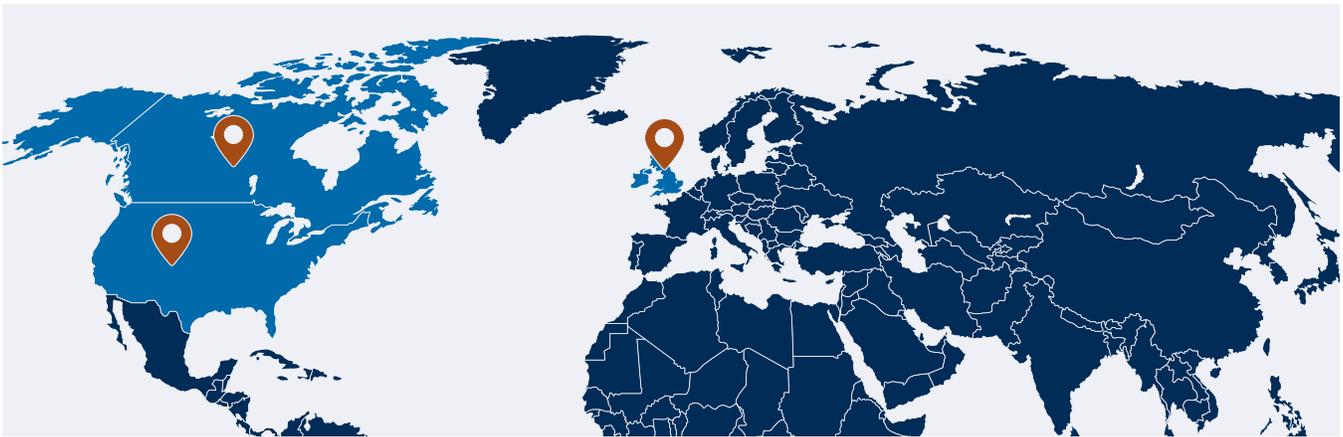
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Executive Summary

Market orientation (MO) is an organizational commitment to understanding and serving the target market in a way that strategically differs from the competition. Market-oriented companies anticipate and react to changes in the market, responding to both the expressed wants and latent needs of their target customers. Over the last 30 years, market orientation research has accumulated, and the benefits have been well documented, suggesting that it bolsters competitiveness and enhances performance. Market orientation research in the real estate industry is extremely limited and geographically fragmented.



Based on a survey of 1,251 individual renters in the U.S., the U.K., and Canada, this study examines the relationship between residential property managers' market orientation and performance. It extends market orientation research in real estate by focusing on property management as opposed to property development.

This study is one of the largest market orientation studies in real estate in terms of sample size and offers a unique international perspective. The results show that market orientation and performance are correlated in all three countries. Commitments to understanding and serving customers and differentiating from competitors are shown to enhance performance measures, including resident loyalty to the property manager, trust in the property manager, pride in rental accommodation, and commitment to paying rent on time.

Based on its performance implications, it is recommended that property managers first measure their company's level of market orientation, either internally (e.g., self-assessed) or externally (e.g., resident-assessed). Next, property managers should invest in creating a strong market orientation by:



having leadership commit to the strategy;



investing in learning from current residents' needs and wants, and;



developing education programs and organizational change focused on creating superior value for residents.

If a strong market orientation is present, real estate executives should seek to maintain high levels.

The empirical results show that a market-oriented philosophy is a strategic management imperative for property managers seeking better residents. The study offers a straightforward recommendation for property managers:

INVEST IN MARKET ORIENTATION, AS IT CAN CREATE BETTER AND MORE TRUSTWORTHY RESIDENTS.



Abstract

DESIGN/METHODOLOGY/APPROACH

Based on a survey of 1,251 individual renters in the U.S., the U.K., and Canada, this study examines the relationship between residential property managers' market orientation and performance. It extends market orientation research in real estate by focusing on property management as opposed to property development.

PURPOSE

The paper offers clarity to the market orientation and performance relationship in real estate by examining the limited relevant literature, presenting international results, and discussing the implications for market orientation researchers and real estate practitioners.

