

MASTER'S THESIS

Course code: BE307E

Name: NIPA AKTER

The Role of Market Orientation in accelerating Innovation for startups and established small businesses

Date: 29/11/2022

Total number of pages: 91

Preface

The Master's thesis is the final requirement for the Master's degree in business studies at Nord University Business School in Bodø. In the area of Entrepreneurship and Innovation Management, the thesis consists of 30 credits.

The purpose of this thesis is to discuss the role of market orientation in accelerating innovation, business opportunities, and advantages for startups and small businesses in Nordland, Norway. While pursuing my Master's degree, I encountered a number of entrepreneurs and project leaders who discovered innovative solutions and ideas based on market knowledge. I researched the role of market orientation because some entrepreneurs find it difficult to collect market information, and others ignore it. The guidance I received from my supervisor Espen Isaksen has been invaluable throughout my research and writing. Additionally, I am grateful to the entrepreneurs and incubator/accelerator leaders who took the time to participate in the interview and provided information and resources.

Abstract

In this study, I have analyzed the literature of Market orientation & Innovation, also to analyze the literature I have done an empirical study on startups and established small businesses in Nordland that are growing or considering to expand.

The following research question has been developed to investigate this paper: “What is the role of market orientation in accelerating innovation for startups and established small businesses for developing business opportunities and achieving competitive advantage?”. Basis on this research question I’ve designed the theoretical background of this paper and formulated the research model.

Market orientation roles differ by firm size. Moreover, it is one of the old theoretical perspectives that has been debated regarding whether it limits innovation or promotes it. For counties like Nordland with local resources, entrepreneurs or incubator/accelerator leaders should concentrate on market information in order to develop innovative or creative ideas. In order for firms to increase opportunities and create continuous innovation, they need reliable information related to their customers and competitors, as well as the ability to process this information internally.

There is an enormous amount of literature on market orientation and its various aspects. Moreover, it is also clear that market orientation plays a different role in innovation depending on the size of the firm. However, there are few studies from the Norwegian perspective. This research focuses on the significance of market information and proper processes for startups and established small businesses who is seeking to expand their opportunities and gain a competitive advantage in the market.

Different theoretical perspectives, ranging from the market orientation to incremental and radical innovation, as well as their role and contribution to startups and small businesses are discussed in this thesis. Furthermore, the expectation or goal of these startups and established small businesses. The research question was formulated based on my observations of the literature on market orientation; problems and expectations of entrepreneurs, startups, and small businesses in Nordland. I conducted six semi-structured interviews, one for the incubator, one for an accelerator (which is also a startup), and the remaining four - startups, small businesses, or established small businesses. Some of the businesses are incubated, while others were not, but they are all located in Nordland County.

According to the study's findings, almost everyone tried to come up with new approaches or concepts to open up new business opportunities through process, market, or brand innovation. Although incubators recognize the value of market knowledge and the information process, many startups & existing small businesses still fail to adapt a market-oriented mindset. Some of them put a strong emphasis on customer orientation, some are well aware of their competitors, and some have effectively managed inter-functional coordination. Our main findings of this study is innovation depending on market information & quality of information, additionally coordination of processing inside the organization. Role of market orientation is back and forth to run a business for a long time.

This thesis may provide a way for small business or startup entrepreneurs to concentrate on the role of market orientation for innovation and creating business opportunities and advantages. Along with that market orientation can lead to develop business model which is required for every business or startup to find investor.

Table of Content

1. Introduction.....	1
1.1 Background.....	1
1.2 Actualization.....	2
1.3 Purpose of the study.....	3
1.4 Research question.....	4
1.5 Theoretical & practical implications.....	5
1.6 Limitation.....	5
1.7 Structure of the study.....	5
2. Theoretical framework.....	6
2.1 Market Orientation.....	6
2.2 Innovation.....	8
2.3 Relation between Market orientation and Innovation.....	11
2.4 Start-up and Established Small Businesses.....	14
2.5 Expectation: Business opportunities and competitive advantage.....	17
2.6 Research model & discussion.....	21
3. Research method.....	25
3.1 Research design.....	25
3.2 Criteria for selecting informants.....	26
3.3 Interview Process.....	27
3.4 Data validation.....	28
3.5 Analysis of qualitative data.....	30
4. Empirical findings.....	31
4.1 Introduction of the participants.....	31
4.2 Empirical findings linked to theoretical framework.....	33
4.3 Summary from empirical findings.....	41

5	Analysis & revised research model.....	46
5.1	Analysis.....	46
5.2	Discussion & revised research model.....	52
6.	Conclusion.....	55
6.1	Conclusion.....	55
6.2	Theoretical implication.....	56
6.3	Practical implication.....	56
6.4	Research limitation.....	58
6.5	Future research.....	58
6.6	Final remarks.....	58
	References.....	60
	Appendix 1: Consent form.....	84
	Appendix 2: Interview guide.....	87

List of Tables & Figures:

Table 1:	An analysis of market orientation’s definition relates to this study.....	7
Table 2:	An analysis of Innovation’s definition relates to this study.....	9
Table 3:	Participant’s list and interview information.....	28
Table 4:	Empirical findings summary.....	41
Figure 1:	Research model.....	22
Figure 2:	Revised research model.....	53

1. INTRODUCTION

This chapter includes the background of the research, the problem and research question, purpose, limitations, etc. The structure of this chapter is as follows: 1.1) Background, 1.2) Problem statement, (1.3) Purpose of the study, (1.4) Research question, (1.5) Theoretical and Practical implications, (1.6) Limitations (1.7) Structure of the study.

1.1) Background:

The topic of this paper is to find out the role of Market Orientation in facilitating innovative ideas in startups & established small businesses to acquire more business opportunities and achieve competitive advantages.

Market orientation refers to a company's perspective on its customers, competitors, and inter-functional coordination in order to achieve a competitive advantage and superior performance (Hinson et al., 2017; Yadav et al., 2019). Slater and Narver (1996) empirically demonstrated a positive relationship between the magnitude of market orientation and an organization's relative emphasis on developing more innovative products. Jaworski & Kohli, (1993) also supported the notion that market orientation (MO) allows firms efficiently fulfill customer needs by keeping an eye on changing market conditions and sharing the information with employees across the organization.

According to Eveleens (2010), there are four main types of procedures that come back for idea generation. There are (1) market studies, (2) technical studies, (3) mobilizing ideas within the organization (promote the idea generation and sharing process; create cross-functional teams to enhance the idea generation process), and (4) including people from outside the organization (either lead users, creative people, society in general, companies from other countries). If we look into Eveleens's concept of idea generation then I think we can get a view of how innovation or idea can be formed. Market studies or information, sharing those ideas or information inside the organization in different teams, also actors from outsiders; it can be customers, competitors, etc. all these are similar concept like market orientation and these generate idea for innovation and opportunity.

While innovation is the tool of entrepreneurs, it means by which they adapt to change and manage to create an entirely new business or service (Drucker, 1985b). Innovation is a strategic tool to gain a competitive advantage within a complex environment (Gardaker et al., 1998). In addition, for long-term success, growth, and sustainable performance, as well as to survive in

the firm's industry, innovation is required (Drucker, 1999). Market orientation can be measured by several key related activities: new product development, market segmentation, coordination of business activities, marketing planning, and marketing research (Kohli & Jaworski, 1990). A market-oriented firm develops more new products, target market groups, coordinates its business activities, formulates a more detailed marketing plan, and undertakes more market research which helps firms for long-term business.

Finding out the actual need, competing with the existing competitors, and discovering future opportunities is quite difficult for any size of business. In comparison to big businesses, start-ups or established small businesses have the benefit of flexibility and simplicity, as well as the ability to modify their plans and other tactics on a regular basis. Successful small businesses are those who pay close attention to quickly changing market demands in order to satisfy clients. Even though innovation is not easy for small businesses because of inadequacy in resources and research but in some areas, innovation is possible easily in the case of small firms and can get a competitive advantage in the market.

Several authors (Rosenbusch, Brinckmann, & Bausch, 2011; Golann, 2006; Ledwith & O'Dwyer, 2009;) demonstrate that market orientation increases new product success and thereby improves organizational performance. Large businesses can be slow to adapt to changing environments. In Nordland, like many other Norwegian counties, a lot of small businesses and startups face difficulties finding innovative ideas and resources and are unable to meet customer expectations, also to develop opportunities and advantages.

1.2) Actualization:

Where market orientation can sort out a lot of obstacles, but there is a debate in terms of innovation. There is a misconception regarding market orientation that only concentrates on customer demand, and also it's difficult for small firms & startups to bring innovation through market orientation. A lot of prior study and research (by Verhees & Meulenberg, 2004; Laforet, 2008; Prifti & Alimehmeti, 2017; Han et al., 1998) shows the pros and cons of market orientation in context to small businesses. I found this topic quite interesting and in the context to recent growing scenario of startups and small businesses in Nordland, Norway.

The market orientation paradigm has been discussed a lot. The claim about the Market orientation is it gives priority to customers' opinions, slight chances of innovative ideas or development and so on. It has been debated in the literature whether market orientation fosters innovation or merely leads to incremental improvements in product portfolios based on

customer preferences (Vázquez et al., 2001). But small businesses in many sectors are unable to perform in-house research and development due to a lack of resources and competencies. Rather than attempting to counteract giant businesses' cost advantages, small business owners can obtain a long-term competitive edge by developing market-oriented behaviors in their staff. Small businesses can focus on their areas of strength innovation, flexibility, and higher value-added for chosen customer groups.

Often, a company begins with an innovative idea or from the discovery of new resources without prior market knowledge. Assume the idea is unique and appears to have potential. But does this imply that the idea will find a market? even if demand exists and competitors have already satisfied existing customers then the opportunity to grow the business is less. Therefore, it is essential to actualize the importance of market orientation for startups and established small businesses in connection to perform & gaining competitive advantage.

A lot of research conducted where researchers supported it and some researchers against it. Some believe that market orientation plays a role to accelerate information relate to customers and doesn't have a role to foster innovation. There is a knowledge gap related to market orientation, firstly, the assumption is customer-orientated which leads to the barrier to innovation. Secondly, most of the research about market orientation was analyzed from large firms' perspectives, so there is a need for market orientation role from startups and established small firms' perspectives.

The number of startups and startups turning into established small business is increasing but most of them going through some obstacles to find an innovative idea, business opportunities and gaining advantage in the market. From startup to established small business phase requires solid market information, innovation, business opportunities and advantages.

1.3) Purpose of the study:

For startups and established small businesses, market orientation has become increasingly important due to modernization and global changes. Sometimes, for start-ups and existing small businesses, it's difficult for them to understand the market and assemble knowledge. Although incubators¹ and accelerators² can assist existing small businesses through market orientation. This is a real concern in case of startups or established small businesses that are investing in

¹ An incubator assists entrepreneurs in developing their business ideas.

² An accelerators speed up the expansion of already-existing businesses with a minimum viable product (MVP).

market orientation. Are these a roadblock to innovation or are they a source of innovative ideas that keep the business growing?

The purpose of this study is to fill that gap by gaining a better understanding of the phenomenon of market orientation and how it can lead to innovation, growth, and competitive advantage in small firms and startups. Therefore, I decided to investigate this phenomenon by analyzing a few startups and existing small businesses in Nordland, also incubators and accelerators. Their market knowledge, organizational process, supplier's knowledge, flexibility to adapt innovative ideas, expectations, etc. will assist this research to find out the role of market orientation. By addressing the research gap, this paper explains how market orientation can lead to innovation, business growth & advantage for startups and established small companies.

1.4) Research question:

For this thesis, I have formulated a research question based on Market Orientation, Innovation, & the expectation of the new and established small firms in the context of Nordland, Norway.

Research question: **What is the role of market orientation in accelerating innovation for startups and established small businesses for developing business opportunities and achieving competitive advantage?**

Through this research question, I will figure out the impact of market orientation in accelerating innovation and creating business opportunities, and advantages. The processing of information provides an explanation of how new information is interpreted and combined. These processes can lead to new conclusions and to new business opportunities (Mitchell et al., 2002; Mitchell et al., 2007; Vaghely & Julien, 2010). Narver and Slater (1990) highlighted the relationship between competitive advantage and market orientation. They suggest that a more market-oriented approach improves the analysis of long-term competitive advantage sources. In order to investigate this research, I am going to follow the qualitative method. Additionally, I will conduct semi-structured interviews on startup and established small business entrepreneurs, incubators & accelerators. Additionally, as a lot of previous research claimed that market orientation restricts innovation, so I will also try to figure out if market orientation is a barrier to innovation for startups and established small businesses rather than a step forward.

1.5) Theoretical & practical implications:

There is a lack of research that can assist or direct startup and establish small companies regarding the sources and types of information they need as well as how to process and stimulate them. This paper aims to stimulate research in this direction and find out more significant information on this topic. So that startups and established small businesses can focus on the specific part where they need to develop and process information for long-term growth.

1.6) Limitation:

This study is restricted in its geographical area to Nordland, Norway, i.e., all participating businesses, entrepreneurs and incubators/accelerators are in Nordland, Norway. With this study I want to analyze the impact of market orientation on startups and small businesses, is it a tool to accelerate ideas that can turn into opportunities? This research is not to measure the success rate of market orientation but to present market orientation as an alternative way to develop innovation, business opportunities and advantages for new or existing small businesses.

1.7) Structure of the study:

This thesis consists of six chapters 1) Introduction 2) Theoretical framework 3) Research method 4) Empirical findings 5) Analysis & revised research model 6) Conclusion.

Introduction, which introduces the study's topic, is the first chapter. The theoretical background and literature from earlier studies that are relevant to this study is the second chapter includes a research model part. Details about the research method are presented in the following chapter. The fourth chapter, which elaborates on the information collected through semi-structured interviews, presents the empirical findings of this study. In the next chapter, I have analyzed the research results and revised the research model that presents how market orientation functions based on our research, taking into consideration the empirical findings. I have also added a conclusion chapter in the last chapter where I briefly summarize the entire thesis and provide the findings based on responses to the research questions.

2. THEORETICAL FRAMEWORK

The purpose of this part is to define the theoretical frame of the market orientation phenomenon and relevant concepts for the reader's pre-understanding of this research. In a theoretical framework, we develop concepts and theories based on previously tested and published knowledge and synthesize them to create a theoretical background for data analysis and interpretation. Ravitch and Carl (2016) explained that formal theories can serve as a guide for researchers in positioning and contextualization their study.

The structure of this chapter is as follows; 2.1) Market orientation 2.2) Innovation 2.3) Relation between market orientation & innovation 2.4) Startup & established small business 2.5) Expectation; Business opportunities and competitive advantage 2.6) Research model & discussion. Based on the concept I will discuss the literature & theoretical perspective of market orientation & innovation in part one and two respectively. To figure out the relationship between both market orientation & innovation, I will show the theoretical perspective in third part. As this study focused on startups and established small businesses, literature relates to that shown in the fourth part. Following part, I will present the expectation of startup and established small business. In the last part of this chapter, I will form the research model based on the theoretical background of this thesis.

2.1) Market orientation:

Market orientation (MO) assists a firm effectively in satisfying its customers' needs based on market information and changing environmental conditions (Jaworski & Kohli, 1993). Pelham (2000) described the importance of market orientation for collecting information and fostering organizational capabilities that are essential for understanding the needs of customers. As a result of capabilities and information, the firm can respond quickly to changing market conditions and may come up with better innovative and unique products than its competitors (Kirca et al., 2005).

According to Narver and Slater (1990), the desire to provide superior value to customers leads to three organizational behaviors: understanding customers' needs, understanding how competitors respond to the same customers' needs, and coordinating the company's resources to provide superior value to the same customers. Narver & Slater (1990) specified in order to create superior customer value, a business culture must focus on three things: customer orientation, competitor orientation, and inter-functional orientation. In order to be customer and

competitor oriented, a company must understand its customers as well as its competitors, and disseminate that knowledge across the organization (Narver & Slater, 1990b). An inter-functional coordination process involves the business coordinating efforts, including more than the marketing department, to create superior value for customers, based on the information of customers and competitors.

Customer orientation is the ability to develop continuously better products after gaining a sufficiently deep understanding of target buyers (Levitt 1980). It is important for a seller to understand a buyer's entire value chain, not only how it stands today, but how it will change over time through internal and external dynamics (Day & Wensley, 1988).

Competitor orientation refers to a seller's knowledge of current and potential competitors' short-term strengths and weaknesses, as well as their long-term capabilities and strategies (Day & Wensley 1988; Porter 1980, 1985). A competitor-oriented firm creates products or marketing programs that differentiate itself from its competitors by continuously monitoring progress against its competitors (Im and Workman 2004).

Inter-functional coordination refers to the organized use of company resources, as well as the entire business effort, rather than just a specific department, in offering superior value to target customers (Webster, 1991). Communication and interaction between different functional areas are reflected in inter-functional coordination (Im and Workman, 2004).

Market Orientation is being studied by numerous authors under different definitions, and a lot of concepts and contributions have been found within their research:

Table 1: An analysis of market orientation's definition relates to this study

Authors	Definition of Market Orientation (MO)
Atuahene-Gima and Ko (2001)	Market orientation enhances the internal knowledge of the firm by providing knowledge about the external environment.
Vázquez et al. (2001)	Meeting market requirements with more quality than rivals.

Hurley and Hult (1998)	Market-oriented businesses are better equipped and positioned to recognize customer needs, allowing them to respond with innovative products and services.
Kohli & Jaworski, (1990)	Market orientation is defined as the process of gathering market intelligence from information about customers' current and future needs, as well as external factors that influence those needs and wants.
Slater & Narver, (1999); Slater & Olson, (2001)	Market orientation (MO) is highly correlated with product innovation, competitiveness, and performance.

From table 1, we can see the different role of market orientation or intelligence to develop products, opportunities, and competitive advantage. An organization's competitive advantage is derived from the efficient use of resources and capabilities. Additionally, in order to maintain this advantage, companies require organizational knowledge that is hard to replicate by competitors. Regardless of components and dimensionality, the information gathering, transmission, and response processes can cause a shift inside the business, which will impact its innovativeness. Where there are many speculations regarding market orientation being only customer orientation which limits businesses for newness or innovativeness, now I will light up some knowledge about innovation in the next part of theoretical framework.

2.2) Innovation

The needs and expectations of customers change over time, and providing continuously high-quality products and services, being responsive to changes in market demands are necessary for a firm's continued success (Jaworski and Kohli, 1993).

The definition of innovation (Bon & Mustafa, 2013) has been interpreted as the development of a new idea or behavior in the organization. As the business world becomes more competitive, companies must develop and create new values or innovations. Innovation is pushed through customer and market requirements (Adner and Levinthal, 2001).

Innovation entails the formulation of a new concept and its application into a new product, method, or service, resulting in dynamic expansion of the national economy, increased employment, and the production of pure profit for the innovative business enterprise (Kuniyoshi et al., 1988). Innovative products and services can include a new structure, a new production process, a revised management system, and a new service (Gebauer et al., 2011; Ren et al.,

2010). It is undeniable that innovation adds value to a company's bottom line. The value can take many forms, for example, radical innovation leading to entirely new products or incremental innovation leading to improvements of existing products. (Suroso & Azis, 2015).

Innovation is a management discipline: it involves defining a mission, seeking and evaluating unique opportunities, determining whether they fit the organization's strategic direction, defining success criteria, and regularly reassessing opportunities (Lin and Chen, 2007).

Theoretical perspectives on innovation were developed by many researchers. Innovation encompasses a variety of components and stages. Several perspectives from different eras are shown in Table 2.

