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## Determining the Rationality of Marketing Strategy on Farms

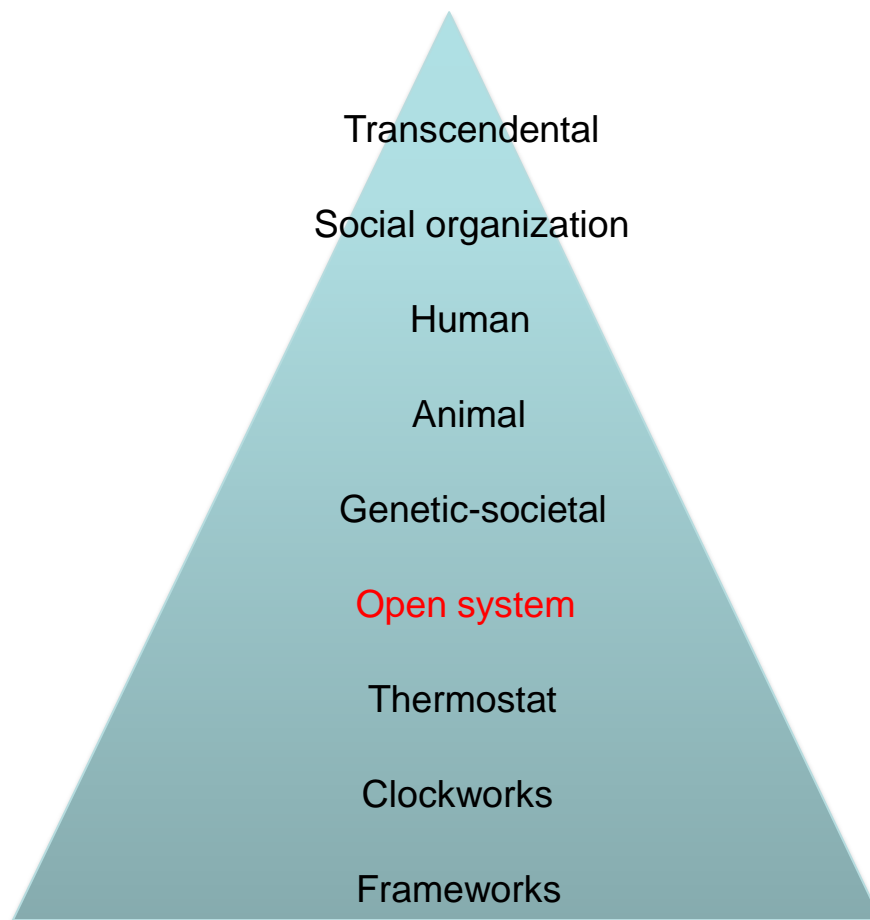
Vic Wright

## Hierarchy of complexity

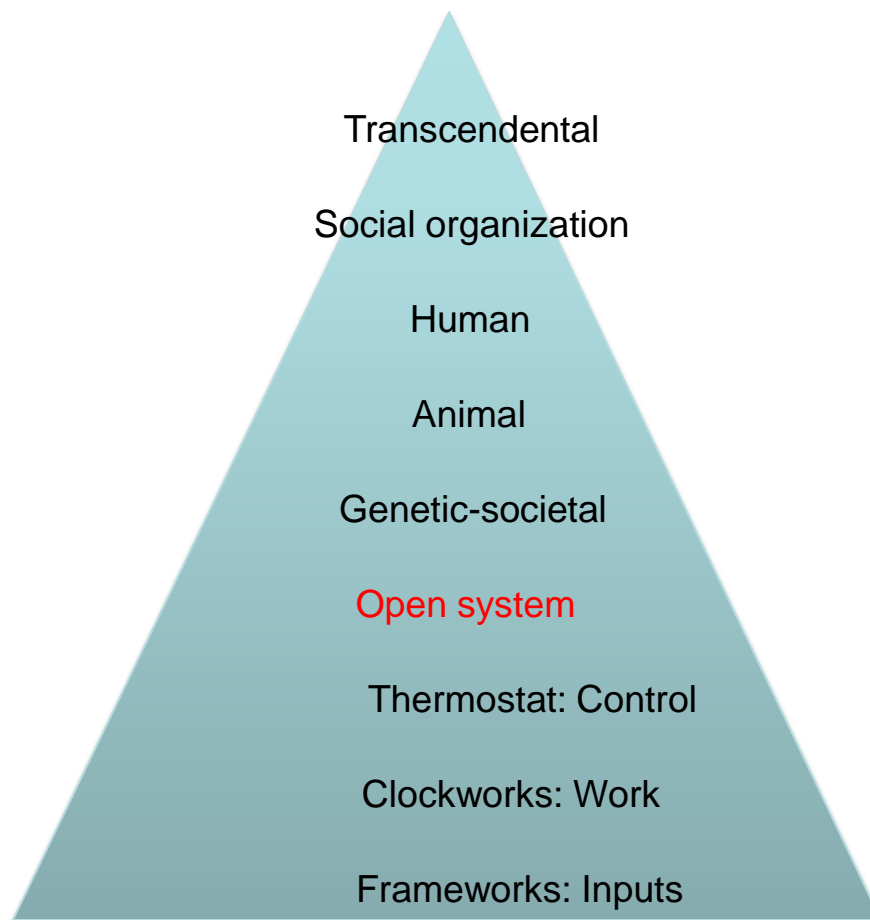
- Frameworks
- Clockworks
- Control system (Thermostat)
- Self-maintenance (Open system)
- Genetic-societal
- Animal
- Human
- Human organization (Social organizations)
- Transcendental

‘adequate theoretical models extend up to about the fourth level.....  
empirical knowledge is deficient at practically all levels’

