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**SME Market Orientation:
Relationship with Supermarket Loyalty Card Data**

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**A Thesis Submitted in Fulfilment of the Requirements for the
Degree of Doctor of Philosophy**

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Abstract

Market oriented organisations are firms which are well informed about the market in which they operate in, and utilise this market information and knowledge to create competitive advantage. This is particularly important for small to medium-sized enterprises (SMEs). In Northern Ireland (NI), particular focus has been placed on the agri-food SME sector and the need for a constant flow of market information, in what has become an extremely competitive and evolving food and drink market.

This study sought to explore the relationship between SME market orientation (MO) and formalised supermarket loyalty card data (SLCD), within the NI agri-food context. This is the first time that SME agri-food firms have received free access and analysis of SLCD. The research design was qualitative and required a six month longitudinal inquiry utilising an in-depth interviewing process with seven agri-food SME case firms, before and after exposure to SLCD.

The study made a number of contributions to knowledge, practice and policy. Findings confirmed that SMEs do possess some level of MO, practicing informal, unstructured and haphazard marketing due to their small scale and the central role of the generalist owner/manager. However, post exposure findings confirmed that the SME agri-food cases did relate to SLCD, with owner/managers enhancing understanding of the consumer, increasing confidence in data use and validating decision making with SLCD. In effect SLCD facilitated the management of risk for the SME agri-food firm. During the initial stages of inquiry, other strategic orientations emerged, in the form of Entrepreneurship Orientation (EO) and the capacity to innovate. These concepts both supported the current MO of the SME, facilitating enhanced understanding and utilisation of SLCD. A further contribution was the recognition of the role of the owner/manager within the relationship and the need for the action research approach in the delivery of SLCD to the agri-food SMEs. Key findings suggest that future acquisition of SLCD is necessary for SMEs within the food industry, but dissemination and utilisation requires future support by government and industry bodies. To facilitate this, policy makers should review existing policies and practices, to support agri-food SME development through the continual flow of market information and analytical assistance on a partnership basis.

Abbreviations

Agri-Food	Agri-Food and Drink
AMA	American Marketing Association
DARD	Department of Agriculture and Rural Development
DEFRA	Department for Food and Rural Affairs
EO	Entrepreneurship Orientation
MO	Market Orientation
NI	Northern Ireland
NIFTA	Northern Ireland Food and Trade Association
NPD	New Product Development
ROI	Republic of Ireland
SBU	Small Business Unit
SLCD	Supermarket Loyalty Card Data
SMEs	Small to Medium-Sized Enterprises

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Chapter One

Introduction

CHAPTER ONE: INTRODUCTION

1.1 Research Background and Context

This research seeks to explore the marketing and market orientation debate when small to medium-sized enterprises (SMEs) are introduced to real-time formalised market information in the form of supermarket loyalty card data (SLCD). The realm of SME marketing has received significant focus within academic research over the past twenty years (Jones and Rowley, 2011: p26). However, despite this activity, Jones and Rowley (2011: p26) believe it is *“timely to seek to energize the debate about marketing and market orientation within the mainstream small business literature”*.

Marketing is recognised as vital for all businesses as it creates an interface between the firm and the external environment in which it operates. It has been suggested that businesses which strive for market development, and who continuously search for new market opportunities and expansion of the consumer base, will have a better chance of survival and growth (Zontanos and Anderson, 2004). It is believed however that SMEs can overcome the typical advantages of large firms, such as market power and economies of scale by being market oriented (Alpkan et al., 2007). MO facilitates a businesses’ ability to gain knowledge of the market, through market intelligence generation, dissemination, and with the desire to serve the needs of the customer (Chung et al., 2011; Naidoo, 2010; Van Raaij and Stoelhorst, 2008).

Marketing within the larger business over the past ten years has changed, with increased utilisation of formalised market information to inform their marketing strategies (Cortiñas, Elorz and Mugica, 2008). However, this has not been the case for smaller firms, who typically until this research, did not have the financial and analytical capabilities to deal with formalised market information (Simmons et al., 2008). It is believed that if a business possesses good knowledge and information of the market, this will aid the growth and development of the business even those small in scale (Pelham and Wilson, 1996).

One market experiencing significant change is the food and drinks market (agri-food), due to the transformation of the agri-food industry with the emergence of retailer power

(Hingley, 2005) and the increased expectations and needs of consumers (Gray, Armstrong and Farley, 2003; Johnson, 2010).

The research will seek to explore these areas of research through an overarching aim and three objectives.

1.2 Research Problem/ Aim and Objectives

The aim of this research is to: *Explore the role of supermarket loyalty card data on SME market orientation within the agri-food industry.*

This will be addressed through the following objectives;

Objective One: *To explore SME agri-food market orientation before exposure to supermarket loyalty card data.*

Rationale: Previous research suggests that SME MO is not characterised by formalised and complex processes organised around the dissemination of, and response to market information and intelligence (Kohli and Jaworski, 1990). Instead SMEs strive to compete in their market through MO that is built upon their owner/managers' initiative, preferring pragmatic and intuitive generation and dissemination of, and response to market information and intelligence (Moriarty et al., 2008). Therefore this objective will explore the informal/formal nature of the SME MO before exposure to formalised market information that is SLCD.

Objective Two: *To explore SME agri-food market orientation after exposure to supermarket loyalty card data.*

Rationale: The second stage of the empirical research will address objective two after exposure to SLCD in order to define and understand the relationship between SME MO and SLCD.

Objective Three: *Develop a theoretical framework that interprets the relationship between SME market orientation and supermarket loyalty card data.*

Rationale: Based on empirical findings, a theoretical framework will be developed to provide an understanding of the relationship between SME MO and SLCD, and a focus for future research. The framework will look at how the cultural and behavioural dimensions interact with the exposure to SLCD, ultimately providing implications for SME owner/managers utilising SLCD, as well as Government bodies in ensuring that maximum exposure and utilisation is created through the interaction.

1.1 Research Justification and Contribution to Knowledge

This Chapter will provide rationale for researching the supermarket loyalty card data, from an SME marketing perspective, within the agri-food industry in Northern Ireland (NI).

1.3.1 Supermarket Loyalty Card Data

The role of the supermarket loyalty card data and its' growing importance within a business to business context are central to this research.

1.3.1.1 The Role of Supermarket Loyalty Card Data

Originally it was players within the food and drug retail sector set which about increasing customer commitment through the creation of the customer loyalty card (Cortiñas, Elorz and Múgica 2008). During the 1990's all large retailers in Europe set about introducing the loyalty card scheme with the prime aim of gathering consumer knowledge (Mauri 2003). The retailers three main objectives set out in relation to customer loyalty cards were, one, to retain the customer; two, to increase their loyalty and finally, three, to collect data about their shopping behaviour (Demoulin and Zidda, 2009). This was based upon work by Cortiñas, Elorz and Múgica (2008) who viewed the main focus of the customer loyalty program as a way to increase customer's allegiance to the firm, by trying to increase repeat purchase rates or total purchases.

Long-term loyalty is understandably a very difficult relationship to build among customers, yet for almost most retailers it is critical to their success (Wright and Sparks, 1999). By using the customer loyalty card, the customer is rewarded. Such rewards include discounts on selected items, double points or money off coupons.

At the same time the retailer is able to record information on each shopper's purchasing behaviour. This information was essentially the missing piece of information in the traditional uses of scanner data, the piece that enables the food retailers to have customer-centric information (Kinsey and Ashman, 2000).

The use of loyalty cards as a knowledge tool has become so important for retailers, as highlighted by Kinsey and Ashman (2000) who acknowledged that, "*The competition for share of consumer's stomach has forced food stores and their suppliers to learn how to exploit the power of information available... and reorganise the way they do business*". Therefore retailers are required to ensure continuous subscription and use, through incentives as they are aware that knowledge accumulates only if shoppers continue to use the cards (Mauri, 2003).

Major studies to date focusing on the loyalty card data have addressed the history and development of the program, the technology involved in collecting and extracting the data and the impact of the loyalty schemes in relation to the shopper and the retailer (Ziliani and Bellini, 2004). However, scholars have suggested that the main potential of loyalty cards may not lie so much in increasing customer loyalty as in providing a source of useful data on customer behaviour that can later be used to design better adjusted marketing strategies (Ziliani and Bellini, 2004). This thinking was outlined by Rowley (1996) who stated "*In a bonus program, the bonus is the prize for the information that I get. I buy knowledge through it, not loyalty because loyalty is not purchasable*".

In 1997, 40 brand managers accessed The Shop at a cost. It is an expensive source of information but companies prepared to act on the information the shop provides can see the value and the return in investment (Humby, Hunt and Phillips 2007). This marked the beginning of a business to business relationship with SLCD, as opposed to traditional business to consumer relationship.

1.3.1.2 Supermarket Loyalty Card Data from the Business Perspective

The study of supermarket loyalty cards to date has yielded research based on the value of loyalty for the consumer and for the retailer (Ziliani and Bellini, 2004), however,

actual understanding of the data generated from use of loyalty cards for marketing purposes is still not clear (Cortiñas, Elorz and Mugica, 2008).

Tesco SLCD is one form of consumer behaviour, collated at the time of purchasing of the initial purchaser. According to Cannon (2003: p3) the Clubcard is almost legendary in the grocery world. The value of this SLCD is that it is used by 14 million shoppers (approx. 40% of UK households) of which 12 million are active users in 2008. The dunnhumby data comprises a 10% sample of these 14 million shoppers who use their loyalty Clubcard when shopping at Tesco (Cacciolatti et al., 2009). Figures show Tesco Clubcard in comparison to other competitors in the UK market, with the Clubcard outperforming Sainsbury's Nectar Card by 2 million shoppers, Boots by 4 million shoppers, and M&S by 9 million shoppers (Ziliani and Bellini, 2004: p288).

Today Tesco SLCD is available in a database dunnhumby call 'The Shop' which is a set of analytical tools that businesses can buy into to help them build reports and gain insight into how their products are performing in all Tesco outlets across the UK (Humby, Hunt and Phillips, 2007). Predominately larger businesses have benefited from access to SLCD as they possess the resources to disseminate and apply the data to their marketing strategy. However, this information would be of use to all sizes of firms (Watts, 2006). Consumer or shopper insight is essential to a successful business, as it has been suggested that good marketing insight ensures that a firm is not moving into unnecessary territory (Dunn, 2006). It is therefore upon this basis, that this research turns to SLCD, as *"loyalty card programs are incredibly data-rich environments for exploring relational outcomes. When loyalty cards are scanned at a point of purchase, data are captured automatically cataloguing customer, time, day, products bought, prices, and a variety of other pieces of information. Analysis of these dataset, over time can yield invaluable insights into consumer shopping processes, relations to marketing efforts, and long term patterns of behaviour"* (Allaway et al., 2006: p1319).

For the purposes of this research, focus is on actual behaviour as opposed to claimed purchasing behaviour of supermarket shoppers (consumers). No account is taken of the extent to which the buyer is also the consumer or merely the gatekeeper to household consumption. This is deemed appropriate as in the unit of analysis for the purpose of segmentation and targeting is the household to which the loyalty card relates not the

individual who uses the Clubcard or the individual(s) that constitute the final consumer(s).

This form of market information is extremely important to all businesses, especially SMEs, as their limited resources mean they are not in a position in which they can afford to get their marketing wrong. The benefits of utilising SLCD are numerous, such as Humby, Hunt and Philips (2007) state, "*The transactional history of millions of customers bridges the knowledge gap between what customers say they do, reported through a research sample and what they really do when they are shopping, tracked through billions of product purchases*". Research suggests that SMEs who use this more formalised market information can achieve better results (Lybaert, 1998) and are more optimistic about the future (Cacciolatti, et al., 2009: p1).

1.3.2 SME Marketing

Traditionally SMEs have relied very much on the flexible nature of the business, the central figure of the owner/manager and the maximisation of limited resources to compete within their market and against larger businesses.

Increasing attention in the context of economic development within developed economies is being focused upon businesses which are classified as SMEs, as they are now widely acknowledged to have a positive impact on the economy in terms of wealth creation, innovation and employment (Reijonen and Komppula, 2007; Doern, 2009). With extant marketing literature traditionally centred on large, resource-abundant organisations, SME marketing has been traditionally discussed from the large firm's marketing perspective (Miles and Darroch, 2006). This myopic perspective has overlooked the role and significance of the SME as the '*engine of growth*' for the economy (Fan, 2003).

Possible reasons for this may be linked to the difficulty of academics and practitioners in assigning SMEs a defining, common identity (Jones et al., 2007; Liberman-Yaconi, Hooper and Hutchings, 2011). One notable definition as provided by the Bolton committee (1971) stated that SMEs hold relatively small share of their marketplace, are managed by owners in a personalised manner and without a set management structure; and finally SMEs are independent enterprises. This definition underpins the more recent

European Commission definition of SME, which is adopted for this research in Table 1.0.

Table 1.0: European Commission SME definition as of SMEs as of 01/01/2005, article 2 of the Annex of Recom. 2003/361/EC

Enterprise category	Headcount	Turnover	or	Balance sheet total
Medium-sized	<250	≤ € 50 million		≤ €43 million
Small	<50	≤ € 10 million		≤ € 10 million
micro	<10	≤ € 2 million		≤ € 2 million

Source: European Commission (2005: p14)

The importance of SMEs on a global scale has been, and continues to be significant (Lewis et al., 2007: p551). It is widely acknowledged that SMEs have a positive impact on the economy in terms of generating wealth creation and employment (Doern, 2009: p275), and are now considered ‘agents of change’ (Tan et al., 2009).

Interestingly, where SMEs differ greatly from larger businesses, and have most in common with each other, is in their informality integrated with a view that they are defined very much by the personal commitment and characteristics of their owners. This understandably creates an individual, informal and often personal approach to the way they are managed (Jones et al., 2007; Perks, 2006). This is also reflected in how owner/managers make marketing decisions which tend to be non-sequential and often spontaneous (O’Dwyer, Gilmore and Carson, 2009), with the owner/manager’s natural instinct to be at the centre of the network as networking is regarded as an inherent part of the SME owner/managers decision-making process (Gilmore, Carson and Grant, 2001).

Despite the economic benefits of SME business growth, few small firms grow (Doern, 2009: p276). In fact literature suggests that small firms fail to survive past three years (Lieberman-Yaconi, Hooper and Hutchings, 2010). Typically agri-food SMEs are restricted by their lack of marketing resources, skills, time and market knowledge (Henchion and McIntyre, 2000). This is reinforced by extant research which suggests that challenges arise due to the small scale of the firm (Zontanos and Anderson, 2004). SMEs have little impact on their surroundings and are highly dependent on a small customer base (Jones et al., 2007). They therefore strive to compete in the current

market through their own initiative, preferring pragmatic and intuitive planning over complexity and formality (Moriarty et al., 2008: p295). Due to the ever challenging and every changing nature of the market, *“firms which are most enthusiastic in making adjustments in what they do, and how they do it, particularly in relation to the market place, appear to have a greater chance of survival than those who carry on as before”* (Zontanos and Anderson, 2004: p230).

In order to adjust or to adapt to the market, SMEs need to close the gap between what their consumer(s) want and what they as a business can offer. This is particularly evident for SMEs within the production oriented agri-food industry (Papathanassiou, Arkoumani and Karadaras, 2003). This research will explore the marketing practices of SMEs within the agri-food industry context. The focus on NI region is important due to the over growing importance of the agri-food sector to the NI economy (Ulster Bank, 2011).

1.3.3 NI Agri-food Industry

The agri-food industry is a pertinent context for this research for two main reasons. Firstly, it has been regarded as a traditional and production oriented industry (Baourakis et al., 2002; Papathanassiou, Arkoumani and Karadaras, 2003). It therefore requires support in developing MO to create opportunities for growth (Tregear, 2003). Secondly, the value of the agri-food industry is important to the global economies and country-specific, and as a result requires much needed attention to ensure continued growth and performance (Fit for Market, 2004; Focus on Food, 2010). This is reinforced by the fact that the agri-food sector is dominated by SMEs accounting for 98% of the business environment and providing employment for over half a million people (Mitchell, 2009).

The regional focus of this research is driven by recent NI government policy on food which highlighted the increasing difficulties facing agri-food SME growth and the need for support (Fit for Market, 2004; Focus on Food, 2010; Agri Vision, 2015; Food 2030: How we get there, 2010). According to Simmons et al., (2008) two main barriers to SME continued success is due to the substantial costs of formalised market information and the lack of analytical capacity within the SME business to disseminate and utilise the data. In acknowledgement of the need for SME support, the Department of Agriculture and Rural Development (DARD) collaborated with Kent Business School

(KBS) at the University of Kent, and the Ulster Business School (UBS), at the University of Ulster, to provide SMEs in the NI agri-food industry with free exposure to, and analysis of Tesco SLCD. This partnership was established on the understanding that agri-food SMEs in NI were failing to compete within the market as they lacked the free access to and understanding of market information for their overall business development (Fit for Market, 2004; Focus on Food, 2010).

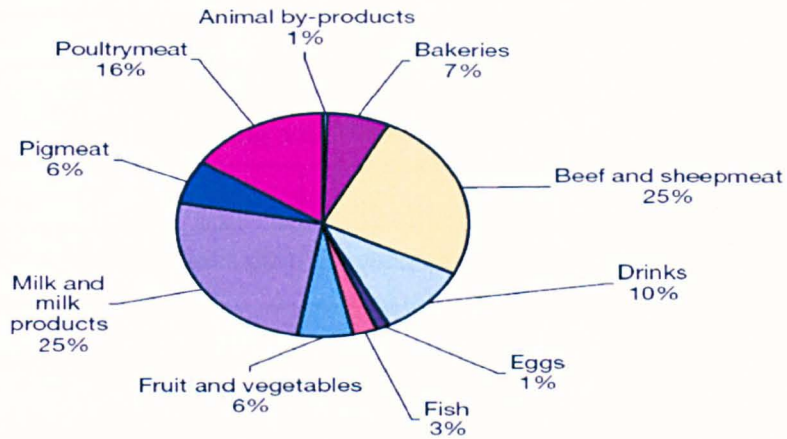
The challenges faced by SMEs have been particularly evident within the agri-food industry, where businesses of all sizes have been typically production oriented. However, with the significant change in consumer demand and expectation (Sheehan, 2010; The Strategy Unit, 2008: p1; Gray, Armstrong and Farley, 2003) coupled with a restructuring of the market place (Wilkinson and Young, 2002), agri-food SMEs are challenged to survive and grow their business. MO literature suggests that if SME agri-food firms were market oriented, they would be able to adapt to the changing market and respond quicker and more efficiently to consumer needs.

Economically within NI, *“the agri-food industry has made a significant contribution to the development of the Northern Ireland economy”* (Fit for Market, 2004: p2). However, this contribution needs to be maintained and continued as it is believed that the agri-food industry has a significant contribution to make in the restructuring of the NI economy in the future years. The most recent report looking at the Value of the Food and Drink Industry in NI (2010) was an economic analysis which illustrated the significant role Food and Drink plays in the NI economy. Goldblatt McGuigan (2010: p1) estimated that the agri-food sector sustains up to 92,000 people in employment which represents approximately 20% of total private sector employment in NI. Despite the economic recession, the total turnover of the food and drink industry in 2009 increased by 3.3% in 2008 to just over £3.2bn in 2009, and this turnover is increasing with £3.7bn in 2010 (Weir, 2011). This turnover generated directly £550m value added to the NI economy, with the total value add of the combined agri-food sector amounting to over £800m (Goldblatt McGuigan, 2010: p2).

In fact this report responded to the current challenges applied to the NI economy in relation to the economic recession, stating that the food and drink industry in NI has performed well during the recession and the agri-food industry acting as an *‘important source of stability’* for the local economy during the recession (Goldblatt McGuigan,

2010: p4). This serves to illustrate the importance of the agri-food industry. Despite NI being a relatively small geographical area, agriculture has been traditionally a major player as NI is predominately grass-based (See Figure 1.0).

Figure 1.0: Sub sectors of the Agri-Food Industry by Turnover (2009)



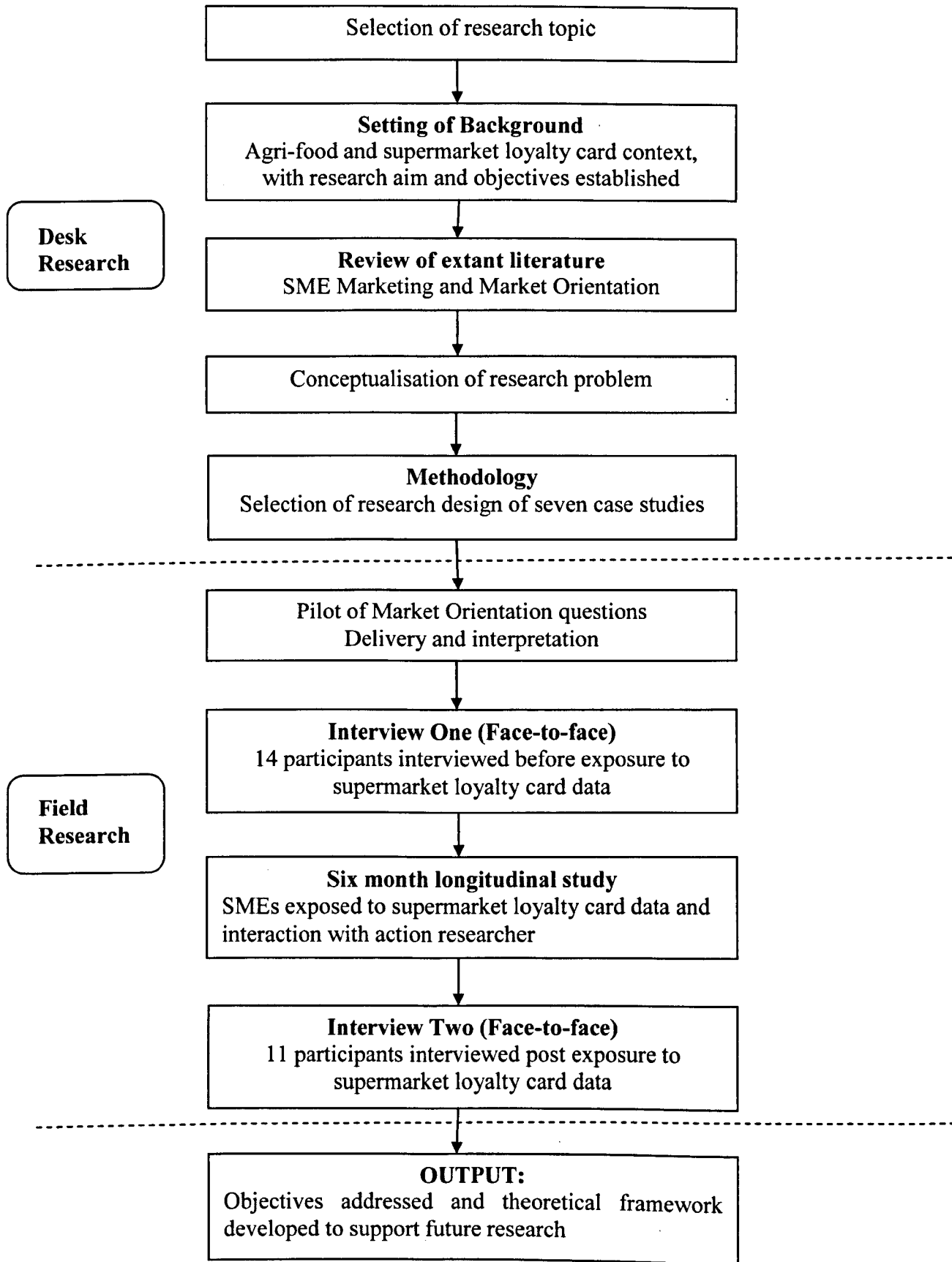
Source: Mc Cormack (2009)

Defining SME MO, their use of informally based networking with customers, suppliers and even competitors forms the basis of generation, dissemination and response to market intelligence. However, in contemporary food markets an understanding of these markets and their end consumers is being defined by more formalised means of generating and disseminating market intelligence. It has been suggested in this context that “*You need to look at real (consumer) behaviour, real motivation, and you need to be able to link all that knowledge*” (Dunn, 2006: p47).

Based on this background understanding this research raises the question; *what if agri-food SMEs had access for the first time to the most sophisticated formalised information on consumer purchasing behaviour free of charge?* This research therefore will explore the role of supermarket loyalty card data on SME market orientation within the agri-food industry.

An overview of the research study is available in Figure 1.1, illustrating the systematic process undertaken in the exploration of the research problem.

Figure 1.1: Diagrammatic Overview of Research Study



1.4 Structure of Thesis

The diagrammatic overview of the research study (Figure 1.1) illustrates the steps to be taken within the study. These steps will be documented in following chapters:

Chapter One defines the aims and objectives of the research, providing rationale for the study of supermarket loyalty card data, from an SME marketing perspective, within the agri-food industry in NI.

Chapter Two provides a review of all academic literature in the area of marketing and MO with a focus on SMEs. The role of marketing in SMEs is inherently informal, haphazard and unplanned. By understanding the nature and characteristics of SME marketing, the researcher acknowledges the importance of MO as a core competence within an SME business. The overall aim of the literature review is to summarise key information relating to the objectives of the research study, and to identify the gaps in knowledge to focus further research.

Chapter Three provides a thorough discussion of the philosophical framework of the research, and describes and justifies the chosen methodological approach and research design, ethical considerations and limitations of the study.

Chapter Four details the findings from the empirical research process of seven SME agri-food case firms using an exploratory six month observational case based research and action research approach. This longitudinal study highlights various issues for discussion and identifies the relevance of two other strategic orientations in Interview Two.

Chapter Five provides the cross case analysis of results in the empirical research process with key issues presented to facilitate understanding of the current level of MO of the SME and the utilisation of SLCD before and after exposure.

Chapter Six provides conclusions for research aim and objectives, and with important future implications discussed in relation to SME agri-food firm owner/managers, and Policy makers with directions for future research.

1.5 Summary

Chapter One presented the background of the research into the agri-food industry with particular focus on one type of consumer purchasing behaviour data (SLCD). In addition, the aims, objectives and justifications for pursuing this line of study have been stated, and the structure of the thesis presented.

Chapter Two will therefore build upon this background presented in Chapter One, with a comprehensive review of extant literature on SME marketing and SME MO.

Chapter Two

Literature Review

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

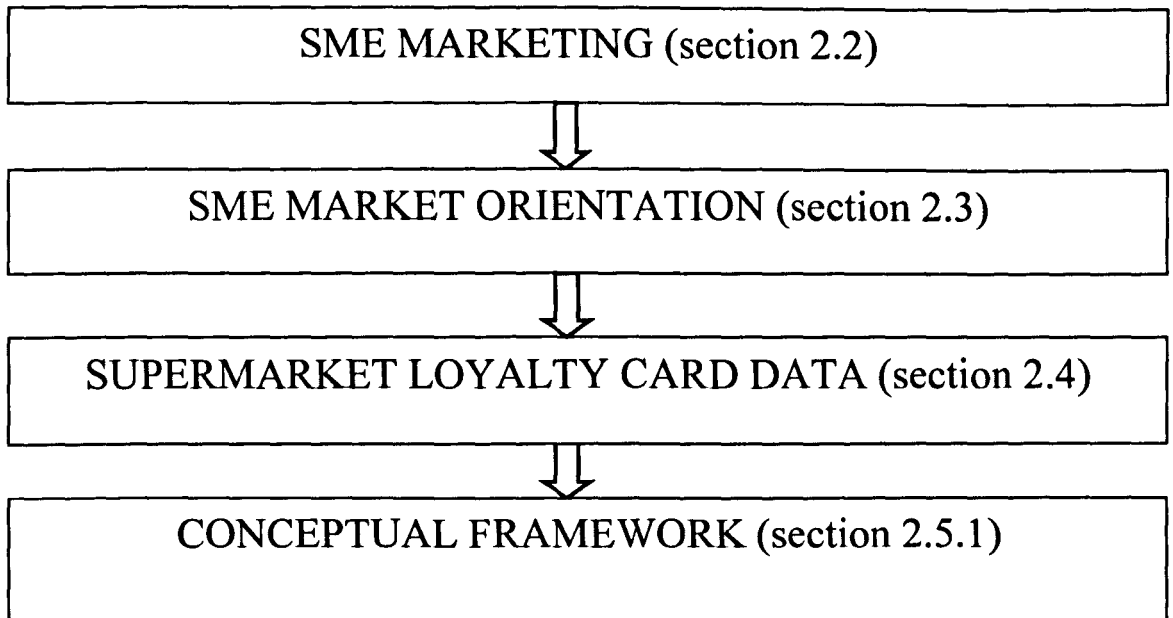
In order to fulfil the research aim and objectives of this research it is necessary to carry out a review of present theory and discussions in the academic literature, in relation to the chosen field of study. The overall aim of this research is to *explore the role of supermarket loyalty card data on a small firm's market orientation within the agri-food industry*.

Through the extant review of literature in Chapter Two, the researcher will interpret and discuss relevant literature and identify gaps emerging in order to inform the direction of the empirical research process. This literature based chapter presents parent literature which is typically defined as “*articles about previous research in two separate background theories*” (Rao and Perry, 2003: p236). This research study brings together the parent literature on SME marketing and MO, built upon the background information presented in Chapter One.

Before introducing the core literature on SME MO the extensive literature on SME marketing is discussed. This literature provides an understanding of the unique characteristics of SMEs which significantly characterises their MO. Moving to the core literature, SME MO is discussed presenting important aspects of how SMEs do business. Set against this, and building on the agri-food industry and SLCD literature, the research conceptualises key themes in a framework interpreting SME MO and the possible relationship with SLCD. Typically SLCD is available to larger agri-food firms who have the resources to purchase and make sense of the data, therefore, SME agri-food firms are potentially at a disadvantage. Also, there has been no previous work that considers how they would make use of the market intelligence if it was available to them. Given the informal characteristics of their MO and the formalized nature of SLCD in its presentation and use, there is an implicit tension. In particular, market information forms a central part of SME MO assessment and SLCD.