Table 2: An analysis of Innovation’s definition relates to this study

Authors	Definition of Innovation
Schumpeter (1934)	The commercial or industrial application of something new - a new product, process, or method of production; a new market or source of supply; or a new form of commercial, business, or financial organization - is referred to as innovation.
Klein et al., (2001)	A new technology, service, or procedure that improves individual and organizational performance is referred to as innovation.
Tidd et al. (2006)	Innovations is characterized by a strong correlation between market success and new products, development of non-price factors compared to competitors (design, quality, individualization, etc.), development of new products accelerated through innovative processes that shorten production times.
Baregheh et al., (2009)	Innovation is the multi-stage process by which firms transform ideas into new/improved products, services, or processes to grow, compete, and differentiate themselves successfully in their marketplace.

Bessant & Tidd (2011); Baumol & Schilling (2008); Smith (2006)	The following categories have been used to classify innovations: 1) the innovation's target (product or process innovation); 2) the degree of change (radical or incremental innovation); and 3) the impact area (technical or administrative innovation).
--	--

Referring to Table 2, we understand the need for innovation and how it affects an organization. Innovation can be incremental or radical but the intention is the same to serve a product or service that will sort out a problem or a new way to serve the market. There are different kind of innovation which is visible in the organization. Some of them are briefly explained below:

2.2.1) Product Innovation: Myers and Marquis (1969) defined product innovation as the effective commercialization of innovative ideas. As a result, it entails two conditions: originality and applicability (Gee, 1981). Product innovation, according to Freeman (1982), is the technical design, research and development, production, management, and commercial activities involved in the selling of a new (or improved) product.

2.2.2) Market Innovation: When firms recognize or exploit new markets, this is referred to as market innovation. Two examples of innovation are new solutions (Vargo et al., 2015) or new markets (Kjellberg et al., 2015). Some authors (e.g., Vargo et al., 2015; Sarasvathy and Dew, 2005) focus on the creation and opening of completely new markets, while others tend to focus on shaping and changing existing markets (e.g., Jaworski et al., 2000).

2.2.3) Process/Production Innovation: Production, delivery, and customer engagement are all examples of possible process innovations. According to Smolny (1998), process innovations minimize production costs by enhancing labor and/or capital productivity. Process innovations have a greater systemic influence and are frequently more disruptive than product innovations since they typically include a bigger aggregate of tools, machines, people, and social systems (Drazin, 1991).

2.2.4) Sustainable Innovation: Launching sustainability products is an efficient means of capitalizing on opportunities linked with the increasing number of customers concerned about the environment and society. Therefore, it can lead to product differentiation, increased customer base, and better positioning in the market (García-Sánchez et al., 2019; Lin et al., 2013). Such advancements are not restricted to technological advancements; they may also

relate to changes in procedures, operational methods, business models, thinking, and business systems (Szekely & Strebel, 2013).

2.2.5) Marketing/Sales Innovation: Customers' attention needs to be captured and held in new ways. Either through the adoption of innovative customer acquisition/sales channels or through the use of creative marketing/sales strategies. Marketing innovation has a positive impact on firm performance (Sivadas and Dwyer, 2000; Zhou et al., 2005) as well as the ability to improve, strengthen, and maintain a firm's competitive advantage (Ozkaya et al., 2015; Naidoo, 2010).

One of the most important issues for firms to create a sustainable market is innovation that can meet customers' needs and introduce new products or processes by utilizing information technology (Damanpour and Gopalakrishna 2001). Through market information, knowing customers, observing competitors' products, available resources and capabilities are also sources of innovation. In our next part, I will present some previous theoretical perspectives on the relationship between market orientation and innovation.

2.3) Relation between market orientation & innovation:

Despite decades of debate, there is a strong amount of evidence that shows a positive relationship between market orientation and innovation (Baker and Sinkula 1999; Greenley 1995; Lewrick 2009; Zhou et al. 2005). A lot of empirical studies support the idea that companies with a stronger market orientation perform better economically and commercially. As interest in innovation grows, so does interest in market orientation.

According to Lado and Maydeu-Olivares (2001), adopting market orientation principles improves the magnitude and effectiveness of innovation activities. Market orientation initiatives combined with organizational capabilities that can improve performance (Luca and Atuahene-Gima 2007; Morgan and Vorhies 2009) or foster innovation (Luca and Atuahene-Gima 2007; Morgan and Vorhies 2009). To turn a discovery/prototype into innovation, a company typically needs to bring together a variety of different types of knowledge, capabilities, skills, and resources. For example, the company may need production knowledge, skills, facilities, market knowledge, a well-functioning distribution system, adequate financial resources, and so on (Fagerberg J. 2005). The majority of market-oriented businesses will demonstrate a higher level of execution of the plan that is most directly related to innovation (Porter, 1980; Miles & Snow, 1978). Vázquez et al., (2001) found that, in addition to having a

higher willingness to innovate, market-oriented firms commercialize a greater number of innovations than their competitors.

Most of the time innovation is influenced by how much the organization is market-oriented, interacts with customers and competitors, learns from the same information, and implements changes. Lewrick et al. (2011) stated that there is a positive relationship between a strong competitors' orientation and process innovation in startup companies, when the same relationship is applied to mature companies, however, it proves to be counterproductive.

However, the impact it may have on a company's innovation strategy is debated. Market orientation strategy has also been criticized by Hayes & Abernathy (1980) and Bennett & Cooper (1981) for resulting in merely incremental innovations and inferior products as a result of avoiding innovation risks. Genuine market orientation necessitates a continuous innovative effort that does not have to be limited to incremental innovations, as long as latent radical necessities are identified.

Market orientation is debated with regard to radical innovation and incremental innovation. In the next part, I will discuss the incremental innovation that can be found through market orientation.

2.3.1) Incremental innovation through market orientation:

Incremental innovation through market orientation helps businesses to gain market advantage, cost leadership, and a sustainable environment. According to Lewrick et al. (2011), there is a significant relationship between a strong competitor orientation and incremental innovation in startup firms. Which can create opportunities also a competitive advantage for startups and established small businesses.

For start-ups and established small businesses, it is difficult to go through radical innovation, where radical innovation requires substantial research, but incremental innovation possible through market orientation. The concept of market orientation only facilitates incremental innovation is debated in many empirical studies. According to Davidow (1986), while incremental innovation may be profitable in the short term, it does not support long-term corporate development or competitiveness, which necessitates the creation or integration of new technological platforms. If we agree with Davidow (1986), then for long-term business

opportunity and competitiveness, companies need radical innovation. However, any previous research did not eliminate the fact that radical innovation is not possible depending on market information. Following to the next part, I will discuss the scenario of market orientation and radical innovation.

2.3.2) Market orientation & radical innovation:

Compared to incremental innovation, radical innovation brings greater change. According to (Abernathy and Clark, 1993; Ettlé et al., 1984; Gatignon et al., 2002), organizations use aggressive long-term strategies to disrupt established technological trends and introduce new designs, technologies, and distribution channels for new markets. It requires an incredible amount of development time (typically ten years or longer) and investment to create significant breakthrough innovations (Morone, 1993). Radical innovation requires high investment, resources, and a long-term development process which is difficult to afford for a lot of companies, especially startups and established small businesses.

But in order to make major changes, an organization must develop new skills, an understanding of the market, and processing capabilities (McDermott & O'Connor, 2002). Market orientation is therefore necessary for major changes. Market orientation leads to innovation whether it is incremental or radical. Even radical innovation needs small changes with changing times. Most "radical" innovations require a series of small improvements before the economic benefits can be realized. As a result, it is not accurate to say that market orientation limits innovation or does not have a role in radical innovation.

In the case of startups or established small businesses, it's difficult to adapt to innovation as they are not able to afford research and development activities in long run. But through market orientation, there is a possibility of finding innovative ideas and processes for established small businesses and startups. Both radical and incremental innovation is necessary for a company to grow and find a business opportunity.

As for this research, I am trying to figure out how to develop more business opportunities and advantages for startups and established small businesses through innovation where market orientation as a tool. In my next theoretical part, I am going to discuss startups and established small businesses.

2.4) Startups & established small businesses:

Sometimes the number of employees defines a business size. The distinction between small and medium-sized businesses in Europe varies by country, but it usually falls between 5 and 50 employees (Nooteboom, 1994).

Small businesses have simple information systems. Information is gathered using secondary data or the owner's direct, formal, and informal external contacts (Smeltzer et al., 1988). Although the owner of a small business is frequently a craftsman with specific operational capabilities (Nooteboom 1994), small businesses perform a variety of tasks with less expertise than large businesses (Freel 2000), because they have limited space for functional specialists (Carson et al. 1995). Small firms create the majority of net new jobs and are key innovators, and efforts to encourage the creation and growth of small firms are probably worthwhile in most cases (Edmiston, 2007). SMEs face numerous challenges in achieving superior performance (Lin et al., 2014), including limited innovation via information technology (Dibrell et al., 2008), and scarce resource capability (AlQershi et al., 2020).

On the other hand, startups are actively involved in the innovation process (Colombo and Piva, 2008; Davila et al., 2003; Mustar et al., 2008). New ideas are brought to market and transformed into economically viable businesses during the startup phase. New businesses are creations that help entrepreneurs turn their ideas into profit (Spender, 2014). According to Wymer and Regan (2005), startups suffer from a structural lack of tangible and intangible resources as a result of their small size. According to Patel (2015), Nine out of ten start-ups stop operating within a year of being established. It isn't just ideas that cause startups to fail; there are many practical reasons as well. As a result of a survey by Griffith (2014), lack of sufficient capital (29%) and the wrong team assembly (23%), as well as superior competition (19%) as reasons for failure. There are many reasons why a startup fails, including bad management, lack of funds, lack of market demand, lack of experience, strong competition, and more (Krishna et al., 2016).

Regardless of the size of a business's development, companies need market knowledge, organizational capability knowledge, and the ambition to change. In the following section, I will analyze the literature regarding the role of market orientation and innovation scenarios in startups and established small businesses.

2.4.1) Market orientation for startup and established small business:

According to Smeltzer et al., (1988), small businesses have limited resources for gathering market data, and no room for a marketing specialist. In reality, secondary data is the backbone of market information. As Narver and Slater (1990) found, companies with more employees and more complex organizational structures may be less able to adopt the market orientation. Therefore, managers of small firms or startups have a powerful incentive to encourage market-oriented behaviors. Market-oriented start-ups and small businesses can take advantage of their inherent flexibility to overtake larger competitors in times of rapid environmental change.

According to Ledwith and O'Dwyer (2009), in small firms, there is a connection between market orientation, new product performance, and organizational performance. Figenbaum and Karnani (1991) pointed out that small businesses are flexible because they do not have large bureaucracies, usually have a manager who can make decisions rapidly, and have effective and informal internal communication systems. Due to these characteristics, niche products are often differentiated from each other and can respond readily to technical developments and market changes (Verhees and Meulenber, 2004). A customer-oriented strategy seems to be almost undoubtedly the key to success because small and medium enterprises don't have sufficient funds for research and development, an efficient management team, or skilled staff to develop effective planning strategies (Pelham and Wilson, 1996).

It has been demonstrated that market orientation has a significant impact on competitive advantage. Market orientation can later become a goal for SMEs in order to gain a competitive advantage (Winarso et al., 2020). Producers must constantly monitor developments to meet market demands. These market-oriented small businesses can also take advantage of a deeper understanding of their customers across the company to provide creative customization products/services to customers in specific.

In spite of having fewer R&D resources than their larger competitors, startups and small businesses that develop strong customer relationships and develop good customer problem-solving skills, meets the benefits of incremental, but substantial, value-enhancing modifications. As I have said earlier, startups compared to large firms are innovative and they are leading the innovation scenarios globally, for the next part I will discuss the framework of innovation in startups and established small businesses.

2.4.2) Innovation scenarios in start-up and established small business:

In terms of innovation, Rothwell and Dodgson (1994) listed the advantages and drawbacks of SMEs and large corporations, they came to the conclusion that the advantages of SMEs are primarily behavioral, such as entrepreneurial proactivity, internal flexibility, and responsiveness to changing circumstances, whereas the advantages of large corporations are primarily material, such as financial and technological resources.

The issue of innovation is important for start-ups, which are typically small and medium-sized businesses (SMEs) in the early stages of their development (Fiorentino et al., 2020). In SMEs, innovation is a process rather than a single event; it can be incremental and does not always necessitate the adoption of cutting-edge technology or the introduction of major new products, services, or processes. The growth of the economy, global competitiveness, and resource efficiency require the creation of new innovative start-up enterprises.

The innovation factor is positively related to firms' market power, by increasing their competitive advantage or reducing costs, consequently increasing the chances for start-ups' performance and survival (Hyytinen et al., 2015; Aljamal, 2018; Mohamed Hessian, 2018; Alareeni, 2019). It is likely that young firms can gain more from innovation due to their fewer rigid routines (Bruderl & Schussler 1990; Freeman et al., 1983), as well as their ability to adapt rapidly to changes in their operational environment (Klepper and Simons, 1997). A startup does not have to begin with an innovative idea or product; however, in the long run, or during the growth stage, it must change many things from product to process in order to become a price maker and gain a competitive advantage.

Many researchers argue that larger organization foster innovation (Damanpour, 1992), because larger firms can provide more diverse facilities that can support various types of innovation. On the other hand, some argue that being larger does not always imply being more innovative (Hage, 1980). Rather, some smaller firms are more innovative because they are more adaptable, have a greater ability to adapt and improve thus have a greater capacity for innovation (Damanpour, 1992).

Not every innovation is applicable to startups and established small businesses. Other studies such as Bessant & Tidd (2011) and Mole & Elliott (1987) differentiate between radical innovations (progress in knowledge and consistent development of new products and processes)

and incremental innovation (continuous improvement of product, process, and service) to show the applicable innovative idea in case of small businesses/startups and large businesses. Finally, it's worth noting that a variety of small businesses serve niche markets that aren't served by larger businesses (Eden et al., 1997; Christensen et al., 1996).

Some previous studies indicated how 'radical innovation favors large organizations with a wide range of expertise (Dewar & Dutton, 1986), 'incremental innovation is more likely to reside intrinsically within radiology departments of any size, making it more widely accessible for improving performance. Incremental innovations are generally less expensive to implement and can be operationalized much faster than radical innovations, and they can help small and medium-sized businesses become more competitive and profitable (Bhaskaran, 2006).

The goal regardless of the business size is long-term growth, gaining competitive advantage, and finding new opportunities. Market orientation and innovation are two topics cited in this article that help startups and established businesses gain an advantage in the market and develop more opportunities. In the following part, I will present the expectations of these startups and established businesses.

2.5) Expectation; Business opportunities and competitive advantage:

Businesses have their own expectations. Opening a new location, adding franchisees, forming an alliance, introducing new products or services, entering new markets, acquiring another business, expanding globally, and expanding online, are just some of the expectations. Likewise, startups and established small businesses expect to gain a competitive advantage by acquiring business opportunities, being able to meet demands, challenges, and problems as they occur. In this section I will explore 2.5.1) Business opportunities 2.5.2) Competitive advantage.

2.5.1) Business opportunities:

Due to changes in different areas of the value chain, different types of opportunities exist. Sarasvathy et al. (2003) propose a different definition for an opportunity, stating that an opportunity represents a set of ideas, beliefs, and actions that enable the development of future goods and services in the absence of existing markets. Understanding markets and changes in industry structure (Kuratko and Welsch, 2001); market inefficiencies (Denrell et al., 2003); and transaction cost and property rights (Foss and Foss, 2008) improves the likelihood of recognizing new opportunities.

According to previous research, SMEs cannot survive and succeed unless they actively seek out and identify opportunities (Sambasivan et al., 2009). As a result, recognizing opportunities³ has a significant impact on the performance of small and medium-sized businesses (Gielnik et al., 2012). SMEs, on the other hand, frequently struggle to achieve the benefits of opportunity recognition in terms of performance (Ireland et al., 2003).

Market orientation gives an insight into the market where it gives hints to actors about the available opportunities of the business. Even sometimes market orientation clarifies if there are business opportunities for a possible idea, as the actors get to know about the customer's demand also competitor's standpoint in the market. Narver and Slater's market orientation perspective has been a common framework for analyzing business opportunities (Lee & Lee, 2017). Competitor orientation refers to the process of collecting information to analyze competitors' products and strategies, as well as benchmarking them (Armstrong and Collopy, 1996).

According to Denicoló and Zanchettin (2016), innovation is linked to growth. Companies that innovate can create opportunities for long-term growth. This association is also linked to business, but not because of the creation of something new. It's pointless to think about innovation in a black hole. Investigating the market and considering how innovation can add value to customers in order to propel the company forward.

As not all opportunities are viable (Song et al., 2008), identifying and selecting the right ones for new business development is vital. Vogel (2017) in his study, differentiated venture ideas and venture opportunities, by showing the different phases of an idea to turn into opportunities. It takes the initiative of the entrepreneur to build substance around the original idea by gathering missing knowledge on the various dimensions of the venture concept⁴. In order to have enough information for an informed evaluation of whether or not there is an attractive opportunity for a future venture. As Polo García-Ochoa et al., (2020) stated, A successful creative venture requires commercial viability before it can be considered valuable.

Entrepreneurs need to find profitable business opportunities right from the start (Blank & Dorf, 2012). Changes in process, marketing, supply, or anything else during the growth stage can set a benchmark for the business. So, it makes no difference whether the change is incremental or

³ In order to recognize opportunities, many contextual factors from the external environment are required (Gaglio and Taub, 1992; Singh, 2000), especially the availability of resources (Timmons, 1994) and technological possibilities (Zahra, 2008).

⁴ Abell (1980), describes the venture concept as consisting of three dimensions: the customer segment, the customer need, and the entrepreneurs' resources and capabilities (including the product/service/offering).

radical. We can't simplify an innovation based on its small or large changes. We need to see how much a small or large transformation/modification changes the scenario for entrepreneurs or businesses, and how much it brings opportunities. Innovation is a way to explore opportunities and we can explore opportunities through market orientation. According to Santos and Va'zquez (1997), the firms with a higher level of market orientation are the proactive ones (clearly innovative and always looking for new business opportunities).

It's difficult to create opportunities without market orientation & innovative ideas, also it is difficult for startups and small businesses to gain competitive advantage. But in the end, their focus and goal are to gain advantages over their competitors or market. In order to provide greater value to customers, Narver and Slater (1990) highlighted the relationship between competitive advantage and market orientation. They suggest that a more market-oriented approach improves the analysis of long-term competitive advantage sources. In the next part, I will discuss the competitive advantage as expectation of startups and small businesses.

2.5.2) Competitive advantage:

Competitive advantage is defined as an unbeatable corporate position that provides long-term benefits and makes it difficult for competitors to copy the strategy and take over the position (Barney, 1991). The company gains a competitive advantage by offering a lower price or more significant benefits than its competitors (Philip & Armstrong, 2018). Maintaining an advantage necessitates resources that enable the firm to ensure its superior position and its readiness to accept change; as a result, the firm has a greater propensity to invest in preventing the attacks of competitors (Retnawati et al., 2019).

Competitive advantage comes from several different aspects, including cost advantage and differentiation, as well as rare valuables that are not immutable and not substitutable (Barney 1991), managerial position-image capabilities (Lin et al., 2014), or innovation differentiation-marketing differentiation (Chen and Lee 2009). A comprehensive view of business advantages and competitors is required to recognize competitive advantage (Clark & Montgomery, 1999; Day & Nedungadi, 1994) because competitive advantage originates from a variety of activities, including product-related attributes (Leonidou et al., 2015; Schiefer & Hartmann, 2008), distribution (Hoffman & Novak, 1996), market attributes (Carbone et al., 2020), service quality (Johnson & Sirikit, 2002; Pauline & Pauric, 1999; Rapert & Wren, 1998), and marketing ecosystem (Zhang & Watson IV, 2020).