FINDINGS

The results show that market orientation and performance are correlated in all three countries. Commitments to understanding and serving customers, and differentiating from competitors are shown to enhance performance measures including residential tenants' loyalty toward the property manager, trust in the property manager, pride in rental accommodation, and commitment to paying rent on time.

ORIGINALITY/VALUE

This study is one of the largest market orientation studies in real estate in terms of sample size and offers a unique international perspective. The research is novel as market orientation is evaluated by tenants as opposed to self-assessed by firms. The paper offers a new measure of property manager performance and provides strategic directives for real estate professionals seeking to enhance competitiveness.



Introduction

Market orientation (MO) is a firm-level commitment to understanding and serving the target market in a way that strategically differs from the competition (Narver & Slater, 1990). Narver and Slater (1990) were among the first to conceptualize and measure MO. The concept consists of three behavioral components including customer orientation, competitor orientation, and interfunctional coordination (Narver & Slater, 1990; Slater & Narver, 2000). Customer orientation is the understanding of one's target market "to be able to create superior value for them continuously" (Narver & Slater, 1990, p. 21). More specifically, it is a firm's commitment to understanding both the expressed wants and underlying needs of its target market in order to create fulfilling offerings. Competitor orientation is the understanding of the "short-term strengths and weaknesses and long-term capabilities and strategies of both key current and key potential competitors" (Narver & Slater, 1990, p. 22). Competitor-oriented firms understand their counterparts in order to create meaningful differences that yield competitive advantages. Interfunctional coordination is an organizational-wide commitment to sharing information and resources with other departments and business units for customer value creation (Narver & Slater, 1990). Such coordination requires all members of an organization to understand customers and competitors, thereby thinking and acting like marketers.

In their foundational research, Narver and Slater (1990) showed that MO contributed to business profitability. The authors concluded that their study was "an important first step in validating the market orientation/performance relationship" (p. 34) but more work would be required in other industries and environments. Over the last 30 years, MO research has accumulated and the performance benefits are well documented, suggesting that MO bolsters competitiveness and engenders performance (Cano et al., 2004; Ellis, 2006; Kirca et al., 2005). The MO and performance relationship has been validated in numerous industries and cultural contexts (Cano et al., 2004; Ellis, 2006; Jaworski & Kohli, 1993; Kirca et al., 2005; Narver & Slater, 1990; Slater & Narver, 2000; Wilson & Liguori, 2022; Wilson et al., 2014). Accordingly, MO has been described as a strategic management imperative (Wilson & Liguori, 2022). Yet, few studies (Christensen & Bower, 1996; Hart & Diamantopoulos, 1993; Sargeant & Mohamad 1999; Tse, 1998) have shown that MO does not enhance firm competitiveness and performance. These empirical inconsistencies have been described as the result of confusing market-led with market-oriented philosophies (Christensen & Bower, 1996; Slater & Narver, 1998) or the artifacts of specific industries and cultural contexts (Hart & Diamantopoulos, 1993; Sargeant & Mohamad 1999; Tse, 1998).

Market-oriented companies anticipate and react to changes in the market, responding to both the expressed wants and latent needs of their target customers. (Jaworski et al., 2000; Kumar et al., 2000). Unlike market-oriented companies, market-led companies focus entirely on the expressed wants of the target markets (Slater & Narver, 1998). Simply, market-led companies only react to the market, and over time, this stance can put them at a distinct competitive disadvantage (Slater & Narver, 1998).

Other scholars have debated the performance benefits of MO in selected industries (Hart & Diamantopoulos, 1993; Sargeant & Mohamad, 1999; Tse, 1998). Although Sargeant and Mohamad's (1999) findings failed to show a correlation between MO and performance in the hotel industry, the authors recognized the benefits of a market-oriented philosophy. They argued that it is difficult "to draw any firm conclusions from this result due to the fact that it might be too early to quantify the benefits of a relatively recent change in emphasis" in the industry (p. 58). Hart and Diamantopoulos (1993) disputed that MO was antecedent to performance in manufacturing. Despite the large body of research that has linked MO to performance, these authors were not convinced of MO's return on investment for manufacturers. Similarly, Tse (1998) found no difference between the performance of market-oriented and non-market-oriented property developers. Although Tse's (1998) work contrasted other studies involving property developers (Cambra-Fierro et al., 2011; Tay & Tay, 2007) and real estate enterprises (Phorncharoen, 2020), MO research in this industry is extremely limited and geographically fragmented.