The structure of Chapter Two is presented in the form of a diagram in Figure 2.0.

Figure 2.0: Overview of Literature Structure



2.2 SME Marketing

Marketing has been recognised as an essential and unavoidable activity to the survival and development of small firms (Carson and McCarton-Quinn, 1995; Gilmore, Carson and O'Donnell, 2004; Jones and Rowley, 2011) supporting the view that marketing is considered to be integral to firm development and performance (Coviello, Brodie and Munro, 2000: p525). Throughout the literature, marketing has received much discussion and consequently many definitions have been established to answer, what is marketing and or how to do marketing.

This research acknowledges that extant literature to date on marketing definitions has been based on the activities of larger organisations practicing marketing (Simpson et al., 2006: p362). Appreciation of the contrast between large and small firm marketing has taken some time to resonate in academia and in marketing literature. However, the diversity in marketing practice has been recognised only in recent years, through the American Marketing Association (AMA) latest definition of marketing. This marketing description implicitly allows for difference in marketing between firms with different organisational contexts, that is “...*communicating and delivering value to consumers*

and for managing consumer relationships in a way that benefit the organisation and the stakeholders” (Keefe, 2004: p17).

This accepted definition takes roots from early marketing contributors such as Drucker (1954) and Levitt (1960) who believed in a shared organisational view of marketing. This view centred on marketing strategies being geared towards the consumer. This theory reinforces the original notion, that regardless of size, marketing must relate *“all its’ thinking to the customer’s (end consumer) needs”* (Felton, 1959: p56), but in a way that creates value for the organisation and its stakeholders.

Increasing attention is being paid to SMEs in the context of economic development, as it is believed that most developed economies are supported by businesses which are classified as SMEs. In the business world, small and micro-businesses are believed to *‘form an absolute majority worldwide’* (Reijonen and Komppula, 2007: p689). The unique nature of the SME shapes and dictates the manner in which marketing is performed.

2.2.1 Unique Nature of SME Marketing

As stated in Chapter One, this study defines the ‘small’ business as less than 250 employees, which includes micro-enterprises, small businesses and medium enterprises (European Commission, 2005).

In assessing marketing in SMEs, Fuller (1994: p34) stated that marketing is a problem for small firm management. They cited the lack of expertise and specialist knowledge of planning, and control is tightly exercised through informal practices, shunning procedures which SMEs fear might limit their freedom. This is evident within the agri-food industry as typically small farmers have been very production driven, focused on volume and operational activities as opposed to strategic planning (Stanton and Herbst, 2005). However, Coviello, Brodie and Munro (2000) felt it appropriate to assess small firms marketing practices in the context of a broader, more contemporary framework to identify issues at the marketing/entrepreneurship interface. In doing this, the authors wanted to get a better understanding of marketing practices of small and larger firms. Their investigation demonstrated that a smaller firm’s approach to market planning differs from that of larger firms in that formal marketing plans are less common in

smaller firms. Interestingly, of the firms examined, both large and small sized firms reported that in relative terms firms appear to make less use of long term plans, opting for medium and short term plans. Reports also suggested that managers in SMEs suggested a need to improve their planning activities and their ability to develop formal marketing plans (Coviello, Brodie and Munro, 2000: p536).

The desire for more formal marketing has been highlighted, but due to limited resources this desire appears to be restricted. Interestingly literature has stated that managers will typically use informal sources of information to become informed (Gilmore, Carson and Rocks, 2006; Moriarty et al., 2008). These types of informal sources of information range from personal contacts, subordinates, industry peers, customers and business associates (O'Donnell et al., 2001).

Within the agri-food firm, these contacts and networks tend to exist between the small agri-food firm and other similar sized food firms, retailers, buyers and suppliers. This reinforces Mackenzie's (2005) study titled '*Managers look to social network to seek information*'. According to this research managers prefer to receive their communication orally, failing to act on more routine paper reports that provide expected or even stale information, and tend to favour use of the most current form of information flow (Mackenzie, 2005). This inclination to receive information orally is not surprising, as previous research on the networking of SMEs endorsed the belief that managers spend substantial time in personal contact and maximise their networking ability to obtain information (Gilmore et al., 2006; O' Donnell, 2004). Networking has been used as a management tool utilised in relation to risky situations which SME owner/managers may find the business experiencing (Gilmore, Carson and O'Donnell, 2004).

According to literature on SME marketing, the choices and perspective of the owner/manager is shaped by the distinctive personality traits of the owner/manager (Simmons et al., 2008). In the study of information use in a SME, Lybaert (1998) held the belief that the manager's sensitiveness to information and likewise the firm's sensitiveness are directly related to the owner/manager's personal characteristics such as need for achievement, education of owner/manager and locus of control. The personal traits of the owner/manager will be replicated in the firm and issues which affect the owner/manager in their personal lives often are seen to have a detrimental effect on the

firm's business activities and eventually the success of the firm (Clarke et al., 2006). This is apparent when operating within a dynamic environment such as the agri-food industry. There owner/managers tend to make marketing decisions in a haphazard, non-sequential and unstructured fashion, which can lead to informal, spontaneous, reactive and continuously evolving marketing activity (O'Dwyer, Gilmore and Carson, 2009: p46; Liberman-Yaconi, Hooper and Hutchings, 2010). Therein, the owner/manager and their marketing ability are shown to be the marketing expertise of the SME (Moriarty et al., 2008). Ironically however, some owner/managers do not regard themselves as doing marketing. Stokes (2000: p6) study reinforces this belief by highlighting that owner/managers believe *'they do not have time or resources for marketing.'* Also, the marketing function is often perceived by SMEs to be *'peripheral to their requirements'* (O'Dwyer, Gilmore and Carson, 2009: p47) narrowly relating to sales and promotions. This perception has grown from the belief that SMEs can successfully achieve sales without planning their marketing activities (Stokes, 2000).

Contrastingly, some owner/managers base decisions on intuition (Mitchell, Friga and Mitchell, 2005). The use of intuition and insight within SME marketing is important, with scholars such as Mintzberg (1989) and Weick (1995) defining intuition in the context of insight. Insight is viewed as the seeing and understanding of the inner nature of things, especially by intuition. Thereby intuition is defined as *'the immediate knowing of something without conscious use of reasoning'* (Vaghely and Julien, 2010: p74).

The owner/managers context is therefore important when considering SME marketing however, the business context is also important (Storey, 1994). The following sections will review both the role of owner/managers and business characteristics in SME marketing.

2.2.2 Business Characteristics in SME Marketing

This research will discuss four key business characteristics in SME marketing; the SME owner/manager context, the firm context, the network context and the industry norms. Within these key areas are integral components relating to the nature of each characteristic.

2.2.2.1 Owner/Manager Context

The shift in study from *'what is marketing to how to do marketing'* by Carson and Gilmore (2000), emphasised how the inherent nature of the owner/manager and the SME itself naturally shapes the way the decisions are made. Simmons et al., (2008: p4) cited Scholhammer and Kuriloff (1979) study on entrepreneurship and small business in which they noted how the management style of the SME owner/manager dictated the SME business style. The characteristics of owner/managers need to be understood according to Mazzarol, Reboud and Soutar (2009: p321) when considering small firm growth. In the SME marketing context, marketing management is led by the owner/management team. They are instrumental to the growth and success of the firm, and this is typically illustrated for SMEs in the agri-food sector. This section will focus particularly on the influences on management style, the informal/formal operations of the owner/manager and the marketing competencies of the owner/manager.

2.2.2.2 SME Management Style

The role of the owner/manager is pivotal within the SME as they play a part of every business action, undertaking the role of a 'generalist' (Reijonen and Komppula, 2007: p692). Scholars such as Scholhammer and Kuriloff (1979) reinforced this idea describing a personalised management style as a distinguishing feature of small enterprises. Many SMEs are owner/managed and not surprisingly the marketing activities and practices are influenced by this driver. However, the all encompassing role taken up by the owner/manager may not be regarded as good management, as Jones et al., (2007: p281) study observed that owner/managers who found it difficult to detach themselves from operational day-to-day concerns, failed to have time to work on longer-term plans.

It has been suggested within the literature that at different stages in a business, the owner/manager will require a different skill set ranging from management, leadership and entrepreneurship (Carter and Jones-Evans, 2006: p292). According to research by Carland et al., (1984) there is a clear distinction between SME owners and entrepreneurs. Their study stated that owner/managers are not entrepreneurs and all small businesses are not necessarily entrepreneurial (Carland et al., 1984: p358).

Entrepreneurs are primarily concerned with growth and profit, whereas owner/managers are concerned with securing an income to meet their immediate needs (Mitchell, Morse and Sharma, 2003). Despite the differences between these roles, conceptual overlaps exist between the two concepts of leadership and entrepreneurship. This is reflected in recent literature where scholars *'have been attempting to transpose entrepreneurial thinking into marketing behaviour'* (Simmons, Brychan and Packham, 2009). This emerging trend appears to represent an alternative approach to marketing.

Similarly the characteristics of an entrepreneur are recognised as having the ability to take risks, a need for achievement, a need for central control, often over-optimistic and holding a desire for autonomy (Carter and Jones-Evans, 2006: p161). The intention to grow (Georgelli, Joyce and Woods, 2000) and innovation orientation are regarded as characteristics of entrepreneurial behaviour (Sadler-Smith et al., 2003: p49). It would therefore appear that owner/managers possess these inherent entrepreneurial characteristics (Carson and McCarton-Quinn, 1995). These characteristics will be discussed in the next section looking at the experiential competencies of the owner/manager.

2.2.2.3 Owner/Manager Marketing Competencies

Central to SME marketing is superior knowledge in the continual development of the experiential knowledge of the entrepreneurial owner/manager (Grant et al., 2001). The core competency concept for SMEs is known as experiential learning theory (ELT). Kolb (1984) posited that ELT informs researchers that *'acquisition and transformation experience is central to the learning process'* (Corbett, 2005). Further work by Corbett (2005) focused upon experiential learning within the process of opportunity identification and exploitation. Corbett (2005) study highlights that extant research assumes learning is occurring but does not directly address the importance of learning to the process.

Shane and Venkataraman (2000) believed that individuals *'must possess prior knowledge and the cognitive properties'* in order to be able to identify, develop and exploit opportunities. This compliments the view that knowledge precedes information as posited by Tuomi (1999), who also rejects the typified view of the knowledge ladder as a linear process. ELT is an integrative perspective that provides researchers with an

opportunity to uncover why people use information the way they do. Four key marketing competencies associated with entrepreneurial marketing management are outlined below (Carson and McCarton-Quinn, 1995).

2.2.2.3.1 Experience

Carson and Gilmore (2000: p3) defined experience in the marketing competency framework as deriving from accumulated knowledge of doing business. This experience is naturally developed through other experiences, in which learning comes from good or bad business choices. In terms of the firm's lifecycle, a SME owner/manager in the early stages of the lifecycle is less experienced than an owner/manager at the end of the lifecycle (Dodge, Fullerton and Robbins, 1994). However, depending on whether the owner/manager at the late stages of the lifecycle has '*lived and learned*' from his/her successes and or failures, experience has been gained. It has been noted that marketers, such as SME owner/managers may ignore some important information in their environment, because it simply does not align with their past experience (Webster, 1992: p1).

2.2.2.3.2 Knowledge

Knowledge is regarded as a significant competency as it is "*a high value form of information that can be readily applied to decision-making and action*" (Vaghely and Julien, 2010: p74). Knowledge can relate to business practice, relations, expertise and an idea of the market environment. Knowledge can be divided into tacit knowledge or explicit knowledge (Gray, 2006). Tacit knowledge is regarded as the personal knowledge of an individual, developed through the act of doing. This knowledge is deemed to be experiential and contextualised, it is not easily replicable nor can it be reduced to rules or recipes (Choo, 2000: p395). It can be transferred through a long process of apprenticeship, in which the receiver of the knowledge would build up their know how through observation and imitation of the source. In contrast explicit knowledge is relatively easy to articulate, as it is often expressed using a formal system of symbols (Choo, 2000: p396). Knowledge is therefore best facilitated between individuals who share the same system of meaning, or as understood by Kogut and Zander (1992: p263), "*a common stock of knowledge*".

2.2.2.3.3 Communication

Communication is everywhere and in terms of the marketing competency context it is the ability to interact with other parties. The development of other competencies such as experience and knowledge can naturally assist a person's ability to communicate more effectively with other parties (Carson and Gilmore, 2000). At the various stages of the lifecycle, interaction and the ability to communicate with others will naturally develop, due to owner/manager confidence in his/her previous experience and knowledge of the existing resources and abilities of the firm. It is therefore key that communication is two way with other parties, in order to learn from one another and to develop.

2.2.2.3.4 Judgement

Judgement in terms of routine decision making is a central tenant of success being derived from the accumulation of the other three competencies (Clarke et al., 2006; Lewis et al., 2007). Hogarth (1987) believes that judgement as a competency is sacrosanct. This assertion builds on the recognition by Pye (1991) that management success is based on sound judgement.

After extant discussion on the owner/manager context, the following section will explore business context and how this relates to SME marketing.

2.2.3 Business Context

SME marketing continues to evolve, in the same way that an SME grows and develops. With this development, brings challenges for the SME owner/manager and the firm. Particularly for SME operating within a competitive industry such as the agri-food industry, which are constrained in numerous ways due to the small business lack of marketing resources, time and market knowledge (Jocumsen, 2004).

In order to develop their marketing, SME agri-food firms must overcome their inherent marketing constraints in order to do business (Simmons et al., 2007; Clarke et al., 2006). This section will focus on the influences on SME marketing: lifecycle, size of the business, networks and industry norms.

2.2.3.1 Lifecycle Stage

Several theories and or models have been adopted relating to the growth of small firms and have been subject to considerable research from the 1960's (Mazzarol, Reboud and Soutar, 2009: p321). These models include the lifecycle or life-stage model of the business, which would imply that the business moves through various cycles or stages, from start up to maturity (Kemp and Verhoeven, 2002). Lifecycle literature depicts businesses as evolving in a consistent and continuous manner, however more recent literature highlights a significant finding which recognises that owner/managers are exposed to different managerial challenges from one life-stage to the other (Mazzarol, Reboud and Soutar, 2009: p321).

Piloting of a business through the growth process of a lifecycle is therefore regarded as a formidable challenge by Hanks et al., (1993: p5). Within the formative years, SMEs incur a high chance of failure (Hills, Hultman and Morgan, 2008). The reason for this failure may be down to the business's inability to establish a suitable business platform, supported and built upon using necessary competencies and resources to drive survival and growth (Simmons, 2008: p59). Understandably at this early stage of the business, size and newness contribute to the overall vulnerability of the business. However, even as the business grows, each stage of the business lifecycle will present new and different challenges particularly when dealing with competition and change in the business structure or size (Dodge, Fullerton and Robbins, 1994). It therefore has been proposed that how SMEs perceive marketing efficacy and develop their marketing strategy is ultimately characterised by their stage in the business lifecycle (Simmons, 2008: p59). Much of this marketing will be reactive, as businesses respond to consumer demands and changes in the market (Carson, 1985), with development and creation of owner/managers individual marketing style over the years (Carson and Gilmore, 2000).

The pace at which a small firm grows is often determined by the owner/manager's focus on growth and their desire to develop new products, enter new markets to exploit opportunities (Smallbone, Leigh and North, 1995). It is suggested that prior behavioural intentions tend to dictate whether an owner/manager will decide to follow a particular strategy (Mazzarol, Reboud and Soutar, 2009: p323). However, most interestingly Perry, Meredith and Cunnington (1988) studied the link between small business growth and owner/manager characteristics, and results suggested that a relationship existed

between an owner/manager's need for achievement and their growth orientation. Therefore the pace of growth is and can be dependent on the entrepreneurial characteristics of the owner/manager (Macpherson, 2005).

Through the phases of development, the need for formality appears to be more prominent, as owner/managers need to adjust their managerial behaviour becoming more formal operationally and strategically (Mazzarol, Reboud and Soutar, 2009: p321). However, Carson and Gilmore (1995) suggested that the SME's entrepreneurial nature appears to dominate and pushes aside the necessary formal management system needed for business growth. In essence, businesses with too much formality or too little formality are less likely to succeed than those businesses who achieve an effective balance (Stoica and Schindehutte, 1999).

The discussion to date has been on the growth of the SME. However, some researchers suggest that not all firms wish to grow, but instead prefer to contain or cap their growth (Hanks et al., 1993; Orser, Hogarth-Scott and Riding, 2000; Stenholm, 2011). This decision is most likely to have been made at the early stage of the businesses' life. According to McMahon (1998) the decision to cap growth is a conscious one in a bid to avoid risk, uncertainty and the problems typically associated with expansion, such as, hiring more employees, winning new markets, developing new products or securing new capital investment. This thinking was supported more recently by Wiklund, Davidsson and Delmar (2003) who suggested that many SME owners are not willing to pursue growth. A result of this non-pursuit means that small firms do not realise their full potential for growth which the authors believes "*may constitute a source of great under-utilisation of resources*" (p247).

The small business growth is a complex process (Kemp and Verhoeven, 2002) and essentially a lifecycle brings various challenges at different stages of the businesses operations. Although SMEs expect to grow and do so after start up, only a minority actually grow consistently throughout the lifecycle, getting larger as they progress and become large organisations (Mazzarol, Reboud and Soutar, 2009: p322).

2.2.3.2 Size

A 1981 Harvard Business Review article by Welsh and White stated the now popularized notion that “*a small business is not a little big business*” (Welsh and White, 1981) and this is still being emphasised in the literature today (Renko, Carsrud and Brannback, 2009). The issue of size poses much debate in terms of SME marketing. Several studies have concluded that firm size is a significant factor influencing firm behaviour and performance (Coviello, Brodie and Munro, 2000: p526). The scale of the small business in many ways will affect the way the business performs marketing. Because of the small size of the firm, researchers believe that it can create potential advantages. These advantages can mean that the business can have closer contact to customers and consumers, be flexible in operations (Zhao, 2005) and respond quickly to change (Moriarty et al., 2008: p295). This is evident within the agri-food industry where certain sectors can react quicker to new products than others such as bakery over soil based products.

This ability to react quickly and creatively is because SMEs are not inhibited by bureaucracy that is typically inherent in larger firms (Morris, Schindehutte and LaForge, 2002). However, the nature of being an SME also exhibits disadvantages in trying to compete against larger businesses. The belief that SMEs fail to embrace the marketing concept (Peterson, 1989) is supported by Coviello, Brodie and Munro's (2000) investigation of marketing practice by firm size. The authors were not surprised to find that generally SME are criticised as non-traditional, informal, short term and non-strategic in light of the fact that SME marketing practices have been assessed in the context of larger firms marketing models. This difference was also substantiated by Jones et al., (2007: p281) who also noted that SMEs are dominated by the owner/manager, have a lack of internal labour markets, operate in environmental uncertainty and have a limited customer base. However, regardless of the size of the SME and the inherent limitations, marketing is practised to some degree by SMEs (Simpson et al., 2006: p366).

Interestingly it could be viewed that where SMEs differ greatly from larger firms and have most in common with each other, is in their informality intertwined with a view that they are defined very much by the personal commitment and characteristics of their owners. This understandably creates within firms an individual and specific approach to

the way they are managed (Jones et al., 2007; Perks, 2006). Therefore the evolution of the firm as investigated by Jones et al., (2007) and Moriarty et al., (2008) is likely to be driven and or influenced by the development of firm based resources and capabilities (i.e. owner/manager or employees) more significantly than by the build up of resources. Due to this lack of resources, time and capabilities, Gray (2006: p346) highlights that “*it is not a level playing field*” therefore SMEs need to balance this by maintaining a competitive knowledge base. However, the average knowledge base in the SME sector especially micro-firms is low in comparison with bigger firms. The focus of Gray’s article is on how small businesses acquire and use external knowledge as this is where they seem to be disadvantaged. According to Zahra and George (2003) knowledge needs to be managed in four distinct areas for a firm to be successful; acquisition, assimilation, transformation and exploitation.

Interestingly smaller firms are also regarded as generally resistant to forms of training and various forms of wider participation, primarily only firms with 15 plus employees appeared to have the capacity to acquire and assimilate knowledge (Gray, 2006: p350). This resistance to involvement was also highlighted in Boter and Lundstrom (2005) study of the utilisation of government support services where larger businesses tend to be more proactive in accessing support services than SMEs. Where SMEs do excel however is in their constant and open communication and networking ability (O’Dwyer, Gilmore and Carson, 2009).

Size appears to play a factor within the SME networking context, in particular when SMEs engage in networking with larger firms, the larger firm tend to be more dominant (Wincent, 2005). Further review of the role of networking by SMEs will be discussed in the following section addressing the network context.

2.2.3.3 Network Context

Extant literature clearly shows that SMEs actively network with the owner/manager at the centre (Gilmore et al., 2006; McCarton-Quinn and Carson, 2003; Jack, 2005). A network in the most abstract form has been described as a structure comprising of nodes tied by specific threads (Hakansson and Ford, 2002: p133). Within the social science field, the nodes represent the actors in the network and the threads represent the ties or relationships formed between the actors (O' Donnell et al., 2001: p749). A formal description of the term network to be adopted in this research is that of “*a collection of individuals who may or may not be known to each other and who, in some way contribute something to the entrepreneur/owner/manager, either passively, reactively or proactively whether specifically elicited or not*” (Gilmore and Carson, 1999: p30).

Firms do not survive or prosper solely through their own means only, but often depend on the activities of other firms, and hence the nature and quality of the direct and indirect relations a firm develops with these parties (Wilkinson and Young, 2002: p123). The reason for this interaction is that networking according to scholars encourages and or facilitates innovation, which is believed to create and renew competitive advantage for the firm within the present and future market (Miles and Darroch 2006; Stokes, 2000; Simmons, Brychan and Packham, 2009; Morris, Schindehutte and LaForge, 2002). In fact it is suggested that the creation of innovation and new know-how are examples of ‘positive spillover’ from existing types of relationships formed through networks (Borg, 2009: p365) alongside the creation of trust and learning (Gilmore, Carson and Rocks, 2006: p279).

The creation and existence of a network and networking will, according to Gilmore and Carson, 1999: p34) “*intuitively be concerned with maximising marketing opportunities*”. This is supported by Borg (2009: p365) who commented that the network’s ability to convert knowledge and information into marketable products and services will rely on the type and quality of the market relationships formed. Networking therefore can be seen to provide creative ideas which result in innovation and opportunity to change, with the hope that it will improve the overall performance of the firm (Carter and Jones-Evans, 2006: p309). However, despite the associated benefits and value of networking for SMEs, research suggests that there is a lack of

understanding of both the market and the consumer, where research has recognised the crucial need for further collaboration and communication across industries, such as the agri-food industry (Pelupessy and Van Kempen, 2005: p358). The industry which the business operates impacts on SME marketing. The next section will explore the impact of industry norms of the agri-food industry on SME marketing and the role of culture in adapting to the industry environment.

2.2.3.4 Industry Norms

Porter (1980) emphasised industry as the key aspect of the firm's environment in which it competes (Carter and Jones-Evans, 2006: p112). Industry structure is to a large extent influential in setting the competitive rules and strategies potentially available to a firm. Certain customs and practices create the norms in which industry and markets exist and operate to. To 'buck' the trend of such norms would result in difficulty for a business to be accepted within the market or industry it operates (Fuller, 1994). The impact of agri-food industry is significant for SMEs in contrast to larger counterparts due to their distinctive characteristics. SMEs tend to conform to established norms in order to operate successfully (Simmons et al., 2008). Such norms may include for example, how, where, and to whom products may be presented.

To summarise, the unique nature of SME marketing is a result of the small scale of the firm and the central role of the owner/management (Lieberman-Yaconi, Hooper and Hutchings, 2010). With owner/manager's relying largely on informal sources to be informed (Gilmore, Carson and Rocks, 2006), whilst performing marketing in a haphazard, informal and intuitive way (O'Dwyer, Gilmore and Carson, 2009). The literature also illustrated the challenges SME agri-food firms face, particularly within the ever changing agri-food industry (Gray, Armstrong and Farley, 2003).

How agri-food firms react to this change in industry will be dependent on both the behaviour and cultural aspect of their organisation, which will lead to different ways a business may search for information, filter it, and respond to the market signals (Kohli and Jaworski, 1990; Kohli, Jaworski and Kumar, 1993). The marketing based resource of market orientation (MO) is considered an advantage generating resource, deeply embedded as a cultural element of a firm (Hooley et al., 2005: p19). To date the MO literature *"is the closest the marketing discipline has to a theory of the firm that can*

explain why some firms outperform others” (Van Raaij and Stoelhorst, 2008: p1286). The concept of MO will be reviewed within the next section, in the context of the SME agri-food firm.

2.3 Market Orientation

According to Kohli and Jaworski (1990: p5) MO is considered as the *“implementation of the marketing concept”*. Numerous definitions are provided within literature (See Table 2.0), however most authors according to Tajeddini, Trueman and Larsen (2006) typically agree with the seminar works of either, Narver and Slater (1990) or Kohli and Jaworski (1990) MO definition.

Narver and Slater (1990: p21) defined MO from a cultural perspective, *“the organisation culture that most effectively and efficiently creates the necessary behaviours for the creation of superior value for buyers and, thus continuous superior performance for the business”*. Narver and Slater (1990) defined three components of the concept as: customer orientation, competitor orientation and interfunctional coordination. Whilst, Kohli and Jaworski (1990) defined MO from a behavioural perspective, with *“the organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organisation-wide responsiveness to it”* (p6).

These approaches according to Cambra-Fierro et al., (2011: p446) should be considered as overlapping, where MO is *“a cultural orientation with behavioural implications”*. To disassociate these two MO perspectives would lead to what Avlonitis and Gounaris (1997: p384) described as *“an erroneous viewpoint”*. In fact more recently Homburg and Pflesser’s (2000) study reconciled the contemporary definitions established by Narver and Slater (1990) and Kohli and Jaworski (1990), as they showed that the culture of MO precedes the behaviours characterising a market orientated organisation. This integrationist approach was described using a multi-layer model of organisational culture.

However challenges have been made to the validity of MO by academics such as Henderson (1998) who rebuked the notion of MO in his study called *'No such thing as MO- a call for no more papers'*. He discounted the existence of MO, as he believed adopting the ideas prevalent in a marketing orientation can only be shown to account for 10 per cent of business performance (Simpson et al., 2006: p367). Despite this fair challenge, this research builds upon the belief that MO does exist, as emphasised by Kohli and Jaworski (1990: p6) when they stated that MO existed on a continuum, *"there is no absolute, that there are many shades of gray"*.

Table 2.0: Definitions of Market Orientation

(Shapiro, 1988: pp120-122)	Define a company as market-oriented if <i>"information on all important buying influences permeates every corporate function"... "Strategic and tactical decisions are made interfunctionally and interdivisionally", and... "divisions and functions make well-coordinated decisions and execute them with a sense of commitment"</i> .
(Kohli and Jaworski, 1990: p6)	Defines MO as <i>"organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence across departments, and organisation-wide responsiveness to it"</i> .
(Narver and Slater, 1990: pp20-21)	Defines MO as <i>"the culture that most effectively and efficiently creates the behaviours for the creation of superior value for buyers," state that MO "consists of three behavioural components- customer orientation, competitor orientation, and interfunctional coordination- and two decision criteria – long term focus and profitability"</i> .
(Jaworski and Kohli, 1993: p467)	Defines MO as <i>"organisation-wide generation of market intelligence pertaining to current and future customer needs, dissemination of the intelligence horizontally and vertically within the organisation, and organisation-wide action or responsiveness to market intelligence"</i> .
(Deshpande, Farley and Webster, 1993: p467)	Defines MO as <i>"a set of beliefs that puts the customer's interest first, while not excluding those of all other stakeholders such as owners, managers, and employees, in order to develop a long term profitable enterprise"</i> .
(Day, 1994: p37)	Defines MO as <i>"superior skills in understanding and satisfying customers"</i> .
(Hunt and Morgan, 1995: p11)	Defines MO as <i>"the systematic gathering of information on customers and competitors, both present and potential, the systematic analysis of the information for the purpose of developing market knowledge, and the systematic use of such knowledge to guide strategy recognition, understanding, creation, selection, implementation and modification"</i> .
(Jaworski and Kohli, 1996: p131)	Defines MO as <i>"organisation-wide generation of market intelligence pertaining to customers, competitors, and forces affecting them, internal dissemination of the intelligence, and reactive as well as proactive responsiveness to the intelligence"</i> .
(Deshpande and Farley, 1998: p226)	Defines customer orientation as <i>"a set of behaviours and processes related to continuous assessment and serving customer needs"</i> .
(Harris, 2002: p247)	Defines MO as <i>"the extent to which an organisation is perceived to act in a coordinated, customer and competitor-orientated fashion"</i> .

For agri-food SMEs, MO can mean better abilities to compete as “*market oriented organisations are organisations that are well informed about the market and have the ability to use that information advantage to create superior value for their target consumers*” (Van Raaij and Stoelhorst, 2008: p1269). The next section will discuss MO within the context of the SME.

2.3.1 SME Market Orientation

“So the small firm is too important, too dominant and too much about creating the future business generation for marketing practitioners and educators not to consider how we can help it to survive and prosper” (Day, 2000: p1034).

Extant literature discussed in Section 2.2 of this study recognises that SME owner/managers do engage in marketing. However, the SMEs’ perception of marketing and response to it will naturally determine the SMEs’ marketing strategy and practice (Simmons et al., 2008; Lewis, Pick and Vickerstaff, 2001). Typically the small size of the firm and their lack of formalised structure and marketing procedures restrict SME’s ability to modify the environment in which it operates (Carson and Gilmore, 2000; McCarton-Quinn and Carson, 2003). The changing nature of the market demands adequate responses from small business as ultimately this response will determine the continuity of the business in the market. Small businesses therefore must seek to reduce the gap between what consumers want and what they as a business can offer. Thereby doing this they gain a better knowledge of the market and action an appropriate response to meet consumer needs (Hult, Snow and Kandemir, 2003).