According to Oswald & Tilley (2003), organizational flexibility is the key source of competitive advantage. Porter (1985) stated an organization's competitive advantage is the result of the comprehensive range of activities it performs in design, production, marketing, delivering, and supporting its product. They all contribute to a firm's relative cost position as well as its ability to differentiate. According to researchers Slater & Olson (2001); Connor (2007), creating superior value for customers can increase a company's competitiveness. And it can be created through pricing, differentiating, marketing, and so on. Organizations need to adopt a cost leadership strategy, differentiation strategy, or focus strategy in order to achieve competitiveness (Allen & Helms, 2006).

The academic community considers market orientation as a resource and/or a capacity by which the company can develop sustainable competitive advantages (Day, 1994; Hunt and Morgan, 1995; Vila and Kušter, 1998). Market orientation can help a company differentiate its products and gain a competitive advantage, which improves marketing performance (Kamboj & Rahman, 2017; Murray et al., 2010; Udriyah et al., 2019; Zhou et al., 2009). A strong market orientation will provide a competitive advantage in terms of product quality, service quality, innovation of local products, and cost reduction (Sittimalakorn & Hart, 2004).

Innovations in the product, process, marketing, strategic, and behavioral aspects are the most important sources of competitive advantage for businesses, and they give them an edge over their competitors (Wang & Ahmed, 2004). As Song and Parry (1997) stated, SMEs' competitive advantage is reflected by their uniqueness of products, product quality, and competitive prices. One of the most significant sources of competitive advantage is innovation (Damanpour et al, 2009; Hansen, 2014; Lin et al, 2007; Abidin et al, 2013; Gunday et al, 2011). Scholars, practitioners, and policymakers all agree that innovation is a key source of competitive advantage, industrial change, and economic growth, so the study of innovation hardly requires justification (Boyne et al, 2006).

Innovation differentiation advantage is generated when a firm presents the most innovative and appealing products by outperforming its competitors in efficiency, quality, design, and style (Miller, 1988). Rothwell (1989) believes that small firms have an advantage in generating innovative ideas due to their flexibility in managing their business. Especially for startups and small businesses, focusing on incremental innovations derived from customers, competitors, and suppliers as a means of improving both products and processes may be a more effective means of improving competitiveness (Oswald & Tilley, 2003). As Porter (1980) stated,

competitive advantages are typically derived from cost leadership and differentiation. The definition of differentiating strategies refers to innovations with 'added' advantages or those that are perceived to be unique or different in the industry and offer a greater benefit to the consumer. In the case of startups and established small businesses, they are more focused on quality and differentiating products which can lead them to an advantage in the market.

Scholars recognize that both SMEs and innovative startups possess flexible and informal structures (Hudson et al. 2001; Qian and Li 2003; Terziovski 2010), which is the main reason they retain a competitive advantage (Figenbaum and Karnani 1991; Qian and Li 2003). Recently, researchers like Kumar et al., (2011); Lonial & Carter (2015); Murray et al., (2010); Ngo & O'Cass (2012); O'Cass et al., (2015) have expanded their understanding of market orientation's critical role in achieving long-term competitive advantage.

Considering all the theoretical perspectives and research questions I will form the research model in the next part of this chapter.

2.6) Research model & discussion

The motive of this part of the paper is to form and discuss the research model to connect each of the concepts and how they are associated with developing startups and already existing small businesses. Most importantly, it is necessary for them to find a market, finding new business opportunities, key sources to hold a competitive advantage in the industry rather than combat with insufficient resources.

Research question: What is the role of Market Orientation in accelerating Innovation for startups and established small businesses for developing business opportunities and achieving competitive advantage?

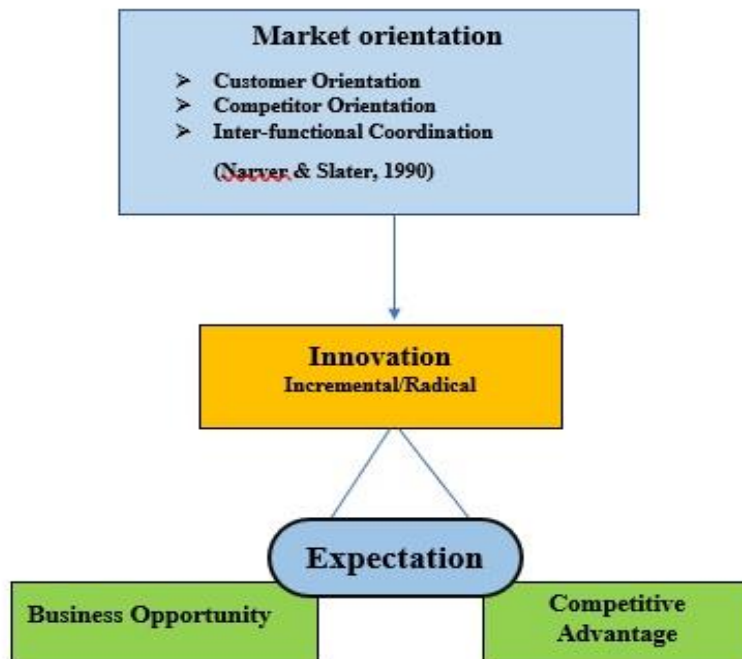


Figure 1 Research Model

It is difficult for new firms to enter the market and create awareness that they can satisfy the customer's needs when there are established large firms already in the market. Sometimes a customer buys the product as there is no alternative available even though they are not satisfied with the existing product/service. Formerly, it was believed that most of the new and established small firms lack innovation or innovative ideas with the misconception that innovation requires finance and long-term research and development. However, as we know most startups compared to large firms, are more innovative due to their flexibility, their ability to conduct market research independently, and their ability to connect with suppliers through their own network.

I believe if we follow Narver & Slater (1990)'s market orientation framework, then we will be able to link it to innovation that will help the startups and established small businesses to find opportunities and gain competitive advantage. Following that, I have formed the research model for this thesis.

As market orientation gives insights into customers' requirements, changing demand, competitor positions, supplier information, and inter-functional coordination. Therefore, new

firms or established firms are able to find out the knowledge and process of using available resources in the business, in a different or creative way whether doing so on a large scale or on a small scale. According to Jaworski and Kohli (1996), market orientation is a predictor of innovation, and market-oriented organizations are more innovative (Liu et al., 2003).

Also, this makes sense that market orientation facilitates innovation for these startups and establishes small business step by step with small changes in product, process, market, sales and so on. But it doesn't validate the arguments that only small changes or incremental innovation is possible through market orientation, radical innovation is also possible.

Developing significant innovations help companies to establish dominant competitive positions, as well as give new firms the opportunity to gain an advantage in the market. As shown in figure 1, the expectation of any business is to explore more opportunities and achieve a competitive advantage. Innovation does not automatically lead to business opportunities, but exploitation of the idea can produce them. And market orientation not only allows for innovative ideas but also provides insights into opportunities and clues that can lead to competitive advantage. Porter (1985) defined, competitive advantage as an advantage gained by offering consumers greater value, either through lower prices or by providing higher quality and services justifying a higher price. Market orientation, particularly customer and competitor orientation, is among the salient dimensions to gaining a competitive advantage (Sørensen, 2009; Zhou et al., 2005; Slater and Narver, 1994a; Day and Wensley, 1988; Day and Wensley, 1983). Erdil et al., (2003) argued to gain a competitive advantage, businesses need to improve their collection and use of market information and implement market-oriented strategies.

But there are many arguments over market orientation, for the research question I will investigate real actors in Nordland, Norway. The fact that market orientation may be a step forward for innovation in start-ups and existing small businesses, some actors still think it is a myth for business development and competitive advantage. Through our investigation of the real scenario, I will try to find out how often startups and established businesses get sufficient information that they can exploit to bring changes in product, process, marketing or find opportunities. Even to find out financial investors, startups or small businesses need to show the investor business opportunity and future demands through their business plan or model. Which can be developed through market information.

Following the research model, as shown in figure 1, we can see the possible role of market orientation for startups and established small firms, I will figure out the scale of innovation through market orientation, also the contribution of market orientation for innovation and expansion of business for startups and established small business. In my next chapter, I will elaborate the research method, and how I have designed the research for this topic.

3. RESEARCH METHOD

A researcher must understand the concept of research in order to determine which research methods and techniques to use, how to use them, and where they will fit into the overall research process (Jongbo, 2014). Kerlinger (1986) defines research design as a plan, structure, and strategy for conducting research with the intention of finding answers to research questions while maintaining optimal control of variables. There are three types of research designs: quantitative, qualitative, and mixed-method research designs.

This thesis focuses on the role of “Market Orientation” in startups and established small businesses in Nordland, Norway to establish innovative ideas, opportunities and achieve a competitive advantage in the market. Along with the theoretical concept, I will research on startups and small businesses in Nordland, actors who overcome through market orientation or incubators that provided market information that helps entrepreneurs to find innovative ideas, and opportunities, or businesses who are having difficulties surviving in the market. This chapter includes, 3.1) Research design 3.2) Criteria for selecting informants 3.3) Interview process 3.4) Data validation 3.5) Analysis of qualitative data.

3.1) Research design:

For this study, I will use a qualitative research method. Qualitative research focuses on discovering and grasping the meaning that an individual or group of individuals accords to a social or human problem (Creswell, 2014). This thesis focuses on the role of market orientation for innovation, opportunities, and competitive advantage context to startup and established small businesses where a deep understanding of entrepreneurs, incubators, and accelerators' experiences needed. As I have mentioned before, real scenarios can elaborate the role of market orientation along with the theoretical perspective, therefore qualitative research method has been selected for this study. This method allows the researcher to gain a better understanding of issues by looking at them in their own context and the meaning that people attach to them (Denzin & Lincoln, 2005). Its main goal is to derive meaning, purpose, or reality from the participants' perspectives and experiences (Merriam, 2009). There are a few ways to conduct qualitative research.

Case study is an investigation that focuses on describing, comprehending, predicting, and/or controlling the unit under investigation (Woodside, 2010). According to (Sjøberg et al., 2007; Mugenda & Mugenda, 2003), a case study is an in-depth investigation of an individual, group,

institution, or phenomenon within its real-life context, especially when the phenomena and context have a slight difference.

Ethnography entails the researcher participating in, talking with, and doing things with participants in their natural environment for an extended period of time. It is primarily conducted through observation over a period of time, giving it a longitudinal perspective (Mugenda & Mugenda, 2003).

Action research is a method of conducting research with the aim of improving the study circumstances by developing innovation to resolve a problem in society that needs little or no generalization (Wabwoba & Ikoha, 2011). For a long time, action research has been used to find a quick and practical solution to a problem in a local setting (Mugenda & Mugenda, 2003).

Semi-structured interviewing is a qualitative data collection method in which the researcher asks open-ended questions to informants. Generally, these types of interviews only last for one session, conducted with an individual or in a group, and last between 30 minutes to more than an hour (Service, 2008). A semi-structured interview is a series of questions or topics presented schematically so that the interviewer can explore them (DiCicco-Bloom & Crabtree, 2006).

For data collection, I will be focusing more on ethnography, & semi-structured interviews. As our concern is to find out real experience which can help out startups and established small businesses understand the role of market orientation.

3.2) Criteria for selecting informants:

I decided to set some criteria which will make participants and relevant cases eligible for this research.

a) For ethnography, EN1 is already an established small business in Bodø. I have been part of this company as an intern. Where I have directly observed and participated in solving problems or finding opportunities.

b) For the semi-structured interviews, I believe all the participants either knowingly or unknowingly went through market orientation phases for their businesses, to bring changes either inside the organization or in the whole business/product. To validate the interview, I am going to transcribe the interview as Easterby Smith et al (2015) claim to strengthen the overall reliability and validity of the study. I have selected our participants based on,

- i. Participants from start-ups and established small businesses who did their own market research for an innovative business idea or collected external information to bring changes inside the organization.
- ii. Participants from the start-up and established small businesses who took support from the Incubator and the Accelerator.
- iii. Participants from the Incubator and the Accelerator, who actively has the role of innovative business idea and knowledge of changing market. (In the case of startup and small business, most of them get assistance from incubators & accelerators to develop ideas, innovation, and opportunities. They help the entrepreneurs with their skills, expertise, network, and to find investors and information relate to the market). This is the reason I think, incubators and accelerators are important for empirical findings.

The main purpose of this research will be to use a qualitative approach to uncover the real scenarios that arise regarding market orientation in start-ups and small businesses and to determine whether it leads to innovation or creates barriers. I will also look for additional elements that can create opportunities and advantages for these businesses in the early stage.

3.3) Interview process

All participants were contacted via email to request permission for the interview and asked their preferred medium of communication. When the interview was agreed upon, a written consent form⁵ (appendix 1) was sent that was prepared in accordance with NSD guidelines (approved by NSD). In addition, the interview guide (appendix 2) was attached to the same email so that they would be prepared for the interview. The interview was recorded and later transcribed. The primary sources for secondary data were their websites, articles, and so on.

A total of six semi-structured interviews were conducted for the purpose of acquiring empirical data. They were all interviewed face to face, visited their company and production house. To finalize the interview guide specifically for entrepreneurs, I have tested the interview guide with EN1 where a lot of questions and topics were discovered and added. Two different sets of interview question were prepared because there are two different categories of interviewees (leaders of incubators and accelerators, and entrepreneurs). Set A is prepared for the entrepreneurs and set B is prepared for the incubator and accelerator. During our interview, I

⁵ After getting the approval from NSD for consent form and sent to participants. But later, I made a minor change in my research question. Topic and concept of the research is same.

realized one startup focuses on becoming an accelerator for local businesses and startups. For that interview, I used questions from set A & set B based on the interview situation. Although the questions were prepared in advance, additional questions were made in response to their answers and additional information. Participants were flexible during the interview.

With the participants' permission, each interview was recorded on Dictaphone and later transcribed. All the interviews were planned for 45 minutes, but all the interviews continued for more than 45 minutes to explain deeply about the business idea, market, targeted customer, concern, processes, etc. To present data and information about the informants I decided to keep it anonymous, and I will use code to identify them.

Table 3 Participant's list and interview information

Participant's Code	Interview date	Communication type	Record Method	Duration
EN1	22/03/2022	Face to Face	Dictaphone & transcribed	Approx. 47 minutes
EN2	30/03/2022	Face to Face	Dictaphone & transcribed	Approx. 62 minutes
EN3	05/04/2022	Face to Face	Dictaphone & transcribed	Approx. 98 minutes
ALR	06/04/2022	Face to Face	Dictaphone & transcribed	Approx. 75 minutes
EN4	11/04/2022	Face to Face	Dictaphone & transcribed	Approx. 60 minutes
ILR	20/04/2022	Face to Face	Dictaphone & transcribed	Approx. 70 minutes

3.4) Data validation:

Data validation can be divided into two categories in qualitative research: internal validity and external validity.

An analysis of internal validity examines whether a study offers reliable answers to its research questions because of how it was designed, conducted, and analyzed. Credibility is prioritized by internal validation, ensuring that empirical findings correspond to the facts (Shenton, 2004). Interviewing relevant actors helped us establish credibility. In order to make sure that the data was convincing, I compared participants' responses during the data analysis. As I have collected all the data to validate the answer in concern to the research question. Credibility was achieved by first objectively reviewing the data, then comparing and sharing the conclusions.

The concept of "external validity" refers to how much a social setting can be used to apply scientific studies (Bryman & Bell, 2015). To improve transferability and deal with external validity, I have provided a detailed description of interview responses in the empirical findings chapter. So that readers can connect it to other situations and use it as they see fit.

Confirmability, as a measure of objectivity, indicates that the conclusion is based on the perspectives of the participants rather than our own (Shenton, 2004). Choosing interview subjects and conducting the analysis process correctly are essential for maintaining research validity. It was important for me to identify the entrepreneurs, incubators, and accelerators relevant to the purpose and research question. These individuals provided valuable information, and all of it proved useful. All the interviews were transcribed, and I analyzed the participants' responses based on what they said rather than the emotions expressed by the people interviewed. I approached them again for clarification in cases of confusion to reduce the number of misinterpretations.

Having a proper research role is essential when conducting qualitative research through interviews due to ethical considerations. The positioning includes principles like voluntary participation, confidentiality, anonymity, fairness, and accountability (Collis & Hussey, 2014). In this study, everyone agreed to take part voluntarily, without receiving any compensation. It was decided to maintain the anonymity of all participants in order to protect their opinions and the businesses they represent. It was informed and mentioned in the consent form which is confirmed through NSD and provided to all the informants before the interview.

The researcher will be open and honest about the study's topic, the context in which they will use the data, and the contribution they will make during the interview (Collis & Hussey, 2014). All participants were made aware of the purpose of the study during the initial email exchange

and at the start of the interview. And the data gathered from the interviews will not be used in any other research papers besides this one.

3.5) Analysis of qualitative data:

Henning et al. (2004) defined data analysis as a continuous, developing, and repeating process that investigates transcribed data from interviews. The process of making sense of research participants' views and opinions of situations, corresponding patterns, concepts, categories, and regular similarities can be described as qualitative data analysis (Cohen et al., 2007).

During transcribing, I contacted the participants again if I discovered any missing or unclear information from the interview. After transcribing the data, I continuously analyzed it and was able to develop potentially relevant concepts and insights through the process. During the analysis of the transcribed data, I discovered some of the participants' contexts or opinions, which made my research topic more relevant and meaningful. In addition, after transcribing the interview record, I reviewed the transcribed interview several times to analyze the data and ensure that I have enough information about my topics and am ready to organize the data for this thesis paper. Since the interview was semi-structured, I removed some information that was not required for this thesis. As mentioned in the consent form (appendix 1) all the entrepreneurs are named as EN1, EN2, and so on. For the incubator I coded them as ILR and accelerator I used the code ALR.

The main objective of this thesis is to find out “What is the role of market orientation in accelerating innovation for startups and established small businesses for developing business opportunities and achieving competitive advantage?”. To ensure that participants are correlated with this research and engaged, I used the qualitative approach. A consent form (appendix 1) and interview guide (appendix 2) were provided to participants. Transcribed it from Dictaphone records. All the process was permitted by NSD to proceed with the research. In addition to that, for ethical considerations, participants' identities are not mentioned anywhere in this study so none of them can be identified.

The next chapter will discuss the empirical findings gathered from entrepreneurs and leaders related to theoretical background and research model of this thesis, in order to demonstrate a practical scenario.

4. EMPIRICAL FINDINGS

In this chapter, I will present three parts. The first part presented an introduction of the participants to get an overview of their business information, the second part is about presenting the empirical findings that are found during the research, and the last part would be presenting a summary for reader's better understanding of the empirical findings connected to the research model. The following structure are 4.1) Introduction of the participants, 4.2) Empirical findings linked to the theoretical framework, 4.3) Summary of empirical findings.

4.1) Introduction of the participants:

EN1 is the owner of an established small business, which is in Bodø, Nordland. This is the only coffee production house in Bodø. The company has the advantage and support of local businesses and individuals for being a first mover⁶ and being the high-quality coffee producer. In terms of innovation, coffee is neither an innovative product nor does it have the potential to bring huge changes. But they have been serving different levels of roasted coffee in different seasons and following some sustainable procedures & small creative strategies which is why they can claim themselves as an established small business in Bodø. EN1 said, “when we researched on competitors & market information, we found a few small roasteries in Northern Norway which influenced my decision. In the last 2-3 years we have reached to a stage we can call ourselves established small business. We want to make the brand to be known nationally.”

EN2 is the co-founder & idea developer of a tour guide app which is formed in Bodø, Nordland. It's a startup of a digital solution for children where they can explore Norway attractions, museums, and places. They are guided by animated characters, it's a digital platform as a tour guide. As of now, this app is available in 3 languages (English, Norsk & Sami; following the UN development goal). They are aiming to launch this app in different countries as the solution is new and helpful for kids. They are under Incubator. They started trials with kids, parents, and in school.