## Hierarchy



## Hierarchy



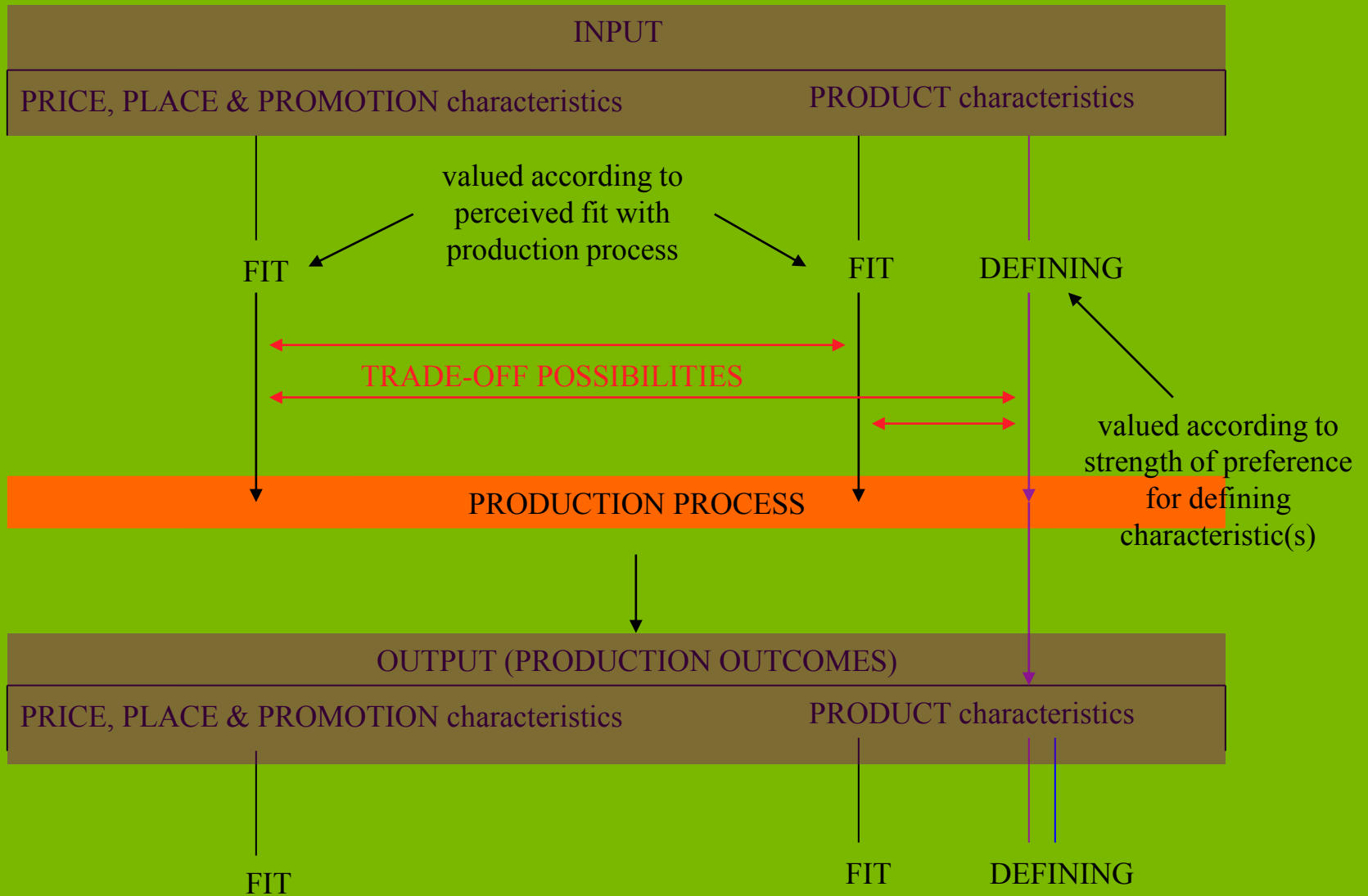
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John Kay, *Financial Times*, 16 Dec. 2009

all business success is based on matching capabilities to market

# PRODUCT VALUE: PERCEIVED NET CONTRIBUTION TO OUTPUT CHARACTERISTICS



## CRITERIA FOR RATIONAL MARKETING STRATEGY

- THE PROCESS OF IDENTIFYING DIFFERENTIATION WILL INVOLVE CONSIDERATION OF THE MARKET LEVELS BETWEEN THE FARM AND THE FINAL CONSUMER.
- WHETHER DIFFERENTIATION IS PLAUSIBLE, ASSUMING IT CAN BE MADE REAL FOR SOME MARKET LEVEL, WILL DEPEND ON THE PREMIUM IT GENERATES, HOW THAT PREMIUM FLOWS BACK TO THE FARM, AND THE ADEQUACY OF CONTROL ON-FARM OVER THE PRESENCE OF THE RELEVANT ATTRIBUTE.

## CONCLUSIONS

- COMPREHENSIVE FARM MANAGEMENT ADVICE SHOULD INCLUDE EXPLICIT CONSIDERATION OF THE ENVIRONMENT A FARM IS IN, ITS IMPLICATIONS FOR CONTROL OF PERFORMANCE AND APPROPRIATE FARM PERFORMANCE OBJECTIVES.
- CONTEMPLATION OF POSSIBLE MODIFICATIONS TO THE ENVIRONMENT MAY BE EVOKED BY THIS STEP IN FARM MANAGEMENT
- IN THE ABSENCE OF SUFFICIENT MARKET KNOWLEDGE, BUSINESS SUCCESS DEPENDS ON THE ACCIDENTAL MATCHING OF CAPABILITIES TO MARKET

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