The next section will explore in-depth the cultural and behavioural dimensions of MO as defined in the extant literature. Through this review, the study will gain an understanding into how businesses, particularly SMEs, require MO to succeed in the ever evolving agri-food industry. In this study the cultural and behavioural dimensions prove critical to the SME MO relationship to SLCD.

2.3.2 Cultural Dimension of Market Orientation

Through developments in MO study, recent literature (Jaworski and Kohli, 1996; Matsuno, Mentser and Rentz, 2005) have indicated the evolvement of the MO construct which now encompasses a multitude of dimensions, such as the customer, suppliers, distributors, stakeholders, and macro environment (Sorensen, 2009: p737).

A clear definition which distinguishes between the ‘customer’ and the ‘consumer’ has yet to be fully addressed within marketing, MO and the agri-food field as *“the popular conceptualisations of the market orientation construct only includes the immediate customers and neglects the so called downstream customer”* (Hillebrand and Biemans, 2011). For the purposes of this research, focus will be primarily on the *consumer* who is defined as the initial purchaser of the good (the shopper), whether they intend to consume the product or not (Jobber, 2007: p16). The *customer* is defined as the receiver of the goods in the first channel direct from the SME/Farmer, and who will in turn sell to the consumer. This research therefore acknowledges the importance of SME agri-food businesses looking at both their immediate customer and the downstream markets served by them, with focus primarily being on the consumer. This is in agreement with Narver and Slater (1990) who stated that a firm *“must understand not only the cost and revenue of its immediate target buyer firms, but also the cost and revenue dynamics facing the buyer’s buyers, from who the demand of the immediate market is derived”*. More recently, further support by Matsuno, Mentser and Rentz (2005) called for closer attention to other stakeholders than just the immediate customer.

This research acknowledges the development of the MO construct and therefore focus should remain on the prominent dimensions of the MO construct for this research but with emphasis on the consumer stakeholder as opposed to the customer stakeholder (See Section 1.5). Therefore the cultural dimensions of MO are: consumer orientation, competitor orientation, and interfunctional coordination.

The two salient dimensions of MO are consumer orientation and competitor orientation. Firms with different strategies and who operate in different environments are inclined to use one orientation over the other in order to do business. For example, firms which have a consumer orientation have the sufficient understanding of their buyers in order to create superior value for the firm continuously (Narver and Slater, 1990). Consumers

have been the focus of much MO literature to date, as they are regarded as pivotal to all definitions of MO. In fact, Jones and Rowley (2011: p28) emphasised the importance of *“developing an attitude of consistent consumer dedication”*. This is particularly the case in the agri-food industry today where the consumer’s stomach is dictating the agenda within the market (Kinsey and Ashman, 2000: p84). And according to Dunn (2006: p47) *“you need to look at real (consumer) behaviour, real motivation, and you need to be able to link all that knowledge”*. By understanding consumer needs, this will facilitate greater efficiency by reducing management time and wastage in manufacturing (Chang, Polska and Chen, 2003). This is particularly significant for SME agri-food firms with limited resources and time (Coviello, Brodie and Munro, 2000).

Yet a narrow focus on consumers only can lead to an unbalanced outlook by firms and so studies such as Sorensen (2009) posits *‘why competitors matter for MO’*. Competitor orientation means that a seller understands the short term strengths and weaknesses of the firm as well as acknowledging the long term capabilities and strategies of both the main current and main potential competitors (Narver and Slater, 1990). Lafferty and Hult (2001) however suggested that competitor orientation is similar to that of consumer orientation as it requires information gathering to occur. Essentially it is argued that different types of information can be gleaned through focus on consumer orientation or competitor orientation. This information can be used depending on the type of decision to be made or the type of decision-maker (Sorensen, 2009: p739). Therefore a firm’s use of competitor information is a vital piece of input in the firm’s strategy, particularly when the market is led by businesses which ultimately drive the industry (Fit for Market, 2004: p12).

As stated in the changing market trends (Chapter One) the current food market is essentially static and therefore competition between firms is great, with businesses constantly looking for new ways to deliver and to meet consumer expectations. Having good understanding and awareness of competitor’s activities can be regarded as essential in order to ensure differentiation and diversity in product offerings. However, with competitor orientation is an element of risk as some firms may focus too much energy on monitoring competitors which ultimately distracts owner/managers attention from seizing opportunities (Olsen, Slater and Hult, 2005: p51).

Interfunctional coordination is traditionally considered the third pillar of MO and regarded as *“the coordinated utilisation of company resources in creating superior value for its customers”* (Narver and Slater, 1990: p22). However, some academics argue that this pillar is conceptually distinct from MO (Cadogan and Diamontopoulos, 1995) and this factor should not appear in the definition of the MO concept (Hunt and Morgan, 1995: p11). Despite these opinions, Narver and Slater (1990) deemed interfunctional coordination important as it is the coordinated utilisation of the firm’s resources in creating superior value for the target customers, within a business focus. Traditionally as stated within the background review of the agri-food literature (Chapter One) most agri-food SMEs have been traditionally production oriented, with focus internally to produce. However, as SMEs become more challenged to meet specific consumer needs and expectations they need to ensure that all parts of their business understand and share market information. By doing this, all employees have a shared understanding of what the business is trying to do externally in meeting consumer needs.

2.3.3 Behavioural Dimension of Market Orientation

The behavioural dimensions of MO are: intelligence generation, intelligence dissemination and utilisation (Kohli and Jaworski, 1990; Kohli, Jaworski and Kumar, 1993). These dimensions will be discussed in this research as behavioural response.

The starting point of a MO is market intelligence. According to Kohli and Jaworski (1990: p3) *“market intelligence is a broader concept than customer’s verbalised needs and preferences in that it includes an analysis of exogenous factors that influence those needs and preferences”*. This is reinforced by Dibb et al., (2006) who viewed market intelligence as a collection of the organisations data and ideas to assist decision-making. It is the view that in the majority of firms it is the role of the marketing function to generate customer and competitor intelligence for the purpose of informing management for strategic decision-making (Sorensen, 2009: p740). Typically this form of intelligence generation derives from the SME owner/manager networking activities or other typically informal practices such as observations. When an SME engages in networking, the owner/manager’s natural instinct is to be at the centre of the network as networking is a naturally inherent part of the SME owner/managers decision-making process (Gilmore, Carson and Grant, 2001). Due to the small geographical scope of NI,

networking is particularly significant asset to owner/managers within the agri-food industry.

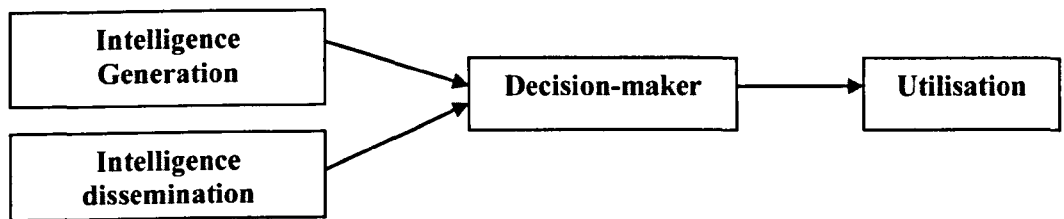
However it is acknowledged that within a market oriented firm, it is the role of the organisation as a whole to generate intelligence of the customer and competitor, therefore not the sole responsibility of the marketing department only. Literature suggests that it is by no means an easy task for all employees to generate valuable information from internal or external sources of the firm, as well as attempt to store and arrange information in a meaningful way (Sorensen, 2009: p741). The size of the agri-food business is important within this context as not all SMEs have a defined marketing department. Most SMEs are dominated by the owner/manager and therefore may be solely responsible for the generation of any market intelligence.

Essentially intelligence has no value unless on dissemination it has relevance and meaning to the decision-maker. Dissemination of intelligence may be hindered for several reasons according to (Sorensen, 2009: p741):

1. Employees may not know that their information is valuable because they have not been trained to generate or assess intelligence in a systematic way. This resonates within the agri-food SME, which has limited staff and limited time to spend in updating staff on the most recent market information.
2. Intelligence from employees composes a very small part of a larger puzzle which makes it difficult to know what and when to report.
3. It is important that the intelligence is received by the relevant party in a timely manner. The most up-to-date information again within the agri-food will essentially be only as effective as the owner/manager who uses it. This is challenging within the agri-food industry, particularly for SMEs who have traditionally been production oriented and have never used anything more than informal market information.
4. An inactive top management who fails to communicate a consistent commitment to creating a MO, supported by credible resource allocations. Essentially building upon the previous reason, the lack of owner/manager support and priority to this market intelligence is crucial as the owner/manager is the catalyst within each SME (Carson and Gilmore, 2000).

Once intelligence is generated and disseminated for the relevant decision-maker, actions must be taken driven on the intelligence processed. According to Kohli and Jaworski (1990: p6), “*unless it (the firm) responds to market needs very little is accomplished*”. Literature suggests that the way market intelligence is translated into action and gains ‘good currency’ (Van de Ven, Hudson and Schroeder, 1984) may differ significantly across firms (Heusinkveld, Benders and Van den berg, 2009: p741). Action taken must be centred on producing a favourable consumer response (Kohli and Jaworski, 1990). For optimal utilisation, firms must possess an understanding of consumer intelligence and action based on the intelligence available in order to utilise a consumer orientation (Sorensen, 2009: p741).

Figure 2.1: Diagram of Stages for a Market Oriented firm



Source: created for this research

One must acknowledge that it is the drivers of this action that are important as these drivers dictate the action to be taken (Sorensen, 2009: p742), which within the SME agri-food firm is the owner/manager. The pace and dynamics of change in MO takes place slowly but for a change to occur, an organisation first must perceive a gap between its current MO and the preferred MO (Kohli and Jaworski, 1990).

In essence this change relates to the drivers of action within a business, and often it is perception of a situation that will initiate the change into action (Kohli and Jaworski, 1990: p16). Perceptions can be influenced or shaped by several factors, such as the size and structure of the firm, the environment in which it operates, as well as taking into consideration the driver’s perception of innovation and MO capabilities. Despite the debate on whether MO is a cultural and or a behavioural phenomenon, Lafferty and Hult (2001) posits that regardless of the perspective (cultural or behavioural), most academics agree that MO is formed through market intelligence generation, dissemination and with the desire to serve customers (Van Raaij and Stoelhorst, 2008: p1269).

2.3.4 SME Market Orientation and the Challenges

To appreciate, understand and practice MO is a challenge which many SMEs experience (Pelham and Wilson, 1996; Harris and Watkins, 1998; Blankson, Motwani and Levenburg, 2006; Blankson and Stokes, 2002). Studies have been carried out on MO and SME behaviour, one of which, conducted by Blankson and Cheng (2005) found that the MO behaviour of small and large firms were similar. However, the literature at large tends to view the approaches by small and large firms to MO as different and therefore should be studied separately. Becherer, Halstead and Haynes (2001) study supports this difference as they found that small firms had weaker MO, but as firm size increases so too does the strength of the MO. Other studies by Hill (2001) stated that MO was dependent on the situation of the firm, as firms vary in level of sophistication and the effectiveness of management ability and style.

In terms of success, MO literature posits that success has been linked to the MO within SMEs. Peterson (1989) study found that those firms that are profit-orientated are most likely to adopt a MO. This is further supported through studies by Pelham (1997a) and Harris and Watkins (1998). However, factors may exist which restrict or prohibit SMEs from developing their MO. In a study of UK small hotels, Harris and Watkins (1998) found that several factors impeded the ability of the small hotels to fully appreciate, understand and develop MO. These include ignorance of MO, limited resources, perceived inappropriateness, contentment with status quo, short-termism, an unclear view of the customer and finally lack of competitive differentiation. Essentially these impediments originate from the SMEs perception of 'marketing'. These perceptions have grown from the belief that SMEs can successfully achieve sales without planning their marketing activities (Stokes, 2000). Current MO literature suggests that through appreciation and acknowledgement of these impediments, firms could present ways to avoid or minimise these barriers in their bid to increase MO and success (Blankson, Motwani and Levenburg, 2006).

According to Jones and Rowley (2011: p25), "*Marketing and more specifically market orientation has been identified as an important contribution to business performance*". Therefore attracting a lot of discussion within the literature, and resulting in many definitions of MO (See Table 2.0). Not surprisingly with the large variety of definitions, numerous means of assessing MO have been produced (Van Raaij and Stoelhorst, 2008:

p1269). The creation of the first valid measure for MO (MKTOR scale), is attributed to Narver and Slater (1990), based on the three cultural components of customer orientation, competitor orientation, and interfunctional coordination. The researchers wanted to develop a tool which analysed the effect of MO on business profitability. Their study verified a positive link between MO and performance. Competing scholars, Jaworski and Kohli (1993) also developed a scale of measure for MO (MARKOR scale) based on the three behavioural components of intelligence generation, intelligence dissemination, and responsiveness. It assesses the degree to which a Small Business Unit (SBU) engages in multi-department market intelligence generation, dissemination vertically and horizontally and implementation of the market intelligence (Jaworski and Kohli, 1993: p473).

Both MO scales have faced criticism mainly because of their use of a single informant strategy (Van Raaij and Stoelhorst, 2008: p1269). The study on the implementation of a MO by Van Raaij and Stoelhorst (2008) observed MO from a managerial perspective. They criticised the MKTOR and MARKOR scales for being too narrow, given they were developed to measure difference between firms, but not within firms.

Since Narver and Slater (1990) and Kohli and Jaworski (1990), numerous means to assess MO have been produced to measure or test the MO of a firm in relation to entrepreneurship (Gonzalez-Benito, Gonzalez-Benito and Munoz-Gallego, 2009), learning orientation (Baker and Sinkula, 1999), innovation (Verhees and Meulenber, 2004) in order to assess whether this leads to business success. Deshpande and Farley (1998) undertook an investigation of the MO scales as provided by Narver and Slater (1990) and Kohli and Jaworski (1990) to test whether a correlation existed between these scales and with their own (1993) customer orientation scale. Their inductive analysis concluded that MO was not a culture as positioned by Narver and Slater (1990) but rather a set of activities (Matsuno, Mentser and Rentz, 2005: p2). Hooley et al., (2005: p26) measured MO by using items from the Narver and Slater (1990) measure, but using larger scale firms. The measures asked firms to rate themselves accordingly on the following questions;

1. Our commitment to serving customers is closely monitored.
2. Objectives and strategies are driven by the creation of customer satisfaction.
3. Competitive strategies are based on understanding customer needs.
4. Functions are integrated to serve market needs.

5. Strategies are driven by increasing value for customers.
6. Customer satisfaction is systematically and frequently assessed.
7. Managers understand how employees contribute to the value for customers.

Despite much in-depth analysis and debate on MO and its assessment, most focus has been primarily based on large firms. Pelham and Wilson (1996) and Pelham (2000) have made some attempts to adopt the MKTOR and MARKTOR measures for SME studies which are of central importance to this research.

Further studies have been carried out on the measurement of the MO of small hotels. Moriarty et al., (2008) utilised Carson's (1990) six exploratory models as they regarded it as a useful basis for a qualitative study into marketing performance, and grounded in the SME sector. These models concentrate on the following measurements: marketing limitations, levels of generalisations, planning versus operations, marketing planning adopted for small firms, stages of marketing development and levels of marketing activity. These six categories attempt to examine the level of marketing activity on key aspects of market knowledge and activities. The real attribute of Carson's model is that it offers categories for different types of engagement with marketing. By doing this, the model provides the researcher with the analysis that supports the profiling of marketing within an SME sector. This is accepting and encouraging differentiation and acknowledgement of diversity (Moriarty et al., 2008: p296).

The most progressive study completed on SME MO and which is of particular significance to this research, was carried out by Pelham and Wilson (1996). They took the contemporary MO scales (Kohli and Jaworski, 1990; Narver and Slater, 1990) and adapted them into nine MO questions used for a longitudinal study of the impact of market structure, firm structure, strategy, and MO culture on the dimensions of small-firm performance (See Table 2.1).

Table 2.1: Pelham and Wilson's Market Orientation Scale for Small Firms

Market Orientation
1. All our functions (not just marketing and sales) are responsive to, and integrated in, serving target markets.
2. Our firm's strategy for competitive advantage is based on our thorough understanding of our customer needs.
3. All our managers understand how the entire business can contribute to creating customer value.
4. Our firm's respond (slowly/quickly) to negative customer satisfaction information throughout the organisation.
5. Our firm's market strategies are to a (moderate/great) extent driven by our understanding of possibilities for creating value for customers.
6. Information on customers, marketing success, and marketing failures is communicated across the functions of the firm.
7. How frequently do top managers discuss competitive strengths and weaknesses?
8. How frequently do you take advantage of targeted opportunities to take advantage of competitor's weaknesses?
9. If a major competitor were to launch an intensive campaign targeted at our customers, we would implement a response immediately.

Source: Pelham and Wilson (1996: p39)

In this study, performance was measured by the interviewees (Presidents of the Small Firms) subjective assessment of the company's performance relative to expectations. It was clear that these expectations were influenced by interviewees' perception of their own firm's previous performance and by performance of other firms in their industry (Pelham and Wilson, 1996: p38). As MO is a long term activity, it is therefore important to understand the influences on the firm's level or degree of MO over time (Pelham and Wilson, 1996: p38).

Pelham (1999: p40) suggests that strong MO culture may provide SMEs with a valuable source of competitive advantage. That is because SMEs possess a limited resource base but are inherently social with customer contact and are flexible and adaptable in nature. In considering the MO literature in relation to SMEs, academics have found that MO is useful for competitiveness and satisfaction of customer needs (Blankson, Motwani and Levenburg, 2006), selection of attractive product assortment and market intelligence (Verhees and Meulenberg, 2004), commanding higher prices for better quality and reliability of product, reducing new product development (NPD) failures and improving customer retention (Pelham, 1997b).

In terms of formalisation, Pelham and Wilson (1996) and Pelham (2000) argue that because of the typically low levels of formalisation in SMEs, greater formalisation and

control systems will not significantly reduce the innovative aspects of a market oriented culture. Instead they believed that it will positively affect marketing implementation, which will reinforce market oriented behaviours. Therefore market oriented SMEs can better use structural characteristics to consistently provide higher levels of customer service and value (Pelham and Wilson, 1996: p30), as opposed to rules which restrict or are less adaptive to the environment. Essentially SMEs have fewer built-in barriers to communication and are more informal in business processes, and are therefore more flexible to change and adaptation within a market-place. This links back to the unique characteristics of SME marketing discussed previously.

Research on MO has been discussed within the SME agri-food context (Lewis, Pick & Vickerstaff, 2001). Interestingly the authors identified two types of SMEs: (1) SMEs which perceive the firm to be market oriented yet lack focus on consumers, and (2) SMEs who are cynical of marketing practices, but yet display inherent MO traits. This study titled *'Trappings versus substance'* analysed three SME food and drink case firms, examining the reasons underpinning their success, despite a lack of formal training, and their dislike towards the idea of performing marketing (Lewis, Pick and Vickerstaff, 2001). All three case firms held the misconception that marketing was merely all about advertising and selling in deception of the consumer. But in practice all three case firms studied were in fact active marketers in the true sense- relating to consumers, creating a closeness of the firm to the consumer and delivering consumer focused products. Despite adopting more informal and intuition-based strategies and reacting to a degree to the environment, their strategies had been vindicated due to the loyalty of their customers (Lewis, Pick and Vickerstaff, 2001: p307).

Overall the study found that agri-food SMEs despite being informal in their marketing structure, their process and activities are market oriented and perform marketing well. However, at no stage in this research did the agri-food SMEs engage in formalised market information to understand actual consumer purchasing behaviour, therefore presenting a gap in the literature in relation to the exploration of formalised market information by typically informal market oriented SMEs.

With great insight Rapp (1988) cited in Kinsey and Ashman (2000) that, *"The 'currency' of the next millennium is information. Competitive advantage hinges on harnessing it and figuring out how to use it"*. The variety of market information sources

available to businesses are growing. Table 2.2 highlights five different types of market information sources alongside SLCD.

Table 2.2: Different types of market information

Types of Market Information	Purpose
Data Monitor	Premium global business information, delivering independent data, analysis and opinion across the Automative, Consumer Packaged Goods, Energy and Sustainability, Financial Services, Logistics and Express, Pharmaceutical and Healthcare and Retail Industries (www.datamonitor.com).
IGD	Data specialists' providing information, insight and research for the food and grocery industry worldwide including conferences with retailers and market research reports (www.IGD.com).
Mintel	Formalised database providing business with instant access to critical market data for 22 consumer industries across 54 countries worldwide (www.mintel.com).
Tesco Link	A database containing store specific electronic point of sale information in all Tesco outlets plus data on stock levels throughout Tesco's supply chain and depot (Hunt, Humby and Phillips, 2007).
TNS	The world's largest Custom Market Research specialists providing quality marketing information delivered by Global Industry sector expert consultants, innovative Market Research Expertise across the product lifecycle, in 80 countries (www.tnsglobal.com).
Tesco Supermarket Loyalty Card Data	Real-time consumer purchasing behaviour of 1.4 million shoppers in Tesco outlets, profiled according to lifestyle, life stage, geo-demographics across the UK (Humby, Hunt and Phillips, 2007).

The Tesco SLCD has been chosen as the focus of this study due to the quality of real-time consumer purchasing behaviour within the food market being accessed, and secondly, this access is being supported through funding by DARD in NI.

2.4 Supermarket Loyalty Card Data

Major studies to date have addressed the history and development of the loyalty card, the technology involved in collecting and extracting the data and the impact of the loyalty schemes in relation to the shopper and the retailer (Ziliani and Bellini, 2004).

Actual understanding of how the data can be used for market reform purposes is not clear, as most focus has been placed on the potential of the loyalty card increasing customer loyalty, rather than supermarket loyalty card (SLCD) providing a source of useful data that can be used to design better marketing strategies (Cortiñas, Elorz and Múgica, 2008).

More recently, few studies have started to explore the utilisation of formalised market information from a business perspective (Cacciolatti, 2009: p6). This study explores three main forms of utilisation (conceptual, instrumental and symbolic) in addressing the relationship between SME MO and SLCD. The conceptual utilisation process refers to the indirect use of information by the party for business use. This requires the party to recognise the value in the information as well as to process the information. This also requires conversion of the market information into knowledge in order to create an understanding when interpreted so as to inform decision-makers mindset (Moorman, 1995). Some SME's may make conceptual utilisation of the information. In this situation the agri-food SME may convert SLCD into knowledge in order to create an understanding when interpreted, for purposes such as decision-making (Moorman, 1995). Good case study examples of this form of utilisation have been demonstrated in Cacciolatti (2009: p6). In this study, access to supermarket panel data for one organic vegetable producer provided the farmer with an understanding of what was happening in the market. In doing so, the farmer was able to see changes in customer purchasing habits and reflect this in the future of their cropping plans. This type of utilisation is more subtle and not as immediate in comparison to instrumental utilisation (Souchon and Diamantopoulous, 1996).

The instrumental utilisation process refers to the direct application of the information on the party in relation to their business, in making, implementing and evaluating marketing decisions. The third dimension of action oriented utilisation, which is not documented in Moorman's (1995) market information model, is symbolic utilisation. According to Rich (1997), symbolic utilisation can be performed in three ways; firstly, in a manner to make another party feel included in the decision-making; secondly, in a cynical manner without seeing the value in it but the user thinks other third parties may see value; and thirdly, to portray a positive message within the firm. Finally symbolic utilisation of information by an agri-food SME may be used to justify decisions by the agri-food SME which they may have already made. This may arise in the research were

SMEs have a good grasp of who their market is already. It also may assist in developing credibility of the SME in the eyes of the retailer, buyer and or consumer (Diamantopoulos and Souchon, 1999; Williams, 2003).

Utilisation falls into the behavioural aspect of the MO concept and will be explored in this study.

2.5 Summary

The researcher appreciates that there is “*no easy road to market orientation*” (Lear, 1963), but SMEs who implement marketing can benefit from developing a MO (Pelham and Wilson, 1996; Pelham, 2000). A market oriented firm is one which successfully applies the marketing concept (Kohli and Jaworski, 1990). According to Blankson, Motwani and Levenburg (2006: p575) “*the marketing concept, in turn holds the key to organisational successes through the determination and satisfaction of the needs, wants and aspirations of target markets*”.

Literature describes MO as a rare, valuable and inimitable firm level resource (Day, 1994; Hunt and Morgan, 1995). Building upon literature reviewed on SME marketing and SME MO, this research has established that typically larger agri-food firms will adopt a more formalised and structured MO (Narver and Slater, 1990), while agri-food SMEs will adopt a more informal and intuitive MO (Pelham and Wilson, 1996). Therefore this research questions the relationship which might arise when exposure and utilisation of powerful and formalised market intelligence in the form of SLCD is made available to informal SMEs who are unaccustomed to this type of information.

Due to the growing and ever changing agri-food market, it has been difficult for typically production oriented SMEs to keep abreast of consumer purchasing behaviour. Typically any information they have received has been through networks with buyers and retailers. Ziliani and Bellini (2004), however suggest that the main potential of retailer loyalty cards may not be so much in increasing consumer loyalty as in providing a source of useful data on consumer purchasing behaviour, to help support businesses to design a better adjusted marketing strategy. Opportunity therefore exists for SME agri-food firms in particular, seemingly strongly positioned to take advantage of the changing consumer trends in food markets, “*A clear understanding of market trends*

and the identification of distinct consumer segments for new products and services is a critical success factor that is the exception rather than the rule in the business plans of most farmers and food SMEs seeking to break out of the commodity trap” (Simmons et al., 2008). This research therefore aims to explore this gap in knowledge pertaining to the relationship between informal SME MO and formalised SLCD. This is guided by the conceptual framework derived from the literature reviewed.

2.5.1 Framework

Given the overall aim of the research study, two main bodies of literature were reviewed on SME marketing and SME MO. The main aim of this chapter was to explore these two areas of study in order to provide a foundation for meeting the core objectives outlined as follows.

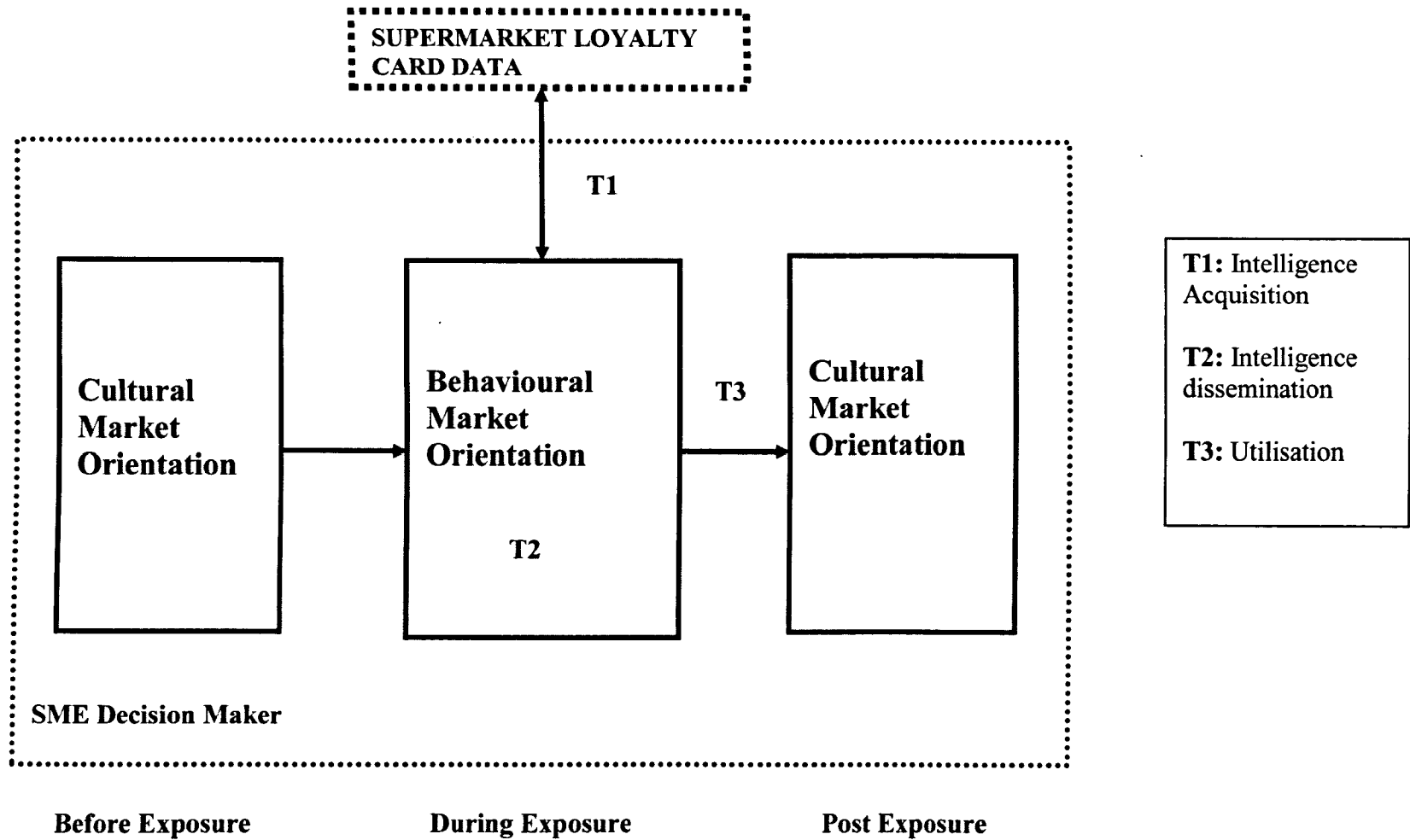
Objective One: To explore SME agri-food market orientation before exposure to supermarket loyalty card data.