⁶ In business terms, first-movers are companies that enter new markets first. A first mover is defined by Patterson (1993) as "an organization which introduces a specific strategy within a specified scope". As a result, they gain a competitive advantage over their competitors in the long run (Kerin et al., 1992).

EN3 is the owner & another participant was a product developer of the company where they develop fish skin as the first material in Fauske, Nordland. While the entrepreneur was writing his undergraduate thesis, he discovered from his research the demand and resources that led him to start this firm. Since people are more aware of the environment and animal cruelty, there is a huge market for fish skin in the clothing industry in Europe. Fish skin is one of the best materials to replace animal skin, and they came up with the idea to use fish skin rather than throw it away. They still receive startup funding, but they are currently a small company expanding. Right now, they are in the post-incubator stage under Incubator. "Right now, as a company, we know our market, we have clients, and we know where we can acquire investors and advisors. Our goal is to go commercial" EN3 stated.

EN4 is the entrepreneur of a startup based in Saltstraumen, Nordland. It's the company that produces salt. The idea may sound like a regular daily-based product, but the concept is to make a regular product into a souvenir product. A souvenir from Northern Norway. Saltstraumen which has the strongest tidal in the world also a place as the salt-making resource. From the start to now the business is single-handled by the entrepreneur himself who has no previous entrepreneurial skill or experience. They are not under Incubator or any other organization. They are still in the startup phase. EN4 described that to stable his business, "I want to increase sales volume, also a team to develop a plan to handle processing to sales."

ALR is the co-founder of a startup with the goal of becoming an Accelerator. It is in Bodø, Nordland. The concept is inclusion. It is a sustainable mall, an arena to reuse products and local entrepreneurs' products. They also do the recycling of many products which can reduce waste and be cost-effective. The goal is to give shop/shelf opportunities to local small entrepreneurs. It was under Incubator but now as they have one project leader, they are not under Incubator anymore. ALR said, "we are adjusting to the market, now we are trying different things which can help us to reach our goal to become Accelerator."

ILR is the Incubator leader. One of the reasons why so many start-ups or ideas are currently developing and growing in Nordland is because of Incubators. The goal of incubators is to make

use of local resources, think creatively, shape ideas, and provide solutions to entrepreneurs and new enterprises. One of their objectives is to support innovative ideas and develop or shape them into an opportunity. ILR said, “local infrastructure would be benefited from startups and small firms. Startups and small businesses will be able to create job opportunities.”

4.2) Empirical findings linked to the theoretical framework:

Through the research and discussions with participants, I sought to understand how startups and established small businesses scale up, innovate, use incubators to find solutions, identify barriers, and transform ideas into opportunities. Also, how much they recognized market information and used it internally. This section of the chapter will help in understanding of the situation and provide support for the role of market orientation connecting to the theoretical framework of this study.

4.2.1) Market Orientation:

It refers to a company's ability to gather market information from its customers, competitors, and other stakeholders. As EN1 said, “we value information about customers, competitors, suppliers, and others. We are neither limited to our market nor to our research. We visited the local hotel, restaurant, different places, and we asked them if they get locally roasted coffee, would they buy the coffee from the local producer? And we got good response. Market information will show the right way and wrong way.”

EN3 said, “we always look for information with the chemicals, fish skin suppliers, and competition partner, as well as the information on how we can achieve cost optimization.” EN3 continued, “the results of our market analysis indicated that the products were in high demand. Also, we knew that we must develop higher quality which can make us irreplaceable and that’s the reason we always make sure we have information and resource enough to develop the product.”

Any source can lead to market information as EN2 stated, “We make sure we find information that can help us to create new things and more advanced. As we are under an incubator there are more entrepreneurs under the same umbrella. For me, they are also a good source of market information and knowledge.”

EN4 who doesn't have entrepreneurial skills, shared, "I did not research anything as I've no idea of how to collect information related to the market, we do not even have a proper business plan. We still lack information from the market, for example, about substitute souvenir products, market availability, communication with B2B (Business to Business) and B2C (Business to Customer), and lack of a team to do all the things and process the information."

The absence of entrepreneurial skills or a proper team leads to a lack of market information, which slows down business and makes the company unaware of the market. This is what ALR stated, "In terms of collecting data and information from external sources, we still have a long way to go."

It is impossible to predict the customer's needs and desires without market information. ILR shared a similar thought on this, "A lot of entrepreneurs think if their idea is a solution then someone will buy it, but it doesn't work like that. There must be a demand or need is required for that solution. A company needs to figure out what the market wants and demands, for what they are ready to pay. We cannot expect businesses to grow without following the market and without knowing the market information."

There has been a great deal of discussion about adopting a paradigm of market orientation. ILR stated, "rather than the quantity of information, the issue is the quality of those information. Also, analyzing that information is not enough if the quality of information is not enough for the required demands and needs. We suggest entrepreneurs have a constant dialog with the market. It is essential to expanding the company & to survive for a long time."

✓ *Customer orientation:*

Customer orientation facilitates information which helps entrepreneurs or businesses to understand the customer needs as well as in developing products which result in more sales and business opportunities. As EN3 said, "we take our customer's opinion to develop the product. We have learned a lot from our customer's opinions. Recognized what to do and how to make it more standard, which leads to our product development. At this stage, we are flexible enough to change, modify, or customized products based on our customer's opinions."

Sometimes it is difficult for startups & small businesses to follow customer information and change as it leads to excess costs. EN3 continued, "of course, customizing a product or changing by following customer information increase the production cost sometimes but right now our

goal is to build a high-quality product by using information and processing as much as we can to develop the product.”

Sometimes we think that focusing on customers more would limit the sale. But in the end, customers are a way to run a business if their required needs are not fulfilled, they will switch to another option. It’s the entrepreneurs’ responsibility how much and to what extent they will process customer information. EN2 shared, “we got lots of information and feedback and we also agreed on a few things which we changed on the apps and planned to add some in the next development stage. But we also believe, we are supposed to be creative along with feedback from the market. Customers have different needs and demands, and we do value their information for our solution, but we limit the information process when we notice the hindrance of innovation.”

Customer’s perspective leads to a different angle of a problem. It may not lead to big changes but sometimes it is possible to find solutions from their perspective.

ILR gives importance to customer information, stated, “It is necessary to understand customers from the customer’s perspective. For example, if a similar product exists in the market, then they must know why the customer is buying that product even if not fully fulfilling their need/demand, and what kind of solution would sort out the problem. Some of them end up making the best product but not aware why customer is not buying the product.”

ALR stated, “a survey in Norway found that 7 out of 10 people wish to buy sustainable products, but they do not know how or where to get them.”

Customer orientation is leading entrepreneurs about the business opportunities, where they need to bring change, and what kind of solution is required in the market or future demands. Additionally, leads to different incremental innovations in the process, sales, and so on.

✓ *Competitor's orientation:*

When an entrepreneur starts with an idea, the first thing they want is to be unique to survive in the market. And here starts the importance of knowing competitors, if there are no competitors then what is the possibility of future competitors, copycats, and so on.

EN1 shared, “we know our customer and competitors' gap. This gives us an advantage in the market, even though our targeted market has options to buy the coffee from the shelf, which is offered by the competitors, but we know there are people who want a higher quality coffee and a taste. There is no roastery in Bodø, being local we know what our customer wants in their coffee.”

EN2 stated, “As of now we do not have any competitors, so we are thinking to make it available in different countries.” They are also aware of future threats, “Anyone can adapt it for their business, but we do not have direct competitors who have digital solutions for culture and attractions of Norway for children.”

EN3 shared how competitors' information helped them to focus on their idea and imposed different ideas from competitors' information. “We have competitors, but we adapted a competition strategy. For example, a few companies in Norway using fish skin for leather bags can be our competitors but as we make the fish skin (the first material) we reformed them as our customers with cooperation. We checked our competitors and market, that's when the idea was shaped more to focus on being pre-product material.”

The lack of knowledge about competitors keeps entrepreneurs in the dark. As EN4 said, “honestly, I do not know how many souvenirs product from Artic stand out in the market and how they are doing things to represent as Artic souvenir brand.”

As well as ALR shared the same thought, “our competitors do not have a sustainable procedure, we are targeting people who want the sustainable product and reused product.”

ILR stated, “eventually, someone will come along with a solution to the problem that is updated or easy. Some of the entrepreneurs are afraid to take the risk of extending their business and competing with other competitors at the national level but it can help businesses to know more about the market and doesn't limit the opportunities.”

Competitors' orientation clarifies lots of doubt and threats of the market and future demands. Entrepreneurs to advisors believe this kind of information assist or lead to a solution that can improve product and service better than competitors. Competitors also can be co-partner.

✓ *Inter-functional coordination:*

For startups and small businesses, it is important how the organization deals with resources & information processing inside the organization. In the end, all the available resource & information needs to come out as a great solution, innovation, or an opportunity. EN3 said, “luckily, we have set our small team and we have good coordination which makes our idea process and work progress smoothly. Also, we have procedures for our work, if there is a new member joining the team they can coordinates properly and take over any job with the available shared information. From a production and processing perspective, we are on point with a team, but we still believe to commercialize it we need someone in the brand and communication.”

EN2 showed concern relate to inter-functional coordination, “we have more ideas, and we know what we need to do and what we want to do but at this stage, we are not able to hire people. This is the reason it is making our business slower to process and develop our idea.”

EN4 said, “Sometimes we cancel an order as we do not have enough people on the team. In lack of team, we are holding out a lot of opportunities.”

EN1 stated, “one of my employees who joined me later, helped me a lot in the process of collecting information relating to customers and opportunities. Where we got lots of leads on how to do the business more accurately. Because of financing, we are still at the stage where we consider multiple times which skill should we prioritize first while hiring someone.”

It is quite difficult to hire people since the beginning. Barriers to growth include a lack of funding and entrepreneurial skills, and an inability to figure out what kind of skills requires most while hiring. According to ILR, “it is always an issue that these companies' teams are too small to handle multiple processes and improvements at the same time, and their skills are not perfectly matched. Incubator also assists them in processing information and implementing that information.”

While ALR said, “we have 10 people in our team, as a start-up which is quite a big team to process all the information and idea. We need to focus on what we want to do and how we want to grow. With our existing information if we can coordinate properly then we believe we will end up with more innovation and opportunities.”

Even a small team with the right skill and coordination results in radical innovation. Almost all startups and established small businesses face the same problem lacking team members but it's always about how existing team process information by coordinating different functions.

4.2.2) Innovation (Radical or Incremental):

An innovative idea not only comes from organizational inside research and development but also from outside research in the market. Even though innovation is not easy for small businesses because of inadequacy in resources and research but in some areas, innovation is possible easily in the case of small firms and can get a competitive advantage in the market.

EN2 & EN3 product which is radically innovative is results from market orientation and good inter-functional coordination. EN2 said, “we balance the customer/market information where it doesn’t limit creating new ideas and addition. We use market information to bring change in process and development, not to limit in creating innovation.”

While EN3 shared, “Textile industry is getting consumer pressure, social welfare pressure, animal welfare society pressure and so on. This is where we thought that fish skin can take the opportunity of business, we saw the available resource which is left as waste can be used. When you have done the research, you have enough information and knowledge in your table then you know what you are looking for, what you want to do and that’s where you find solution and innovation.”

Basis on most of the startup & small businesses in Nordland, ILR stated, “most of them are focused on more incremental innovation. Some of the ideas/concepts are new or improvised but most of them are small innovations that can create changes in the market as well as in the process. We try to find innovation even in the business model.”

Some of the entrepreneurs adapted marketing innovation as they wanted to increase individual customers by adapting different strategies, and some of them believe in changes in processing. Being a startup or established small business, it is difficult to bring changes or radical innovation always but adapting small changes one by one can increase customers, sales, advantage, etc.

EN1 said regarding innovation or creating ideas, “Coffee is not an industry that is going to revolutionize, but we are trying to do a few things differently than the larger companies. We do a lot of campaigns like Friday rabatt, Julekafe and so on. It may seem like customers will only buy coffee during the promotion, but we see this as adding value and connecting customers to our brand.”

EN4 stated, “we can adapt small changes one by one once we start gathering information and a team to process it. Our product is not innovative, but we are trying to make a regular product as the brand to present Artic and made out from Northern Norway. I’m not providing a solution on daily basis needs; I’m just holding an Arctic brand as a souvenir.”

ALR said, “We focus more on process innovation than bringing product innovation, also focused on sustainability concept. We want to increase that product range, and for that, we need more information about producers, customer demand, and new strategies for marketing innovation. All this information will help us to become a significant strategic accelerator for these local producers.”

It is frequently necessary for a company to innovate in order to respond shifting market demands by introducing new products and services. According to ILR, “startups and small firms must interact with the market and be adaptable to change their products, processes, and development. Small innovations can be stimulated from outside, and information regarding changing markets can be figured out from the market information. It doesn’t limit the process of developing new ideas or innovation. Market information can assist the whole process of developing new ideas or innovation to see from the market perspective.”

Market orientation doesn’t limit innovation or neither only produce incremental innovation. Market orientation leads to both incremental and radical innovation. It is difficult for startups and small businesses, yet a lot of entrepreneurs found innovative ideas or solutions from market information.

4.2.3) Business Opportunities:

Market orientation gives an insight into the market where it gives hints to actors about the available opportunities of the business. EN1 also said, “We are always looking for new procedures or leads that can give us new information about new opportunities. For example, a

small percentage of the Northern Norway market is covered, but we still could not reach the grocery store so there are huge opportunities to extend.”

EN2 described, “To create more opportunities, we need more market knowledge, information, and enough resource to process those inside the organization. That’s why we collaborate with the university students, to gather information on the market.”

We cannot simplify an innovation based on its small or large changes. We need to see how much a small or large transformation/modification changes the business scenario for businesses, and how much it brings opportunities. As EN3 said, “we do the test or research on the market now more than before to find out more opportunity. We have set a competition strategy to develop more business opportunities rather than having competitors.”

EN4 said, “There is always demand for souvenir products from tourists as well as from locals who want to gift something from a local product. As I’m not knowledgeable about the market or any information which creates the main obstacles for finding actual opportunities.”

According to ILR, “we typically focus on how they can expand their market opportunities. Understanding global demand and trends is essential for identifying new ideas and opportunities. Entrepreneurs here mostly do what they want to do rather than what the market or future demands. Entrepreneurial skills and team skills or knowledge are the best ways to find new ideas and turn information into opportunities. As these companies are based here, they should visualize Norway as a market rather than growing locally. They need to expand their market outside to explore new opportunities and grow their business.”

Without a business opportunity, even an innovative idea doesn’t have any value for entrepreneurs or for businesses. Finding opportunities is back and forth task for any size of company. Market orientation helps entrepreneurs understand business opportunities.

4.2.4) Competitive Advantage:

It's difficult for startups or small businesses to achieve a competitive advantage. Being the first mover or only provider, differentiation in product/service can lead a startup or small business to have an advantage.

According to EN1, “We will always have the advantage of being a first mover and local. Additionally, the quality of our product gives the advantage. We are too small to achieve cost leadership in competitive advantage.”

EN2 said, “We know we can achieve competitive advantage basis on our solution, but we also know it can be adapted by others as well. So, there is a threat of competitors. Yes, we are the first mover in the category of tour guide apps targeted for children.”

EN3 said, “as a fish skin company we are the first mover. But in the future, if the potential impact is raised then there will be more competitors and making the product more valuable at that stage would be achieving a competitive advantage. According to environment friendly and based on customer’s requirement we set a checklist of our product that can attract the customer most and that’s our competitive advantage now.”

EN4 said, “without knowing our competitors, we are just making our package and brand as of now we cannot afford to do something else, and I do not have any experience with other things which can help to develop advantages.”

From startups to established small businesses, it's difficult to achieve cost leadership. Differentiation (quality) is one of the ways to achieve competitive advantage along with being the first mover.

4.3) Summary of empirical findings:

Table 4 Empirical findings summary

Topic	Summary
Startup & established small business	At this stage, entrepreneurs know about their market, investors, goal, and so on. It is a kind of difficult phase where they need to shape their idea and focus on the opportunities. Finding out the information inside or outside the organization is the most significant stage of developing a business. In the startup phase, even entrepreneurs with innovative ideas often struggle due to an insufficient understanding of the market.

	<p>Entrepreneurs who recognized market information and carried out sufficient research on customers, competitors, third parties, key competencies, etc. have been successful in the market. Although it is a challenging stage, it is a way for them to develop from a startup to an established small business. A new entrepreneur who has not yet discovered the market or does not have the awareness to recognize how important it is, can struggle for years.</p>
<p>Market orientation</p>	<p>With exceptional information about customers, competitors, suppliers, and so on, entrepreneurs able to establish small businesses with a simple idea. An idea or solution derived from market information is preferable more than an innovative idea that has no market demand. Collecting information isn't always enough; knowing what kind of information the firm requires and how to use it to get results is essential. If the entrepreneur is unable to do so, their idea will eventually be dismissed.</p> <p>Customer orientation gives crucial information about what the market wants and how. In the initial stage, it is easy to change and modify products, customer information helps to develop products. If the entrepreneurs' know-how and to what extent customer information to use and process, then it doesn't limit the innovation. Sometimes prioritizing customers' perspective leads entrepreneurs to find more solutions or ideas. Most of the time, incremental innovation in the category of marketing/sales innovation, process innovation comes from customer orientation.</p> <p>Competitors are not always a word to someone you need to compete with. Like customer orientation, competitors' orientation mostly leads to incremental innovation and helps entrepreneurs to focus on needed development. Competitors' information leads to learning what and how well you can develop your product, which idea you should focus on, what kind of solution they are providing for the same problem, future threats, and whether is there any</p>

	<p>opportunity to co-partnering with them. Competitors' information may not lead to innovation always, but most entrepreneurs can focus on what they want to focus on and how differently they want to present themselves in front of the customers.</p> <p>It is hard for small businesses and startups to put together a team due to lack of funding and conflict over which skills are most needed, which slows down business growth. Different departments or the right team are always keys to success for a business. It's not always having a lot of people in a team or just collecting information but the right people, who know how to process, and coordinate information inside the organization so that they come to a solution or idea that is unique and needed in the market. Inter-functional coordination can lead to innovative idea, strategy & progress. Effective inter-functional coordination also accelerates radical innovation.</p>
<p>Innovation</p>	<p>Resources & research both is the main component of how innovative or unique ideas a firm can present to its customers. Both required standard information which results in innovation, new solutions, product development, and so on.</p> <p>For startups to established small businesses, it's difficult to bring whole change but market information helps these businesses to adapt to new processes and development. Most startups and small businesses try to adapt incremental innovation as they want to grow and expand their business. This is more like taking small steps one after one to reach a goal. At this phase of business, market information can lead to incremental innovation rather than limiting innovation. As well as it can lead to radical innovation. There are startups that started with whole new solutions or ideas from their market information and internal coordination of processing information.</p>

<p>Business opportunities</p>	<p>From shaping an idea into an opportunity to creating a business opportunity, no matter whether small or large firm they need insights into the market to find out what is the possibilities. Market orientation clarifies if there are business opportunities for an idea or not, as the actors get to know about the customer's demand also competitor's standpoint in the market.</p> <p>Entrepreneurs who understand the importance of market information and its need to process or development, are able to create opportunities and expand the business. Some entrepreneurs use directly market orientation to find a business opportunity to expand business whereas some of them try to find the viability of an idea to figure out future opportunities. It is possible for a startup to become an established small business when they successfully manage to create opportunities. Entrepreneurs need market orientation for an innovative idea to find possibilities. Market orientation and business opportunities is a vice-versa process.</p>
<p>Competitive advantage</p>	<p>There are many factors that contribute to competitive advantages, such as cost advantage, differentiation as well as irreplaceable and rare products, image and positioning capabilities, or differentiation in innovation and marketing. But for startups and small businesses, it's difficult to achieve a competitive advantage, as the main goal is to survive and grow.</p> <p>Some of them achieve advantages by being local, some of them are first movers, some of them adapting differentiation in quality, marketing, or bringing new solutions. At this phase more than achieving cost advantage, most entrepreneur's concern to create more business opportunities and differentiating.</p>

From this empirical finding, it is clear that a lot of entrepreneurs have adapted market information to develop their business idea and find it useful to build ideas and opportunities. Then there are few entrepreneurs lack the skill of how to develop ideas and opportunities from market information. Different entrepreneurs have different ways of adapting market orientation. Based on their product/business, based on their skills and experience, it shows how differently

they give priorities to market orientation. Incubator and accelerator leader also believes customer, competitors, or any kind of market actor's information can accelerate innovation, and well-built team coordination also can lead to radical innovation for startup and established small business. In the next chapter, I will analyze the role of market orientation which I found from empirical findings, and I will develop a practical revised research model.