This study extends MO research in real estate by offering a residential property management focus and an international (e.g., U.S., U.K., and Canada) perspective. Additionally, it is larger than any other examination of MO in real estate (Cambra-Fierro et al., 2011; Phorncharoen, 2020; Tay & Tay, 2007; Tse, 1998). The research is also unique because MO and performance are evaluated by customers (e.g., residential renters) as opposed to self-assessments by firms (e.g., property developers). The paper aims to offer some clarity to the MO and performance relationship in real estate by examining the limited relevant literature, presenting the results of the international study, and discussing the implications for MO researchers and real estate practitioners.

Literature Review

Although MO research is well-developed, insight from the real estate industry is limited to single-country studies of property developers or real estate enterprises involved in buying and selling properties (Cambra-Fierro et al., 2011; Phorncharoen, 2020; Tay & Tay, 2007; Tse, 1998).

Tse (1998) was among the first to examine MO in real estate. Based on insight from 26 Hong Kong property developers, Tse's (1998) results showed that there was "no significant correlational relationship between market orientation and business performance" (p. 57). Tse (1998) argued that there was no benefit to a market-oriented approach for property developers. This is a highly problematic claim, given that foundational principles (Graaskamp, 1992) emphasize the importance of anticipating and integrating future target market needs in development projects and the study's small sample size. Tse (1998) concluded by calling for continued and more complex MO research in real estate.

In contrast, Wilson and Giuffre (2022) contend that the creation of a market-oriented organizational culture and target market identification should be top priorities for all real estate executives. Tay and Tay (2007) corroborate such claims, having found MO was correlated with marketing performance and overall business performance among property development companies in Singapore. Marketing performance was enhanced by property developers' understanding of the target markets' wants and needs and the commitment to creating offerings that differed from the competition yielded superior performance. In addition to performance benefits, other scholars have found that MO enhances organizational learning and innovation among property developers (Cambra-Fierro et al., 2011) and real estate enterprises (Phorncharoen, 2020).

A large body of research supports the connection between MO, organizational learning, and innovation (Baker & Sinkula, 1999a, Baker & Sinkula, 1999b; Baker & Sinkula, 2002; Baker & Sinkula, 2009; Dickson, 1996; Grinstein, 2008; Han et al., 1998; Nasution et al., 2011; Wilson, 2019; Wilson & Liguori, 2022). According to Baker and Sinkula (2002), the greatest performance outcomes result from the combination of a market-oriented organizational culture and the ability to "institutionalize higher order learning processes, the type of learning that enables radical innovation" (p. 5). Phorncharoen's (2020) study of 555 Thai real estate enterprises – defined as those involved in buying and selling properties – supported the performance-enhancement contributions of MO, organizational learning, and innovation in real estate. Top-performing executives in the industry "are able to take such concepts of marketing orientation, learning orientation, and innovativeness to enhance level of services and operational performance via relevant activities and projects such as training to promote satisfaction of customers, knowledge management in an organization, supporting the vocational training, offering rewards to outstanding personnel, using modern and suitable technologies, facility management to encourage more operational performance, and so on" (Phorncharoen, 2020, p. 8). Similar conclusions were drawn from Cambra-Fierro et al.'s (2011) study of 195 Spanish property developers found that the link between MO and performance was enhanced by innovations. Specifically, Cambra-Fierro et al. (2011) argue that MO is a catalyst for innovation in property development and improves the outcomes of both companies and buyers. Cambra-Fierro et al. (2011), like Tse (1998), call for broader MO research in real estate.

