

AARES 2011

Fostering Small Firms' Market-Sensing and Customer-Linking Capabilities and Attitudes

A Multivariate Statistics Approach

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Presentation outline

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Introduction

- Recent studies have explored the processes and the conditions under which agri-food companies acquire and develop market orientation, entrepreneurship and innovation capabilities
- Useful to identify which research and dissemination methods effectively develop these capabilities and under which conditions
- Fostering these capabilities in small firms can be challenging due to many factors



Background

■ Market sensing

- Ability to gather market information, disseminate it across an organisation and leverage commercial benefit from the information

■ Customer linking

- Ability of creating and managing close customer relationships (Day 1994)

■ Impact on market orientation

- Potentially lead to effective market orientation capability



Research outline

- Examination of 5 Seafood CRC knowledge building projects focussing on chain mapping and bench marking
- Antecedents for small firms to develop capabilities
- Factors influencing development and use of these capabilities
- Complex interaction between many factors particular to sector
- Data collection ongoing



Methods

- A combination of grounded theory and multi-variate statistical analysis
- Interviews with all stakeholders involved in a selection of knowledge building Seafood CRC projects
- A detailed questionnaire adapted from existing literature coupled with questions arising from preliminary interviews
- Growers then interviewed to analyse the development and potential for development of customer linking and market orientation abilities



Survey outline

■ Section 1 – project

- Awareness of the project and use of the outcomes

■ Section 2 – search and use of information

- Search and use of information on customers and markets

■ Section 3 – relationships with customers

- Relationships with customers and maintenance

■ Section 4 – understanding customers

- Understanding of customers needs and commitment to meet these needs



Preliminary results

- Data collection is still in early stages and is ongoing
- Preliminary results suggest;
 - R and D projects positively affect market sensing and customer linking capabilities
 - Close interdependent link between industry associations and growers or farmers
 - Already skilled firms and individuals are more likely to benefit from the project



Preliminary results

- Locus of decision making or degree of centralisation crucial to industry adoption of project outcomes
- Most effective and useful information is profit margin analysis rather than qualitative chain information
- Research is currently in first pilot test phase so these results are just an indication of the influencing factors present



Future direction

- More interviews are currently being conducted during January – March 2011
- Sharing of results will take place between researchers, industry association and research providers
- Interpretation and analysis from all stakeholders will be used to update the results and identify key influencing factors
- Questionnaire will theoretically become a normal part of CRC projects to analyse the effectiveness of projects



Questions and Feedback

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