Objective Two: To explore SME agri-food market orientation after exposure to supermarket loyalty card data.

Objective Three: Develop a theoretical framework that interprets the relationship between SME market orientation and supermarket loyalty card data.

These objectives will be explored via the empirical research process (See Figure 2.2). The framework captures the cultural and behavioural dimensions of MO before, during and after exposure to the SLCD. Behavioural MO is shaped by and shapes the cultural MO of the firm. This research will explore whether SMEs can and/or will relate to exposure to SLCD. In requesting further exposure to the data, the SME firm is acquiring formalised data. The extent to which the SME acquires, disseminates and utilises SLCD to develop the cultural MO is unknown, but will be explored in order to understand whether a relationship is created between the SME MO and SLCD.

Figure 2.2: Theme based Framework



The framework captures key themes emerging from the extant literature review. However, within this conceptualisation the researcher is aware that possibly not all findings from this research will fit within this framework. This is largely due to the informal and unpredictable nature of the SME and the SME owner/manager. Some SMEs may react negatively to the formalised data and fall outside of the current conceptualisation. This will be taken into consideration when reviewing the methodology to be utilised.

Chapter Two has provided a basis upon which further empirical research will be undertaken to fill the identified research gap: the relationship between SME MO and SLCD. The empirical research process will begin in Chapter Three where the research methodology and design of the study will be chosen in order to address the propositions, aim and objectives in this study.

Chapter Three

Methodology

CHAPTER THREE: METHODOLOGY AND RESEARCH DESIGN

3.1 Introduction

“Research... something that people undertake in order to find out things in a systematic way, thereby increasing their knowledge”

(Saunders, Lewis and Thornhill, 2007: p5).

The review of extant literature and the development of a conceptual framework presented in Chapter Two built upon the initial research aim and objectives defined in Chapter One. The research process to date has provided knowledge and understanding into the marketing practices of agri-food firms, but highlighted the need for further research to address the gap in the literature in relation to the use of formalised market information within informal SME agri-food firms.

Having identified a gap, field research was employed to meet the purpose of this study. Chapter Three provides an overview of the research problem, aim and objectives and an outline of the research process before discussion of the research methodology: addressing the chosen research paradigm and how its selection influenced the approaches by which empirical data was collected and analysed. The Chapter also explores the data to be collected, as well as the ethical implications and limitations inherent in the chosen research design. Ultimately, Chapter Three will facilitate the generation of knowledge in an attempt to meet the research objectives and fill the existent academic gap present.

3.1.1 Research Problem

The SME is significant to the generation of future business (Day, 2000: p1034). However SMEs are challenged by their limited resources and capabilities to be successful and to compete with larger businesses (O’Dwyer, Gilmore and Carson, 2009). Marketing literature suggests that SMEs typically practice marketing in a largely informal, spontaneous and haphazard way (Carson and Gilmore, 2000; Gilmore and Carson, 2009; Coviello, Brodie and Munro, 2000), with owner/managers tending to use

informal sources of information to become informed (Gilmore, Carson and Rocks, 2006; Moriarty et al., 2008).

Whilst, there is extensive literature on the development of MO, it is slightly limited in relation to the SME owner/manager (Pelham and Wilson, 1996). It is stated however, MO for SMEs can mean better abilities to compete as they are well informed about the market and have the skill to use that information advantage to action an appropriate response to meet the demands of the consumer (Van Raaij and Stolhorst, 2008; Hult, Snow and Kandemir, 2003).

Within the MO literature there has been a call for more knowledge into previously under researched industry sectors (Tregear, 2003). Against this backdrop, the MO literature pertaining to the agri-food industry makes a particularly relevant area of study. As within contemporary food markets an understanding of these markets and consumers is being defined by more formalised means of market intelligence such as SLCD. It has been suggested in this context that *“You need to look at real (consumer) behaviour, real motivation, and you need to be able to link all that knowledge”* (Dunn, 2006: p47). Whilst there is extensive literature on loyalty cards, little or limited research has looked at the formalised data deriving from the loyalty cards and how it can be utilised from a business perspective (Mauri, 2003). Therefore extant literature revealed a gap in academic literature, in the understanding of the relationship between SME MO and SLCD.

The conceptual framework illustrated in Chapter Two requires further consideration, through empirical research, in order to ensure that the research aim and objectives are fully achieved.

3.1.2 Aim and Objectives of the Research

This section revisits the research aim along with research objectives which facilitates the focus of the research process. The research aim: Explore the role of supermarket loyalty card data on SME market orientation within the NI agri-food industry.

This aim will be achieved by addressing the following objectives:

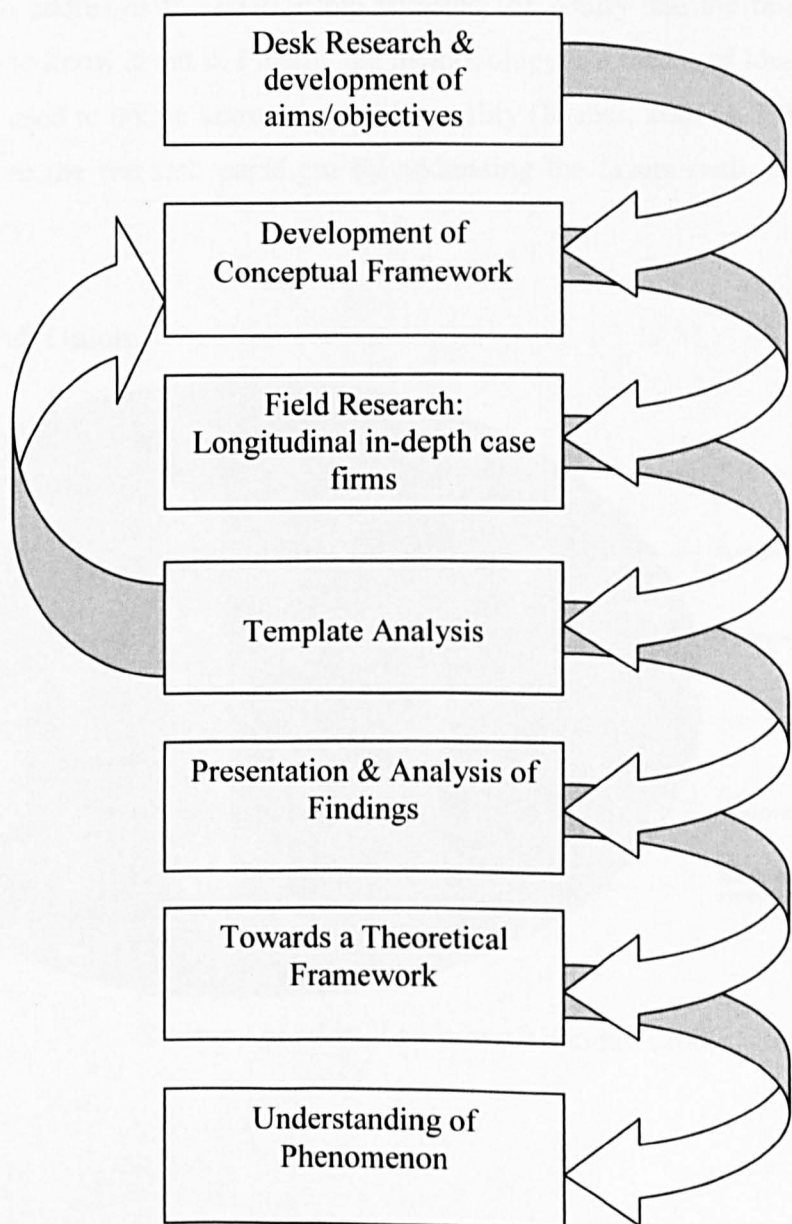
Objective One: *To explore SME agri-food market orientation before exposure to supermarket loyalty card data.*

Objective Two: *To explore SME agri-food market orientation after exposure to supermarket loyalty card data.*

Objective Three: *Develop a theoretical framework that interprets the relationship between SME market orientation and supermarket loyalty card data.*

The following research process (Figure 3.0) demonstrates the systematic way in which knowledge will be increased in meeting the research problem.

Figure 3.0: The Research Process

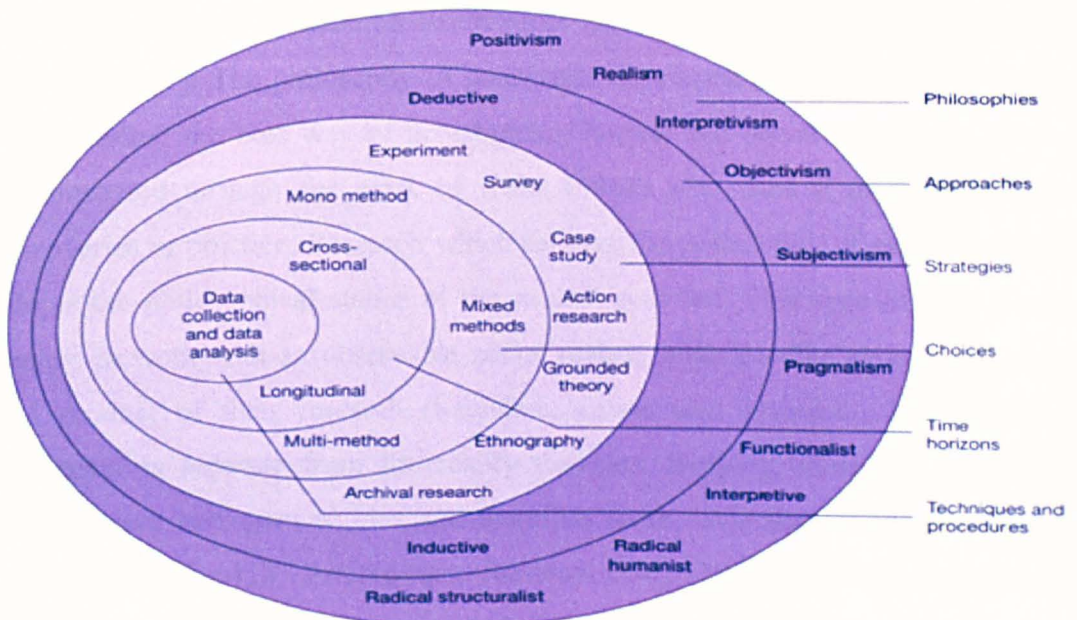


3.2 Identification of an Appropriate Research Paradigm

The aim and objectives as presented propose to explore the relationship between SME MO and SLCD. Chapter Two’s review provides a theoretical understanding of the subject which has informed the identification of an appropriate research paradigm and methodology. Guba and Lincoln (1994: p105) proposes that the establishing of a paradigm is of primary importance in research. These authors are of the belief that the paradigm essentially is ‘*the basic belief system or world view that guides the investigation*’ (Saunders, Lewis and Thornhill, 2009: p106) or simply put a paradigm is a set of assumptions shared by those investigating the world (Deshpande, 1983).

Paradigms can be described by the following three assumptions: ontology, epistemology and methodology. Ontology concerns the philosophy regarding the form and nature of reality and what can be known about that reality, which is intimately related to epistemology which addresses the relationship between the reality and the researcher and how they come to know about it. Finally, the methodology is a means of identifying particular practices used to obtain knowledge of this reality (Krauss, 2005: p.758). This research will explore the research paradigm by addressing the layers outlined in the research onion below.

Figure 3.1: Research Onion



Source: Saunders, Lewis and Thornhill (2009: p108)

For the purpose of this study, all six layers of this research will be explored throughout this Chapter. The discussion will begin by focusing on the primary layer of philosophies, which concentrates on positivism and interpretivism. These traditions promote a wholly disparate position to each other, and as a result naturally produce different research data (Guba and Lincoln, 1994).

3.3 Philosophies and Approaches

Despite the continuum of philosophies in the diagram above, the contrasting traditions of positivism and interpretivism appear to warrant most discussion. Both traditions will be discussed in order to establish whether either or both philosophy suit the current research. In order to do this, the ontological and epistemological assumptions of each are examined and the methodologies associated with the chosen philosophy are identified.

3.3.1 Positivism

The first encapsulation of the positivist view was by French Philosopher Auguste Comte (1853) who believed that knowledge was only real if it was based on observed facts. An ontological assumption derived from this encapsulation believes that reality is external and objective, whereas epistemologically it is assumed that knowledge is only of significance if it is based on observations of this external reality (Easterby-Smith et al., 2008: p57). The philosophy of positivism developed into a distinctive 'paradigm' for providing the best way of investigating human and social behaviour, particularly demonstrated through the work of Kuhn (1962) who used it to describe scientific discoveries in practice. Research which reflects the philosophy of positivism typically adopts the philosophical stance of the natural scientist. This type of natural scientist prefers to work with an observable social reality, with law-like generalisations as the end product of their research (Saunders, Lewis and Thornhill, 2009: p113). The researcher is separate from the reality they are studying, therefore the data being collected are less open to bias and therefore more 'objective' (Saunders, Lewis and Thornhill, 2009: p113). According to Remenyi et al., (1998: p33) the assumption is that *'the researcher is independent of and neither affects nor is affected by the subject of the research.'*

It is advocated that a positivist researcher favours and uses a more structured methodology in order to facilitate replication (Gill and Johnson, 2002). This seemingly fits with the deductive approach to research. Deduction is an approach where theory is developed, hypothesis created and tested (Saunders et al., 2007: p117). Traditionally deduction has gone hand in hand with scientific research, as it involves the development of a theory that is subjected to a rigorous test. This view is supported by Collis and Hussey (2003) who recognised deduction as the dominant research approach in the natural sciences, with laws presenting the basis of explanation. This clear and logical approach has been broken down in systematic and sequential stages by Robson (2002). These five stages are: deducting a hypothesis, expressing the hypothesis in operational terms, testing the operational hypotheses, examining the specific outcome of the inquiry and in the final stage if necessary, modifying the theory in light of the findings (Saunders et al., 2007: p117).

The deduction approach possesses key characteristics which will naturally shape the research. In order to ensure the scientific rigour of the deductive test the researcher must be independent of what is being observed (Saunders et al., 2007: p118), carrying out the research in a highly structured form in order to facilitate replication. In doing this the research concepts will be operationalised in a way that allows the facts to be measured quantitatively. Through this quantitative method, the researcher will be able to make generalisation from the statistical data. A sufficient numerical size of sampling must be ensured in order to facilitate the reliability and replication of this rigorous test (Saunders et al., 2007: p118).

3.3.1.1 Challenges to Positivism

The field of social science research and positivist research paradigm have been inextricably linked over the years due to the dominant role of structured and mathematical techniques employed which provide predictability, certainty, and reversibility (Gill and Johnson, 2002). However, this has been challenged more recently with research within the field of SMEs, where mathematical techniques are not as relevant (Simmons, 2008). Research within the SME field involves interaction with main decision-makers within the SME business which are typically the owner/manager

(Section 2.2.2). This therefore leads to open discussion between the researcher and the owner/manager, as well as observation of their actions and behaviours.

It is the role of the researcher to enter the 'reality' of the socially constructed world of the owner/manager in order to be able to relate, react and to question. Moreover, the importance of verbal modes of discussion is much more relevant than mathematics as a mode of enquiry. But the one main issue with this very informal verbal mode of enquiry is that it is more difficult to ensure generalisations as verbal language can be viewed as an 'imprecise mode of enquiry' (Simmons, 2008). As a result of this challenge to Positivism, the role of interpretivist research paradigm has emerged more frequently in the context of SME research due to the central role of the owner/manager. This is evident with agri-food firms in which the owner/manager is a generalist and is responsible for the direction in which the business takes (Jones et al., 2007).

3.3.2 Interpretivism

A new paradigm emerged largely in reaction to the application of positivism in the form of interpretivism, which posited that reality is socially constructed and given meaning by people (Easterby-Smith et al., 2008: p58). Carson et al., (2001) believed that real in-depth insight of the complex social world of business would be lost within the law-like world of positivism. In this interpretivist paradigm the researcher as a social scientist must appreciate the different meanings that people place upon their experience. This is human action arising from the sense that people will naturally react and respond to different situations. Overcoming the rigidities of positivism, interpretivism instead seeks to discover and reap a much deeper understanding of the multiple realities under consideration (Carson et al., 2001; Krauss, 2005: p760). This reinforces the basic principles which define interpretivism according to Blumberg, Cooper and Schindler (2005) who proposed that the social world is constructed and given subjective meaning by people; that the researcher is not separate from the research but is part of what is observed; and the research is driven by human interest.

An alternative approach to conducting research is induction. With the emergence of the social sciences in the recent century, a new approach emerged, with social scientists criticising the lack of human interpretation in the deductive approach (Saunders et al.,

2007: p118). This reactionary approach is primarily based on empirical evidence, where the researcher starts with general preposition about the social phenomenon, collecting data they are interested in, in order to reach conclusion in the form of theory (Ghauri and Gronhaug, 2005). Essentially induction provides the researcher with the freedom 'to get a feel of what is going on, so as to understand better the nature of the problem' (Saunders et al., 2007: p118).

Developing an understanding of the actors involved in the research is the strength of an inductive approach. Key characteristics of induction, appears to operate on the opposing scale from deduction. Within induction it is necessary for the researcher to apply a less structured research design, as deduction does not permit alternative explanations of what is going on within a highly structured research design. The context of the research is integral within induction as the researcher will need to understand or appreciate where the events are taking place. This requires time and much more in-depth research. A summary of the distinct elements which separate Positivism from Interpretivism can be seen in Table 3.0.

Table 3.0: Summary of Positivism and Interpretivism

	Positivism	Interpretivism
The observer	Must be independent	Is part of what is being observed
Human Interests	Should be irrelevant	Are the main drivers of science
Explanations	Must demonstrate causality	Aim to increase general understanding of the situation
Research progresses through	Hypotheses and deductions	Gathering rich data from which ideas are induced
Concepts	Need to be defined so that they can be measured	Should incorporate stakeholder perspectives
Units of Analysis	Should be reduced to simplest terms	May include the complexity of 'whole' situations
Generalisation through	Statistical probability	Theoretical abstraction
Sampling requires	Large numbers selected randomly	Small numbers of cases chosen for specific reasons

Source: Easterby-Smith, Thorpe and Lowe (2008: p59)

Long standing debate has typically framed deduction with positivism and induction with interpretative theory (Haider and Birley, 1999: p103). However, research states that it is

misleading to convey the impression that rigid divisions exist, between induction and deduction as it has been positioned that combining both induction and deduction together within the same piece of research can be advantageous (Saunders et al., 2007: p119). This understanding will be used to inform the researcher's selection of the appropriate paradigm for this study.

3.3.3 Selecting an Appropriate Paradigm for the Research Study

This study agrees with Johnson and Clark (2006) position that the important issue is not so much whether research should be philosophically informed, but more so focused on how well a researcher is able to reflect upon their philosophical choices and defend them in relation to the alternatives they could have adopted. This ideal was also discussed by Dodson (2002: p1) who stated that "*the researcher's theoretical lens is also suggested as playing an important role in the choice of methods because the underlying belief system of the researcher largely defines the choice of method*". Taking cognisance of the ontological, epistemological and methodological assumptions aligned to both paradigms, the researcher is required to select an appropriate philosophy for the study in question.

The SME is at the heart of this research and key representatives of the business have been chosen thereby reflecting multiple realities as opposed to one observable reality as posited in positivism. It is important to understand the SME from a broad and total view in order to fully appreciate the challenges and to uncover any facts that are currently unknown (Blumberg, Cooper and Schindler, 2005). Therefore the ontology of interpretivism is deemed appropriate. Secondly the role of the researcher is important in this study, taking a 'hands on' approach when providing the access to SLCD. It is impossible for the researcher in this case to remain objective or detached from the reality. Instead the researcher will be attempting to engage in relating to and reconstructing the world view as portrayed by each owner/manager. This therefore lends itself to the epistemology of the interpretivist paradigm which uses a more personal process to understand reality and therefore the term 'interpret' is central to this approach to research (Carson et al., 2001: p5).

In this study the researcher as a social scientist must appreciate the different meanings that people place upon their experience. This is human action arising from the sense that people will naturally react and respond to different situations (Easterby-Smith et al., 2008), particularly relevant in this situation as owner/managers are presented formalised pieces of market intelligence in the form of SLCD. Finally, based upon the researcher's ontological and epistemological viewpoint identified within the interpretivist paradigm, the inductive methodology approach has been selected.

For the purposes of this research, it is essential that both approaches are reviewed in order to ensure that the most appropriate approach is adopted. Easterby-Smith et al., (2008: p119) identifies three reasons why the identification of a research approach is so important. Firstly it enables the researcher to make a more informed decision about their research design. Secondly, it will help the researcher think about those research strategies and choices that will work for them and, crucially those that will not and finally the knowledge of different research traditions enables the researcher to adapt their research design to cater for constraints.

Deduction starts with the need to test theory and the induction with the need to develop theory. This obviously creates an issue for the researcher with research in an area where present theory in the field is not appropriate in their particular study. This relates to the current study undertaken in this thesis. This study is interested in exploring how SME MO relates to formalised SLCD. Whilst, there is an extensive literature on the development of MO, it is slightly limited in relation to the SME owner/manager (Pelham and Wilson, 1996) and the utilisation of market intelligence data. This research therefore needs to incorporate an inductive approach into the design in order to use the observations of the empirical world to allow the construction of explanation and theories about what will be observed (Carson et al., 2001).

The question of significance or priority in terms of data and theory has served much debate (Carson et al., 2001). In attempting to answer the debate on which comes first, Fetterman (1989) suggested that the researcher usually brings prior theory to the research table. As this research has adopted an interpretivist paradigm, the approach will be inductive, with the researcher's prior theory helping to define the problem and how to tackle it. The interpretivist approach allows for the loose framework of the research

study at an early stage, whilst being open to further suggestions during the actual study and so taking time to evolve a coherent framework rather than imposing one from the start (Miles, 1979). In this study an inductive approach will allow the researcher to assess the SME MO as a result of exposure to SLCD. This inductive approach will facilitate the qualitative nature of this study, as SME owner/managers will ultimately represent their firm, in which they will perceive whether their MO has been enhanced or not due to the exposure to SLCD. This qualitative nature of study will be discussed in the following section.

3.3.4 Rationale for a Qualitative Research Methodology

The qualitative and quantitative discussion has been analysed for this research. The qualitative research method appears to lend itself to this study over that of quantitative for several reasons which will be discussed in this section.

The definition of qualitative research is unclear, and has been referred to as an umbrella term which covers a variety of techniques, “...which seeks to describe, decode, translate and otherwise come to terms with the meaning, not the frequency of certain more or less naturally occurring phenomena in the social world” (Van Maanen, 1979: p520). The qualitative mode of research is expressed in the form of words, where as quantitative mode of research involves the collection of data in the form of numbers. By trading in linguistic and verbal symbols, the qualitative research attempts to reduce the distance between the indicated (the Researcher) and the indicator (the SME owner/manager), between theory (what MO and Loyalty card literature says) and data (how and why SMEs perform MO and how and why they relate or do not relate to SLCD), and finally between context (agri-food SME) and action (the longitudinal study) (Van Maanen, 1979: p520). Traditionally researchers favour a qualitative study so as to benefit from the richness of this approach (Shaw, 1999; Hill and Wright, 2001), getting closer to the study in order to understand the real perceptions and experiences, which is particularly important when studying SME owner/manager (Silverman, 2006: p5). Whilst qualitative researchers describe the unfolding of a social process, quantitative researchers tend to focus on the social structures (Van Maanen, 1979: p520).

The main distinction between qualitative and quantitative research is that in the qualitative paradigm research is “*grounded, discovery oriented, exploratory, descriptive and inductive*”, whilst the quantitative paradigm research is “*ungrounded, verification-oriented, confirmatory, inferential, hypothetico-deductive*” (Deshpande, 1983: p102). This study is an inductive study, working with a small number of key SME agri-food owner/managers in order to allow the researcher to relate, understand and work with the SME on a very personal level, understanding daily marketing activities and in the exchange of SLCD. Implicit in quantitative research however is that human data can be glossed over quantitative statistics, opting for objective measures for the treatment of data, thereby removing any form of depth when relating to people’s attitudes and feelings (Hill and Wright, 2001: p435).

Despite the cited differences between qualitative and quantitative research, some researchers such as Johnson, Onwuegbuzie and Turner (2007) believe in using both methods as a mixed method in research. This is also supported by Easterby-Smith et al., (2008: p83) who notes, that the simplification of qualitative and quantitative paradigms into that of words versus numbers can lead to confusion as both methods may be used according to both interpretivist and positivist epistemologies. Fielding and Fielding (1986) believe that the use of both quantitative and qualitative methods can be used side by side in research. The complementary nature of the research methods have shown to be useful particularly when using multiple methods (Richie and Lewis, 2003).

Appreciating that this mixed method option is available this research has decided to follow a purely qualitative path as the field of MO has become dominated by quantitative studies, typically those of large firms. Researchers have adopted structured instruments to measure statistically the relationship between the stated behaviours of the firm and the actual performance of the firm (Tregear, 2003: p1621). Naturally this type of approach has reduced the firm behaviour and individuals as purely rational economic beings, as opposed to whole entities, with concerns, motivations and perspectives. This type of approach has been criticised with calls being made for studies to undertake fresh approaches to the examination of MO (Tregear, 2003: p1622).

However, understanding the context of SME research within the agri-food industry (Chapter One) this research has decided to focus on one pure method. This is also

supported by the fact that given the unique nature of the SME and the characteristics of the owner/manager involved, the SMEs must be explored in their broadest view in order to provide the researcher to get '*under the skin*' of the objects of study. This can only truly be met by carrying out qualitative research. This research also is founded on the work of Maxwell (1996) who identified specific research purposes wherein qualitative, inductive research has an advantage. The first advantage is that qualitative research provides opportunity in which the researcher can attempt to understand the meaning for participants in the study of the events, situations and actions they are involved in. Secondly qualitative research provides understanding of the particular context; thirdly, potentially identifying unanticipated phenomena and influences; fourthly understanding the process by which events and actions take place and finally developing causal explanations, whereby the researcher is able to probe as to how X plays a role in causing Y (Simmons, 2008).

Taking all literature into account, this research is confident in adopting a purely qualitative method as the literature on SME MO and relationship with SLCD is sparse, with no basis to facilitate theoretical frameworks or hypotheses in development which is the basis of both quantitative and mixed methods research. Much of the literature discussed thus far in Chapter Three ties in to the empirical nature of this interpretive/inductive study, whilst a qualitative method has been identified as an appropriate methodology. The qualitative base of this research will be explored further in the following sections as the researcher selects the appropriate qualitative strategy necessary for the collection of data in this research.

3.4 Research Strategy

Ghuri and Gronhaug (2005) discussion on research methods ultimately describes how the research design provides a framework or plan for the collection of data and analysis. This is further supported by Collis and Hussey (2003) when he defined the research design as "*the art of planning procedures for conducting studies so as to get the most valid findings*" (p113). How the research strategy is actually carried out is impacted upon by the philosophical stance, which in this case is qualitative.

In order to discuss how the research is carried out, the researcher will consider the following issues: the unit of the study, the research sample, the data collection strategies, research techniques and procedures, and finally the data analysis applied.

The research will adopt a subjective orientation which will facilitate the descriptive and exploratory nature of this research (Ghauri and Gronhaug, 2005: p14). Descriptive studies are typically a base upon which exploratory research sits, providing the researcher with an accurate profile of who or what, are being studied (Saunders et al., 2007). In this study, this will be the profile of the owner/manager and the case study SME. An exploratory study is used to clarify the researcher's understanding of a problem, to see what is happening, to gain new insight, to question and finally to assess the phenomena in light of the new found understanding (Robson, 2002: p59). Exploratory research is inherently flexible, with the researcher adapting their course of study according to the new insights gained along the journey (Saunders et al., 2007: p134). This is particularly relevant in this research owing to the poorly understood nature of some of the issues involved in this research on the exposure and utilisation of SLCD to SMEs.

3.4.1 Unit of Study

In order to carry out research, the focus of the study is typically dependent on some unit of analysis (Miles and Huberman, 1994). This was also asserted by Patton (1987: p51) who believed the selection of the unit of analysis should be based upon the unit that you want to be able to say something about. From an idealist lens most research projects would have the time, capabilities and the tools to study everyone, everywhere, doing everything (Hill and Wright, 2001: p436). The selection of the unit of analysis is typically based on what the researcher wants to develop discussions based upon (Simmons, 2008).

As stated a qualitative research method has been selected, and therefore it is necessary to consider the features of a qualitative sampling. The work of Hill and Wright (2001) states that qualitative sampling usually involves working with smaller samples of people, and this sample according to Miles and Huberman (1994) is characteristically purposive, as opposed to random. Also, not all samples are pre-specified in qualitative

research. Samples may naturally evolve as the research progresses with initial informants changing within the process due to relevance or in the case of an SME firm, departure or firm closing (Hill and Wright, 2001: p437).

This research is interested in the relationship between SME MO and formalised SLCD. The unit of study within this research strategy is therefore agri-food SMEs. By investigating the ways in which the owner/managers of the case firms relate to formalised market intelligence, it was established that agri-food SMEs should employ no more than 250 employees and have a turnover of less than 10 million pounds in accordance with EU regulations. In considering the firms to be involved in this research, it was decided that purposive sampling would be the most efficient method in the selection of case businesses which were 'rich' in data significant to understanding the current research problem (Marshall and Rossman, 1995). While the role of probabilistic sampling is valuable in the selection of a truly random and representative sample, facilitating generalisations for the sample to a larger population, purposive sampling really is more suited to meet research with a substantive research problem (Shaw, 1999: p63).