The foregoing literature broadly underscores MO's role in enhancing performance (Cano et al., 2004; Ellis, 2006; Jaworski & Kohli, 1993; Kirca et al., 2005; Narver & Slater, 1990; Slater & Narver, 2000; Wilson & Liguori, 2022; Wilson et al., 2014). However, the limited MO research in the real estate industry is somewhat conflicting (Cambra-Fierro et al., 2011; Phorncharoen, 2020; Tay & Tay, 2007; Tse, 1998). Moreover, some evidence suggests that the performance-enhancing properties of MO could be less apparent in select industries and cultural contexts (Hart & Diamantopoulos, 1993; Sargeant & Mohamad, 1999). This study seeks to expand the limited real estate research with the aim of exploring the relationship between MO and the performance of property managers – assessed by renters – in multiple countries. The study's perspective is unique, as MO and performance outcomes are assessed by the customer (e.g., residential tenant) as opposed to self-assessed by the firm (e.g., property manager). This customer perspective differs from extant MO literature (Cano et al., 2004; Ellis, 2006; Kirca et al., 2005), offering research and practical implications beyond the real estate industry.

Methods

SAMPLE

Participants were recruited via the international survey research panel, Prolific. Prolific allows individuals to complete surveys online for compensation based on their interest in the subject matter and study eligibility. Participants were compensated the equivalent of 1.12 USD for completing the six-minute survey (equivalent to 10 USD/hour). Individuals were eligible to participate in this study if they were over the age of 18 and self-identified as residential renters living in private accommodations (e.g., apartments, duplexes, houses, etc.) in the United States (U.S.), the United Kingdom (U.K.), or Canada. The questionnaire was created with the online survey tool, Qualtrics. Data analyses, including descriptive statistics, internal reliability testing, correlation analyses, and regression analyses, were performed with SPSS version 27.

CONSTRUCT MEASURES

Narver and Slater's (1990) 12-item instrument was used to measure the MOs of property managers by their residential renters. Specifically, residential renters assessed their property manager's 1) commitment to tenant satisfaction, 2) understanding of tenant needs, 3) commitment to value creation for tenants, 4) assessment of tenant satisfaction, 5) awareness of competitor strengths and weaknesses, 6) understanding to market changes, 7) responsiveness to competitors, 8) competitive advantages in the market, 9) utilization of organizational strengths, 10) coordination among business units, 11) resource sharing among departments for tenant benefit, and 12) communication of tenant needs among all departments. The instrument was modified to assess the perspectives of the renter, as opposed to the property manager. Property managers' performance was also measured by tenants' 1) loyalty toward the property manager, 2) trust in the property manager, 3) pride in rental accommodation, and 4) commitment to paying rent on time. Additionally, participants were asked a number of demographic questions related to gender, age, household income, level of education, marital status, percentage of income spent on rent, and tenure in current rental property.



Results

DEMOGRAPHICS

Data collection occurred over several weeks in the fall of 2022. At the end of data collection, 1,251 responses were received. Of the responses, 433 (34.6%) were from the U.S., 718 (57.4%) were from the U.K., and 100 (8.0%) were from Canada. In terms of gender, 533 (42.6%) identified as male, 689 (55.1%) identified as female, 24 (1.9%) identified as non-binary, and five (0.4%) preferred not to say. Participant age ranged from 18 to 84 years old (Table 1) and household incomes ranged from less than 10,000 USD/year to more than 150,000 USD/year (Table 2). Slightly more than half of the participants (51.7%) indicated that they spent more than 30% of their pre-tax income on rent.

In terms of education level, 17 (1.4%) did not graduate high school, 153 (12.2%) graduated high school, 341 (27.3%) had some college education, 486 (38.8%) held a bachelor's degree, 207 (16.5%) held a master's degree, and 47 (3.8%) held a doctoral degree. The marital status of participants was quite diverse, as 684 (54.7%) were single, 274 (21.9%) were married, 109 (8.7%) were common law, 56 (4.5%) were divorced, 21 (1.7%) were separated, eight (0.6%) were widowed, and 99 (7.9%) preferred not to say. Tenure in current rental property ranged from six months or fewer (13.7%), to over six months to under one year (14.7%), to over one year to under three years (33.5%), to over three years to under five years (15.7%), and to over five years (22.3%).