5. ANALYSIS & REVISED RESEARCH MODEL

The main goal of this Master's thesis was to evaluate how market orientation affects new and existing small businesses, whether it fosters or inhibits innovation, and how it contributes to the creation of business opportunities and competitive advantages. Concentrating 3 components of market orientation by Narver & Slater (1990), I have found linked to innovation, opportunities, and competitive advantages. During the empirical findings, I understood why old theoretical perspective shows market orientation accelerate only incremental innovation or barrier to innovation. But through this study context to previous literature, I also can present which component of market orientation fosters innovation, where is the possibility of creating radical innovation and how market orientation develop opportunities and advantages in the market. This chapter analyzes the theoretical principles used in the paper and the results of semi-structured interviews conducted with incubator/accelerator leaders, and entrepreneurs in the context of startups and established small businesses in Nordland. I have also revised the research model with a discussion.

5.1) Analysis

5.1.1) Startup to establish small business:

According to Cozijnsen et al. (2000), only one out of every five projects ever started is viable. Due to increased competition and an unprecedented rate of change, the company no longer has the option of focusing on current customers' needs or anticipating future ones. They must excel in both areas (Corso et al., 2009). When turning an idea into an opportunity, the first stage is highly crucial. According to Vogel's 2017 article, an idea goes through various stages before becoming a business opportunity. This is what the incubator leader does for new businesses. Additionally, to open up opportunities and sustain growth for the current small business.

There are many reasons why a startup fails, including bad management, lack of funds, lack of market demand, lack of experience, strong competition, and more (Krishna et al., 2016). As it is difficult for them to handle finding data, resources, processing, and improvements at the same time while lacking funds & right team. In Nordland, the Incubator's leader believes that most entrepreneurs pursue their passions rather than the needs of the market or the future. Sometimes

an entire innovative solution fails in the market. Therefore, during the startup phase, entrepreneurs must evaluate whether the market is ready for this product or solution and whether there are opportunities. In most cases, to establish long-term growth, they should target the national market rather than the local market. Naturally, being local gives these businesses a local advantage, but they should take the chance, to expand their markets, and occasionally compete with national competitors; this can help businesses learn more about market intelligence and global market knowledge as well.

5.1.2) Market orientation:

Hunt and Morgan (1995) discussed how market orientation increases knowledge about the external environment and, as a result, increases one's own knowledge of the firm. During the interview, a few of the business owners discussed how outside information affected their thinking, strategy, and decision-making. One entrepreneur who never acquired or analyzed external data is still having difficulty with reaching customers, understanding competitor information, and determining the skills required.

From Table 4, I can state, focusing on the company's internal capability aids in the selection of new product projects, which requires consideration of both external and internal factors. The way EN3 is developing products continuously to maintain high quality through a deep understanding of their target buyers, this is what also Levitt mentioned in his 1980's study. Knowing competitors enhance knowledge related to their weakness, strength, capabilities, etc. Incubator leader also agreed that competitors' orientation opens more information about the market and opportunities. From this study, it is noticeable how competitors' knowledge has changed entrepreneurs and their strategies. As Webster (1991) in his literature presented, inter-functional coordination is about the entire business effort which is noticeable in EN1 & EN3 business. Where this is missing in EN2 & EN4 business which causes their business growth slow. According to inter-functional coordination's literature and empirical findings, the most effective part is when information is processed properly, and all the department is well oriented about the market.

An entrepreneur needs market orientation either to discover innovative ideas or to find opportunities for those ideas. It should be a continuous process for any size firm since everything is changing so rapidly, anyone can enter the market with a better solution at any time, and customers can change their demands at any moment.

5.1.3) Innovation in startup & established small business:

Innovation, according to Virameteekul (2011), can lead to long-term growth and competitive advantages in both local and global markets. By adopting innovation as a core business strategy, small firms have a greater likelihood of gaining productivity, increasing their growth potential, and surviving (Madrid-Guijarro et al., 2009).

The company's role in valuing customers, competitors, and cross-functional collaboration is the determining factor in creating innovation, which results in effective performance (Huhtala et al., 2013; Nupus & Ichwanudin, 2021). Following table 4, from startup to establish small business, most innovation comes from products and process improvements.

According to empirical findings, most entrepreneurs find it challenging to constantly offer something new due to constraints on their budgets, teams' unavailability, etc. But through small-scale innovation, presenting an innovative marketing strategy, modifying the product, changing the manufacturing process, etc. everyone is attempting to target the market. Entrepreneurs and small businesses are encouraged to adopt sustainable innovation by the incubator leader, who also gives advice on how to approach problems differently and identify how innovative the idea or solution is.

In case of EN2 & EN3, who took the step toward radical innovation, it was their individual skills, team coordination, experience & market intelligence, and support from the incubator that made the difference. Small businesses are also tightly held, with the owner/manager wielding most of the power and making all of the decisions (Dyer & Handler, 1994). As a result, rather than the firm's innovativeness, innovativeness may refer to the owner's or manager's innovativeness (Verhees & Meulenbergh, 2004).

For startups and small businesses, constant radical innovation poses a risk and is challenging to adapt to. Therefore, even if they start with radical innovation, they want to adapt incremental innovation to establish and be stable.

5.1.4) Market orientation & innovation:

As an example of this concept, Apple has shown that innovation is more than just product, service, or technological innovation; innovation is about delivering value by reinventing key

elements of a business that are tough for competitors to imitate and execute (Lindgardt et al, 2009). In this way, innovation is not exclusively linked to research and development; it is a multifaceted phenomenon that arises from a variety of different sources, most of the time from interactions among individuals, organizations, and institutions. EN2, EN3, & EN4 started their business with their individual research & resource availability. Where EN3 founded the innovative idea during bachelor's thesis research. Market orientation creates an open environment for innovative ideas. This environment enables the rapid and easy realization of innovation opportunities and their transformation into successful innovations (Zmud, 1982).

Firms with an innovative capability that is supported by a market orientation are more successful in responding to their environment quickly and developing innovations that provide high performance and competitive advantage (Gatignon and Xuereb, 1997). Skills and capabilities of EN3 and/or the team have been successful through their efforts and process of information. For new product development, the sharing of market information is at the core of inter-functional coordination (Im and Workman, 2004). The dissemination of new market information and the improvement of problem-solving are often cited as reasons why inter-functional coordination has a beneficial effect on innovation (Gatignon and Xuereb 1997). Inter-functional coordination is key in creating an environment that encourages innovation in the workplace. Moreover, it offers an opportunity to inform related departments about innovation opportunities in the external environment and make these opportunities work for their benefit. This is what EN1 & EN3 approached to create more innovative ideas inside the organization. These findings agree with findings in the literature (Han et al., 1998; Gatignon and Xuereb, 1997; Kahn, 2001). All departments benefit from the knowledge acquired from the external environment which comes from market orientation. Without inter-functional coordination, successful innovation is impossible. Inter-functional coordination can lead to radical innovation.

Customer orientation & competitor orientation lead entrepreneurs or firms to incremental innovation, solutions, strategies, or direction to changes they need to adapt. Based on entrepreneurs' semi-structured interviews, it is clear how important is a team for a startup or small business. It doesn't indicate a team being a large team, but it indicates the right people with the right skills.

It is not clear from previous or current research which aspect of market orientation promotes radical or incremental innovation, but radical innovation can occur in businesses with strong

inter-functional coordination which we noticed with EN3 & EN2 businesses. Information about customers and competitors is a major source of incremental innovation which is properly adapted by EN1. Additionally, from the viewpoints of entrepreneurs, incubators, and accelerators, market orientation enhances entrepreneurs' knowledge that can enable them in developing innovative ideas and changes they should adapt to.

According to Park and Lee (2002), the greater the market orientation, the greater the improvements in the firm's competence variables, which included satisfaction, innovation, competitive strategy selection, and implementation, organizational learning, and customer response variables which included customer satisfaction, service quality, and information sharing. Referring to empirical findings, all the entrepreneurs either found results from market orientation or realized the reason for slow phase insufficiency of market orientation.

5.1.5) Market orientation & business opportunity:

If there are no competitors in the market & the business's idea or product which has never been seen before in the market, may have a significant advantage, but it will be challenging to survive in the long run if it does not create business opportunities. Due to the misconception that innovation requires funding and extensive long-term research and development, the majority of newly founded and established small businesses lack innovation or innovative ideas. But for small businesses and startups, using "market orientation" as a tool to find business opportunities would be beneficial rather than concentrating on whole innovation or new technological innovation.

During empirical findings, businesses frequently mentioned the need to create or extend opportunities through the internal processing of fresh ideas or the knowledge of customers or competitors. According to Bröring et al., (2006), when industries are muddled and the range of competitors is increased, competitive intelligence approaches are helpful in identifying new business opportunities (Hoopes et al., 2003). These companies are not only based in Nordland but also segmented to target Nordland or Northern Norway. Entrepreneurs should step outside of their comfort zone and broaden competitors' knowledge in order to create business opportunities, as suggested by the incubator. Even when these companies have an innovative idea whether incremental or radical, they want to know the market's needs or demands to determine whether the idea offers a business opportunity or not. Business opportunity and market orientation are somewhat inversely related.

From the empirical findings, we at least can conclude that market information, & entrepreneur's skill/team skill create business opportunities. As well as market orientation clarifies if any business idea or innovative idea has a business opportunity in the market now or in the future.

5.1.6) Market orientation & competitive advantage:

As Porter (1980) noted, competitive advantages are typically derived from cost leadership and differentiation. The definition of differentiating strategies refers to innovations with 'added' advantages or those that are perceived to be unique or different in the industry and offer a greater quality to the consumer.

Both new and established small businesses have trouble creating or sustaining a competitive advantage. "It is challenging to achieve cost leadership and differentiation", one of the entrepreneurs of small businesses concluded. They all have advantages and opportunities, whether they are locals or the first movers. Focusing on creating business opportunities rather than competitive advantage will lead to long-term growth, they believe.

A strong market orientation will provide a competitive advantage in terms of product quality, service quality, innovation of local products, and cost reduction (Sittimalakorn & Hart, 2004), for example, EN3 & EN4. It has been demonstrated that local product innovation has a significant impact on competitive advantage. Local product innovation may eventually become a benchmark for SMEs, leading to a greater competitive advantage (Winarso et al., 2020). Local products and businesses that use local resources for innovation have a market advantage and funding support. I have discovered through empirical research that startups or small businesses who have used local resources for innovative products expect to gain a competitive advantage.

However, it is not always true. It is too soon to anticipate or expect a competitive advantage for these new firms where the team is understaffed, underfunded, lacking in experience and expertise, and lacking in high-quality market orientation.

From this finding, we can look into differentiation as a key advantage rather than cost leadership as an advantage for startups and established small businesses. Offering better solutions and quality is the only way for startup/established small businesses to achieve competitive advantage along with achieving local advantage. As EN2 & EN3 shown in their business idea which is a new solution and as well as the developing quality through market orientation. An

innovative idea that is found or shaped into opportunity through market orientation has the possibility to achieve an advantage in differentiation.

5.2) Discussion & revised research model:

Market orientation gives clarity on whether the new idea is commercially viable or not as well as a reality check on market demands and the future. There is no doubt that market orientation works differently depending on the size of the firm.

Following Narver & Slater (1990)'s market orientation framework, entrepreneurs will be able to link it to innovation that will help startups and established small businesses to extend business opportunities. The 3 most important components of market orientation; customer orientation, competitor orientation, and inter-functional coordination have different roles in terms of developing innovation and business opportunity. The development of products with a focus on the needs of the customer, benefited some entrepreneurs while negatively impacting others as it limits creativity or increases cost. Some entrepreneurs are so well aware and knowledgeable about their competitors' strategies that they can extend their own ideas in response. The majority of entrepreneurs discussed the same issue of inter-functional coordination and agreed that having a small team or not right team or skills on it caused their company to grow slowly. Leaders of incubators and accelerators are also concerned about the skills that businesses require and they try to assist those needs with their own skills and experience.

Along with many researchers, I agree that startups and established small businesses may find it difficult to change their entire culture or introduce radically new innovations. The lack of a team to process ideas and develop the idea on a large scale is one of the reasons why startups and small businesses can't adapt to radical innovation. There is a possibility that a startup or small business with a small team and the right people can develop radical change. Inter-functional coordination can lead a firm to find out a business opportunity as well as can process information inside the organization for innovation and solution.

Through empirical research, I have isolated a few reasons why startups and small businesses struggle with innovation. Many startups come out from projects or competitions. During the investigation, I discovered a few startup ideas in Nordland that had won a contest or received startup funding, many of these ideas don't even exist as a business. Also, some of them lacked

demand in the market, were lacking in entrepreneurial skills and a team. Here I came to the realization that not every innovation or solution results in an opportunity.

On the other hand, established small companies that benefit from the local advantages do not want to expand outside, and their lack of a team causes them to operate slowly and without significant innovation. Limited opportunities and innovation are the results of insufficient market orientation and inadequate inter-functional coordination. Market orientation doesn't prevent innovation; instead, it improves entrepreneurs' understanding of the market and their ability to choose which ideas to pursue. At this stage, I can revise the research model and elaborate it in a way to clarify the role of market orientation and the research questions.

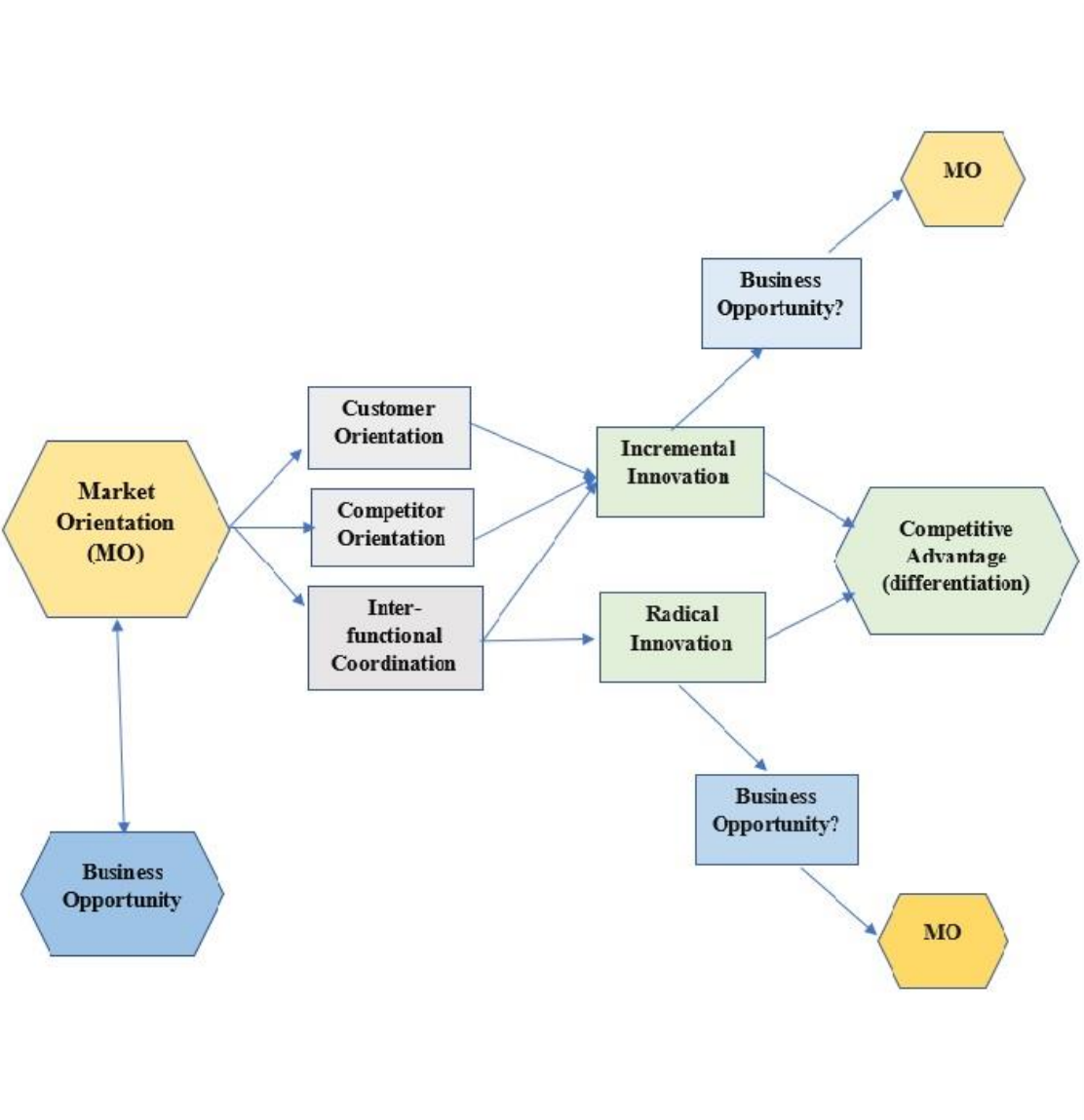


Figure 2 Revised research model

From this research and empirical findings, I can describe market orientation which plays a direct role in identifying business opportunities as well as how it plays a role in the other direction. Both incremental and radical innovation is possible through market orientation, but in the context of startups and small businesses, the outcome is different. Customer orientation and competitor orientation provide the entrepreneur with new ideas and solutions that lead to many incremental innovations through inter-functional coordination. Moreover, they may be able to develop radical innovations if they have a strong team with the right expertise.

The most central aspect in this situation is all incremental or radical innovation, regardless of whether it originates from the firm or from market knowledge they all need to determine the commercial viability of that concept or solution. Before deciding whether to pursue an idea as a business opportunity, it is important to consider how it will function in the market, whether it will be accepted or not, and whether it has a future. To understand more about the business opportunity, an organization or entrepreneur should be familiarized with the market.

On the other side, businesses need to produce a solution that is either different than competitors considering quality or new. Holding competitive advantage benefits any kind of firm. Through market orientation, an entrepreneur can find how to differentiate an idea or product from the competitors or what kind of improvement or solution customers is looking for. This kind of innovation or solution brings a competitive advantage to startups and established small businesses. If an incremental innovation produces different or high-quality results that also can create an advantage in the market same goes for radical innovation. Either small or large changes if it's different from the competitors as well as produce good quality then there are possibilities of achieving competitive advantage.

As I have mentioned in table 4, from this empirical finding I realized that role of market orientation and business opportunity is vice versa, if readers pay attention to the revised research model (figure 2) then it is noticeable that market orientation has a direct link to business opportunities. For an entrepreneur, it is always necessary to find a new business opportunity to expand the business and long-term growth, some of the entrepreneurs shared during interviews, how they always depend on market information and try to find out exclusive market information that will lead to them to new business opportunities.