This research will make use of the same respondents at each stage of the data collection, but is aware that informants may change through the research process. This may arise from the fact, that at the initial stage of this research, two key informants representing the SME firm were selected on title only, i.e. Owner/Manager, Marketing Director, or CEO. However, over time some informants may be more relevant and linked to the research than others. To ensure that the participating SME case firms would be relevant for this research, criterion sampling tactics were used (Patton, 1987). These will be discussed in more detail in the next section.

3.4.2 Research Sample of Case Firms

It was decided that in order to further this research, pre-determined criteria would be created so as to aid the researcher when in the field, to make objective decisions about the firms that they approached. To aid in the selection of relevant criterion, the researcher utilised wide literature relating to SMEs and MO, as well as building upon their experience and knowledge within this area of research built over the past two

years. This was created in conjunction with two governmental/industry practitioners. The two industry experts were fully briefed and informed about the research, the overall aim, objectives and key issues to be addressed. By doing this, the researcher felt assured and the research sampling criteria was therefore set as followed in Table 3.1.

Table 3.1 Research Sampling Criteria
1. The agri-food firms are independent firms.
2. The agri-food firms fulfil the definition of SME in accordance with the EU definition 2005.
3. The agri-food firms supply premium-niche food or drink products.
4. The agri-food firms represent different sizes within the SME definition utilised in this research.
5. The agri-food firms represent various stages in a business lifecycle.
6. The agri-food firms operate within varying sectors of the agri-food industry.
7. The agri-food firms operate within varying markets (national, domestic, local).
8. The agri-food firms representing various channels (Supermarkets, Tesco, Non-Tesco, Local Independents, Farmers Markets).

The set criteria facilitates the selection of different types of agri-food firms, ranging in age, number of employees, and operating in various sectors and selling in different channels. It was not possible to focus on any one sector due to the limited size of such sectors as Yoghurt and Cereals in the NI agri-food industry, but with such a varied selection possible, there will be opportunity for potential outliers.

This research will also focus on SMEs which add value to their products to create premium products, and are local to NI. Grunert (2005: p370) states that, *“Adding value is a customer-oriented concept- we only add value to food products to the extent that those consumers at whom the final product is targeted actually perceive these products as better- perceive them as having more quality”*.

Premium products SME food firms are constantly being challenged. This is a result of change, as Quelch (1987: p43) states, *“often the nemesis of the marketer of a premium brand”*, as what is premium today may become standard tomorrow, and so no business can afford to become complacent. Also the changing consumer needs and demands, the dominance of the supermarket retailer and more pressingly than ever, the impact of the economic downturn in recent years which has witnessed the battle of the retailers in the own brand value/ budget line war (Finch, 2009; Wallop, 2009).

As discussed, purposive sampling has been chosen within this research, which demands that the number of cases involved will be less in order for the researcher to gain comprehensive understanding of the research problem (Shaw, 1999: p63). According to Maykut and Morehouse (1994) when using purposive sampling, the number of participating case studies is not determined in advance of the researcher's entry into the field. Instead, the number of participating case studies is based upon the extent to which a new case will contribute to the full understanding of the research. This essentially ties into what Glaser and Strauss (1967) referred to as 'saturation' in which data saturation is achieved when no new data are being found in the interviews of the participants (Pickler, 2007).

Within this research, saturation occurred when seven SME case studies had become involved. The use of a sample of this size is justified through purposive sampling, as this sampling strategy appreciates the value of the researcher spending lengthy periods of time with each individual case study (Hill and Wright, 2001: p63). This research adopted a longitudinal approach. Although individual case studies were approached at various time stages, each case study was observed over a six month longitudinal period each. This approach is considered a particularly valuable methodology where the focus of the study is change or development of a variable (Walley et al., 2009: p261), which in this case is the relationship between SME MO and SLCD. This longitudinal approach also enabled the researcher to really get behind the owner/manager's responses as the researcher was in close contact with the owner/manager throughout the six months, asking questions, recording activities and providing the SME with formalised SLCD. This also facilitates further probing behind possible common response bias in the stage two semi-structured interviews, where the owner/managers may only tell you what they think you want to hear.

Once the criterion was established the researcher began to think about gaining access to potential businesses that would fit this study. This is an interesting phase in the research, as Van Maanen and Kolb (1985: p11) stated, "*Gaining access to most organisations is not a matter to be taken lightly but one that involves some combination of strategic planning, hard work and dumb luck*". In order to approach SME case firms whilst in the field, the research called upon the specialist knowledge of two experts with relevant experience in working with SMEs within the agri-food industry.

By doing this, the researcher felt confident in receiving the expert's identification of relevant businesses for this research. It was upon this direction that the researcher made contact with firms. In some cases, the experts may have facilitated some initiation between the researcher and the SME. The main incentive given for participation of SMEs within this research was the free access and dissemination of SLCD specific to each business.

The delivery of free access to what is typically considered expensive market information (Simmons et al., 2008) has been considered within this methodology, and may prove to be a limitation. However, previous scant literature in this area, such as Cacciolatti et al., (2009) and Fearne and Dedman (2000) did not raise this as an issue within their findings relating to the provision of free information for business use. The way in which a consumer reacts to free products and or services may or may not prove very different to a business' behaviour when in receipt of on-going free service. The fact that this is a longitudinal study, SME owner/managers are required to commit their time to this research and therefore may not consider this free service as 'free'.

Based upon the approach taken, research involved seven case studies in total, carrying out fourteen first stage interviews; forty-two participation observations over a six month period, and concluding with eleven final stage interviews. This was judged to be optimum for achieving an understanding of the research problem, aim and objectives. The next section introduces the data collection approach employed within the unit of study.

3.4.3 Data Collection Strategies

Owing to the uniqueness of the study and the researcher's awareness of the limitations of much traditional academic approaches to research, especially when researching social phenomenon (Crowther and Lancaster, 2009: p136), an action research approach to the study will be undertaken alongside the case based research. The two strategies are complimentary as can be seen in their positioning in Figure 3.0 in this Chapter.

3.4.3.1 Action Research

Action research has been viewed more as a strategy/approach to research rather than a specific methodology (Hyrkas, 1997; Crowther and Lancaster, 2009), which originated from Kurt Lewin's (1943) study on '*Forces behind food habits and methods of change*'. Since then much debate has occurred on what action research is and what it entails (Mc Niff, 2000). This research will apply the broad measures of general agreement defining the nature and purpose of action research, as discussed by Crowther and Lancaster (2009: p135), this approach involves "*practical hands-on field research in an organisation where the researcher has the objective of solving practical problems in the organisation with the view to solving real world problems*". This was based upon the thinking of Gill and Johnson (1997: p59) who viewed the approach as involving "*a planned intervention by a researcher... action researchers intend not only to contribute to existing knowledge but also to help resolve some of the practical concerns of the organisation*".

On review of the literature in the field of action research, five characteristics of action research have been cited which are of relevance to this study; problem centered, participation, cyclical, cooperation and professional development (Crowther and Lancaster, 2009: p135). Lewin (1943) believes that the credibility of the action research approach is based upon whether the actions solve the problems and realise the desired change. This was furthered by Lewin (1946) when he described action research as being essentially "problem centered". This problem therefore calls for action and research. The role of the researcher is an active one, in which the researcher participates in the organisation, addressing the problems identified, implementing proposed solutions to problems and assessing outcomes (Crowther and Lancaster, 2009: p135). There are a number of different approaches to action research depending on the degree of involvement of the researcher (Hart and Bond, 1995). This study involves a practical/deliberative relationship between the SME owner/manager and the researcher who facilitates the exposure of SLCD to SMEs. As changes are implemented and evaluated in this research, a feedback loop is necessary in order to further research and change processes. These change processes are implemented through the working partnership of a researcher and the SME. This interplay of action and research is aimed

at helping the SME owner/management become more market oriented (Crowther and Lancaster, 2009: p135).

Unlike much academic research which focuses almost specifically on the development of theory and scientific knowledge, action research combines theory, research and practice and in order to make research relevant to the everyday experiences of practitioners by decreasing the theory-practice gap (Elliott, 1991). This study adopts the approach of action research as it is aimed at developing the SME MO through the exposure to formalised SLCD.

This study is aware of the inherent disadvantages of action research; less control and '*unscientific methodologies*', but these disadvantages are outweighed by the advantage of action research in ways being akin to '*real life experimentation*' (Crowther and Lancaster, 2009: p136). The researcher will adopt an action research approach in which they will engage with SME agri-food case firms monthly over a six month longitudinal study. During this period the researcher will make contact at least once per month but all other contact must be initiated by the agri-food case firm owner/managers. Discussions and contact will take place by telephone, face-to-face meetings and or by email with a constant line of communication remaining open throughout the research period. This is supported by the more traditional strategy of a case based research to be discussed in the next section.

3.4.3.2 Case Based Research

Most research is of an ad hoc nature with research projects being designed and implemented with the aim of addressing a particular moment in time (Walley, 2009). Case study research was chosen as the most appropriate method for this study in order to address actions over a period of time. According to Yin (1994: p12) "*...the essence of a case study, the central tendency among all types of case study, is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented and with what result*".

Yin (1989) stated that a case study that is used for research purposes is "*an empirical enquiry that investigates a contemporary phenomenon within its real-life context*"

(p13). A case study is an inductive research method. Significant to this research is that of Lewis, Pick and Vickerstaff (2001: p302) who stated that “*case study research would therefore enable us to detect MO and the decisions and activities which underpin it even where they were informal and implicit*”. This case study research would therefore help the researcher to detect a change in MO and the decisions and activities which underpin this change.

There is no precise guide in the literature in relation to the number of cases to be included in a case study (Carson et al., 2001). This is supported by Patton (1990: p181) who states that ‘*there are no rules*’ for sample size in qualitative research. Often the decision of deciding the number of cases is often left to the researcher (Romano, 1989: p36). The researcher has adopted a purposive sampling approach with saturation achieved with seven case studies. This number supports theory which suggests that “*while there is no ideal number of cases, a number between four and ten cases often works well. With fewer than four cases, it is often difficult to generate theory with much complexity, and its empirical grounding is likely to be unconvincing*” (Eisenhardt, 1989: p545).

According to Stake (1995) “*The real business of case study is particularisation, not generalisation*”. The primary focus is taking a particular case and getting to know it well. The emphasis is on uniqueness, as each case is instrumental to learning about the marketing practices of each of the seven agri-food case firms and understanding the case itself before comparing with other cases. It has been suggested that good case study research is based upon “*process rigour*”; with the six month longitudinal observations improving the reliability and findings from stage one and stage two interviews. In terms of data collection, Eisenhardt (1989) recommends using multiple methods and analysing data both within case and cross case. The next section will discuss the methods of data collection to be used in this research.

3.4.4 Data Collection Techniques and Procedures

In this study, the researcher adopts the practice as described in Shaw (1999), in which the researcher decided that she would be the ‘*instrument*’ for collecting data. This is similar to the technique adopted for this research as the action researcher is responsible

for the collection of data both formally and informally. This fulfils the qualitative and exploratory nature of the research, in which the researcher gets close to the research subject, in the context in which the social phenomena naturally occurs.

The data was collected within the SME's natural environment the workplace, on days and times which were suited to the SME owner/manager, for example, outside of production times or a day when production was slower. The researcher chose to reject previously dominant instruments of data collection such as postal questionnaires or surveys (Shaw, 1999: p64), instead favouring methods that allowed data to be collected from the SME owner/managers in their working environments, capturing data rich in detail through flexible and open discussion of key themes and issues.

Data was collected during structured and semi-structured interviews with two personnel from the owner/management team within each individual case study. Each individual was interviewed separately. The method by which data was collected dictated the way in which the data was recorded. The structured interviews at stage one and stage two were structured and carried out in a face-to-face meeting with all data recorded on a digital recorder to be transcribed. Whereas, during the six month longitudinal period, interviews were unstructured and carried out face-to-face, via phone and on one occasion via email. Typically all face-to-face unstructured interviews were recorded digitally, however predominately the majority of unstructured monthly interviews were by telephone and were recorded by the interviewer manually during the interview. Any other forms of contact such as emails were recorded under observations, in which all contact between the researcher and the individual SMEs were recorded manually (See Appendix Two for sample of notes on contact).

3.4.4.1 Semi-Structured Interviews as Data Collection Tools

At its most simplistic state, the interview is literally an 'inter' 'view', an inter-change of views between two persons conversing (Kvale, 1996). The reasons for applying qualitative research methods are numerous in the form of interviewing as this method encompasses the depth of data, provides a voice for the subject, shows insight, flexibility and essentially the interview is an aid in building up of valuable information, a construction site of knowledge (Kvale, 1996). There are three main types of interview

formats adopted within research which range from unstructured, semi-structured and structured interviews.

At one end of the interview typology is the unstructured interview, which is typically a non-standardised interview. In this interview format the degree to which the content is structured is based upon the interviewer. Typically the interviewer applying this format simply has a list of topics which they want the respondent to talk about, which reinforces the idea that the research interview is the guided conversation (Lofland, 1971: p124). Through this 'conversation' the researcher is able to gather insight into feelings, memories and interpretations that according to Carson et al., (2001) cannot be discovered or observed in any other way. However, unstructured interviews are not without fault, as interviewers will face challenges in doing so, from unexpected participant behaviours, dealing with the interviewer's own actions and subjectivities and constructing and delivering questions which do not address the current topic (Roulston, de Marrais and Lewis, 2003).

Some researcher's may chose to adopt the semi-structured interview in which certain major questions may be asked from interview to interview, guided by an interview guide (Bryman and Bell, 2003), but considerable scope is available for further unstructured probing (Saunders et al., 2007). A major strength of this type of interview according to Fielding (2001) is that the interviewer is able to adapt the research instrument to the level of comprehension and articulacy to the respondent (Fielding, 2001), which is particularly important when dealing with individuals of varying levels of education and familiarity to interviews. On the opposing scale, to that of in-depth interviews is the structured interview. The structured interview is essentially a guided interview with predetermined questions to get to the core of the research being discussed. For the purposes of this research the following interview types were adopted: semi-structured interviews alongside observations.

3.4.4.2 Participant Observation as Data Collection Tools

Observation is simply the watching and observing of people, their actions and occurrences (Carson et al., 2001: p132). However, this type of observation is typically framed as non-participant or passive as the researcher simply collects data without any

interaction. Although this type of observation is valuable, this research requires in-depth insights within the research group through observation. This is typically known as participant observation, a *“method in which the observer participates in the daily life of the people under study... observing things as they happen... listening... questioning, over some length of time”* (Becker and Geer, 1957: p28).

Interestingly the role of participant has been broken down further into four degrees of involvement which a participant can adopt. This is Gold’s (1958) popular study on the classification of participant observer roles. These range from complete participant, participant-as-observer, observer-as-participant to complete observer. A complete observer is a fully functioning member of the social setting but their true identity is not known to members. The participant-as-observer is similar to that of complete participant but in this setting the researcher’s status is known and they are engaged in regular interaction. However, the observer-as-participant is mainly that of interviewer, and with limited participation. Finally, as a complete observer the researcher does not interact with people, in effect a non-participant (Bryman, 2008: p410).

Adopting a particular degree of observation is ultimately dependent on the researcher and the research context, as each type has advantages and disadvantages. Most literature to date establishes the importance of networking within SMEs (Gilmore, Carson and Rocks, 2006), and the importance of good communication and close relationships within the SME marketing field. Therefore the importance of the participant in getting close to the research group is crucial within this research with SMEs, but this brings with it the risk of *‘going native’* (Bryman, 2008: p412). This means that often within this situation the researcher may run the risk of becoming too wrapped up in the world view of the people that they are studying. This is what Brewer (2000) described as the *‘insider’* and *‘outsider’* status. In order to maintain good conduct in the field, Brewer (2000: p59) suggests that the researcher needs to *“maintain their balance... identify with the people under study and get close to them, but maintaining a professional distance which permits adequate observation and data collection”*. This can be achieved and aided by the researcher fitting into the routines of the persons with whom they come into contact with.

The key in this type of research is to ensure that the person being observed does not depart from their usual schedule. By doing this, the researcher builds a reciprocal relationship of mutual trust and cooperation (Roper and Shapiro, 2000: p17). It is not inevitable that the character of the data may or may not be affected by the quality of interaction between the observer and their respondent.

One common criticism of participant observation is that the people being observed may engage in untypical behaviour as a result of being observed (Waddington, 1994: p161), however, one might also suggest that because participant observation typically takes place over a period of time, participant observation helps to in fact reduce the likelihood of being deceived by the respondent, and reduces any potential bias (Burns, 2000). Also in addition to, the fact that the observation occurs over a longitudinal period, this lessens the bias according to the researcher's perspective and stimulus (Carson et al., 2001: p140).

This form of data collection fits with the idea of researcher participation in action research (Carson et al., 2001: p167). There are varying levels of participation within action research, such as the technical level, practical level and the emancipatory type of researcher participation. The ideal level is that of emancipatory where the researcher is involved in change within the project alongside those being researched. Through this level the participants gain both technical and practical improvements but more importantly this level facilitates understanding and ultimately through desired improvements aids participant's empowerment and self confidence (Zuber-Skerritt, 1996: p5). Essentially emancipatory action research within business can lead to "*new ways of thinking that restructures processes and saves costs*" (Carson et al., 2001: p168). However, this type of research does face challenges within business and on business contexts, as firstly, it is important that the group selects the problem to be worked on so that people may own the problem and the solution, however, difficulty arises when not all members are central to the action research and are only peripheral, and therefore they may not have the same commitment to the process. A second issue, particularly within a business setting, is often the daily but practical pressures of running a business which may take priority over the action research (Carson et al., 2001: p168).

Despite these challenges, the value of participant observation within action research is significant, as action research gets really close to the business reality where the researcher/participant observer reflects on the actions of the business, the owner/manager in this situation, and in turn refines and strengthens the thought processes and solutions to issues identified. To conclude, *“action research with its process of longitudinal research in context, including cycles of observation, interpretation, action and reflection, allows for understanding, construction and testing of explanations, as well as modifications and learning”* (Carson et al., 2001: p169). Although participation observation is chiefly concerned with the observation and recording of the activity of the subject, the principle of ‘triangulation’ is used alongside more than one source or method of data collection such as interviews. Both interviews and participant observation will be adopted in this research in order to achieve a holistic approach to this exploratory research.

3.4.4.3 Collecting Data

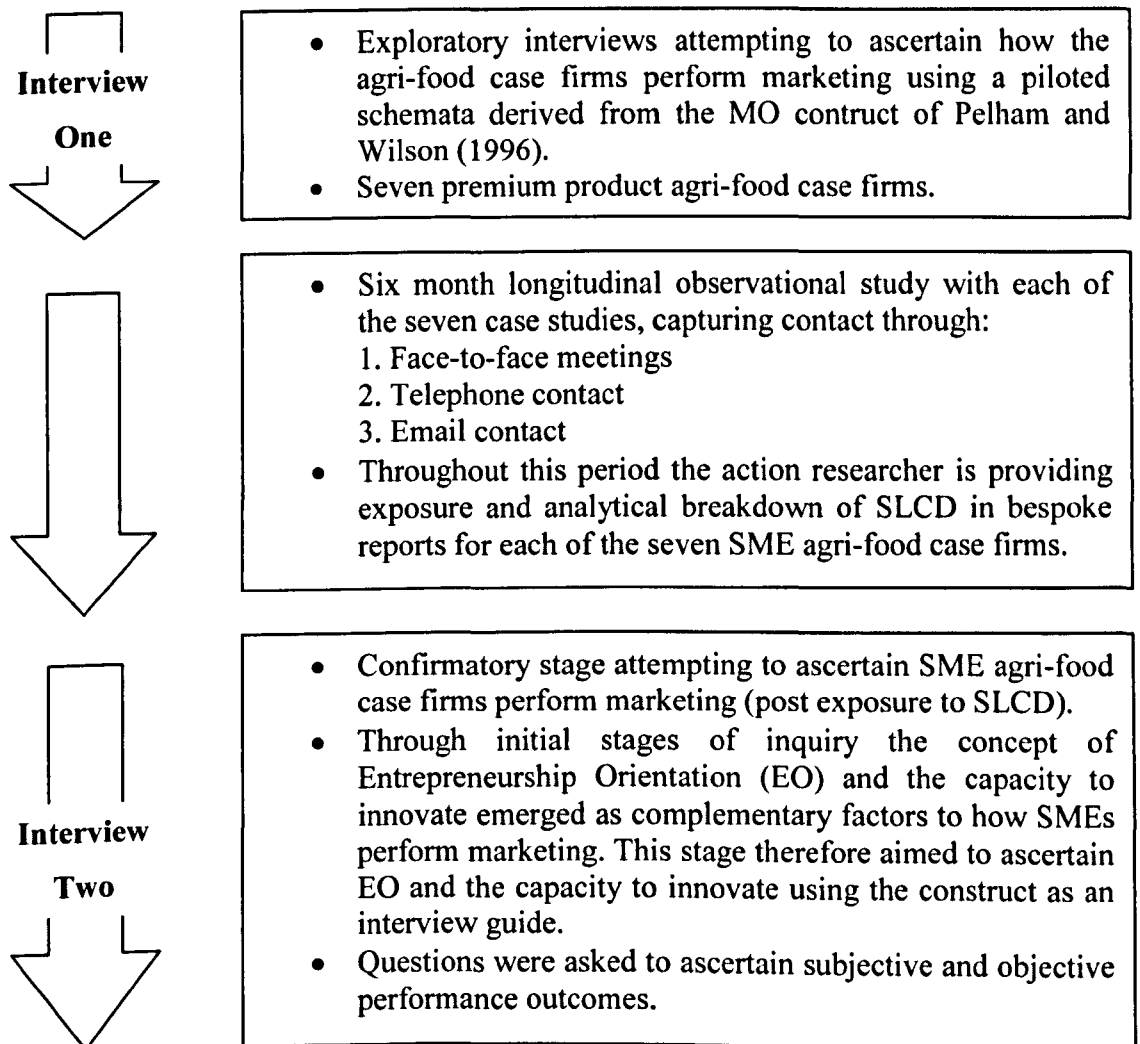
Semi-structured face-to-face interviews were used as the primary method of data collection in the study, with two participants interviewed in each agri-food SME before the longitudinal exposure to SLCD. However, by Interview Two, only owner/managers who had been in contact with the researcher throughout the six month longitudinal period were interviewed as a key participant. Standard contact was made once per month between the action researcher and owner/manager within each firm. This provided the SME owner/manager with the opportunity to request SLCD. Monthly observations were based on open ended questions exploring the daily operations of the business, where as the interviews were based on a set of semi-structured questions deriving from Pelham and Wilson (1996) MO study on SMEs.

Interview Two also included semi-structured questions on Entrepreneurship Orientation (EO) and capacity to innovate. The interviews lasted approximately between 40 to 70 minutes each, and were digitally recorded and subsequently transcribed. Each case study was explored individually focusing on the current MO practices of the SME in Interview One before assessing the MO practices and Interview Two after exposure and utilisation of SLCD. Finally, a cross case analysis was performed where case studies MO was analysed at Interview One and Interview Two addressing each element of MO,

EO and capacity to innovate. The nature of the in-depth interview process allowed for the application of key research issues deriving from the conceptual framework.

The data collection was conducted over a longitudinal period, in discrete phases, beginning with desk research, reviewing extant literature which identified themes and issues as a foundation for interview questions to be developed. This was followed by a small number of preliminary pilot studies to test the interview questions, in advance of the two stage interview process with agri-food SME owner/managers and the longitudinal participant observations. An overview of the research process is illustrated in Figure 3.2.

Figure 3.2: Overview of Longitudinal Research Process



3.4.4.4 Pilot Studies

A thorough review of the extant literature provided the researcher with semi-structured interview questions aimed at exploring the relationship between SME MO and SLCD. In order to test the interview questions, and to be confident that the questions being posed would generate key data, a pilot study was undertaken. An initial pilot study to test the proposed interview questions was conducted with a sample of seven participants, three SME owner/managers, two larger SME Marketing Managers of factory produced products, and two industry experts (Department of Agriculture and Rural Development (DARD) and Invest NI). These participants were accessed through the current work the researcher was undertaking alongside DARD, therefore utilising access to Industry experts and SMEs.

In the first stage of the pilot studies, four participants were provided with the MO questions (See Appendix Three) as detailed in Table 3.2 below.

Table 3.2: Summary of Participants in Pilot One

Pilot	Meeting	Type	Produce/ Sector	Life-stage
1	27-01-10	Owner/ Manager	Onions and Leeks	Established- 20 years
2	28-01-10	Marketing Manager	Wet Salads	New start up business (July 2009)
3	28-01-10	Industry Expert	Senior Food Business Development Adviser	Working with agri-food businesses for past 15 years
4	05-02-10	Owner/ Manager	Lettuce and Cut Flowers	Third generation family business

The participants were interviewed as if they were completing an actual interview for the research, providing the researcher with as close to actual scenario. The research setting was chosen, participants informed of the research, and in turn asked to circle the statements in relation to the market orientation questions. On average this was completed well within the ten minutes allocated. The participants suggested removal of DARD logo, as well as the use of the acronym VCR2 and replacing this with the Ulster Business School logo to reemphasise the local nature of the project as well as having the

Kent Business School logo. The researcher was conscious that one of the three participants did not take the time to read the first page of the statement sheet, instead going immediately to the second page to complete the task. The participants felt that the description or statements needed to feel more tangible to them as the respondent, thereby removing 'big' or 'academic' words and headings, such as changing the wording from 'orientation' to 'focus'.

Overall the participants liked the structure and length of the statements being asked. Even in this early stage of research key themes were evident. For example, different responses illustrated that some businesses are focused on meeting customer (supermarket/ retailers) demands first in order to satisfy consumers. Whereas others will ensure consumers are satisfied, which will in turn satisfy the customer (retailers). It also emerged that the rating of the statements were quite high, but on further in-depth discussion, participants in most cases realised they had scored themselves higher than where they consider themselves to be. The value of the statement questionnaire is merely that of a conversation starter, with real in-depth data being gleaned from the discussion of each statement to follow in the interview.

The pilot data provided considerable insight into the basic issues being studied in the research. This information was used in conjunction with an on-going review of extant literature so that the final research design was informed both by existing theory and by a fresh set of empirical observations. The information derived from stage one pilots with four participants accompanied by supervisor feedback, enabled the researcher to draft a pre-final questionnaire to be piloted at a sector workshop (See Appendix Four). This provided the researcher with a great opportunity to complete interviews with two personnel from the one agri-food SME. The same questionnaire was also piloted with an industry expert who works daily with SMEs across Ireland in food distribution (See Table 3.3 below).

Table 3.3: Summary of Participants in Pilot Two

Pilot	Meeting	Type	Produce/ Sector	Life-stage
5 a	11-02-10	Marketing Manager	Cereals	Farmer controlled Business Unit
5 b	11-02-10	Marketing Manager	Cereals	Farmer controlled Business Unit
6	12-02-10	Industry Expert	Food Sector Marketing Advisor	Working with Small and Large Businesses in NI and the Rep. of Ireland

The value of interviewing two personnel from the same business was crucial as it provided the researcher with insight into how different people perceive the same firm to be performing. Minor editing of words, formatting and addition of more information boxes on page one for the details of the business were suggested. Participants also liked the negative marketing statement so that they didn't get complacent rating themselves at the higher end of the scale throughout. In fact some statements required the participants to stop and think carefully before rating themselves.

As a result of the preliminary research interviews, the interview questions and protocol were tested. Pilot interviews were recorded by a tape recorder and transcribed in order to capture what participants stated, so that the researcher could manually analyse in order to refine the questions and the framework for stage one interview. By doing this, the researcher was ensuring the validity in the research which is regarded "*as a continuous process... that requires the researcher to continuously assess his assumptions, revise his results, retest his theories and models and reappraise the given limitations that have been set for the study*" (Gummesson, 2000: p93).

3.5 Execution- Case Based Research

SMEs fulfilling the eight criteria outlined previously (Table 3.1) were selected over a period of time using contacts within the agri-food industry to initiate awareness of the research with the SME owner/managers. Once businesses were made aware, the researcher immediately followed up with a contact email. The email was structured as follows:

- It introduced the researcher and explained how the researcher obtained their contact details.

- It provided a brief overview of what the research involved, highlighting the free access and follow up analysis of SLCD.
- It highlighted the benefit of SLCD to all businesses across all markets.
- The choice for following up on the email was left to the discretion of the recipient as the researcher provided the business with full contact details.
- The participant was made aware of further contact opportunities, via a phone call or for the researcher to visit their business to discuss further.

Of the ten businesses that were made aware of the research, seven decided to follow up with an email and a meeting. At this stage, participants were asked for their permission for interviews to be digitally recorded for research purposes only (transcription and analysis), with assurance that their identities would remain confidential and any quotations for the study would remain anonymous.

3.5.1 Execution of Interview One

By Interview One the researcher had developed an in-depth knowledge of the subject matter under consideration and was therefore able to explore all issues arising within the interview. The qualitative statement questionnaire was used as a conversation starter (See Appendix Five), providing the participant with time to reflect on each statement before discussion. The same semi-structured questions were asked of all participants, although in some instances their responses required the researcher to further the discussion specific to their circumstances. This enhanced the richness of the data, something which is not possible with questionnaires or surveys.

All interviews were arranged at a time and a location suggested by the interviewee in order to facilitate their working day and to ensure that the participant would be at ease. All interviews were therefore completed in the comfort and relaxed atmosphere of the interviewee's office. By ensuring a relaxed and friendly atmosphere (Hair et al., 2003), the researcher was confident that the interviewer would reap more richness. However, despite being a friendly atmosphere, interviews that took place within the office setting were frequently interrupted by other members of staff, telephone calls or other noises. Taking into consideration the interview location and the nature of the agri-food firm, the researcher ensured that consideration was given to their dress code. The researcher

chose to dress smartly as all interviews took place within an office setting, taking into consideration the style of those to be interviewed (Saunders et al., 2007).