INTERNAL RELIABILITY

The internal consistency of MO and performance were tested via reliability analyses. Cronbach's alpha coefficients greater than 0.70 are acceptable for new and established measures (George & Mallery, 2009; Nunnally, 1978). The modified 12-item MO measure showed "strong" internal reliability ($\alpha = 0.877$) (George & Mallery, 2009). The property manager performance measure exceeded the minimum requirement for exploratory work ($\alpha \geq 0.70$) (Nunnally, 1978) and was deemed "acceptable" per George and Mallery (2009). Based on these results, the unweighted mean scores of MO and performance were used in subsequent analyses.

TABLE 1: AGE OF PARTICIPANTS

AGE RANGE	NUMBER
18 - 24	226 (18.1%)
25 - 34	576 (46.0%)
35 - 44	262 (20.9%)
45 - 54	95 (7.6%)
55 - 64	58 (4.6%)
65 - 74	31 (2.5%)
75 - 84	3 (0.2%)
TOTAL	1,251 (100%)

TABLE 2: INCOME OF PARTICIPANTS

INCOME RANGE	NUMBER
Less than \$10,000	85 (6.8%)
\$10,000 - \$19,999	148 (11.8%)
\$20,000 - \$29,999	231 (18.5%)
\$30,000 - \$39,999	193 (15.4%)
\$40,000 - \$49,999	147 (11.8%)
\$50,000 - \$59,999	127 (10.2%)
\$60,000 - \$69,999	73 (5.8%)
\$70,000 - \$79,999	68 (5.4%)
\$80,000 - \$89,999	45 (3.6%)
\$90,000 - \$99,999	35 (2.8%)
\$100,000 - \$149,999	74 (5.9%)
More than \$150,000	25 (2.0%)
TOTAL	1,251 (100%)

CORRELATION ANALYSES

The major constructs (MO and performance) and the numeric control variables (age, income, education, the percentage of income spent on rent, and tenure in current rental property) were included in a bivariate correlation analysis (Table 3). Age was not correlated with income or the percentage of income spent on rent. Age was negatively correlated with education and positively correlated with tenure in current rental property, MO, and performance. Income was not correlated with tenure in current rental property, MO, or performance but was positively correlated with education and negatively correlated with the percentage of income spent on rent. Education was not correlated with the percentage of income spent on rent or MO but was negatively correlated with tenure in current rental property and performance. The percentage of income spent on rent was negatively correlated with tenure in current rental property and MO but not correlated with performance. Tenure in current rental property was not correlated with MO but positively correlated with performance. Finally, MO and performance were positively correlated.

TABLE 3: CORRELATION MATRIX (ALL COUNTRIES)

	AGE	INCOME	EDUCATION	RENT SPEND	TENURE	MO	PERFORMANCE
Age	1						
Income	0.016	1					
Education	-0.056*	0.276*	1				
Rent Spend	0.020	-0.222**	-0.025	1			
Tenure	0.392**	-0.011	-0.184**	-0.059*	1		
MO	0.073**	0.027	0.017	-0.107**	-0.028	1	
Performance	0.356**	-0.010	-0.010**	-0.047	-0.0488**	0.547**	1

* $p < 0.05$, ** $p < 0.01$

REGRESSION ANALYSES

Regression analyses are commonly utilized to test the MO and performance relationship (Ellis, 2006; Kirca et al., 2005; Narver & Slater, 1990; Shoham et al., 2005; Slater & Narver, 2000; Wilson & Liguori, 2022; Wilson et al., 2014). As such, a series of regression analyses was performed to explore the MO and performance relationship in real estate in multiple countries (U.S., U.K., and Canada) (Table 4). The individual country main effect models showed that MO had a positive and statistically significant effect on performance in the U.S. (Model 1, $\beta = 0.563$, $p < 0.001$), the U.K. (Model 2, $\beta = 0.548$, $p < 0.001$), and Canada (Model 3, $\beta = 0.530$, $p < 0.001$). The fourth main effect model that included all countries showed that MO had a positive and statistically significant effect on performance (Model 4, $\beta = 0.547$, $p < 0.001$). Controlling for age, income, education, the percentage of income spent on rent, and tenure in current rental property, the relationship between MO and performance remained positive and statistically significant (Model 5, $\beta = 0.526$, $p < 0.001$). These regression analyses showed the robustness of the MO and performance relationship across the three countries while controlling for various demographic factors.