As a result, it is clear that market orientation plays a significant role in enabling startups to grow into successful small businesses.

6. CONCLUSION

In this chapter, I will elaborate on the research question I formed, which relates to the role of market orientation. Moreover, I will discuss the implications, findings, and remarks related to this concept. It included different parts as 6.1) Conclusion 6.2) Theoretical implication 6.3) Practical implication 6.4) Research limitation 6.5) Future research 6.6) Final remarks.

6.1) Conclusion:

In this thesis paper, I have analyzed the research question; What is the role of market orientation in accelerating innovation for startups and established small businesses for developing business opportunities and achieving competitive advantage?

The analysis suggests that market orientation fosters innovation for businesses. Depending on product/service, entrepreneurial & team skills, and market information, a company is able to create innovation. Although incremental innovation is the norm most of the time, but market orientation does not limit innovation. If there is strong or skillful inter-functional coordination, radical innovation is also possible for startups & established small businesses. On the other side, almost all startups or established small businesses are able to find business opportunities through market orientation. Gaining a competitive advantage is challenging in the beginning, as entrepreneurs and leaders from incubators and accelerators explained during analysis. Right now, some of them hold the local advantage, first mover advantage, and differentiation advantage. Achieving cost leadership advantage is difficult at this stage, for example, EN3 right now focuses on high-quality products considering customer requirements rather than concerning increased cost. In Table 2, referring to Baregheh et al., (2009) theoretical perspective, one of the reasons for innovation is to differentiate themselves successfully in their marketplace. At this stage, creating business opportunities and differentiation is the main goal for most of them to achieve an advantage.

Market orientation leads to innovation and business opportunities which can help them to achieve different advantages. Innovation is a way to explore opportunities and we can explore opportunities through market orientation. Market orientation improves knowledge of needs, upcoming demands, potential competitors, customer requirements, etc. From the findings &

theoretical perspective following Table 1, A startup or small business entrepreneur must be market-oriented to achieve long-run stability.

6.2) Theoretical implication:

In this part, I will highlight the theoretical implications which are obtained through the discussion and from the revised research model.

Entrepreneurs and incubators/accelerator leaders should implement more market orientation theoretical perspectives to find innovation, to properly process information, and so on. Revised research model (figure 2) shows that market orientation perspective shows entrepreneurs or leaders how differently they can do the business and how to create business opportunities.

Context to startup and established small business, inter-functional coordination has the most important role to create incremental and radical innovation, extending business, and creating advantages. Next to that, customer orientation contributes a significant part to businesses who wants to create a customer-oriented product and develop quality corresponding to customer information. Competitors' orientation enhances the knowledge of an entrepreneur and gives a practical scenario of the demand. Competitors' information can lead to different strategies and clarifies opportunities in the market.

In the case of startups and small businesses, it's difficult to adapt any model or theory. At this stage of the business who has a small team, they need to figure out one particular theoretical perspective that would lead them straight to what they want to achieve. Adapting market orientation will clarify what kind of changes or innovation they want and which components they need to focus more, whether is it customer orientation, competitor orientation or inter-functional coordination. To achieve a differentiation advantage, market orientation perspective is much needed for entrepreneurs and incubator/accelerator leaders.

6.3) Practical implication:

This thesis contributes to how market orientation can become a tool for startup and established small businesses in finding innovation and clarification of business opportunities from the market. The finding of this study shows that startup and established small business growth or success not only depends on product quality but also on their orientation of market, which supports prior studies by (Narver and Slater, 1990; Verhees & Meulenber, 2004; Laforet,

2008; Prifti & Alimehmeti, 2017; Han et al., 1998). Based on the empirical results, I can advise startups and small businesses to place a high priority on the role of market orientation, which can provide several answers to problems and clear up many ambiguities about opportunities. Where customer information assists in recognizing the needs and future demands as well as modifying or shaping the idea, competitors' information improves market knowledge along with different strategies, different segments, and ideas to adapt differentiation in products rather than being on the same level in quality/service. And all this information can be useful to create innovation & opportunities by processing through different team coordination with their skill.

The results of this study have some application to the activity of market orientation. First of all, every entrepreneur who adheres to the principle of continuous market orientation aims to differentiate themselves from their competitors by either improving their current product or service or developing a brand-new one. Secondly, entrepreneurial skill is an ability to gather credible market information in addition to forming a team. Thirdly, market orientation is a tool that can accelerate innovation, and although generally incremental, whereas inter-functional coordination can result in radical innovation. Finally, for an idea to become an opportunity, the market's demand must be understood, and opportunities must be developed through interaction with the market. Through market orientation, businesses must determine viable business opportunity and where it stands today and in the future.

Instead of saying that market orientation is an outdated method in developing innovation, the main challenges are funding and a lack of inter-functional coordination. With the guidance of incubator leaders, forming a team with the appropriate set of skills and experience can result in opportunities and innovation. Startups and established small businesses can find success with their appropriate business models once they are certain about the demand, customers, competitors, and opportunities for their idea. Startups or entrepreneurs with an idea who is under incubator or accelerator, leaders should advise or guide them to market orientation to figure out business opportunities of the idea, future opportunities, and so on.

The purpose of Innovation Norway is to provide expertise, promotional services, and network services to startups and small businesses in Norway. A market-oriented evaluation can be carried out on any business or idea to determine whether there is demand and possibility for what they support.

6.4) Research limitation:

This study aimed to simplify how market orientation can expand opportunities for new and existing small businesses by stimulating innovation & competitive advantage. The idea of market orientation is so old and has been the subject of so much research. In this thesis, I was only able to focus on startups and established small businesses from one region due to time restrictions.

6.5) Future Research:

Due to the limited number of participants, this research was conducted using the qualitative method; however, if the quantitative method is used in future studies, it could lead to more feasible results.

Future research could be carried out to gain a deeper understanding of Market orientation and its different segments, for instance, “how business model and radical innovation can be developed through inter-functional coordination”, “market orientation as an entrepreneurial skill” etc. To help startup entrepreneurs, to understand the market and the significance of the opportunity, a thorough study on the subject of "innovative ideas need to be market-oriented to turn into startup opportunity" would also be helpful.

6.6) Final remarks:

The topic of the thesis is Market orientation role to accelerate innovation and in developing opportunities & achieving competitive advantage. The purpose of this study is to shed light on market orientation as a tool for startups and established small businesses. Therefore, the research question used for the study was “What is the role of market orientation in accelerating Innovation for startups and established small businesses for developing business opportunities and achieving competitive advantage?” To answer this question, I’ve conducted a qualitative method through the case study, and semi-structured interviews with six participants. Four of those informants are entrepreneurs and the rest of the two are leaders of incubators and accelerators in Nordland.

Finding of this study conclude that market orientation can be a tool for startups and small businesses to develop innovative ideas and opportunities, where focusing differentiation as an

advantage. Furthermore, rather than limiting innovation, market orientation accelerates incremental innovation and makes radical innovation possible through inter-functional coordination. Inter-functional coordination able to disseminate or process information through team skills leads to incremental and radical innovation for startups and established small businesses. Market orientation clarifies a lot of information about the market where an entrepreneur or the team can use those to differentiate the product from competitors as well as develop quality from customer information. In some cases, entrepreneurs are more concerned with developing opportunities than gaining a competitive advantage in the early stages of their businesses, whereas some entrepreneurs are trying to hold a differentiation advantage through quality development. Additionally, Narver, Slater and MacLachlan (2004) stated, market orientation no longer be restricted to the dimensions of the customer, competitor, and technology orientation, but would be extended to all market stakeholders. Some of the entrepreneurs mentioned they also give priorities to all kind of stakeholder's information.

The majority of market orientation studies have focused on large firms or SMEs, and this study adds to a new context of "startups and established small businesses". We investigated two new aspects of the market orientation role, one is market orientation in accelerating innovation or innovative ideas in startups, and the other is market orientation in accelerating innovation in established small business that wants to expand their business. Moreover, this study contributes to the expectations of startups and established small businesses by demonstrating how market orientation is able to create business opportunities and establish differentiation advantages.

REFERENCES

- Abell, D.F. (1980). Defining the Business: The Starting Point of Strategic Planning.
- Abernathy, WilliamJ., & Clark, KimB. (1993). Innovation: Mapping the winds of creative destruction. *Research Policy*, 22(2), 102. [https://doi.org/10.1016/0048-7333\(93\)90040-o](https://doi.org/10.1016/0048-7333(93)90040-o)
- Abidin, S.Z., Mohtar, S.S., Yusoff, R.Z., (2013) Innovation process from the perspective of measurement. *International journal of innovation and applied Studies*, Vol. 3 No. 1 pp. 255-261.
- Adner, R., & Levinthal, D. (2001). Demand Heterogeneity and Technology Evolution: Implications for Product and Process Innovation. *Management Science*, 47(5), 611–628. <https://doi.org/10.1287/mnsc.47.5.611.10482>
- Alareeni, B.A. (2019). The associations between audit firm attributes and audit quality specific indicators: A meta-analysis, *Managerial Auditing Journal*, 34(1), 6-43.
- Aljamal, S. (2018). The Practice of Transformational Management and its Role in Achieving Institutional Excellence from the Point of View of Workers in the Directorates of Education in Hebron, *International Journal of Business Ethics and Governance*, 1(1), pp. 64-90.
- Allen, R. S., & Helms, M. M. (2006). Linking strategic practices and organizational performance to Porter's generic strategies. *Business Process Management Journal*, 12(4), 433–454. <https://doi.org/10.1108/14637150610678069>
- AlQershi, N. A., Mokhtar, S. S. M., & Abas, Z. B. (2020). CRM dimensions and performance of SMEs in Yemen: the moderating role of human capital. *Journal of Intellectual Capital*, ahead-of-print(ahead-of-print).

- Armstrong, J. S., & Collopy, F. (1996). Competitor Orientation: Effects of Objectives and Information on Managerial Decisions and Profitability. *Journal of Marketing Research*, 33(2), 188. <https://doi.org/10.2307/3152146>
- Atuahene-Gima, K., & Ko, A. (2001). An Empirical Investigation of the Effect of Market Orientation and Entrepreneurship Orientation Alignment on Product Innovation. *Organization Science*, 12(1), 54–74.
- Baker, W.E. & Sinkula, J.M. (1999). “The Synergistic Effect of Market Orientation and Learning Orientation on Organizational Performance”. *Journal of Academy of Marketing Science*, 27(4), 411-427.
- Baregheh, A., Rowley, J., & Sambrook, S. (2009). Towards a multidisciplinary definition of innovation. *Management decision*, 47(8), 1323-1339.
- Barney, J. 1991. Firm Resources and Sustained Competitive Advantage. *Journal of Management*, 17(1), 99-120.
- Baumol, W., Schilling, M. (2008). "Entrepreneurship" *The New Palgrave Dictionary of Economics*. Basingstoke: Palgrave Macmillan.
- Bennett, R.C. and Cooper, R.C. (1981). The misuse of marketing: an American tragedy. *Business Horizons*, 25, 51-61.
- Bessant, J. R., & Tidd, J. (2011). *Innovation and entrepreneurship*. J. Wiley & Sons, Ltd.
- Bhaskaran, S. (2006). Incremental Innovation and Business Performance: Small and Medium-Size Food Enterprises in a Concentrated Industry Environment. *Journal of Small Business Management*, 44(1), 64–80.
- Blank, S. G., & Dorf, B. (2012). *The startup owner’s manual : the step-by-step guide for building a great company*. K And S Ranch, Inc.

- Bon, A.T. & Mustafa, E.M.A. (2013). Impact of Total Quality Management on Innovation in Service Organizations: Literature review and New Conceptual Framework. *Procedia Engineering*, 53, 516-529.
- Boyne, G. A., Meier, K. J., O'Tole, L. J. Jr. and Walker, R. M. (2006). *Public Service Performance, Perspectives on Measurement and Management*. Cambridge: Cambridge University Press.
- Bröring, S., Martin Cloutier, L., & Leker, J. (2006). The front end of innovation in an era of industry convergence: evidence from nutraceuticals and functional foods. *R&D Management*, 36(5), 487–498.
- Bruderl, J., & Schussler, R. (1990). Organizational Mortality: The Liabilities of Newness and Adolescence. *Administrative Science Quarterly*, 35(3), 530–547.
<https://doi.org/10.2307/2393316>
- Bryman, A., & Bell, E. (2015). *Business research method* (4th edition ed.). New York: Oxford University Press.
- Carbone, F., Moroni, S., Mattioli, W., Mazzocchi, F., Romagnoli, M., & Portoghesi, L. (2020). Competitiveness and competitive advantages of chestnut timber laminated products. *Annals of Forest Science*, 77(2): 51-70.
- Carson, D., S. Cromie, P. McGowan, and J. Hill. (1995). *Marketing and Entrepreneurship in SMEs: An Innovative Approach*. London, UK: Prentice-Hall.
- Chen, H.-H., and P.-Y. Lee. 2009. The driving drivers of dynamic competitive capabilities: a new perspective on competition. *European Business Review*, 21(1), 78-91.
- CHRISTENSEN, C. M., & BOWER, J. L. (1996). CUSTOMER POWER, STRATEGIC INVESTMENT, AND THE FAILURE OF LEADING FIRMS. *Strategic Management Journal*, 17(3), 197–218.

- Clark, B. H. & Montgomery, D. B. (1999). Managerial identification of competitors. *Journal of Marketing*, 63(3), 67-83.
- Cohen, I., Manion, I. & Morrison, K. 2007. *Research methods in education*. 6th ed. Madison Avenue, New York: Routledge. 638 p.
- Collis, J., & Hussey, R. (2014). *Business Research - a practical guide for undergraduate and postgraduate students*. Palgrave Macmillan higher education.
- Colombo, M., & Piva, E. (2008). Strengths and Weaknesses of Academic Startups: A Conceptual Model. *IEEE Transactions on Engineering Management*.
<https://doi.org/10.1109/TEM.2007.912807>
- Connor, T. (2007). Market orientation and performance. *Strategic Management Journal*, 28(9), 957–959. <https://doi.org/10.1002/smj.618>
- Corso, M., Martini, A., & Pellegrini, L. (2009). Innovation at the intersection between exploration, exploitation and discontinuity. *International Journal of Learning and Intellectual Capital*, 6(4), 324. <https://doi.org/10.1504/ijlic.2009.027911>
- Cozijnsen, A.J., Vrakking, W.J. & van IJzerloo, M. (2000). Success and failure of 50 innovation projects in Dutch companies. *European Journal of innovation management*, 3, 150 –159 (PDF) *Success and Failure of Innovation: A Literature Review*.
- Creswell, J. (2014). *Research design: qualitative, quantitative, and mixed methods approaches*. Thousand Oaks, California: SAGE Publications, Inc. Available from:
https://www.researchgate.net/publication/342354309_Basics_of_Research_Design_A_Guide_to_selecting_appropriate_research_design [accessed Nov 22 2021].
- Damanpour, F. (1992). Organizational size and innovation. *Organization studies*, 13(3), 375-402.
- Damanpour, F., and S. Gopalakrishna. 2001. The Dynamics of the Adoption of Product and Process Innovations in Organizations. *Journal of Management Studies*, 38 (1), 45-65.

- Damanpour, F., Walker, R. M., & Avellaneda, C. N. (2009). Combinative Effects of Innovation Types and Organizational Performance: A Longitudinal Study of Service Organizations. *Journal of Management Studies*, 46(4), 650–675.
<https://doi.org/10.1111/j.1467-6486.2008.00814.x>
- Davidow, W.H. (1986). *Marketing High Technology. An Insider's View*. London: Free Press.
- Davila, A., Foster, G., & Gupta, M. (2003). Venture capital financing and the growth of startup firms. *Journal of Business Venturing*, 18(6), 689–708.
[https://doi.org/10.1016/s0883-9026\(02\)00127-1](https://doi.org/10.1016/s0883-9026(02)00127-1)
- Day, G. S. (1994). The Capabilities of Market-Driven Organizations. *Journal of Marketing*, 58(4), 37–52. <https://doi.org/10.1177/002224299405800404>
- Day, G. S. & Nedungadi, P. (1994). Managerial representations of competitive advantage. *Journal of Marketing*, 58(2), 31-44.
- Day, G. S., & Wensley, R. (1983). Marketing theory with a strategic orientation. *The Journal of Marketing*, 47(Fall), 79-89.
- Day, G. S., & Wensley, R. (1988). Assessing advantage: a framework for diagnosing competitive superiority. *The Journal of Marketing*, 52(2), 1-20.
- Denicoló, V. & Zanchettin, P. (2016). Speculative profits, and growth. *Economic Inquiry*, 55:1, 160-174.
- Denrell, Jerker & Fang, Christina & Winter, Sidney. (2003). The Economics of Strategic Opportunity. *Strategic Management Journal*. 24. 977-990. 10.1002/smj.341.
- Denzin, N., & Lincoln, Y. (2005). Introduction: The Discipline and Practice of Qualitative Research. In *The Sage Handbook of Qualitative Research*, 3, 1-32. Thousand Oaks, CA: Sage Publications.
- Dewar, R. D., & Dutton, J. E. (1986). The Adoption of Radical and Incremental Innovations: An Empirical Analysis. *Management Science*, 32(11), 1422–1433.

- Dibrell, C., Davis, P. S., & Craig, J. (2008). Fueling Innovation through Information Technology in SMEs. *Journal of Small Business Management*, 46, 203.
- DiCicco-Bloom, B., & Crabtree, B. F. (2006). The qualitative research interview. *Medical Education*, 40(4), 314–321. <https://doi.org/10.1111/j.1365-2929.2006.02418>.
- Drazin, R. (1991). The processes of technological innovation. *The Journal of Technology Transfer*, 16(1), 45–46. <https://doi.org/10.1007/bf02371446>
- Drucker, P. F. (1985b). *Innovation and Entrepreneurship*. UK: Pan Business Management.
- Drucker, P.F. (1999). *Management Challenges for the 21st Century*. New York: HarperBusiness.
- Dyer, W. G., & Handler, W. (1994). Entrepreneurship and Family Business: Exploring the Connections. *Entrepreneurship Theory and Practice*, 19(1), 71–83. <https://doi.org/10.1177/104225879401900105>
- Easterby-Smith, M., Thorpe, R., & Jackson, P. R. (2015). *Management and business research* (5th ed.). Los Angeles: Sage.
- Eden, L., E. Levitas, and R. J. Martinez (1997). "The Production, Transfer, and Spillover of Technology: Comparing Large and Small Multinationals as Technology Producers," *Small Business Economics* 9(1), 53-66.
- Edmiston, K. D. (2007). *The Role of Small and Large Businesses in Economic Development*. SSRN Electronic Journal. <https://doi.org/10.2139/ssrn.993821>
- Erdil, Tayyip & Erdil, Oya & Keskin, Halit. (2003). The relationships between market orientation, firm innovativeness, and innovation performance. *Journal of Global Business and Technology*, 1, 1-11.
- Ettlie, J. E., Bridges, W. P., & O'Keefe, R. D. (1984). Organization Strategy and Structural Differences for Radical Versus Incremental Innovation. *Management Science*, 30(6), 682–695. <https://doi.org/10.1287/mnsc.30.6.682>

- Eveleens, C. (2010). Innovation management; a literature review of innovation process models and their implications. Working Paper HAN University of Applied Sciences.
- Fagerberg, J. (2005). Innovation: a guide to the literature. in J. Fagerberg, D. C. Mowery and R. R. Nelson (Eds). The Oxford Handbook of Innovation. pp. 1–23.
- Figenbaum, A., & Karnani, A. (1991). Output flexibility—A competitive advantage for small firms. *Strategic Management Journal*, 12(2), 101–114.
- Fiorentino, R., Longobardi, S., & Scaletti, A. (2020). The early growth of start-ups: innovation matters. Evidence from Italy. *European Journal of Innovation Management*, ahead-of-print(ahead-of-print). <https://doi.org/10.1108/ejim-02-2020-0057>
- Foss, K., & Foss, N. J. (2008). Understanding opportunity discovery and sustainable advantage: The role of transaction costs and property rights. *Strategic Entrepreneurship Journal*, 2, 191-207.
- Freel, M. S. (2000). "Barriers to Product Innovation in Small Manufacturing Firms". *International Small Business Journal*, 18(2), 60-80.
- Freeman, C. (1982). *The Economics of Industrial Innovation*. Frances Printer, London.
- Freeman, J., Carroll, G. R., & Hannan, M. T. (1983). The Liability of Newness: Age Dependence in Organizational Death Rates. *American Sociological Review*, 48(5), 692. <https://doi.org/10.2307/2094928>
- Gaglio, CM., and Taub, P. (1992). Entrepreneurs and Opportunity Recognition. *Frontiers of Entrepreneurship Research*, 136-147.
- García-Sánchez, I., Gallego-Álvarez, I., & Zafra-Gómez, J. (2019). Do the eco-innovation and ecodesign strategies generate value added in munificent environments? *Business Strategy and the Environment*, 29(3), 1021–1033.