The element of trust and good relationships are important to SME owner/manager (Gilmore, Carson and Rocks, 2006). The researcher wanted to create a good rapport with the participants before interview in order to put the interviewee at ease as well as ensuring that a basis for good relations and communication was being built for the continuation of the study. The researcher began the interview by making reference to the business surroundings, the journey to the business and the weather. The researcher informed and reassured the participants that the interview and involvement in the research was voluntary and completely confidential. The exact nature of the study was explained to the interviewee prior to the start of the interview as a means of attempting to reduce any opportunity of interviewees preparing themselves for anticipated questions (McKechnie, Ennew and Read, 1998). Only when the researcher felt that the interviewee was comfortable and at ease, did the researcher produce the digital tape recorder. In the majority of the fourteen interviews, participants were not conscious of being recorded. Those who were conscious of being recorded were reassured that all data was confidential and the tape recorder was placed out of the eye line of the interviewee.

The researcher began the interview using very simple questions relating to the SME owner/manager on their role, their responsibilities and background to the business. By beginning with open but factual questions, the researcher was encouraging the SME owner/manager to speak freely and comfortably about something that was relatively straightforward and important to them. This approach is recommended by Fielden et al., (2003) who highlighted the role of factual questions in interviews to help increase confidence of the interviewee and to establish a rapport between the researcher and the interviewee.

The formulation of Interview One questions was based upon previously tested interview questions deriving from review of the extant literature, and feedback from the seven participants in the pilot study. Interview One set out to explore the current marketing practice of the SME owner/manager on a daily basis, taking into consideration their awareness of the consumer, their awareness of the competitor, their interfunctional

coordination and their behavioural response. Interview One, therefore sought to fulfil Objective One: *To explore SME agri-food market orientation before exposure to supermarket loyalty card data.*

The theme-based framework (Figure 2.2) addressed SME MO both culturally and behaviourally in the exposure and utilisation of SLCD within the agri-food SME context. The researcher was aware that challenges would arise in relation to assessing the owner/managers MO. For example, the researcher was aware that owner/managers may view themselves as highly market oriented if asked directly '*How marketing oriented are you?*', thereby expanding the truth in relation to their actual orientation. In order to overcome this, the researcher aimed to adopt Jones, Hecker and Holland (2003) approach of leading the interviewee into the area of consumer, competitor, interfunctional coordination and behavioural response, encouraging them to talk expansively within these areas without any direct reference to MO.

Building upon the components of MO, this research followed based the semi-structured interview questions loosely upon the previous MO study of Pelham and Wilson (1996), Kohli, Jaworski and Kumar, (1993) and Greenley, 1995). However, the interviewee would be free to speak around the semi-structured questions posed as they see fit.

Throughout Interview One the researcher tried to ensure that participants were provided with clarity on any question which appeared to confuse them, to ensure that all participants understood each question in the same way. When the opportunity arose, participants were also encouraged by the researcher to provide examples or elaborate further. The researcher was careful not to cut into the interviewee's conversation, particularly when rich information was being shared. At all times, the researcher remained engaged and used words or signals such as 'Yes' or a nod or a smile to encourage the interviewee to continue with their response (Van der Velde, Jansen and Anderson, 2004).

On conclusion of the interview, the researcher thanked the participant for their time and their discussions. The researcher reassured the participants about the confidentiality of the information shared and informed participants that they would receive a copy of the transcript within a week of the interview being completed. All interviews at stage one

were completed by tape recorder and played back manually to be transcribed verbatim. Huge volumes of rich data was extracted from the recordings and saved in a safe location under password lock.

3.5.2 Execution of Longitudinal Observation

Throughout the longitudinal study with all case firms, three types of communication channels were used to observe the SME agri-food firms. That is, 29 telephone calls; 17 face-to-face meetings; and 1 email contact. Each case firm selected whichever means of communication suited them best. Five of the seven case firms favoured telephone contact, whilst two of the case firms favoured face-to-face meetings (All details of contact are summarised in Table 3.4).

The length of observations varied in time span from 6 minutes by C4 on observation six to 1 hour 30 minutes by C2 at observation two. The most contact time for observation between the researcher and the case studies was with C2 with over 362 minutes contact over the six month longitudinal period, at an average of 1 hour per observation. The shortest contact time between the researcher and the case study was with C1 which accumulated to 147 minutes over the six month longitudinal period, at an average of 25 minutes per observation.

For three of the seven case studies (C2, C3 and C4), observations were completed between the researcher and two management level personnel from the business (owner/managers), but not always at the same period.

Table 3.4: Method of Communication Utilised during Longitudinal Period of Research

Case Studies	Month/ Methods	One	Two	Three	Four	Five	Six	Summary
C1	Method	Telephone	Telephone	Telephone	Telephone	Telephone	Telephone	6 Telephone with 1 main contact Total: 147 min/ 24.5 min
	Contact	C1P2	C1P2	C1P2	C1P2	C1P2	C1P2	
	Time	20 min	21 min	26 min	30 min	20 min	30 min	
C2	Method	Telephone/ Meeting	Telephone/ Meeting	Meeting	Meeting	Meeting	Meeting	6 Meetings/ 2 Telephone with 1 main contact Total: 362 min/ 1hr
	Contact	C2P1	C2P1/ C2P2	C2P1	C2P1	C2P1	C2P1	
	Time	15 & 50 min	15 & 1hr 30 min	1hr 10 min	45 min	52 min	25 min	
C3	Method	Telephone	Telephone/ Meeting	Telephone	Telephone/ Meeting	Telephone	Telephone	6 Telephone/ 2 Meetings With 2 contacts Total: 247 min/ 41 min
	Contact	C3P2	C3P1/ C3P2	C3P2/ C3P1	C3P1	C3P1/ C3P2	C3P1/ C3P2	
	Time	20 min	15 & 40 min	20 & 16	8 & 1hr 5 min	15 & 17 min	5 & 26 min	
C4	Method	Telephone	Meeting	Telephone	Telephone	Telephone	Meeting	4 Telephone/ 2 Meetings with 1 main contact Total: 194 min/ 32 min
	Contact	C4P2	C4P1/ C4P2	C4P2	C4P2	C4P2	C4P2	
	Time	50 min	1hr 12 min	18 min	21 min	27 min	6 min	
C5	Method	Telephone	Telephone	Telephone	Telephone	Telephone	Telephone	6 Telephone with 1 main contact Total: 166 min/ 28 min
	Contact	C5P2	C5P2	C5P2	C5P2	C5P2	C5P2	
	Time	15 min	30 min	40 min	30 min	36 min	15 min	
C6	Method	Telephone	Meeting	Meeting	Meeting	Meeting	Meeting	5 Meetings/ 1 Telephone With 1 main contact Total: 185 min/ 31 min
	Contact	C6P1	C6P1	C6P1	C6P1	C6P1	C6P1	
	Time	40 min	30 min	40 min	31 min	31 min	13 min	
C7	Method	Meeting/ Telephone	Telephone	Telephone	Email	Telephone	Meeting	4 Telephone/ 2 Meeting/ 1 email with 1 main contact Total: 154 min/ 27 min
	Contact	C7P1/ C7P1	C7P2	C7P2	C7P2	C7P2	C7P2	
	Time	55 & 17 min	25 min	20 min	—	26 min	11 min	

3.5.3 Execution of Interview Two

Interview Two took place six months after Interview One. During this longitudinal period each SME was observed by the researcher at least once per month. It was therefore deemed useful to determine the SME's MO after exposure to SLCD, to determine whether any change took place. Therefore a second interview was designed based upon the format and semi-structured questions of Interview One. In doing this, the researcher would get a better understanding of the impact of SLCD and it would fulfil the following objective:

Objective Two: To explore SME agri-food market orientation after exposure to supermarket loyalty card data.

Findings and analysis of Interview One accompanied by the findings deriving from the six month longitudinal study (Chapters Four and Five), also suggested that consideration of emerging areas of interest needed to be addressed in Interview Two. From these findings Entrepreneurship Orientation (EO) and the capacity to innovate emerged from findings across all seven agri-food case firms.

EO has been described as a multi-faceted and multi-dimensional construct (Covin and Slevin, 1991), comprising of as many as five dimensions (Lumpkin and Dess, 1996). This study will focus upon the three dominant dimensions typically associated with this orientation. They are innovativeness, pro-activeness, and risk taking (Zahra, 1991; Covin and Slevin, 1986).

Innovativeness refers to a willingness to support creativity and experimentation in the business's internal and external operations (Menguc and Auh, 2006; Knight, 1997; Lumpkin and Dess, 1996), as a means of departing from old ways and adopting an 'openness' to new ideas within the firm's culture (Hult and Ketchen, 2001). The readiness of the business to depart from established practices is an established element of innovativeness (Hansen et al., 2011: p62). However, SMEs experience significant pressure to develop unique strategic competence (Li et al., 2008: p119) within a market which is undergoing structural change as well as growing expectations from consumers, such as the agri-food industry in NI. Atuahene-Gima and Ko (2001) suggests that

including innovativeness into the strategic configuration of the small business in combination with MO, this will lead to improved performance.

Pro-activeness refers to the ability of firms to seize the initiative in the pursuit of marketplace opportunities (Baker and Sinkula, 2009). It is typically regarded within a forward thinking perspective and with being the first mover (Li et al., 2008: p119). Often this propensity is regarded as aggressive as a proactive business competes with rival businesses in the pursuit of favourable business opportunities (Hansen et al., 2011: p62). Proactive firms are therefore more inclined to discover resources and opportunities in their external environment than their less proactive counterparts (Stevenson and Jarillo, 1990). Typically for market oriented SMEs, they have limited resources in the established market in contrast to larger firms. Therefore Li et al., (2008: p120) suggests that the competitive advantage of an SME often depends on their speed with which they enter the market and their ability to meet consumers needs.

Typically risk taking can be exhibited by the willingness and action of owner/managers committing time and resources to support a new idea or to fulfil an opportunity (Lumpkin and Dess, 1996). The risk in this behaviour is typically the uncertainty of the outcome or the unusually high or low loss associated with the investment (Hansen et al., 2011: p62). Entrepreneurial businesses tend to undertake higher risk taking in the interest of obtaining high returns (Lumpkin and Dess, 1996). SMEs with limited resources therefore run the risk of losing all if they do undertake a high risk and fail, particularly they may not be able to sustain a risky project long enough to see the fruition of the investment (Aragon-Sanchez and Sanchez-Marin, 2005).

The three core dimensions of EO discussed have been measured using an EO scale as constructed by Knight (1997). This eight item scale otherwise known as the ENTRESALE provides an assessment of a given businesses degree of entrepreneurship at the firm level (Knight, 1997: p213). This is demonstrated in Table 3.5.

Table 3.5: Dimensions of Entrepreneurship Orientation Scale

Entrepreneurship Orientation Scale
The manager(s) of our business favour a strong emphasis on the marketing of already tested and successful products or services as opposed to a strong emphasis on R&D, technological leadership & innovation.
The manager(s) of our business have a strong inclination for low risk projects as opposed to a strong inclination for high risk projects.
The manager(s) of our business believe in gradual and cautious incremental behaviour as opposed to bold, wide ranging acts.
When confronted with decision-making involving uncertainty, our business typically adopts a cautious, "wait and see" attitude to minimize the probability of making costly errors as opposed to adopting a bold, aggressive attitude to maximize the potential of exploiting potential opportunities.
Our business has experienced significant change with new lines of products or service since its start up.
In dealing with competitors our business typically responds to actions which competitors initiate rather than typically initiating action to which competitors can then respond.
In dealing with competitors' our business is seldom the first business to introduce new products or services, administrative techniques, operating technologies etc.
In dealing with competitors, our business typically seeks to avoid competitive clashes preferring a "live and let live" stance as opposed to a very competitive "undo the competitors" stance.

Source: Knight (1997: p213)

Innovation has received various definitions through the literature, from the classic definition of innovation laid by Thompson (1965: p36) as the "*generation, acceptance and implementation of new ideas, processes, products or services,*" to Amabile et al., (1996: p25) as the "*successful implementation of creative ideas within an organisation*". Both are similar statements illustrating an overlap in organisational learning alongside innovation. Several innovation taxonomies exist but the most embedded of which are radical or incremental innovation (Chandy and Tellis, 2000: p2). Radical innovation refers to major changes in technology/knowledge that stems from the discovery of something new, where as incremental innovations refers to changes or advances on already established technology/knowledge within the business (Naidoo, 2010: p1312).

More recently in terms of MO, two constructs of innovation have been defined in terms of innovativeness and the capacity to innovate (Baker and Sinkula, 2009), building upon the previous examination of the stages of innovation as discussed in Zaltman, Duncan and Holbek (1973). Innovativeness, as a measure of an organization's orientation toward innovation, represents an 'openness' to new ideas and is an aspect of

organizational culture (Hurley and Hult, 1998). The capacity to innovate represents the ability of an organization to adopt or implement new products, ideas or processes successfully. Innovativeness, when combined with resources and other organizational attributes, creates a greater capacity to innovate and superior performance (Baker and Sinkula, 2009).

These underlying areas were therefore addressed in Interview Two with the questioning of the SME on their MO after exposure to SLCD. Building upon this, further semi-structured questions were asked in relation to the new areas of strategic orientation and whether they assist the relationship between SME MO and SLCD. By Interview Two, the researcher and the participants had already established a good rapport, so discussion flowed easily and honestly. As in Interview One, all interview data was digitally recorded and transcribed.

3.6 Data Analysis

The complexity of mass volumes of qualitative data deriving from Interview One and Two provided the researcher with a substantial task in making sense of the data. According to the literature, analysing qualitative data presents interpretivists with a range of problems (Simmons, 2008; Coffey and Atkinson, 1996), one being the lack of detail in techniques as highlighted by Morse (1994) who stated that "*despite the proliferation of qualitative methodology texts detailing techniques for conducting a qualitative project, the actual process of data analysis remains poorly described*". Easterby-Smith et al., (2002) also discusses the difficulty of condensing highly complex and context bound information into some kind of format which tells a story in a way that is understood and believed by the reader. Importantly it is acknowledged that academic method books such as Stake (1995), Coffey and Atkinson (1996) and Flick (2006) "*provide persuasions, not recipes*". Instead the researcher needs to experience and reflect, to find the form of analysis which works for them (Stake, 1995: p77).

3.6.1 Procedures in Data Analysis

As part of the analytical process, attaching codes to data and generating concepts have important functions in enabling the researcher to rigorously review what the data is

saying (Coffey and Atkinson, 1996). The literature presents various procedures to coding qualitative data such as categorisation, unitising data and recognising relationships (Saunders et al., 2007). Data is categorised during the process of coding, and attaching labels to particular chunks of data (units of data) relating to the phenomenon (Ghauri and Gronhaug, 2005). Categories need to be structured and “...*must have two aspects, an internal aspect- they must be meaningful in relation to the data, and an external aspect, they must be meaningful in relation to the other categories*” (Dey, 1993: p30). It is the responsibility of the researcher to develop the unitisation in alignment with the research aim thereby data will be selectively arranged into a manageable and comprehensible form (Saunders et al., 2007). The units can be words, a paragraph from the transcript, or a particular chunk of text that fits the category (Simmons, 2008). Through this process the researcher may be able to identify and recognise emergent patterns in the data, recognising relationships and developing the categories. This analysis will revise the data continuously sub-dividing and or integrating categories as a means of refining and focusing the analysis (Dey, 1993). Through this interactive process categories are refined and focused on addressing the research aim and objectives (Saunders et al., 2007).

In order to address the complexity of large volumes of qualitative data, whilst maintaining the richness of the data, the researcher was required to adopt a systematic and rigorous process which allowed the extraction of key themes from the data (Saunders et al., 2007). The researcher had gained intimate knowledge of the data at both interview stages through the transcription of all thirty-five interviews and six months of observations. Interview transcripts were analysed with the purpose of identifying and categorising common themes, statements and references, for identifying the impact of exposure and for enabling conclusions to be drawn. The themes by which the data was being guided derived from the knowledge gained throughout the review of extant literature (Chapter Two).

3.6.2 Selection of the Data Analysis Approach

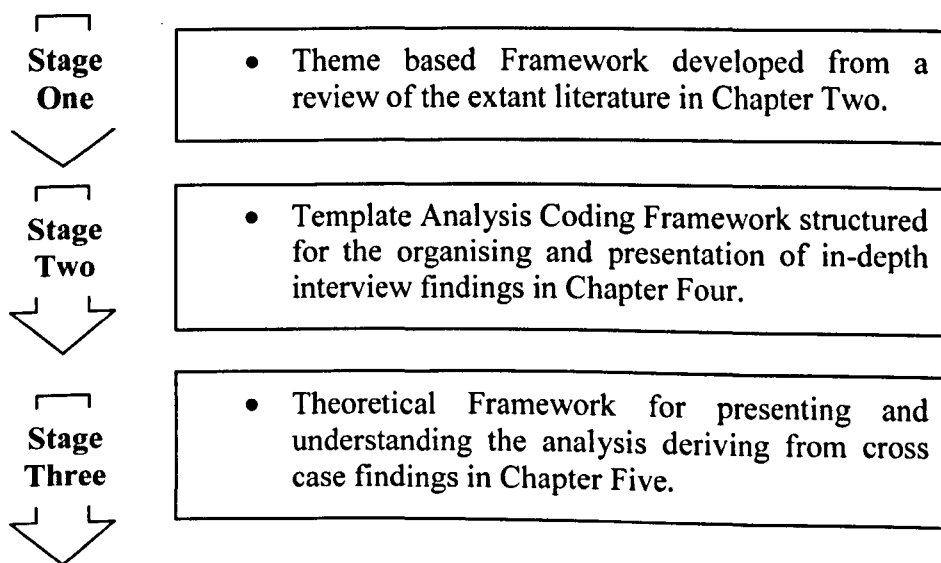
This study approaches research analysis from an inductive approach which ultimately informed the researcher’s decision to adopt a Template analysis as a means of categorising themes revealed from the data collected.

According to King (2004) in the template analysis approach, categories will be predetermined and subsequently added to or amended as the data is collected and analysed. This allows the researcher to be more flexible in her approach to analysis, shaping the analysis to suit the data being collected.

The framework for analysis was based on the components of MO previously cited within the review of the extant literature. Data from the interview transcripts were broadly categorised by four main themes in Interview One (consumer orientation, competitor orientation, interfunctional coordination and behavioural response). Through Interview One findings accompanied by findings gleaned through the six month observational period, the template was added to, with new categories emerging exploring EO, with sub categories of innovativeness, risk taking and pro-activeness, as well as the capacity to innovate and finally Performance. Therefore although categories were predetermined from the literature prior to Interview One, the analysis was added to allow for further discussion of emerging themes arising from the initial data collection findings.

A coding protocol framework for both interview stages (See Appendix Six and Seven) was developed. Once interviews were transcribed, the researcher immediately set about coding data into themes. Hierarchies were developed providing depth of analysis as the researcher progressed through each layer of categorisation. The themes extracted from the data set ultimately guide the Template analysis coding framework, which in turn will contribute towards the final research framework (See Figure 3.3 below).

Figure 3.3: Development of Research Framework



3.7 Limitations of Research Method and Sample

The selection of both the research method and research sample naturally dictates the type of the data being collected, the findings produced, the analysis and the overall outcomes of this study. Despite the selection being informed and supported by relevant literature, it is not immune to limitations. McGrath (1982) stated that it is not possible to do an unflawed study. Any research method chosen will have inherent flaws and the choice of that method will limit the conclusions that it will draw. Before commencing discussion of empirical outcomes in Chapter Four and Five, the researcher acknowledges a number of limitations which impact on both the choice of qualitative data collection and the research sample. These are discussed further in this study alongside ways in which the researcher attempted to address each limitation during the research design process.

The researcher has chosen interviews as the main form of data collection before and after the longitudinal exposure to SLCD, in order to obtain rich in-depth data directly from the participants. However, a number of criticisms have been identified in regards to the interview tool. The practical issue of time, travel, recording and pinning the interviewees down is always challenging and often stressful (Collis and Hussey, 2003). In the interview procedure, the role of the interviewer is a challenging one, as Richardson (2000, p925) highlights the issue of inconsistency arising from the data collected by the interviewer. In many cases the interviewer may be biased, finding it difficult to remain objective and not leading. Understandably the researcher's characteristics, gender and social attributes enter the research interaction (Olesen, 2000: p226). In this study, the interviewer did not lead the interviewee, instead, choosing to ask general questions around the components of MO. All interviews were recorded so as to help the researcher control bias and to transcribe verbatim for analysis purposes.

Essentially the value of the data collected is dependent upon the willingness of the participant to engage and interact (Mason, 2002: p64). In all seven case studies, all interviewees were made to feel at ease and in return responded openly to the interviewer. They also had the added incentive of knowing that they would gain from participating in this research as they would gain free access and analysis from SLCD after the interview.

Despite the selection of SMEs using industry experts and extant literature to inform the choices, the researcher faced limitations which arose during the longitudinal period. At Interview One, two of the fourteen participants had only recently joined their respective agri-food firms and so Interview one was not as valuable due to their lack of working knowledge of the firm. The researcher curbed this by interviewing two participants per SME.

In Interview One, fourteen participants were interviewed, but by Interview Two, only eleven participants were available for interviewing. The reason for this decrease in interviewees was something beyond which the researcher could control. In C4, by month two of the observations C4P1 had departed the business. When interviewed at Interview Two (month 3), the participant did not fully inform the researcher why he had parted and the researcher felt that this ultimately affected the performance of his interview. By month six of the observations, C4P2 was interviewed for Interview Two prior to his departure from the business. There was understandably a major contrast in opinions from C4P1 to C4P2 in how the business was operating due to the gap in time period as well as personal experience of working in the business. These external factors ultimately affected the value of C4's Interview Two. Also during the observational period three of the fourteen participants were pregnant, with one going on maternity leave at month two of the observations and therefore not available for Interview Two. Overall the researcher attempted to curbe any extenuating factors by keeping in contact with the main informers within each firm. In doing this, the researcher achieved second stage interviews with a representative(s) from all seven case studies.

3.7.1 Ethical Issues

Essentially when researchers address the issue of ethics they need to focus on two main aspects: the first issue being the protection of the research subjects or informants and the second ensuring the accuracy, and non-bias in the final results of the research. All key principles in Ethics Research (Easterby-Smith et al., 2002) were adopted by the researcher, ensuring that consent was achieved fully by all research participants, that the information shared was confidential and that the anonymity of the individuals and their respective business was protected at all times. As the SMEs involved in the research all operate within the agri-food industry in NI, they are likely to know each other and

possibly compete against each other for shelf space. Therefore it was extremely important that information obtained during the interviews and observations was confidential, particularly, as the observation provided invaluable insight into NPD, meeting with retailers, information on case firms' day-to-day operations, which would be of interest to competitors. All information analysed specifically for the SME from SLCD was used only by the SME in question and not shared with any other SME.

All interviews were recorded either by a tape or digital recorder in both stages, but not all observations during the six months were recorded digitally. Instead the researcher had to take notes whilst on the telephone. All note-taking was undertaken with the knowledge of the participant at all times. All transcripts from Interviews One and Two were transcribed and a copy sent to each interviewee individually via email to their personal accounts. The researcher ensured that honesty and transparency were communicated at all times during the research with all information within the research being reported in accordance.

3.8 Implications for Findings and Analysis Chapter Structure

Through the development of the methodology of this study, the researcher has selected the semi-structured interviews and observations in conjunction with the template analysis to collect, code, and analyse the qualitative data.

The following Chapters Four and Five are analysed around the Template Analysis Coding Framework derived directly from the theme-based framework which ultimately provided the basis upon which the data collection was formed. Chapter Four presents findings on a case by case basis into SME MO and SLCD, whilst Chapter Five provides the cross case analysis to summarise the overall impact of SLCD exposure on SME MO. Building upon Chapter Four and Five, Chapter Six will conclude by addressing the research aim and objectives of the study, and present recommendations for future research based on the analysis of the findings of this research and the knowledge gained.

3.9 Conclusion

This Chapter has provided robust evidence as to how the study will address the research problem through the data collection and analysis strategies employed. The following Chapters Four and Five will present the research findings and their analysis, building upon the framework adopted in this Chapter, with final discussion held in Chapter Six.

Chapter Four
Case by Case
Findings

CHAPTER FOUR: FINDINGS

4.1 Introduction

The qualitative interviews discussed in Chapter Three and utilised in this research generated in-depth and comprehensive findings which will be detailed in this Chapter. In order to understand the relationship between SME MO and SLCD, semi-structured interviews were adopted at the start and end of the longitudinal empirical research process with seven agri-food case firms.

The purpose of Interview One was to fulfil the following objective:

Objective One: To explore SME agri-food market orientation before exposure to supermarket loyalty card data.

Interview One aimed to create the foundation of the research's understanding, and ultimately key issues arising from Interview One were probed further in Interview Two after exposure to SLCD. Therefore the data analysed and presented in Interview One is significant in informing Interview Two and in aiding to address the following research objectives:

Objective Two: To explore SME agri-food market orientation after exposure to supermarket loyalty card data.

Objective Three: Develop a theoretical framework that interprets the relationship between SME market orientation and supermarket loyalty card data.

The literature review and coding analysis employed in this research (Appendix Six and Seven) have provided broad categories in which to structure the agri-food case interviews interviewed through a semi-structured interview process with key findings explicated.

4.2 Overview of Interview Process

The qualitative interviews undertaken in Interview One were carried out using both a manual and a digital tape recorder. Each interview was transcribed to produce in-depth transcripts. The researcher combined two forms of data analysis: management software accompanied by manual coding to identify key issues, common themes, categorising and isolating statements; and highlighting similarities or differences where they appeared in the text.

The main issues for consideration were initially identified through the review of key literature on MO for Interview One, with interview transcripts broadly categorised into four main areas as follows: Consumer Orientation; Competitor Orientation; Interfunctional Orientation; and Behavioural Response. Within each of these categories four further areas of interest were addressed (See Appendix Four of final interview questions). The interviews were semi-structured which allowed for other issues to arise which did not fall within the broad categories, but did however contribute to the understanding of the agri-food case firm's current MO.

On completion of Interview One, the longitudinal observations had allowed the researcher to observe MO during exposure and utilisation of SLCD. Common themes emerged from both these stages which warranted further research within Interview Two. The researcher therefore adapted Interview Two to explore other constructs that were evident during the previous stages alongside MO. In particular, Entrepreneurship Orientation (EO) and the capacity to innovate were identified by the researcher as constructs that warranted further study. They are developed as finding themes pertaining to Interview Two.

4.3 Profile of Case Studies

The anonymity of participants and the businesses is paramount in accordance to ethics regulations. Therefore this research uses coding for each interviewee as another means of identification. Each business involved in this research is represented by two individuals who are involved with the ownership and or management of the business

and or involved with marketing of the business. The following provides an overview on each interviewee and their agri-food firm (see Table 4.0 for summary of each business):

- C1:** A yoghurt business set up in 2008, and in the second year of start up. Managed and run by one of the interviewees (C1P2), and overseen by the Estate Manager interviewee (C1P1). Until March 2010 they produced two yoghurt flavours in two different pack sizes respectively. However, when first interviewed the business was undergoing change with the development of new flavoured yoghurts. They supply various outlets from the local speciality farmers market, to the large multiples including Tesco as well as into the Food Service.
- C2:** A fresh soup company set up in 2009, and in the first year of start up. Managed and owned by both interviewee one (C2P1) and two (C2P2). The interviewees have four different types of flavoured soup which they supply to local independents and Food Service.
- C3:** A health food company which is a family business run by family members, with interviewee (C3P1) Managing Director/Owner, and interviewee (C3P2) Marketing Manager. This business has been growing over the past eight years diversifying from whole food salads to whole food drinks. They currently supply the Republic of Ireland (ROI) multiples, but do not currently have a market in NI or GB.
- C4:** A bakery company which is a family business but managed and run by non family members, with interviewee (C4P1) Managing Director and interviewee (C4P2) Commercial Manager. This business has a long history and service to the bakery industry in NI, setting up in 1955 producing home baked morning goods. However, within recent years the business is working to expand their sweet goods lines. They currently supply independents, and the multiples in NI, ROI and GB. They do not supply Tesco.
- C5:** A mushroom company set up in partnership in 1998. Interviewee (C5P1) is one half of the owner/management, and interviewee (C5P2) is the Business Development Manager. The business originally sold loose mushrooms but

within recent years it has expanded into prepacked stuffed mushrooms. They currently supply food service, independents and cafes/restaurants. They do not supply Tesco.

C6: A tea company set up in 2005, and is five years in operation at Interview One. Owned and managed by two friends, interviewee (C6P1) and interviewee (C6P2). C6P1 manages the marketing and public face of the business and C6P2 manages the finances and internal operations of the business. They supply tea largely to restaurants and cafes, in speciality markets in NI/GB/ROI and internationally and directly through their website to consumers. They do not supply Tesco.

C7: A chilled convenience family food company that specialises in ready meals, soups and bakery products. Set up in 1988, 22 years in maturity. Family member Interviewee (C7P2) manages the business, and nonfamily interviewee (C7P1) is responsible for production and technical management of the business. They supply local independent stores in NI and parts of the ROI with all their products.

The following Chapter will present findings on a case by case basis. A summary table is provided as an overview of the agri-food firm case findings before in-depth breakdown of findings follow on a case by case basis. This table summaries key findings deriving from Interview One (before exposure of SLCD), the six month longitudinal study (during exposure of SLCD), and finally Interview Two (post exposure of SLCD).