TABLE 4: REGRESSION ANALYSES

MODEL	GROUP	R	R ²	DV	IV(S)	B	STD. ERROR	β	t	p
1	U.S.	0.563	0.317	Performance	(Constant)	2.003	0.104	0.563	19.328	< 0.001
					MO	0.486	0.034		14.141	< 0.001
2	U.K.	0.548	0.300	Performance	(Constant)	2.115	0.084	0.548	25.227	< 0.001
					MO	0.495	0.028		17.520	< 0.001
3	Canada	0.530	0.281	Performance	(Constant)	2.286	0.223	0.530	10.264	< 0.001
					MO	0.462	0.075		6.191	< 0.001
4	All	0.547	0.299	Performance	(Constant)	2.095	0.063	0.547	33.227	< 0.001
					MO	0.487	0.021		23.084	< 0.001
5	All	0.756	0.571	Performance	(Constant)	1.127	0.085	0.553	13.305	< 0.001
					MO	0.493	0.017		29.479	< 0.001
					Age	0.075	0.011		6.854	< 0.001
					Income	-0.002	0.004		-0.407	0.684
					Education	-0.011	0.008		-1.322	0.187
					Rent	0.009	0.005		1.732	0.083
					Tenure	0.217	0.010		21.653	< 0.001

Discussion

CONTROL VARIABLES

The results of the bivariate correlation analysis showed that age was not correlated with income or the percentage of income spent on rent. Shorrocks' (1975) seminal work showed that wealth increased with age up to a certain point and then decreased. This curvilinear relationship (Inverted U) between wealth and age has been validated in the literature (Burbidge & Robb, 1985; Diamond & Hausman, 1984; King & Dicks-Mireaux, 1982; Tapper & Fenna, 2019) and with government data (Statistics Canada, 2020; U.S. Federal Reserve, 2022). Given the age range of the participants (e.g., 18 to 84 years old), the relationship between wealth and age is likely to be the reason for the lack of significance between age and income as well as age and the percentage of income spent on rent. Age and education were shown to be negatively correlated, suggesting older individuals are less educated and younger individuals are more educated. As millennials are the most educated age group in history (Bialik & Fry, 2019), this outcome was not surprising. Age and tenure in current rental property, MO, and performance were positively correlated. Age and tenure in current rental property are likely positively correlated because older individuals are more likely to rent for longer periods of time and are less likely to move because of established roots. Conversely, younger individuals are more likely to have shorter rental tenures in properties due to pursuing education or early career job changes. The relationship between MO and age suggests that older individuals perceive their property managers to have higher commitments to their customers, greater differentiation from their competitors, and more internal business coordination. Older individuals were also found to have more loyalty, trust, pride, and commitment as compared to younger individuals. These findings are congruent with Danes and Morris' (1986) work that showed various measures of tenant satisfaction were positively related to age. It could be that, as individuals age, they are also more likely to have increased levels of satisfaction such as perceived customer orientation or property manager performance. Based on the works of Danes and Morris (1986) it was also not surprising that tenure in current rental property was positively correlated with performance.

Income was found to be positively correlated with education but negatively correlated with the percentage of income spent on rent. The idea that "education pays" and the most recent U.S. census data (U.S. Bureau of Labor Statistics, 2021) supports the positive relationship between income and education. Furthermore, as education increases, tenure in current rental property decreases, suggesting individuals seek to more desirable rental accommodation or enter homeownership. Similarly, as income increases, affordability issues (e.g., the percentage of income spent on rent), tend to decrease (Boehm & Schlottmann, 2004). While the relationship between income and the percentage of income spent on rent is intuitive, the number of individuals in unaffordable rental situations is deeply concerning. Given, "housing is considered 'affordable' if it costs less than 30% of a household's before-tax income (Canada Mortgage and Housing Corporation, 2018), more than half of the respondents are living in unaffordable rental accommodations. This is a noteworthy finding pertinent to requires further investigation to discern if it is an artifact of the data or a larger macroeconomic issue that the U.S., the U.K., and Canada are facing.