- Gardaker, G, PK Ahmed and G Graham (1998). An integrated response towards the pursuit of fast time to market of NPD in European manufacturing organizations. *European business Review*, 98(3), 172–177.
- Gatignon, H and JM Xuereb (1997). Strategic orientation of the firm and new product performance. *Journal of Marketing Research*, 34(1), 77–79.
- Gatignon, H., Tushman, M. L., Smith, W., & Anderson, P. (2002). A Structural Approach to Assessing Innovation: Construct Development of Innovation Locus, Type, and Characteristics. *Management Science*, 48(9), 1103–1122.
<https://doi.org/10.1287/mnsc.48.9.1103.174>
- Gebauer, H., Gustafsson, A., & Witell, L. (2011). Competitive advantage through service differentiation by manufacturing companies. *Journal of Business Research*, 64, 1270-1280.
- Gee, S. (1981). *Technology Transfer, Innovation and International Competitiveness*. Wiley, New York, NY.
- Gielnik, M. M., Zacher, H., & Frese, M. (2012). Focus on opportunities as a mediator of the relationship between business owners' age and venture growth. *Journal of Business Venturing*, 27(1), 127–142. <https://doi.org/10.1016/j.jbusvent.2010.05.002>
- Golann, B. (2006). Achieving Growth and Responsiveness: Process Management and Market Orientation in Small Firms. *Journal of Small Business Management*, 44(3), 369–385.
<https://doi.org/10.1111/j.1540-627x.2006.00177.x>
- Griffith, E. (2014). “Why startups fail, according to their founders”.
available at: <http://fortune.com/2014/09/25/why-startups-fail-according-to-their-founders/>
- Greenley, G. E. (1995). Market orientation and company performance: empirical evidence from UK companies. *British Journal of Management*, 6(1), 1–13.

- Gunday, G., Ulusoy, G., Kilic, K., & Alpkan, L. (2011). Effects of innovation on firm performance. *International Journal of Production Economics*, 133(2), 662–676.
- Hage, J. (1980). *Theories of organizations: Form, process, and transformation*. New York: Wiley.
- Han, J. K., Kim, N., & Srivastava, R. K. (1998). Market Orientation and Organizational Performance: Is Innovation a Missing Link? *Journal of Marketing*, 62(4), 30.
<https://doi.org/10.2307/1252285>
- HANSEN, E. (2014). INNOVATIVENESS IN THE FACE OF DECLINE: PERFORMANCE IMPLICATIONS. *International Journal of Innovation Management*, 18(05), 1450039.
<https://doi.org/10.1142/s136391961450039x>
- Hayes, R.H. and Abernathy, W.J. (1980). Managing our way to economic decline. *Harvard Business Review*, 58(4), 67-77.
- Henning, E., Van Rensburg, W. & Smit, B. (2004). *Finding your way in qualitative research*. Pretoria: Van Schaik. 179 p.
- Hinson, R. E., Abdul-Hamid, I. K., & Osabutey, E. L. C. (2017). Investigating market orientation and positioning in star rated hotels in Ghana. *International Journal of Contemporary Hospitality Management*, 29(10), 2629-2646.
- Hoffman, D. L. & Novak, T. P. (1996). Marketing in hypermedia computer-mediated environments: Conceptual foundations. *Journal of Marketing*, 60(3), 50-68.
- Hoopes, D. G., Madsen, T. L., & Walker, G. (2003). Guest editors' introduction to the special issue: why is there a resource-based view? Toward a theory of competitive heterogeneity. *Strategic Management Journal*, 24(10), 889–902.
<https://doi.org/10.1002/smj.356>

- Hudson, M., Smart, A., & Bourne, M. (2001). Theory and practice in SME performance measurement systems. *International Journal of Operations & Production Management*, 21(8), 1096–1115.
- Huhtala, J.-P., Sihvonen, A., Frosen, J., & Tikkanen, M. J. a. H. (2013). Market orientation, innovation capability and business performance: Insights from the global financial crisis. *Baltic Journal of Management*, 9(2), 134-152.
- Hunt, S. D., & Morgan, R. M. (1995). The Comparative Advantage Theory of Competition. *Journal of Marketing*, 59(2), 1–15. <https://doi.org/10.1177/002224299505900201>
- Hurley, R., & Hult, G. (1998). Innovation, market orientation, and organizational learning: an integration and empirical examination. *The Journal of Marketing*, 62, 42–54.
- Hyytinen, A., Pajarinen, M., & Rouvinen, P. (2015). Does innovativeness reduce startup survival rates? *Journal of Business Venturing*, 30(4), 564–581.
- Im, S., & Workman, J. P. (2004). Market Orientation, Creativity, and New Product Performance in High-Technology Firms. *Journal of Marketing*, 68(2), 114–132. <https://doi.org/10.1509/jmkg.68.2.114.27788>
- Ireland, R. D., Hitt, M. A., & Sirmon, D. G. (2003). A Model of Strategic Entrepreneurship: The Construct and its Dimensions. *Journal of Management*, 29(6), 963–989. https://doi.org/10.1016/s0149-2063_03_00086-2
- Jaworski, B. J., & Kohli, A. K. (1993). Market Orientation: Antecedents and Consequences. *Journal of Marketing*, 57(3), 53–70. <https://doi.org/10.1177/002224299305700304>
- Jaworski, B. J., & Kohli, A. K. (1996). Market orientation: Review, refinement, and roadmap. *Journal of Market-Focused Management*, 1(2), 119–135. <https://doi.org/10.1007/bf00128686>
- Jaworski, B., Kohli, A. K., & Sahay, A. (2000). Market-Driven Versus Driving Markets. *Journal of the Academy of Marketing Science*, 28(1), 45–54.

- Johnson, W. C. & Sirikit, A. (2002). Service quality in the Thai telecommunication industry: a tool for achieving sustainable competitive advantage. *Management Decision*, 40(7), 693-701.
- Jongbo, O. C. (2014). The role of research design in a purpose-driven inquiry. *Review of Public Administration and Management*, 3(6), 87 - 94.
- Kahn, KB (2001). Market orientation, interdepartmental integration, and product development performance. *The Journal of Product Innovation Management*, 18, 314–323.
- Kamboj, S., & Rahman, Z. (2017). Market orientation, marketing capabilities and sustainable innovation. *Management Research Review*, 40(6), 698–724.
- Kerlinger, F. (1986). *Foundation of behavioral research* (3rd ed.) New York: Holt, Rinehart, and Winston.
- Kerin, R. A., Varadarajan, P. R., & Peterson, R. A. (1992). First-Mover Advantage: A Synthesis, Conceptual Framework, and Research Propositions. *Journal of Marketing*, 56(4), 33. <https://doi.org/10.2307/1251985>
- Kjellberg, H., Azimont, F., & Reid, E. (2015). Market innovation processes: Balancing stability and change. *Industrial Marketing Management*, 44, 4–12.
- Klein, K.J., Conn, A.B. and Sorra, J.S. (2001). “Implementing computerized technology: an organizational analysis”. *Journal of Applied Psychology*, 86, 811-824.
- KLEPPER, S., & SIMONS, K. L. (1997). Technological Extinctions of Industrial Firms: An Inquiry into their Nature and Causes. *Industrial and Corporate Change*, 6(2), 379–460. <https://doi.org/10.1093/icc/6.2.379>
- Kohli, A. K., & Jaworski, B. J. (1990). Market Orientation: The Construct, Research Propositions, and Managerial Implications. *Journal of Marketing*, 54(2), 1. <https://doi.org/10.2307/1251866>

- Krishna, A., Agrawal, A., & Choudhary, A. (2016). Predicting the outcome of startups: less failure, more success. In 2016 IEEE 16th International Conference on Data Mining Workshops (ICDMW), 798-805.
- Kumar, V., Jones, E., Venkatesan, R., & Leone, R. P. (2011). Is market orientation a source of sustainable competitive advantage or simply the cost of competing? *Journal of Marketing*, 75(1), 16–30.
- Kuniyoshi Urabe, Child, J., Tadao Kagono, & Nihon Keiei Gakkai. (1988). *Innovation and management: international comparisons*. Berlin ; New York: W.
- Kuratko, D., and Welsch, H.P. (2001). *Strategic Entrepreneurial Growth*. Orlando, Florida: Harcourt Inc.
- Lado, N., & Maydeu-Olivares, A. (2001). Exploring the link between market orientation and innovation in the European and US insurance markets. *International Marketing Review*, 18(2), 130–144.
- Lafort, S. (2008). Size, strategic, and market orientation affects on innovation. *Journal of Business Research*, 61(7), 753–764. <https://doi.org/10.1016/j.jbusres.2007.08.002>
- Ledwith, A., & O'Dwyer, M. (2009). Market Orientation, NPD Performance, and Organizational Performance in Small Firms. *Journal of Product Innovation Management*, 26(6), 652– 661.
- Lee, M., & Lee, S. (2017). Identifying new business opportunities from competitor intelligence: An integrated use of patent and trademark databases. *Technological Forecasting and Social Change*, 119, 170–183. <https://doi.org/10.1016/j.techfore.2017.03.026>
- Leonidou, L. C., Fotiadis, T. A., Christodoulides, P., Spyropoulou, S., & Katsikeas, C. S. (2015). Environmentally friendly export business strategy: Its determinants and effects

- on competitive advantage and performance. *International Business Review*, 24(5), 798-811.
- Levitt, T. (1980). *MARKETING SUCCESS THROUGH DIFFERENTIATION OF ANYTHING*. *Harvard Business Review*, 58(1), 83–91.
- Lewrick, M. (2009). Introduction of an Evaluation Tool to Predict the Probability of Success of Companies: The Innovativeness, Capabilities and Potential Model (ICP). *Journal of Technology Management & Innovation*, 4(1).
- Lewrick, M., Omar, M., & Williams, R. L. (2011). Market orientation and innovators' success: an exploration of the influence of customer and competitor orientation. *Journal of Technology Management and Innovation*, 6(3), 48–62.
- Li, J. J., & Zhou, K. Z. (2010). How foreign firms achieve competitive advantage in the Chinese emerging economy: Managerial ties and market orientation. *Journal of Business Research*, 63(8), 856-862.
- Lin C.Y, & Chen Y.C. (2007). Does innovation lead to performance? An empirical study of SME"s in Taiwan. *Management research news*, 30(2), 115 -132.
- Lindgardt, Z., Reeves, M., Stalk, G., & Deimler, M. S. (2009). *Business model innovation. When the Game Gets Tough, Change the Game*, The Boston Consulting Group, Boston, MA.
- Lin, Han & Zeng, S. & Ma, Hanyang & Qi, Guoyou & Tam, Vivian. (2014). Can political capital drive corporate green innovation? Lessons from China. *Journal of Cleaner Production*, 64, 63–72. 10.1016/j.jclepro.2013.07.046.
- Lin, R.-J., Tan, K.-H., & Geng, Y. (2013). Market demand, green product innovation, and firm performance: evidence from Vietnam motorcycle industry. *Journal of Cleaner Production*, 40, 101–107.

- Liu, S. S., Luo, X., & Shi, Y.-Z. (2003). Market-oriented organizations in an emerging economy. *Journal of Business Research*, 56(6), 481–491.
[https://doi.org/10.1016/s0148-2963\(01\)00265-x](https://doi.org/10.1016/s0148-2963(01)00265-x)
- Lonial, S. C., & Carter, R. E. (2015). The impact of organizational orientations on medium and small firm performance: A resource-based perspective. *Journal of Small Business Management*, 53(1), 94–113.
- Luca, L. M. D., & Atuahene-Gima, K. (2007). Market Knowledge Dimensions and Cross-Functional Collaboration: Examining the Different Routes to Product Innovation Performance. *Journal of Marketing*, 71(1), 95–112.
- Madrid-Guijarro, A., Garcia, D., & Van Auken, H. (2009). Barriers to Innovation among Spanish Manufacturing SMEs. *Journal of Small Business Management*, 47(4), 465–488. <https://doi.org/10.1111/j.1540-627x.2009.00279.x>
- McDermott, C. M., & O'Connor, G. C. (2002). Managing radical innovation: an overview of emergent strategy issues. *Journal of Product Innovation Management*, 19(6), 424–438.
<https://doi.org/10.1111/1540-5885.1960424>
- Merriam, S. B. (2009). *Qualitative Research: A Guide to Design and Implementation*. San Francisco, CA: John Wiley & Sons.
- Miles, R. E., & Snow, C. C. (1978). Organizational Strategy, Structure, and Process. *Administrative Science Quarterly*, 23(4), 652. <https://doi.org/10.2307/2392589>
- Miller, D. (1988). Relating Porter's business strategies to environment and structure: Analysis and performance implications. *Academy of Management Journal*, 31(June), 280-308.
- Mitchell, R.K., Busenitz, L.W., Bird, B., Gaglio, C.M., McMullen, J.S., Morse, E.A., & Smith, J.B. (2007). The central question in entrepreneurial cognition research 2007. *Entrepreneurship Theory and Practice*, 31, 1– 27.

- Mitchell, R.K., Busenitz, L.W., Lant, T., McDougall, P.P., Morse, E.A., & Smith, J.B. (2002). Toward a theory of entrepreneurial cognition: Rethinking the people side of entrepreneurship research. *Entrepreneurship Theory and Practice*, 27, 93–104.
- Santos, M.L. and Vázquez, R. (1997). La estrategia marketing como instrumento competitivo en las empresas de alta tecnología. *Revista Asturiana de Economía*, 9, 46-55.
- Mohamed Hessian, M. I. (2018). The Impact of Managerial Ability on the Relation between Real Earnings Management and Future Firm's Performance: Applied Study, *International Journal of Business Ethics and Governance*, 1(3), 43-80.
- Mole, V., & Elliott, D. (1987). *Enterprising Innovation*. Burns & Oates.
- Morgan, N., & Vorhies, D. (2009). Market orientation, marketing capabilities, and firm performance. *Strategic Management*, 30(8), 909–920.
- Morone, J. G. (1993). *Winning in high-tech markets: The role of general management*. Harvard Business Press.
- Mugenda, O., & Mugenda, A. (2003). *Research methods: Quantitative & Qualitative approaches*. Nairobi: African Centre for Technology Studies press. Available from: https://www.researchgate.net/publication/342354309_Basics_of_Research_Design_A_Guide_to_selecting_appropriate_research_design [accessed Nov 22 2021].
- Murray, J. Y., Gao, G. Y., & Kotabe, M. (2010). Market orientation and performance of export ventures: the process through marketing capabilities and competitive advantages. *Journal of the Academy of Marketing Science*, 39(2), 252–269.
- Mustar, P., Wright, M., & Clarysse, B. (2008). University spin-off firms: lessons from ten years of experience in Europe. *Science and Public Policy*, 35(2), 67–80.
<https://doi.org/10.3152/030234208x282862>
- Myers, S. and Marquis, D.G. (1969). *Successful Industrial Innovations*. National Science Foundation, Washington, DC.

- Naidoo, V. (2010). Firm survival through a crisis: The influence of market orientation, marketing innovation and business strategy. *Industrial Marketing Management*, 39(8), 1311–1320.
- Narver, J. C., & Slater, S. F. (1990b). The Effect of a Market Orientation on Business Profitability. *Journal of Marketing*, 54(4), 20–35. <https://doi.org/10.2307/1251757>
- Narver, J.C. and Slater, S.F. (1990). “The effect of a market orientation on business profitability”. *Journal of Marketing*, Vol. 54 No. 4, pp. 20-35.
- Narver, J. C., Slater, S. F., & MacLachlan, D. L. (2004). Responsive and Proactive Market Orientation and New-Product Success*. *Journal of Product Innovation Management*, 21(5), 334–347. <https://doi.org/10.1111/j.0737-6782.2004.00086.x>
- Ngo, L. V., & O'Cass, A. (2012). In search of innovation and customer-related performance superiority: The role of market orientation, marketing capability, and innovation capability interactions. *Journal of Product Innovation Management*, 29(5), 861–877.
- Nooteboom, B. (1994). "Innovation and Diffusion in Small Firms: Theory and Evidence". *Small Business Economics*, 6(4), 327-347.
- Nopus, H., & Ichwanudin, W. (2021). Business Network Accessibility, Customer Relationship Management and Shared Value Creation on Family Business Performance. *Research Horizon*, 1(4).
- O'Cass, A., Ngo, L. V., & Siahtiri, V. (2015). Marketing resource-capability complementarity and firm performance in B2B firms. *Journal of Business & Industrial Marketing*, 30(2), 194–207.
- Oswald, J., & Tilley, F. (2003). *Competitive advantage in SMEs : organizing for innovation and change*. Hoboken, Nj: J. Wiley.