Table 4.0: Summary of the Seven SME Agri-Food Firms involved in this Research

SME	Participant	Focus/ issues	Size*	Start up	Years Old	Sector	Current market	Family	Supply Tesco	Current Channels
C1	C1P1 C1P2	Launching new flavours into supermarkets to create larger consumer base	5	2008	2 years	Dairy- Yoghurt	NI/ ROI/ENG	No	Yes	Supermarkets, farm shops, Independents Service sector
C2	C2P1 C2P2	Trying to establish brand as home-made artisan soup and to build business	3	2009	10 months	Vegetable-Fresh Soup	NI	No	No	Independents
C3	C3P1 C3P2	Creating a new category with innovative health foods in multiples	13	2002	8 years	Pulses/Cereals-Wholesome health foods	NI/GB/ ROI	Yes	No	Supermarkets
C4	C4P1 C4P2	Launching new indulgent products & strengthening brand image	40	1955	55 years	Bakery-	NI/ROI/ GB/USA	Yes	No	Supervalu, Centra, Sainsbury, Dunnes
C5	C5P1 C5P2	Expansion of business through stuffed prepared mushrooms but also looking for new opportunities	20	1998	12 years	Vegetables-Mushrooms	NI/ ROI	No	No	Superquinn, Dunnes Independent Cafe's and delis, Restaurant, Food Service
C6	C6P1 C6P2	Aiming to get into supermarkets	6	2005	5 years	Drinks- Teas	NI/ ROI/GB/ International	No	No	Food service, Retail Farmers markets On line
C7	C7P1 C7P2	Strengthen their hold on the market	55	1988	22 years	Ready meals, soups & desserts	NI/ROI	Yes	No	Independents, Butchers

*Number of Employees

4.4.1 Summary of C1's Market Orientation Pre and Post Exposure to SLCD

Prior to exposure of SLCD	<ul style="list-style-type: none"> Utilised a range of informal market information to obtain understanding of consumers and competitors, e.g. discussions with buyers/retailers, feedback from consumers.
	<ul style="list-style-type: none"> Small in size and at early stage of business so felt restricted by limited finance, people and time.
	<ul style="list-style-type: none"> Accessed Tesco link utilising the sales information only.
	<ul style="list-style-type: none"> C1P2 (Operations and Production Manager) plays a central role in running the business and making decisions.
During exposure of SLCD	<ul style="list-style-type: none"> C1P2 was able to see for the first time what consumers purchased their products.
	<ul style="list-style-type: none"> C1P2 was able to see areas in NI that were poorer in sales performance.
	<ul style="list-style-type: none"> The data provided a motivational boost to the agri-food case firm providing insight into C1's performance against other big players in NI.
Post exposure of SLCD	<ul style="list-style-type: none"> Utilisation of SLCD changed C1P2's thinking, providing knowledge of the consumer and competitors.
	<ul style="list-style-type: none"> Utilised SLCD as a means of starting conversation with buyers/retailers.
	<ul style="list-style-type: none"> C1P1 suggested that the maximum benefit of using SLCD had not been fully received as they had concentrated on many things as opposed to focussing on one key product.
	<ul style="list-style-type: none"> C1P2 felt that it was naive prior to receiving SLCD, expecting that once in possession of actual market information they could do what they wanted. C1P2 believed that they are more realistic six months on with their actions considered within the firm's capabilities.
	<ul style="list-style-type: none"> Typically risk adverse by nature, but exposure to SLCD instilled confidence in their ability to take risks to grow more in NI.
	<ul style="list-style-type: none"> Low level of innovation and had no real ambition to diversify.
	<ul style="list-style-type: none"> Overall performance of firm up by 80% over the past year. Although the impact of exposure to SLCD difficult to quantify financially, SLCD was seen as integral to business development.

4.4.1.1 Interview One

4.4.1.1.1 Consumer Orientation

C1 utilised formal market research such as Mintel to understand the state of the Yoghurt market on start-up. Although C1 found the information interesting, the C1P2 believed *“it’s not a very useful and easily used type of information”*. One form of formalised information which C1 felt they benefited from was Tesco link as it monitored *“how sales are going in volume terms per store”*. However, out of all forms of market information C1 considered in-store tastings and feedback from the retailers the most rewarding providing C1 with a basic understanding of who their target consumer was. On set up C1 had no plans to be a massive food manufacturing organisation as the overall business objective was to *“use all of our milk in the manufacturing process, and that is our objective more than anything”*. In fact, in terms of growth C1P2 stated *“we don’t intend to grow beyond our own milk source because we have that artisan feel and you know that’s all we want to do”*. C1 therefore felt that they had a loyal consumer base which made it easier to sell further products to. However, C1P2 believed that due to the early stage of the business, the main drive of C1 was in attracting new consumers as C1 was not according to C1P2 a widely known brand.

4.4.1.1.2 Competitor Orientation

C1 tended to utilise observation of shelf space, promotions and pricing within the retail outlets to understand what competitor’s were doing. However, C1P2 was aware that this method *“is not perfect science by any means, but that’s how we look at it”*. Another source of information was through discussions with buyers as C1P2 suggested *“They (the buyers) won’t directly tell you that this Company is doing this for us... but reading between the lines you can generally pick up things where buyers’ are pointing you in a direction”*. C1 was strongly aware of who their competition was, and were able to identify key competitors in terms of price point and quality. In the Yoghurt market C1 was driven by the fact that the weakness of their competition was that they were not local NI products, which was in fact C1’s strength. Building upon this weakness of competitor’s, C1P2 discussed their advantages, *“it was a great marketing play, a strength that we have is that we are truly local and we have great provenance and we know exactly where the milk is coming from”*.

C1 did not feel that they were 100% focused on actions of competitor's at all times, stating *"Our strategy is focused on trying to build on what we are doing"*. However, C1P2 felt that they were restricted by what they could do as a small business with capacity restrictions on their production and resources, *"So although we watch what they (competitors) are doing, there are certain paths we cannot follow anyway"* (C1P2).

4.4.1.1.3 Interfunctional Coordination

Due to the small number of employees in C1 (n=5) most information was shared extensively as employees were involved in production as well as the delivery process. C1P1 believed employees did not need to understand the consumer per se, stating *"They (the employees) wouldn't have the same interest, they wouldn't have the same decision-making, you know, the same position"*. Essentially the quantity and quality of information available to C1 was little with the nature of the market information varying according to C1P2, *"so on very specific decisions on what is happening on a certain location it is based on figures and on others are based there is an element of what we feel is happening..."*

C1 was currently working on launching new flavours and actively sought the advice of the buyers for pot size and types. The influence of the buyers was significant to their decision-making, *"We were led very much by the buyers of our three main customers... we put a lot of weight on their opinion"* (C1P2). As well as this opinion, they also accessed Mintel to understand the best selling flavours, and during the developmental stages they ran taste panels to finalise recipes. Although important for C1 to do the tastings, C1P2 emphasised the importance of personal thoughts and quick decision-making, as C1P2 stated *"we (C1) are such a young company and we are making decisions on the hoof as we go!"* Typically decisions were initiated by C1P2, *"I suppose our one drawback is myself. Predominately I make 95% of decisions on my own, you know, without any outside influence. So a lot of the decisions are solely mine"*.

4.4.1.1.4 Behavioural Response

Innovation was active within C1 despite the financial difficulties associated with bringing new ideas to fruition, *"we are as proactive as we can be with the financial limitations that are there"*. C1P2 suggested that due to the young stage of the business,

C1 was debating whether to invest in new ideas or wait for stability before investing. C1P2 continued to suggest that C1 also appeared to appreciate that a balance was required between efficiency gains and technological advances as well on market research and market opportunities. But C1P2 suggested *“there is no point being efficient if the product that you are making amazingly efficiently isn’t selling, so it is more important to know what you’re going to do is going to sell at volume”*. In fact C1P1 believed that C1 was at a stage of growth and the need for market research was higher than before. C1P1 discussed the importance of incremental growth within C1, and the building of the business at a steady rate, in which market research and opportunities would go hand in hand with the rate of growth.

C1 did have a written marketing plan which was in place for two years, designed to expand the business outside of the UK as well as progressing flavoured products. Although C1 could implement a marketing plan in a timely fashion C1P1 suggested that it didn’t necessarily mean that they would move fast *“because of the financial constraints actually, of starting a new business and the fear of over extending”*. C1 perceived itself as risk adverse in nature due to the structure of the business and its presence within a larger Estate.

4.4.1.2 Longitudinal Observation

The below Table 4.1.1 illustrates C1's engagement with SLCD over the six month longitudinal period.

Table 4.1.1: C1's Longitudinal Engagement with SLCD

Time Period (Months)	Market Orientation	Observation
One	Cultural	<ul style="list-style-type: none"> • C1P2 would like a better understanding of the performance of the new flavours and competitors within the yoghurt market. • C1P2 considering letting go of the part-time marketing personnel.
	Behavioural	<ul style="list-style-type: none"> • C1P2 aims to do a joint promotion with another NI Company. • Request for information on Competitor's performance.
Two	Cultural	<ul style="list-style-type: none"> • Report on competitor's analysis- C1 was pleased to see that their sales were surpassing that of their competitor's.
	Behavioural	<ul style="list-style-type: none"> • C1 is engaged in upcoming trade shows in May and September 2010. • Analysis of C1's products against an individual competitor (Report request).
Three	Cultural	<ul style="list-style-type: none"> • Better understanding of consumer. • Good interfunctional coordination at the taste testing and bringing in new production staff. • Developing an awareness of competitors.
	Behavioural	<ul style="list-style-type: none"> • Involved in taste testing within Tesco. • Continues to use the Tesco link. • Starting to launch flavours range in local and multiple outlets. • At this stage when questioned about the last report received, C1P2 stated "<i>I don't know if I am using this (SLCD) right, but I am using it as reassurance that we are making in-roads on our competitor's</i>". • An upcoming event organised by Tesco is taking place in London- use opportunity to speak with another NI company about cross promotions. • C1P2 – used SLCD to identify best performing stores to target future taste testing or demos. • Request for information on Luxury and Whole milk.
Four	Cultural	<ul style="list-style-type: none"> • Stronger understanding of the Luxury and Whole milk markets.
	Behavioural	<ul style="list-style-type: none"> • C1P2 received the Luxury and Whole milk reports,

<p>Four</p>		<p><i>"I got to scan this as usual but in no great detail. I was pleasantly surprised to see that the Luxury and Whole milk category is growing!"</i></p> <ul style="list-style-type: none"> • C1P2 informed the researcher that C1 is taking on a new marketing girl, <i>"I was talking to her about this information and how she might wish to use the dunnhumby information to base her strategic marketing plan on for the next six months"</i>. • Report requested on Clandeboye Flavours.
<p>Five</p>	<p>Cultural</p>	<ul style="list-style-type: none"> • July is a busy time with summer holidays so everyone is involved in the production in C1 and C1P2 did not get time to read the Flavours report. • C1P2 is conscious that the new flavours have been pitched at a high price.
	<p>Behavioural</p>	<ul style="list-style-type: none"> • Providing sponsorship for the Ulster Museum event for Businesses. • C1 is running promotions on 2 for £1 within Tesco, and they are carrying out samplings in NI, using the dunnhumby data to identify weaker stores.
<p>Six</p>	<p>Cultural</p>	<ul style="list-style-type: none"> • Stronger understanding of both the consumer and the competitor.
	<p>Behavioural</p>	<ul style="list-style-type: none"> • In-store demos-<i>"posed questions to them taking into consideration what dunnhumby had shown"</i>. • C1P2 opted to perform sampling in the middle performing stores, <i>"As well as that through the information from dunnhumby we were able to brief the samplers on who we believe our consumer to be"</i>. • C1P2 glanced at the last report which reinforced what C1P2 thought about best selling flavours.

4.4.1.3 Interview Two

4.4.1.3.1 Consumer Orientation

C1 had utilised the formalised SLCD gaining significant understanding into what consumers purchased, *“It (SLCD) changed my notion slightly marketing wise as to where we should be pushing”*. However, C1P2 did state that despite having access to SLCD, C1 struggled to make the most of the information due to the small size and hectic nature of the firm. C1P2 found the initial stages of exposure to SLCD most interesting but interest waned towards the end of the longitudinal period, as C1 spent *“Less time on it (SLCD reports) on the last couple of go’s as we should have done in contrast to the start”*. As a result of SLCD, C1P2 directed the new marketing personnel to focus upon a slightly mature audience.

Throughout the observational period, C1 continued to rely on communication with buyers and retailers as well as networking events such as Balmoral and taste testing events to glean informal market information on consumers. With hindsight at Interview Two C1P2 admitted *“Maybe I actually mistakenly thought I knew who my consumer (was)... and I was answering if from the point of view that I believed that I did know...”* After exposure and utilisation of SLCD, C1P2 stated, *“Maybe it has changed slightly now as maybe I feel I now know as I am better informed”*. C1 expressed the belief that SLCD reinforced and confirmed assumptions and opinions that they held previously, as well as providing further insight into consumers. In fact information on consumer baskets had opened C1P2 mind into a new way of thinking in relation to joint promotions, *“We really thought some sort of joint up marketing with... the breakfast guys was absolutely the way to go. But maybe now thinking along a little bit differently, on the savoury side”*.

Since the introduction of SLCD, C1 continued to use samplings and taste testing to attract new consumers to the products. But a slight change in approach occurred where original samplings and taste testing which would have been directed towards the Young families and Young professionals, were now directed towards a different consumer. C1P2 stated, *“Probably now when I am briefing the tastings people I am directing them... slightly more towards the more mature”*. However, despite having access to this formalised information, C1 suggested that the business operated incrementally, *“And as*

much as we have lots of information and we would like to do lots of things and it's all very step by step" (C1P2).

4.4.1.3.2 Competitor Orientation

C1P2 requested SLCD on competitors stating *"it was maybe so much as reassurance that we were achieving and who we were getting a bit from"*. This was supported by C1P1 who was keen to see how C1 was performing against competition with SLCD providing positive findings, *"What really chuffed us was that we overtook (one competitor) by ½%"*. However, the actual utilisation of SLCD on competitors was uncertain as C1P2 suggested, *"Whether we were actually using it (SLCD) to act upon it at all, or whether we are so small and have so little information it was great to get an idea of where we were in the pecking order at such an early stage so maybe that was more an ego thing or wanting to know where we were at to be perfectly honest"*. SLCD appeared to highlight a number of competitor's, particularly opening C1's eyes to the role of the supermarket own brand products, *"Initially because you (C1) are a branded product you looked at (branded competition). Whereas in actual fact... particularly when you look at (supermarkets) it is very obvious that it is their own brand that has the biggest section of the market" (C1P2)*. C1 remained aware of their competitor's, keeping a close eye on them as possible, but aware of the difficulty competing against the larger business, *"We can't react as quickly as a large company does but what we can do is to badger the retailers if we see that we are not getting promotions that other people are..." (C1P2)*.

4.4.1.3.3 Interfunctional Coordination

C1P1 utilised SLCD as a *"point of conversation"* with those in superior positions of the firm such as the Directors to demonstrate knowledge of the market and the product and to boost morale. Otherwise SLCD was shared in quite an informal way through telephone conversations or ad hoc meetings. Despite communication and utilisation of SLCD, C1P2 believed *"it's hard you know to put a lot of that into action"* due to a limited budget. C1 was utilising both SLCD alongside informal information sources such as discussions.

C1P2 was ultimately responsible for sharing of information and did so with the new PR marketing personnel in order *"To give her (PR personnel) a feel of who is buying, what*

areas and the different sorts of information based on that which will guide her". Ultimately C1P2 entrusted in the PR personnel to make key marketing decisions using this information. C1P2 also shared the market information with the Farm Manager who had an interest on how Yoghurt was going as a means of understanding on a strategic level as *"We have larger strategic meetings about how we should spend money and he will have more input then"*.

C1P1 and C1P2 were assured that a common understanding of consumer purchasing behaviour between all employees was held, as C1P2 stated *"absolutely... we are definitely more informed now than what we were six months ago"*. C1P1 suggested that the market information being used was to aid learning, *"that is why we need this information. Knowledge is power"*. C1P2 favoured SLCD over the Supplier Tesco link information for more in-depth understanding of the consumer. The effect of SLCD over the past six months had changed the thinking of C1P2 *"...just those basic things without going into massive detail, definitely changes our thinking"*.

4.4.1.3.4 Behavioural Response

C1P1 suggested that SLCD had changed C1's thinking stopping them from fully concentrating on current products but encouraging them to look at other products such as frozen yoghurt. C1P2 suggested that new products had come around through necessity as new flavours were based on feedback from buyers and consumers. C1 also relied on feedback from consumers to drive other areas of innovation such as packaging, using taste tastings and sampling as a forum for information.

C1 believed that there was a balance between efficiency gains and technological advances in conjunction with market opportunities however, realistically C1 was limited by the practicalities and logistics of what they could do which *"definitely limits the action you can take on the likes of that information (SCLD) that you (the researcher) have"*. C1P2 also believed that a more realistic outlook on the business had been adopted since the exposure to SLCD in relation to implementing marketing plans, *"Previously I was a bit more naive and thought 'off course if we had great ideas and a marketing plan we could go after it big style', but maybe I am more realistic now"*. Once C1 had exposure to SLCD, C1 realised that carrying out big ideas was not totally practical within the firm's current financial situation but the future marketing by C1

would be implemented more successfully in contrast to the previous stage six months, as C1P1 stated “...because we know what we want to achieve and we know much more about the people out there”.

4.4.1.4 Entrepreneurship Orientation

Most of the decision-making was made by C1P2 on a daily basis with the decisions made on the flavours based on the most common yoghurt types, as C1P2 stated that “Initially we felt that if we went extreme or tried to differentiate ourselves too much with unique flavours, it would be hard to get people to lift and try”. C1P2 believed that C1 was typically risk adverse due to the history of how the company developed, “it probably took much longer in the initial stages... And I think that tempered people’s ability to take risks” (C1P2). During these initial stages resources were spent for little return, resulting in no further major risks taken until everyone was confident that the business was truly profitable. Overall C1P1 suggested that having this knowledge gained through SLCD was comforting instilling confidence in C1’s ability to take risks. In fact C1P2 stated “you know it’s probably refocused us slightly on putting more into NI and to get more out of NI as there is still room for growth there”.

4.4.1.5 Capacity to Innovate

Although C1 possess many innovative ideas, C1P2 stated that SLCD did not provide any further ideas in relation to new products. SLCD was useful in looking at best performing flavours and C1 believe it would utilise this information again to probe future flavours. Essentially C1P2 was limited financially in how they will grow and what they do as illustrated by C1P2 who suggested that, “we don’t have any wild ambitions to massively diversify into totally different products or anything, and again that is down to money and spend”.

4.4.1.6 Performance

In relation to the past six months, C1 was probably up 80% on sales on the previous period, with performance for C1 being measured really by turnover and profit. C1P2 stated “it would be hard to quantify whether it has or not, or whether it directly has or

not". It had impacted C1's understanding of the consumer as a slightly more mature adult as well as providing confidence in what C1 was doing and talking to. However, despite the difficulty in trying to establish what caused the financial increase, C1P2 adopted the following stance, *"I am not a marketing person but when you talk to people and say 'oh I don't know if we got much out of that', and they turn around and say 'think where you would be if you hadn't done it', who knows"*. Overall C1 suggested that SLCD had contributed towards the bigger picture.

4.4.2 Summary of C2's Market Orientation Pre and Post Exposure to SLCD

Table 4.2: Summary of Case Study Two	
Prior to exposure of SLCD	<ul style="list-style-type: none"> • Possessed good awareness of the consumer profile through informal in-store observations, demos and consumer feedback.
	<ul style="list-style-type: none"> • Possessed good awareness of competitors through in-store observation watching shelf space and gaining important information through network contacts and networking opportunities.
	<ul style="list-style-type: none"> • Small in size and restricted by financial and time resources to respond to or initiate innovative ideas.
	<ul style="list-style-type: none"> • Conscious of risk due to the small size of the business.
During exposure of SLCD	<ul style="list-style-type: none"> • Secured a contract with Tesco to supply five soup lines. A large part of this success was using SLCD to support their brief.
	<ul style="list-style-type: none"> • Awareness of the consumer and competitor was enhanced as SLCD provided C2P2 with fresh and new insight of the soup market in terms of who was buying and helped aid differentiation of C2's soup products from that of competitors.
	<ul style="list-style-type: none"> • Adopted a more focused and narrower view of the target consumer using SLCD and buyers were impressed that C2P2 was well read on the soup category.
Post exposure of SLCD	<ul style="list-style-type: none"> • Largely relied on valuable consumer feedback from Trade shows and demos as well as SLCD.
	<ul style="list-style-type: none"> • Increased in their employee coordination through attendance of the Garden Gourmet Party in which staff got to engage with consumers.
	<ul style="list-style-type: none"> • Decision-making was assisted by SLCD and was regarded as something solid to base decisions on, making the business look more professional.
	<ul style="list-style-type: none"> • Despite having access to SLCD, still conscious of risk taking.
	<ul style="list-style-type: none"> • SLCD was instrumental to the firm's incremental innovations.
	<ul style="list-style-type: none"> • Although still at early stages of set up, the firm's performance since start up was good. Entry into Tesco with five lines was fundamental to C2 success and SLCD was integral to achieving this.

4.4.2.1 Interview One

4.4.2.1.1 Consumer Orientation

No real “*black and white*” market information was used by C2 to understand actual consumer purchasing behaviour. According to C2P2 “...*market information is usually based on ourselves, seeing what is out there, seeing the products, tasting the products*”. C2P2 emphasised the importance of gut feel and opportunity particularly when working within their firm. But C2 expressed the need for more market information in order to inform the business of what consumers actually want. C2 had a good idea of who their consumer was, but much of this idea derived from “*purely going out there and doing demos*”. A lot of what C2P2 did was based on instinct stating “*it’s all in my head. You just do it*”. Although C2 did not have access to information directly on what their consumers purchased, C2 relied heavily on their distributor to inform them of where their products were being sold. However, C2P2 suggested that other objectives drove the business, such as expanding their customer base by approaching new stores. However, not all retailers were accessible as C2P2 believed “*I personally don’t think that we are at the stage to go into the likes of Tesco because we don’t have enough information gathered, it’s all very much instinct and they are just going to laugh at us*”.

4.4.2.1.2 Competitor Orientation

C2P2 used previous experience of working in food retail to carry out competitor analysis, involving store visits and taking notes on what is selling and buying samples. C2 also used networking, such as C2P2’s agri-food links through her Masters study as well as contact with buyers, stating “*we had a long conversation with a soup supplier you know. That is really how we get our information you know on competitors rather than the black and white forms of reports*”. By doing this C2 believed they did know who their main competition was both locally and regionally. C2P1 suggested that some of the local competition had a much greater shelf presence within the small stores due to the good relationship of competitors with the retailer.

C2’s business objective was centred on “*being the best fresh soup*” in the market place and by achieving this, C2 believed that this was their point of difference. C2 positioned their soup at a higher price point than competitors as C1P1 suggested “*if our soup was at the same level as some of our competitor’s we would not survive*”. An obvious trend

arising amongst C2's competition was that of promotions. C2P2 was adamant that they would not slash the price of their soup to match competition, "*because we can't, we can't afford too*". C2P2 looked at competitor's products and tasted them as a means of assessing them against C2's products but believed they were not focused on the actions of their competitors at all times, as C2 preferred to think that they were more focused on what they were doing as a business. C2 did acknowledge that they were aware of competitor's but did not follow their lead as C2 were not in favour of doing promotions. C2 were also focused on the current environment in which they operated and the effect of the current economy on their operations. The strategy of C2 was straightforward without much analysis and research which C2P2 was accustomed to for eleven years in a previous job, as C2P2 stated "*now that is all out the window completely, because it is our gut feel*".

4.4.2.1.3 Interfunctional Coordination

C2 was a micro-firm with three employees including joint management with information shared informally. There were no structured meetings and much of the discussion happened naturally according to C2P1, "*while we are making the soup or while we are doing something, we are constantly talking*". However, C2P1 suggested that because the full time employee was in production there was not a great need for him to know what the consumer is purchasing. C2 believed that they were well coordinated with management overseeing all batches of soup and being on the premises during operation. C2 relied on informal market information in the form of in-store observations and consumer feedback in conjunction with management's personal gut feel to inform their decision-making. Essentially C2P2 decision-making was driven by opportunity identification as C2P2 stated "*It's all totally intuitive and sort of 'where is there an opportunity, what can we do next and getting the time to do it'*".

4.4.2.1.4 Behavioural Response

C2 was driven largely by C2P2 who regarded innovation as something which she loved to do. C2P1 suggested that C2P2 was "*constantly thinking of innovation and is constantly looking at what's on the shelves to see what we can bring different*". However, despite all the ideas which C2P2 comes up with, C2 was restricted by limited cash flow, particularly within the current climate. In general the business focused more on market research and opportunities as opposed to efficiency gains, as C2P2 suggested

that technology within C2 was simply one large cooking pot as all soup was made manually by hand. At C2's early stage focus was on maximising opportunities and seeing what C2 can do more.

Both C2P1 and C2P2 were aware of the importance of having a marketing plan from their previous job but felt that due to the early stages of growth in their business accompanied by limited resources of time and finance that implementing a costly marketing plan would not be feasible. But in terms of turning around new sauces or soups, they believed that once a customer was satisfied, products could be turned around extremely quick so long as there was no cost implication. For example, *"From the day they (customer) said he would take us on we turned it around in three weeks... If (C2P2) comes up with a new idea and it requires £10,000 investment then that's the difference"*.

4.4.2.2 Longitudinal Observation

A summary of activity of C2's engagement with SLCD has been captured in Table 4.2.1.

Table 4.2.1: C2's Longitudinal Engagement with SLCD

Time Period (Months)	Market Orientation	Observation
One	Cultural	<ul style="list-style-type: none"> • C2P1 anxious about summer sales decreasing. • Limited understanding of consumer purchasing soup.
	Behavioural	<ul style="list-style-type: none"> • C2P1 doing weekend artisan market and experiencing positive consumer feedback. • Developing pasta range for warmer weather. • C2P1 suggests utilising SLCD to analyse soup.
Two	Cultural	<ul style="list-style-type: none"> • Based on the seasonality report, C2 states that they need to look at what sells, looking at the best performing products listed and who produces them, <i>"In order to get into the likes of Tesco we need to be stating that our product is just as good, if not better than these top performing products and say why"</i>. • C2P2 is aware that consumers like local soup as the top performing product is a local business. <i>"This is good for us. But yet we need to ensure that we are different from them and not another 'me too'"</i>. • C2P2 was aware that the business in the Independents alone was not enough, <i>"We need to go into the multiples by next winter. Therefore we are trying to build and create the right pitch for the multiples using information we get from the dunnhumby (SLCD) data"</i>.
	Behavioural	<ul style="list-style-type: none"> • C2P1 analysed four different brands of Fresh Soup- strengths and weaknesses of the competitor's packaging as C2P1 and C2P2 are strongly considering a relabeling. • C2P1 has a promotional plan in September running for 4 weeks to relaunch products with nutritional information. • C2P1 was involved in a networking opportunity at the University of Ulster which set up contact with multiples.
Three	Cultural	<ul style="list-style-type: none"> • The value of utilising SCLD for the pitch, <i>"I suppose you can look into this (SLCD) in so many</i>

Three		<i>ways, but at the end of the day, you are saying it confidently and you have evidence to back it up, you know that's what it is about..."</i>
	Behavioural	<ul style="list-style-type: none"> • C2P1 plans to take a paper copy of the report into the meeting to provide a top line introduction to the business using information from SCLD. • Request for analysis on Stew of another competing firm.
Four	Cultural	<ul style="list-style-type: none"> • C2P1 is pregnant and will not be present when products start to go into Tesco.
	Behavioural	<ul style="list-style-type: none"> • Tesco meeting was quite informal, but C2P1 included the main points taken from SLCD. • <i>"I think he was quite impressed that I had taken and how I had read into what it meant and used it properly (SLCD)"</i> • Successful pitch with all five lines being listed for the winter 2010. • C2P1 actively pursuing the ROI retail market (Superquinn).
Five	Cultural	<ul style="list-style-type: none"> • C2P1 is dealing with a lot of technical paperwork and accreditations necessary in order for C2 to become a supplier to Tesco. • Due to the small size, the business is reliant on one distributor and therefore not in direct contact with the customer or the consumer. • Interest in porridge, sauces and stews, rice puddings.
	Behavioural	<ul style="list-style-type: none"> • Publicity with Invest NI to promote the business. • Working on labels and expansion of the soup line. • Supplying bulk sauces to local delis. • Request for further information on stew and sauces.
Six	Cultural	<ul style="list-style-type: none"> • Access to Tesco link in which they can track the stores/products performance. • Stronger understanding of consumer and competitor.
	Behavioural	<ul style="list-style-type: none"> • Attended a Tesco Trade show to show case and networking opportunity. • Purchased a second cooking pot and stock piled products in preparation for Tesco deliveries. • Speaking with competition at Tesco Trade Event. • Carrying out promotions in NISA, Spars and Dunnes.

4.4.2.3 Interview Two

4.4.2.3.1 Consumer Orientation

C2 used SLCD for insight into the soup market, as C2P1 stated *"It was brilliant to find where we do we fit, because before that you were kinda pulling things out of the air, yeah our product was better but we didn't have any concrete evidence"*. As a result, the business had a clearer understanding of who their consumers were, as *"before it was on our own personal opinion who our target consumer is. But now we know who our target consumer is"*. C2P2 stated that the target consumer was much more focused as SLCD had acted as a filter. C2P2 suggested that before access to SLCD, C2 was not concerned about nutritional value and information on the product, whereas now they were addressing this issue for consumers. C2 focused both on current and new consumers, with C2P2 stating, *"I would say that I am very much focused on retaining the current consumers but (C2P1) is probably more focused on attracting new consumers"*.