PRINCIPAL EFFECTS

The results of the correlation and regression analyses supported the performance benefits of a market-oriented philosophy. MO's positive effect on performance across countries – while controlling for renters' age, income, education level, percentage of income spent on rent, and tenure in current rental property – demonstrates its importance in business and more explicitly in property management. The findings supported a large body of MO and performance literature (Cano et al., 2004; Ellis, 2006; Jaworski & Kohli, 1993; Kirca et al., 2005; Narver & Slater, 1990; Slater & Narver, 2000; Wilson & Liguori, 2022; Wilson et al., 2014) and added to the limited work in property management and more generally in real estate (Cambra-Fierro et al., 2011; Phorncharoen, 2020; Tay & Tay, 2007; Tse, 1998). The statistical consistencies observed in the U.S., the U.K., and Canada underscored the importance of a market-oriented philosophy in property management in the Western world (Cambra-Fierro et al., 2011; Phorncharoen, 2020; Tay & Tay, 2007). This is an important research contribution pertinent the U.S., U.K., and Canada. In contrast to Tse's (1998) conclusions, this paper echoes the work of Wilson and Giuffre (2022) that maintains the importance of a market-oriented philosophy and a deep understanding of rental target markets for optimal competitiveness and superior performance.

This study offers several research contributions. First, the work responds directly to calls for more complex MO research in real estate (Tse, 1998) and provides insight into the value of a market-oriented philosophy in property management in the U.S., the U.K., and Canada. Second, this research is novel since it is based on the perspective which counts, that of the customer, as opposed to the firm. The relationship between perceived property manager MO and performance validates the decades-old corporate strategy (e.g., MO) from the customer's perspective and in a new context (e.g., property management). Last, the study contributes to renter satisfaction research via the development of a new valid and reliable measure to assess property manager performance.

For practitioners, this paper highlights the need for a market-oriented philosophy. The paper's most important contribution relates to how property managers can enhance performance metrics such as tenant loyalty, trust, pride, and commitment via MO. These metrics can be improved if organizations seek to understand their tenants' needs and wants, make commitments to serving them in ways that improve upon those of competitors (e.g., other property managers), and have these efforts supported by all business units (e.g., administration, maintenance, etc.). Creating and developing an organizational culture begins with senior management (Senge, 1990). Narver et al. (1998) propose two ways to create a market-oriented organizational culture. The first method is programmatic, whereby the firm "uses education programs and organizational changes to attempt to implant the desired norm of continuously creating superior value for customers" (Narver et al., 1998, p. 241). The market-backed method is the second and requires commitments to ongoing continuous learning that supports customer value creation. It requires the company to invest in learning from the customer and making changes based on such knowledge to better serve the customer.

Based on its performance implications, it is recommended that property managers first measure their firm's level of MO, either internally (e.g., self-assessed) or externally (e.g., tenant-assessed). Next, property managers should invest in creating a strong MO. If a strong MO is present, real estate executives should seek to maintain high levels of MO. The empirical results show that a market-oriented philosophy is a strategic management imperative for property managers seeking better tenants.

Conclusion

Although the MO and performance relationship has been explored in numerous industries and cultural contexts (Cano et al., 2004; Ellis, 2006; Kirca et al., 2005), research in real estate is limited and conflicting. This study finds that in the U.S., the U.K., and Canada, MO engenders performance in property management. The study offers the largest sample sizes and an international perspective which can validate the MO and performance relationship in property management. The results offer important contributions to the literature such as the expansion of MO research in real estate, the successful development of a new performance measure, and the customer's view as opposed to the corporate assessment of MO. The study offers a straightforward recommendation for property managers, to invest in MO, since it can create better and more trustworthy tenants.

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