- Ozkaya, H. E., Droge, C., Hult, G. T. M., Calantone, R., & Ozkaya, E. (2015). Market orientation, knowledge competence, and innovation. *International Journal of Research in Marketing*, 32(3), 309–318. <https://doi.org/10.1016/j.ijresmar.2014.10.004>
- Park, M.S. & Lee, D.J. (2002). The role of integrating mediators between market orientation and performance of hotels. *Asia Mark. J.*, 4, 55–78.
- Patel, N. (2015). “90% of startups fail: here’s what you need to know about the 10%”. available at: www.forbes.com/sites/neilpatel/2015/01/16/90-of-startups-will-fail-heres-what-youneed-to-know-about-the-10/#2ee0738c55e1
- Patterson, W. C. (1993). FIRST-MOVER ADVANTAGE: THE OPPORTUNITY CURVE. *Journal of Management Studies*, 30(5), 759–777. <https://doi.org/10.1111/j.1467-6486.1993.tb00325.x>
- Pauline, M. & Pauric, M. (1999). Managing service quality for competitive advantage in small engineering firms. *International Journal of Entrepreneurial Behaviour & Research*, 5(2), 35-47.
- Pelham, A. M. (2000). "Market orientation and other potential influences on performance in small and medium-sized manufacturing firms." *Journal of Small Business Management*, 38(1), 48.
- Pelham, A. M., & Wilson, D. T. (1996). A longitudinal study of the impact of market structure, firm structure, strategy, and market orientation culture on dimensions of small-firm performance. *Journal of the Academy of Marketing Science*, 24(1), 27–43.
- Philip, K. & Armstrong, G. (2018). *Principles of Marketing*. 17 ed. Cincinnati: Pearson Higher Education.
- Polo García-Ochoa, C., De-Pablos-Heredero, C., & Blanco Jiménez, F. J. (2020). How business accelerators impact startup’s performance: Empirical insights from the

- dynamic capabilities approach. *Intangible Capital*, 16(3), 107.
<https://doi.org/10.3926/ic.1669>
- Porter, M. E. (1980). *Competitive Strategy : Techniques for Analyzing Industries and Competitors*. Free Press.
- Porter, M. E. (1985). *Competitive Advantage : Creating and Sustaining : Superior Performance*. The Free Press.
- Prifti, R., & Alimehmeti, G. (2017). Market orientation, innovation, and firm performance— an analysis of Albanian firms. *Journal of Innovation and Entrepreneurship*, 6(1).
- Qian, G., & Li, L. (2003). Profitability of small-and-medium-sized enterprises in high-tech industries: the case of the biotechnology industry. *Strategic Management Journal*, 24(9), 881–887.
- Rapert, M. I. & Wren, B. M. (1998). Service quality as a competitive opportunity. *Journal of Services Marketing*, 12(3), 223-235.
- Ravitch, S. M. & Carl, N. M. (2016). *Qualitative Research: Bridging the Conceptual, Theoretical, and Methodological*. Los Angeles, U.S.A.: SAGE Publications, Inc.
- Ren, L., Xie, G., & Krabbendam, K. (2010). Sustainable competitive advantage and marketing innovation within firms: A pragmatic approach for Chinese firms. *Management Research Review*, 33(1), 79-89.
- Retnawati, B., Irmawati, B., & Leong, H. (2019). Innovation and Market Orientation: The Effect on Competitive Advantage and Marketing Performance (A Study of Natural-Based Craft Industry in Semarang Regency, Central Java, Indonesia). *Proceedings of the 2019 International Conference on Organizational Innovation..*
- Rosenbusch, N., Brinckmann, J., & Bausch, A. (2011). Is innovation always beneficial? A meta-analysis of the relationship between innovation and performance in SMEs.

- Journal of Business Venturing, 26(4), 441–457.
<https://doi.org/10.1016/j.jbusvent.2009.12.002>
- Rothwell, R. (1989). Small firms, innovation, and industrial change. *Small Business Economics*, 1(1), 51–64.
- Rothwell, R., and E. M. Dodgson (1994). "Innovation and Size of Firm," in *The Handbook of Industrial Innovation*. Cornwall: Edward Elgar.
- Sambasivan, M., Abdul, M., & Yusop, Y. (2009). Impact of personal qualities and management skills of entrepreneurs on venture performance in Malaysia: Opportunity recognition skills as a mediating factor. *Technovation*, 29(11), 798–805.
<https://doi.org/10.1016/j.technovation.2009.04.002>
- Sarasvathy, S. D., & Dew, N. (2005). New market creation through transformation. *Journal of Evolutionary Economics*, 15(5), 533–565.
- Sarasvathy, S., Dew, N., Velamuri, S. and Venkataraman, S. (2003). Three views of entrepreneurial opportunity. In Acs, Z. and Audretsch, D. (eds), *Handbook of Entrepreneurship Research: An Interdisciplinary & Survey and Introduction*. New York: Springer, pp. 141-160.
- Schiefer, J. & Hartmann, M. (2008). Determinants of competitive advantage for German food processors. *Agribusiness: An International Journal*, 24(3), 306-319.
- Schumpeter, J. (1934). *The Theory of Economic Development*. Cambridge Mass: Harvard University Press.
- Service, R. W. (2008). Book Review: Corbin, J., & Strauss, A. (2008). *Basics of Qualitative Research: Techniques and Procedures for Developing Grounded Theory* (3rd ed.). Thousand Oaks, CA: Sage. *Organizational Research Methods*, 12(3), 614–617.
- Shenton, A. K. (2004). Strategies for ensuring trustworthiness in qualitative research projects. *Education for Information*.

- Singh, R. (2000). *Entrepreneurial Opportunity Recognition through Social Networks*. New York, NY: Garland Publishing, Inc. Taylor and Francis Group.
- Sittimalakorn, W., & Hart, S. (2004). Market orientation versus quality orientation: sources of superior business performance. *Journal of Strategic Marketing*, 12(4), 243–253.
<https://doi.org/10.1080/0965254042000308066>
- Sivadas, E., & Dwyer, F. R. (2000). An Examination of Organizational Factors Influencing New Product Success in Internal and Alliance-Based Processes. *Journal of Marketing*, 64(1), 31–49.
- Sjøberg, D. I., Dybå, T., & Jørgensen, M. (2007). The future of Empirical Methods in Software Engineering Research. *Future of Software Engineering*, IEEE-CS Press 2007.
- Slater, S. F., & Narver, J. C. (1999). Market-oriented is more than being customer-led. *Strategic Management Journal*, 20(12), 1165–1168. [https://doi.org/10.1002/\(sici\)1097-0266\(199912\)20:12<1165::aid-smj73>3.0.co;2-#](https://doi.org/10.1002/(sici)1097-0266(199912)20:12<1165::aid-smj73>3.0.co;2-#)
- Slater, S. F., & Olson, E. M. (2001). Marketing's contribution to the implementation of business strategy: an empirical analysis. *Strategic Management Journal*, 22(11), 1055–1067. <https://doi.org/10.1002/smj.198>
- Slater, S.F. and Narver, J.C. (1994a). “Does competitive environment moderate the market orientation - performance relationship?”. *Journal of Marketing*, Vol. 58 No. 1, pp. 46-55.
- Slater, S. F., & Narver, J. C. (1996). Competitive strategy in the market-focused business. *Journal of Market-Focused Management*, 1(2), 159–174.
<https://doi.org/10.1007/bf00128688>

- Smeltzer, L. R., G. L. Fann, and V. N. Nikolaisen (1988). "Environmental Scanning Practices in Small Business." *Journal of Small Business Management*, 26(3), 55-62.
- Smith, D. (2006). *Exploring innovation e innovation: Management (policy & practice)*. Berkshire, UK: McGraw Hill Education.
- Smolny, W. (1998). Innovations, prices and employment: A theoretical model and an empirical application for West German manufacturing firms. *The Journal of Industrial Economics*, 3, 359–381.
- Song, M., Podoyntsyna, K., Van Der Bij, H., & Halman, J.I.M. (2008). Success factors in new ventures: A metaanalysis. *Journal of Product Innovation Management*, 25, 7-27.
- Song, X. M. & Parry, M. E. (1997). A cross-national comparative study of new product development processes: Japan and the United States. *Journal of Marketing*, 61(2), 1-18.
- Sørensen, H. E. (2009). Why competitors matter for market orientation. *European Journal of Marketing*, 43(5/6), 735-761.
- Spender, J.C. (2014). *Business Strategy: Managing Uncertainty, Opportunity, and Enterprise*. Oxford University Press, Oxford.
- Suroso, E., & Azis, Y. (2015). Defining Mainstreams Of Innovation: A Literature Review. *Proceedings of the International Conference on Economics and Banking 2015*.
<https://doi.org/10.2991/iceb-15.2015.55>
- Szekely, F., & Strebel, H. (2013). Incremental, radical and game-changing: strategic innovation for sustainability. *Corporate Governance*, 13(5), 467–481.
- Terziovski, M. (2010). Innovation practice and its performance implications in small and medium enterprises (SMEs) in the manufacturing sector: A resource-based view. *Strategic Management Journal*, 31(8), 892–902.
- Tidd, J. (2006). *A review of innovation models*. Imperial College London, 16.

- Timmons, J. A. (1994). *New Venture Creation: Entrepreneurship For The 21st Century* (fourth edition). Homewood, IL: Irwin.
- Udriyah, U., Tham, J., & Azam, S. M. F. (2019). The effects of market orientation and innovation on competitive advantage and business performance of textile SMEs. *Management Science Letters*, 1419–1428.
- Vaghely, I.P., & Julien, P.A. (2010). Are opportunities recognized or constructed? An information perspective on entrepreneurial opportunity identification. *Journal of Business Venturing*, 25, 73– 86.
- Vargo, S. L., Wieland, H., & Akaka, M. A. (2015). Innovation through institutionalization: A service ecosystems perspective. *Industrial Marketing Management*, 44, 63–72. <https://doi.org/10.1016/j.indmarman.2014.10.008>
- Vázquez, R., Santos, M. L., & Álvarez, L. I. (2001). Market orientation, innovation and competitive strategies in industrial. *Journal of Strategic Marketing*, 9(1), 69–90.
- Verhees, F. J. H. M., & Meulenbergh, M. T. G. (2004). Market Orientation, Innovativeness, Product Innovation, and Performance in Small Firms. *Journal of Small Business Management*, 42(2), 134–154. <https://doi.org/10.1111/j.1540-627x.2004.00102.x>
- Vila, N. and Ku"ster, I. (1998). "Recursos y capacidades y posicionamiento productivo-mercado: su relación con el rendimiento y la rivalidad empresarial". Proceedings of the X Encuentro de Profesores Universitarios de Marketing, Santander, September, pp. 337-42.
- Virameteekul, V. (2011). Message from the ministry of science and technology.
- Vogel, P. (2017). From Venture Idea to Venture Opportunity. *Entrepreneurship Theory and Practice*, 41(6), 943–971. <https://doi.org/10.1111/etap.12234>

- Wabwoba, F., & Ikoha, A. (2011). Information Technology research in developing nations: Major research methods and publication outlets. *International Journal of Information and Communication Technology Research*, 1(6), 253-257
- Wang, C. L., & Ahmed, P. K. (2004). The Development and Validation of the Organizational Innovativeness Construct Using Confirmatory Factor Analysis. *European Journal of Innovation Management*, 7, 303-313.
- Webster, C. (1991). "A note on cultural consistency within the service firm: the effects of employee on attitudes toward marketing culture". *Journal of the Academy of Marketing Science*, Vol. 19 No. 4, pp. 341-6.
- Winarso, W., Hady, H., Panday, R., & Untari, D.T. (2020). Competitive Advantage and Marketing Performance on SMEs: Market Orientation and Innovation of Local Product in Bekasi, Indonesia.
- Woodside, A. G. (2010). *Case Study Research: Theory. Methods. Practice*. Boston College, USA: Emerald Group Publishing Limited.
- Wymer, S., & Regan, E. (2005). Factors Influencing e-commerce Adoption and Use by Small and Medium Businesses. *Electronic Markets*, 15(4), 438–453.
- Yadav, S. K., Tripathi, V., & Goel, G. (2019). Mediating effect of innovation with market orientation and performance relationship. *Management Research: Journal of the Iberoamerican Academy of Management*.
- Zahra, S. A. (2008). The virtuous cycle of discovery and creation of entrepreneurial opportunities. *Strategic Entrepreneurship Journal*, 2, 243-257.
- Zhang, J. Z. & Watson IV, G. F. (2020). Marketing ecosystem: An outside-in view for sustainable advantage. *Industrial Marketing Management*, 88, 287-304.

- Zhou, K. Z., Brown, J. R., & Dev, C. S. (2009). Market orientation, competitive advantage, and performance: A demand-based perspective. *Journal of Business Research*, 62(11), 1063–1070. <https://doi.org/10.1016/j.jbusres.2008.10.001>
- Zhou, K. Z., Kin, C., & Tse, D. K. (2005). The effects of strategic orientations on technology- and market-based breakthrough innovations. *Journal of Marketing*, 69(2), 42-60.
- Zmud, RW (1982). Diffusion of modern software practices: Influence of centralization and formalization. *Management Science*, 28 (December), 1421–1431.

Appendix 1: Consent form

Are you interested in taking part in the research project?

"(How does Market Orientation accelerate Innovation for startups and established small businesses to develop business opportunities and achieve competitive advantage?)"

This is an inquiry about participation in a research project where the main purpose is to find out the role of market orientation for start-ups and established small business for innovation. In this letter we will give you information about the purpose of the project and what your participation will involve.

Purpose of the project

We found this topic quite interesting and, in the context, the recent growing scenario of startups and small businesses in Norway, Market orientation can play a role to find innovation in the business and success in the market. In terms of startups and established small business who do not have enough finance in initial stage and scope for research and development, in that sense finding out concept like market orientation can lead to innovative idea for them. Therefore the project objectives is to find out real scenarios through the research questions 'How do Market Orientation accelerate Innovation for startups and established small businesses to develop business opportunities and achieve competitive advantage?'

It is a project for master's thesis. The data which will be collected through this interview will be used only for this project.

Who is responsible for the research project?

Nord University is the institution responsible for the project.

Why are you being asked to participate?

The participate for the project is selected under:

Either the company is start-up and under Incubator or the company is established as small company now in growth phase, under Accelerator.

Either the company is start-up, or the company is established as small company now looking for growth phase but not under Incubator.

But all of them believes in innovation, new concept, and process to do the business.

What does participation involve for you?

Data will be collected from your participation of interview (approx. 45 minutes) through face to face or online. Interview will be recorded to transcribe the data and will be sent to you to correct and delete if any data you do not wish to present. Also, few data will be collected from your websites and other journals.

Participation is voluntary

Participation in the project is voluntary. If you chose to participate, you can withdraw your consent at any time without giving a reason. All information about you will then be made anonymous. There will be no negative consequences for you if you chose not to participate or later decide to withdraw.

Your personal privacy – how we will store and use your personal data

We will only use your personal data for the purpose(s) specified in this information letter. We will process your personal data confidentially and in accordance with data protection legislation (the General Data Protection Regulation and Personal Data Act).

- For this project except me, my Supervisor Espen John Isaksen will have the access of data.
- To ensure the security of data I will store the data in Nettskjema-diktafon.
- I want to replace your name and contact information with a code stored on your name on a list separate from other data (for example, entrepreneurs will be named as EN1, EN2, Incubator as ILR etc. The audio recording for their interviews will be named in the same way).

What will happen to your personal data at the end of the research project?

The project is scheduled to end 30th July, 2022. To ensure the project the data will be kept till December, 2022. After that to do further studies on local business and future research data can be used by students, the access will be available to the supervisor and the representative of company.

Your rights

So long as you can be identified in the collected data, you have the right to:

- access the personal data that is being processed about you.
- request that your personal data is deleted
- request that incorrect personal data about you is corrected/deleted
- receive a copy of your personal data (data portability), and
- send a complaint to the Data Protection Officer or The Norwegian Data Protection Authority regarding the processing of your personal data

What gives us the right to process your personal data?

We will process your personal data based on your consent.

Based on an agreement with Nord University, Data Protection Services has assessed that the processing of personal data in this project is in accordance with data protection legislation.

Where can I find out more?

If you have questions about the project, or want to exercise your rights, contact:

- Supervisor: Espen John Isaksen, Associate Professor (espen.j.isaksen@nord.no)
- Student: Nipa Akter, Student (342861@student.nord.no)
- Our Data Protection Officer: [Toril Irene Kringen](#)
- Data Protection Services, by email: (personverntjenester@sikt.no) or by telephone: +47 53 21 15 00.

Yours sincerely,



Nipa Akter

Consent form

I have received and understood information about the project ‘How do Market Orientation accelerate Innovation for startups and established small businesses to develop business opportunities and achieve competitive advantage?’ and have been given the opportunity to ask questions. I give consent:

- to participate in interview
- except confidential information, information regarding the company to be published in a way that the company can be recognised

I give consent for my personal data to be processed until the end date of the project.

(Signed by participant, date)

Appendix 2: Interview guide

Set A: Interview guide for startup and established small firm:

1. First, tell us about your business concept?
2. Are you under Incubator or Accelerator right now? / Were you previously?
3. The origin idea is your own or it was the incubator who guided you for the potential impact?
4. From where you found this idea? And why this?
5. Which stage you would like to introduce your business now, as a startup or established small business which looking for growth phase?
6. With this changing pace of world, how important is doing different and new things to bring change in the society as an entrepreneur and contributor?
7. What was the reason to start a company?
A) you have an innovative idea/source B) you wanted to start your own company?
8. Do you think your business idea is new for this city? Do you think being first mover or local businesses get more opportunities and supports from locals?
9. What kind of problem or lacking influenced your innovative idea? Who had you observed?
10. Often, innovative ideas don't produce results or in the situation where there isn't demand for the product in the market yet, in that case, have you checked your market and the business opportunities?
11. Have you done any market research to find out the customers, suppliers, competitors? Before starting the company and also after starting it?
12. Market research, customer information, resource availability is the source of innovative idea, so is it you or incubator have done these processes for your business?

13. For this innovative idea, who is your significant resource? From where you got inspired; is it any competitors/specific business? is it your specific customer/market? have you reached to the customer for idea/lacking in meeting demand? Or any resource from inside the organization?
14. How do you do your research?
15. Do you think taking customer's opinion or finding out the lacking in the market limit creating new things? Or it gives you an idea in what you should focus on and how differently you can do that?

Business opportunities:

16. Tell us the business opportunities?
17. Can you see the opportunities to grow? Take your business to growth stage?
18. Do you agree to find/develop business opportunities are necessary for long-run?
19. Basis on our research, we see that developing continuous opportunities brings growth and competitive advantage and for that knowledge of changing market, ready to bring change is key procedure, do you agree to that?
20. Do you think that startup/small companies need to maintain a constant stream of innovative ideas, small or large changes, in order to develop more business opportunities?
21. Do you always look for more business opportunities? Either in this city or outside of the city?
22. Do you know any competitors who are doing the same business differently in this city? Or in different city?

Competitive advantage:

23. Often, the goal of competitive advantage seems unrealistic to a small business, but finding the right process and innovative idea is what it takes in order to succeed, for instance, knowing what customers want might not be what competitors are offering, so customer & competitor orientation helps developing advantages in the market, do you agree with this opinion?
24. Do you agree, when the product/service is similar as your competitors in the market, but you do things differently inside the organization in the production/process that can also lead to become cost leadership or bring advantages in the market?

Set B: Interview guide for Incubator/Accelerator:

1. First of all, tell us, what is the scenario of startups and small businesses in Salten/Nordland?
2. What do you think about the contribution of these startups in Innovation and contribution of small businesses in local economies?
3. Possibilities for startups and small businesses to grow?
4. Do you think there is enough resources and possibilities for innovation in Nordland/Salten?
5. Which is more common: entrepreneurs who pitch a new idea to Incubator or entrepreneurs who ask Incubator for a potential/new idea?
6. How you start procedure as an Incubator and what is your procedure as Accelerator to find viable business opportunities?
7. For you, what is the main source to find innovative idea? Do you always keep track on market, possible resource, existing businesses which can influence new solution/idea?

8. Except product/service, do Incubator suggest finding new way of processing the business too?
9. In your opinion, who influence most for new idea for startup, Available resource, customer's feedback, competitors?
10. For established small business in growth phase, how often you advise to change or do things differently to catch growth or gain advantage in market?
11. Do competitors and customers' unfulfilled demands inspire a new idea or process? Or does it limit innovation?
12. These kinds of firms they don't have the capability for R & D, does it concern them as they are not able to find new ways or what going to work best for them?
13. Can you tell us the different steps you took to find more business opportunities and innovative ideas?
14. How much customers opinion and competitors' analysis impact on creating ideas? Does those limit innovation?
15. From startup to being established small business and to pick growth, what concerns Incubator and accelerator most?
16. In Accelerator role, most significant job is finding new business opportunities as market continuously change? What's is your opinion?
17. How often you suggest changes within the organization which can lead to sustainable advantage?
18. One of the important parts of these businesses finding key team player to coordinate with the businesses stage and contribute to develop the business, As trainee salten helps to find key player for the these businesses, till now how is the experience of this procedure?

19. Inter-functional coordination is really important for creative ideas and process improvements, so how much it's important to form a team for the startups and established small businesses?
20. What kind of knowledge or information is key to find new ideas and develop them into business opportunities?