1. Introduction

For some time, management and marketing scholars have been investigating the nature of the relationship between market orientation and entrepreneurship and its implications for business performance. The first studies were concerned with the issue of whether or not entrepreneurship and market orientation drew from the same conceptual domain (Miles and Arnold, 1991; Morris and Paul, 1987). As researchers became more confident in distinguishing between the two, a range of studies began to investigate the various permutations and combinations of the constructs. Early research considered entrepreneurship as an antecedent to market orientation. The rationale for **this** was that by searching for product-market prospects, entrepreneurial firms tend to concentrate on customer needs and thereby become market oriented (e.g., Miles and Arnold, 1991; Morris and Paul, 1987). Subsequent research reconceptualized entrepreneurship as a mediator between a firm’s market orientation and performance in an effort to explain inconsistencies in the relationship between **the two variables** (e.g., Barrett and Weinstein, 1998; Han et al., 1998; Jaworski and Kohli, 1993). Entrepreneurship was considered the means by which market orientation was translated into business performance (e.g., through development of new products, services, production process technology, organizational structure and/or administrative process). More recently, drawing on the resource-based view of the firm, Hult and Ketchen (2001) have suggested that market orientation and entrepreneurship are organizational capabilities that contribute to the creation of a unique resource, ‘positional advantage’, which positively affects performance. Finally, Atuahene-Gima and Ko (2001) argued that the maximum positive effect on performance is achieved when a firm’s market orientation and entrepreneurship are aligned. In other words, performance is optimized when the organization is both highly market oriented and entrepreneurial.