4.4.2.3.2 Competitor Orientation

Through the exposure of SLCD, C2 analysed competitors to see whether there was a gap in what they deemed a saturated market. They believed that there was room for a niche product like theirs. However they were challenged by the current economic climate, as a lot of competitor's had adopted a promotional strategy. Due to C2's newness to Tesco, C2P1 admitted *"we have made a conscious decision to do it (promotions) in Tesco as often as we can because we know that if we are not performing, you're given 12 weeks"*. C2 therefore was reliant upon promotional activity to ensure sales within the first 12 weeks as a supplier into Tesco, despite being resistant to promotional activity at Interview One.

C2 felt that SLCD had reinforced the business' understanding of who their competitor's were. SLCD was used to look at what products were on the retailer shelves and whether C2's products had a place, but SLCD also illustrated the competitor's strengths and weaknesses, particularly in relation to their size and power of promotions. C2P1 was fearful that the larger businesses could put C2 off the shelf before they were to get on it, with heavy deep cut promotions. Although C2's business objectives were to an extent driven by assessing the strengths and weakness of four competitors' packaging, focus

was centred on C2's own actions and making sure what they were doing was done right. C2P2 felt that following competitors' actions could result in being misled, particularly in relation to doing cut throat promotions. C2P1 agreed with C2P2 *"yes you have to be aware of what they are doing but you are never going to be a successful business or successful in any right of your life if you are worrying what other people are doing"*.

4.4.2.3.3 Interfunctional Coordination

C2 strongly agreed that SLCD was shared between all employees as C2P1 stated *"I am the type of person who would talk aloud and share the information and you know he (staff) would be listening and he would chirp in with what he thinks..."* However, more in-depth sharing of information occurred between C2P1 and C2P2 where meetings took place to discuss the market information particularly in the run up to the Tesco pitch in month three. C2 had made an obvious attempt to involve all employees at public trade shows in order to engage with consumers directly. As a result, C2P2 stated *"we are all out doing demos at that Tesco thing; everybody is saying the same thing"*. The Garden Gourmet party was a good opportunity to get valuable consumer feedback as C2P2 states, *"Yes you can get a lot of it through dunhumby (SLCD) again it is more effective when you are hearing it from the horses' mouth"*. C2 therefore utilised both SLCD and consumer feedback to inform their understanding. They also used SLCD to inform their decision-making, alongside C2P1's personal feelings. C2's pitch for Tesco was based on SLCD, regarding the information as *"something solid"*. C2 suggested that no real market information was required for dealing with small independents but using the information for larger stores made the business look more professional.

4.4.2.3.4 Behavioural Response

C2P2 suggested that at Interview One, C2P1 was focused on too many ideas, ranging from curry sauces to porridge. However, at Interview Two C2P2 stated, *"While innovation is still important... the risk is that if you have too much innovation and not enough consumers... you become inefficient as you make small batches of everything"*. C2P1 was conscious of the existing financial restrictions and the need of the business to drive volume. C2P2 reinforced this focus of C2 on getting new consumers and customers. C2 believed that discussions with buyers were core to their success and therefore their focus was on *"...building relationships with Tesco and making sure our products sell"*.

4.4.2.4 Entrepreneurship Orientation

At Interview One C2 had lots of ideas about new lines, but towards the end of month six C2 acknowledged the need to focus on getting the core soup products right. C2P1 believed that only larger firms could afford to take risks, stating *"I don't think you can go really high risk without huge marketing budget and without huge brand awareness"*. However, C2P1 stated that she was not risk adverse that in fact she enjoyed the buzz of taking risks. C2 undertook the costly Garden Gourmet Party during the observational period, stating that they could not afford not to take the risk of the products performing poorly in Tesco because C2 did not make an effort to promote their business. C2 believed that staying in Tesco was a necessity otherwise if this failed C2 would be out of business by the following summer. In contrast, C2P2 was not a risk taker stating *"I will not make a decision that will put this business under too much risk"*. However, SLCD has definitely helped C2 as C2P2 stated *"At the end of the day you can talk more passionately about your products and more confidently about your product and where the opportunities are when you know you have something to base it on"*. C2 was aware of the small size of the agri-food industry and therefore conscious about balancing the business' ability to deal with competitors in a fair but business like way. The use of SLCD had according to C2P1 *"led us (C2) to where we are now. I would safely say that we would not be in Tesco without it"*. C2 got involved in order to get an understanding of the whole soup market based on facts rather than personal perspective.

4.4.2.5 Capacity to Innovate

C2 had been focused on core products at this early stage before bringing new products to the brand. Most products implemented to date had been tried and tested in the independents and with the use of the data trends have been analysed and used to support the new lines.

4.4.2.6 Performance

According to C2 the business was heading in the right direction, although it was still in early stages of trading. C2's performance was measured financially making sure C2 was at least breaking even. C2P1 however stated that up until Interview Two she had

measured the business success based on her own personal satisfaction, and the start-up of a business from scratch was a big personal achievement. C2P1 and C2P2 stated that the business C2 got with Tesco was aided by the confidence that SLCD provided them in understanding the market, *“At the end of the day we got our business in Tesco and a large part of that was using your dunnhumby (SLCD)”*. Therefore the next six months will tell whether SLCD has helped C2 rightly or wrongly. C2P2 stated *“You probably can’t quantify it you know but put it like this, if it works in Tesco and we are sitting here in March time and we are in all 40 stores, the value of that Tesco business is probably what the (SLCD) was worth to us”*. The actual value of SLCD was not measurable at Interview Two.

4.4.3 Summary of C3's Market Orientation Pre and Post Exposure to SLCD

Table 4.3: Summary of Case Study Three	
Prior to exposure of SLCD	<ul style="list-style-type: none"> • Demonstrated a good understanding of the consumer using in-store feedback and information gleaned through facebook and their website.
	<ul style="list-style-type: none"> • Access to Mintel and Data Monitor facilitating good awareness of their competition.
	<ul style="list-style-type: none"> • Highlighted the importance of network contacts within the food industry but felt that larger firms were more at an advantage with stronger networks.
	<ul style="list-style-type: none"> • A family business with good interfunctional coordination between management, but with shared understanding poorer amongst production employees.
	<ul style="list-style-type: none"> • Innovation driven but their response was restricted due to the limited resources of the firm. Core traits emerged in the form of pro-activeness, innovation and risk taking.
During exposure of SLCD	<ul style="list-style-type: none"> • Exposure to SLCD reinforced the firm's understanding of the consumer.
	<ul style="list-style-type: none"> • Utilised SLCD in preparation for meetings with supermarkets, for creating a business plan, and for NPD purposes.
Post exposure of SLCD	<ul style="list-style-type: none"> • Utilisation of SLCD proved to be a learning experience as owner/management were not as consumer aware as first thought.
	<ul style="list-style-type: none"> • SLCD helped define the consumer profile by drilling into specific details, describing it as more insightful than focus groups, Data monitor or Mintel.
	<ul style="list-style-type: none"> • Used SLCD to increase pro-activeness, e.g. SLCD assisted in the development of new product.
	<ul style="list-style-type: none"> • Although they considered the firm innovation driven, SLCD strengthened their case and steered the business in the right direction.
	<ul style="list-style-type: none"> • Perceived that the risk had gone out of their business after five years, but any access to SLCD reduced any element of risk.
	<ul style="list-style-type: none"> • Business performance increased by 38% but the impact of SLCD was difficult to quantify. Yet SLCD provided greater confidence, credibility and aided with roasted seed product development.

4.4.3.1 Interview One

4.4.3.1.1 Consumer Orientation

C3 developed good understanding of the consumer through formal and informal market information, ranging from supermarket visits, to questionnaires, focus groups, Mintel, Data Monitor, as well as interacting with consumers on C3's website and facebook page. C3 received mass feedback through social media. In one instance, C3P2 stated *"We were having a dilemma over the product... I put up a question on our facebook site where we have about one thousand fans and I asked them for feedback. And within an hour I had some 50-60 people's feedback..."* The business appreciated the value of its current consumers which C3P2 described as very loyal however they also acknowledged the importance of attracting new consumers. According to C3P2 everything was driven by what consumers purchased, the business budget and finance were determined by the revenue generated from the products and even in a small company to move from one pack size to another, to the downturn in the economy and to consumer spend.

4.4.3.1.2 Competitor Orientation

C3 carried out a monthly report on C3's competitors in order to keep up-to-date on pricing, and their development. As much as C3 would liked to have used Mintel and Data Monitor these were limited due to their cost, according to C3P2 *"that is money that we don't have, as they are very expensive"*. Typically C3P1 believed that C3's competitors were bigger than them, having better sales penetration, management of sales, and strength in financial resources, however, C3P2 stated, *"we (C3) would be very strong in innovation and they would look to us for the innovation side of things and they would be stronger on the sales"*. C3P2 did try to get into the stores as much as possible, but as a small team, time was stretched. They felt assured in knowing who their main competitors were, identifying the own brand label as one of the first competitors alongside other branded competition typically with larger resources and more contacts. C3P1 perceived business contacts as essential stating *"We don't have the same level of contact. Contact is important in the food market"*. Although C3 observed what competitor's were doing and acknowledged the importance of keeping up-to-date and informed, C3P2 believed that C3 was leading the market, *"We are creating new*

categories and so our objectives are not really typified by what our competitor's strategies are..."

4.4.3.1.3 Interfunctional Coordination

C3P1 suggested that information was shared but in a very informal manner with production staff. However, C3 shared information at a more management level. According to C3P1, *"It is very much family management, and we share obviously from a management level everything that is going on"*. C3P2 believed that production staff would have a poorer idea about the market or C3's target consumer, *"We do try to share information with them (production staff) about new customers and consumers... But actually getting down to the nitty gritty of our target consumer, I don't know. It's not relevant"*.

C3 combined market research and consumer feedback alongside store visits to inform its' decision-making. This was based upon the fact that C3P1 has been in the food industry business almost 30 years and had learned that *"it would save so much time, effort and grief into the future if you carry out good research"*. C3P1 valued the importance of consumer word-of-mouth along with good recommendations from consumers, but stated *"...in terms of gut feelings and all of that, those days are gone"*.

4.4.3.1.4 Behavioural Response

C3 believed that it was extremely innovation driven stating, *"Yes 100% that is what our business is all about, innovation, probably to the detriment of our company that we focus probably too much on innovation"*. C3P1 believed that being innovative all the time was often a weakness. However, C3 was trying to use innovation as a means of supporting differentiation. C3 took a balanced approach to technology and market research within the business but as a small family team C3 was conscious of being stretched in resource, both financially and in personnel. C3 was looking to employ more personnel for marketing and PR but was aware that the *"best costs money"* (C3P1), but having more people would aid to implement plans quicker, *"We know what we should do but we are under resourced, and because of that we are not sure whether it is feasible... and I think we lose out to competitors as a result"*.

4.4.3.2 Longitudinal Observations

A summary of activity of C3's engagement with SLCD has been captured in Table 4.3.1.

Table 4.3.1: C3's Longitudinal Engagement with SLCD

Time Period (Months)	Market Orientation	Observation
One	Cultural	<ul style="list-style-type: none"> • Good understanding of consumer and competitors, through networking activities.
	Behavioural	<ul style="list-style-type: none"> • Completed focus groups. • Building contacts in Tesco UK and M&S. • C3P2 utilised the first standard report to prepare for the first meeting with Tesco UK, <i>"I found it (SLCD) very good and I did look at it and take notes from it in preparation for the Tesco meeting. I think it reinforced what I already believed"</i>. • C3P2 working on a promotional plan for the month.
Two	Cultural	<ul style="list-style-type: none"> • C3P1 sees the value of SLCD deriving from Tesco as important as C3P1 states, <i>"It is the same profile, if we are all looking at the same customer profile, they are the same shopping at Tesco as they are Sainsbury's, so it does give you a very good insight"</i>. • C3P1 is conscious about cash flow and the current economic situation, <i>"This business is contingent on continuous investment (government/ EU grants) and Banks are not investing as you know"</i>.
	Behavioural	<ul style="list-style-type: none"> • C3P1 drilled down into the SLCD Bagged Salad report and was interested in the socio economic information on who was buying. • Generated new ideas and developed new products such as a healthy pocket power 20g sachet. • Request for information on competitors within the salads category.
Three	Cultural	<ul style="list-style-type: none"> • C3P1 stated, <i>"These reports are invaluable and so relevant for us in terms of the buying behaviour of our consumer and is definitely influential in steering us into product development"</i>. • C3P2 found the report very useful and is using it for the business plan. <i>"It is good as it helped me understand and establish who the customer profile is of those who purchase functional drinks and how frequently..."</i>

Three		<ul style="list-style-type: none"> • This was also supported by information from data monitor for global trends. • The researcher also followed up with C3P1, who had just received notice on lack of funding. <i>“Our launch into M&S was depending on us making a few changes with the assistance of this funding”.</i>
	Behavioural	<ul style="list-style-type: none"> • Plans to introduce a functional wheatgrass drink (report provided). • C3P2 has not had time to look at last three SLCD reports but C3P1 has.
Four	Cultural	<ul style="list-style-type: none"> • New employee in aiding C3P2 with NPD. • C3P2 announces that she is pregnant (Due Feb 2011).
	Behavioural	<ul style="list-style-type: none"> • C3 promoted and supported a Smart Chef competition alongside the International Federation of Home Economics costing 25,000 Euro. • Running promotions on products in Tesco Ireland C3P2 is currently working on new ideas in sprouting and looking at C3’s products as an ingredient. • Speaking about the full use of SLCD, C3P1 states, <i>“We haven’t used it to its full potential ourselves. And we have a unique opportunity within the next month (Sainsbury’s meeting) to really use it”.</i> • C3P2 is working on trying to win ASDA contract. • C3P2 would like to branch out into stir fry but have restricted factory capacity.
Five	Cultural	<ul style="list-style-type: none"> • C3P2 believes that from the last sandwich report <i>“I think the (SLCD) doesn’t really show innovation upfront”.</i>
	Behavioural	<ul style="list-style-type: none"> • SLCD was utilised for the meeting with Sainsburys, <i>“I showed them the (SLCD) on the munchy seeds and the food doctor, and the importance of being in the salad category for better sales position.”</i> • C3P1 and C3P2 preparing for meeting with M&S in September 2010 (Month 6).
Six	Cultural	<ul style="list-style-type: none"> • Ideally what C3P2 wants from these meetings is to keep contacts on board. • C3P2 discussed the frustration dealing with supermarket buyers, <i>“When the buyers moves on and a new one comes on board it is like going back to square one”.</i>
	Behavioural	<ul style="list-style-type: none"> • Building future plan upon recent meeting with M&S.

4.4.3.3 Interview Two

4.4.3.3.1 Consumer Orientation

The firm always believed understanding consumer behaviour was critical to the business, and exposure to SLCD has reinforced C3's opinion. C3 declared that change had occurred in the past six months, stating that C3 originally thought they utilised market information, but in hindsight they were not to the extent that they were now. This belief was supported by C3P1 who said, *"I suppose before we met you we were using a lot of Mintel and Data Monitor reports which gave information about market research but didn't actually give specific information about consumer behaviour"*. Access to SLCD helped C3 define its consumer and target market and drill into specific areas which C3 did not previously have an opportunity to do. C3 believed that access to SLCD had validated C3's belief of who the target consumer was. By knowing this, C3 believed that it allowed the business to really be more effective with decision-making at an early stage, to be cleverer about the packaging, the format and the product without unnecessary hassle and costs of a focus group.

C3 appreciated the importance of attracting new consumers with C3P1 stating, *"We already have the existing customers, we have the existing products, we are established... if we generate new consumers, we get new business and it allows us to invest more in marketing activities..."* C3 believed that SLCD was *"fantastic"* for helping C3 expand the regional appeal as well as to aid development of the marketing plan.

4.4.3.3.2 Competitor Orientation

Although C3 acknowledged how Data Monitor and Mintel provided an indication of competitors, SLCD allowed C3 to really drill down into specific competitors. C3 was entering a growing market and C3P2 used SLCD to pinpoint competitors doing similar products to C3, to observe how they were performing, and to see their innovations and promotions. Essentially C3P1 believed that SLCD *"did allow us to look in and to be more proactive..."* Overall SLCD helped C3 equate actions of competitors with what they were doing. C3 had good awareness of their main competitors and as C3 was interested in a variety of areas from snacking to sprouts, they actively requested information over the six month period in all areas. C3P2 stated, *"so what it did help us to do was to help us understand where there was a gap in that big pond and that has*

been very valuable to us... it opened our eyes to the big players... where their innovations were coming from". C3 was aware that competitors had much greater resources but believed that they were still market leaders in the field of sprouts. C3 was constantly focused on the actions of two main competitors within the seed area and requested key reports during observational period.

4.4.3.3.3 Interfunctional Coordination

C3 has experienced an increase in employees both in production and in NPD. Although the firm acknowledged the importance of sharing the market information between all employees, information was typically shared at top management level, with C3P1 informing the Production Manager who in turn was encouraged to share that with employees. Overall C3 believed that key people within the business had a common understanding of consumer purchasing behaviour. C3P1 believed that they considered the end consumer more than they have ever done before in their decision-making as a result of exposure to SLCD. Two areas where SLCD aided the decision-making process for C3 was firstly in product development in relation to launching new products and validating why C3 they were launching the product. Secondly in promotional mechanics as C3P2 stated, *"it was fantastic being able to see what consumers where purchasing alongside one another so that when we were going into presentations we were well informed"*, based on the information C3 got from SLCD.

4.4.3.3.4 Behavioural Response

C3P1 and C3P2 believed that innovation was innate in their business as over the past six months C3 had three new sprouted seed products, two of which have been launched into M&S, as well as five new lines being established within Roasted Seeds category. C3 had also looked at a new packaging concept for Roasted Seeds using consumer data obtained through focus groups. SLCD aided innovation as C3P1 stated, *"We see innovations coming through SLCD... it is not just about recipe, it is about product, shape, size, all kinds of different things and you can just keep an eye on what is happening"*.

C3's outlook upon balancing both efficiency gains with market research remained the same throughout. Despite having access to SLCD, C3P2 stated *"I know when you are a small producer like we are, if you don't have the capabilities and the efficiencies within*

your factory you can't compete with the bigger players no matter how innovative you are". However, according to C3P1 the business was in a stronger position than it was six months ago. With this exposure to SLCD C3P1 was more confident that C3 could deliver a good marketing plan quickly stating *"probably because it is in the genes that we try to do everything as quick as possible"*.

4.4.3.4 Entrepreneurship Orientation

C3P1 perceived the firm to be always innovating, *"...we are constantly looking and subconsciously thinking about how we can add it in to this and to that"*. C3 believed that the stage at which the firm was at (6 years old), all new products being produced complimented the already existing range. This was reinforced by C3P1 who believed that despite being a real risk taker, the risk had gone out of C3 after 5 years, stating *"the risk for us was the innovative nature of our business and that was always going to be the case"*. C3P1 believed that the family had a good split between those who were risk takers and risk adverse. A few lines such as the functional drink were high risk due to the financial and time investment going into it. However, C3P2 had done a lot of research on this, using SLCD and consumer feedback, and therefore describing the risk as "quantifiable". Also when C3 met with buyers, C3P2 believed that SLCD, *"...gives buyers confidence in your company as well, that you are not going in and saying 'buy this product because it looks or tastes good', instead you are saying 'here is the research to prove that there is a market opportunity for this product'"*. C3 was challenged by the role of the retailer and the buyer in its marketing efforts. C3 did not sell its product to consumers in NI despite trying constantly to re-enter Tesco NI. C3P2 stated, *"I think a lot of it is down to personal opinion and buyers. Tesco did launch a sprouted seed in the early 1990's and it didn't work very well and the same buyer is there and so he is probably still a little bit reluctant"*. The retailer is integral to C3's success. Without the retailer, C3 would have no business.

4.4.3.5 Capacity to Innovate

C3P2 stated, *"Innovation is probably our main strength in our business. Probably for food manufacturers, innovation is probably at the core of our business"*. C3P2 believed that utilisation of SLCD had complimented what C3 has already been doing. A lot of

the ideas which C3 had six months ago are only coming to fruition at Interview Two and others would take another six months to a year. C3 did not believe there had been anything new that had come out of SLCD, but stated how SLCD *“has strengthened our case and steered us in the right direction”*.

4.4.3.6 Performance

C3 has been performing very well with the business going from £700,000 business to £4 million in three years, with sales up 38% on the same period last year. However, C3P2 did emphasise the challenge presented by the current economic climate, such as promoting more frequently despite C3 being told that their products were not price sensitive. However, C3 believed that all products are price sensitive due to the current economic squeeze. SLCD provided C3 with greater confidence, giving C3 credibility and aided better decision-making. Reflecting back, C3P1 stated that they had to change their strategic plan in order to reflect the developments within the business using SLCD. C3P2 found it difficult to quantify the impact of SLCD on the business performance as the performance of the roasted seeds product which SLCD helped develop was in the initial stages, *“So we have projected sales for that and if they do perform then we can probably say that SLCD played quite a big role on that”*. SLCD has been according to C3P2 *“instrumental in getting new business”*.

4.4.4 Summary of C4's Market Orientation Pre and Post Exposure to SLCD

Table 4.4: Summary of Case Study Four	
Prior to exposure of SLCD	<ul style="list-style-type: none"> • A traditional production driven business undergoing change, with more focus on the market.
	<ul style="list-style-type: none"> • Gained all of consumer and competitor market information through feedback from van sales guys despite having access to Mintel.
	<ul style="list-style-type: none"> • Until now the nature of the Bakery Industry and C4 had been to 'make something until it sticks'.
	<ul style="list-style-type: none"> • A family business run and managed by nonfamily members.
During exposure of SLCD	<ul style="list-style-type: none"> • Maximised a networking opportunity in month one to meet with Tesco to pitch new lines, initiating contact by using the access to SLCD as a conversation starter with Tesco.
	<ul style="list-style-type: none"> • Conscious that Tesco sold only five main brands in NI cake but C4P2 utilised competitor analysis to understand consumer; to establish principles for whoopies; and to support key points for pitch to the multiples.
	<ul style="list-style-type: none"> • Up until the Tesco meeting in month three SLCD was used as a backup and evidence for what C4P2 was hoping to launch. However post Tesco/Asda meetings only one more report was requested.
Post exposure of SLCD	<ul style="list-style-type: none"> • Disparity in Interview Two findings presented by C4P1 and C4P2 was evident as a result of the gap in time between both interviews.
	<ul style="list-style-type: none"> • The impact of employees leaving, the recession and the poor performance of the business preoccupied C4P1, resulting in SLCD being regarded as a low priority.
	<ul style="list-style-type: none"> • The firm failed to get products listed in Tesco, and as a result believed that the SLCD had a limited impact.
	<ul style="list-style-type: none"> • The impact of the recession and change in management was focused on production and survival with requests for SLCD usually driven or centred upon the category review window of multiples.
	<ul style="list-style-type: none"> • Focused on imitation not as much innovation, with risk taking limited due to instability of the firm.
	<ul style="list-style-type: none"> • Business performance unstable but SLCD was used at very top line.

4.4.4.1 Interview One

4.4.4.1.1 Consumer Orientation

C4 was perceived to be undergoing change from a production focus to a more market oriented focus by management, with management actively speaking with retailers and buyers, carrying out research on global food trends and employing new staff. This change was initiated as C4P1 stated, *“to be brutally frank we have done nothing. It really has been, this is what has been, what we always have done and that’s what we will do”*. C4 relied heavily on information from sales vans and the sales people who acted as an interface with the customer/consumer. C4P2 was new to the business and was aware that C4 had access to Mintel but did not use it. Much of C4’s understanding of the target consumer was based on history (55 years in business). C4P1 believed that due to the brand being perceived as a traditional older person’s product, C4P1 was right to create a new range under the indulgent umbrella which was successfully aimed at the younger consumer. This was created haphazardly as C4P1 stated, *“there was nothing structured (in C4’s approach), we didn’t sit down and do a plan as such, like most SMEs it was hit and miss and we picked up what we could by talking to certain people”*. Much of C4’s business focus was ultimately based upon sales and what products C4 could make and to a large extent the business was according to C4P1 *“...surviving at the moment on 25 years of heritage, more so than anything than we have done to deserve it in the past 20 years to be honest”*.

4.4.4.1.2 Competitor Orientation

The majority of market information gathered about competitors’ strategy and products derived from van sales guys as C4P1 stated, *“We get a lot of information on what is going to happen with competitors believe it or not, before it reaches the market because the van sales guy cannot keep it quiet”*. However C4P1 regarded most competitors’ strategies as a ‘Bun fight’ in that *“whoever sells the cheapest wins”* or *“who can hold their breath the longest at the moment”*. C4P1 was not interested in this strategy and was working in cooperation with two other major Bakeries, to co-innovate as C4P1 believed that the Bakery sector was big enough for everyone. C4P1 was aware of the strengths and weaknesses of C4’s competitors stating, *“I can tell you what each Bakery is good at, and more importantly what they perceive is their strengths”*. C4P2 suggested that the firm’s focus needed a more structured approach. Essentially C4P2 stated,

“Myself and (C4P1) have to keep an eye on what is happening out there as opposed to fire fighting you know!”

4.4.4.1.3 Interfunctional Coordination

Common understanding of consumer behaviour is shared typically between senior management within the business. However, C4P1 blamed the culture of the organisation for a lack of common understanding and was working on putting systems in place to improve communication. C4 was reliant on gut feel to make decisions as C4P1 highlighted, *“We are not making decisions based on informed opinion. We take it on what we think a lot of the time”*. C4P1 hoped that new employees such as C4P2 would help C4 make informed decisions as opposed to relying on gut feel. C4 was currently improving in coordination, advancing historically from being ad hoc to more system driven.

4.4.4.1.4 Behavioural Response

C4P1 described C4’s innovation initially as *“pretty non-existent”*. But in January 2010 an Operations Manager was brought into develop new products. Innovation had improved and C4 was looking at trying to get ahead of competitors. C4P1 suggested that, *“NI is very reactionary, as a sector Bakery just reacts, whereas we are trying to look again what are the trends globally and even what is working well in other countries and bring it here”*. C4P2 thought that having something new to bring to the retailer was a must and to be the first in NI to launch it under C4’s brand would be significant for them as a small business. C4P1 suggested that change was taking place, *“...as it’s very much moving now from efficiency over to market research and market opportunities”*. This was to be achieved by having the right employee in place, so that the business could implement a marketing plan in a timely fashion. However, cost was a huge barrier and as a small team, C4’s resources were not on par with that of bigger organisations but C4P2 would like to think that with a plan they would be able to set realistic targets and achieve what they set out to achieve.

4.4.4.2 Longitudinal Observation

A summary of C4’s engagement with SLCD over the longitudinal observation period is captured within Table 4.4.1.

Table 4.4.1: C4's Longitudinal Engagement with SLCD

Time Period (Months)	Market Orientation	Observation
One	Cultural	<ul style="list-style-type: none"> • Received information on key competitors in NI, and based on this used SLCD to understand who the consumer is. • C4P2 is cautious about entering into Tesco as <i>"...the issue with Tesco is that the cake category has restricted shelving, six shelves, so if we got two to three lines in that would be great... in my opinion Tesco underperform in regional NI cake"</i>. • When asked about thoughts on standard presentation C4P2 stated, <i>"...my biggest weakness is that I lose interest if the information does not have direct relevance to me and my work. It showed me who we are competing against and who was buying similar type products to ourselves"</i>.
	Behavioural	<ul style="list-style-type: none"> • C4P1 met head of Tesco NI at a local networking event in which C4P1 had the opportunity to promote the new whoopie line and the cupcakes. • Reports sent in aid of preparation for Tesco meeting.
Two	Cultural	<ul style="list-style-type: none"> • C4P3 applied background experience, common sense and SLCD to support a pricing strategy. • C4 became aware that another competitor is launching the whoopies, <i>"...through tittle tattle, ingredient suppliers and who they are talking too"</i>. But C4 happy that they got to market first, • C4 appreciates the importance of exposure to SLCD within a business. C4P2 states, <i>"I think that what is key for all information is that you take all the information from it and use it. It is great having these reports and all, but if you never get the time to apply your strategy, it is a waste of paper printing it out"</i>.
	Behavioural	<ul style="list-style-type: none"> • C4 has secured a listing with Asda for the whoopies and the cupcakes. • C4P2 presented to Tesco the whoopies and the cupcake lines utilising information from Mintel and top line information from SLCD. C4P2 stated, <i>"I picked out all the information that was relevant. I used all the information that you had given for different reasons such as to get a better understanding of the market, consumer trends..."</i>
Three	Cultural	<ul style="list-style-type: none"> • C4P2 informs the researcher that C4P1 has left the business as Managing Director. As a result C4P2 has been under a lot of pressure and busy. • C4 did not get the contract with Tesco for whoopies or cupcakes.

Three		<ul style="list-style-type: none"> • Sales have been slow in independents and Asda whoopie/cupcakes. • C4P1 confessed, "...typically we tend to roll on the back of bigger companies such as Tesco and Asda to do their own promotions". • C4P2 suggested, "Most food companies that I know have within the past six months been undertaking some restructuring and making cut backs".
	Behavioural	<ul style="list-style-type: none"> • No action taken.
Four	Cultural	<ul style="list-style-type: none"> • C4 finding whoopie sales are slow. • At the minute SLCD is not at the front line of C4 mind or activities.
	Behavioural	<ul style="list-style-type: none"> • C4 is working on devising a strategy to ensure that the business is stable as well as looking at what direction the business is going. • "There is so much noise in the cake category with £1 point of sales, promotions that it gets too competitive". As a result C4 "...has had to adapt to price, with the introduction of promotions on our whoopies to ensure sales and movement". • Working on new bread lines such as pancakes, soda farls and bagels for Asda.
Five	Cultural	<ul style="list-style-type: none"> • Focus on food service and the cupcakes are the main strength of the business. C4 needs to review success of whoopies. • C4P2 states, "So are we going to join the promotions wagon? Well we are aware of the risk and we are having to join the promotions war".
	Behavioural	<ul style="list-style-type: none"> • C4 is working on price increase on bread at present due to the current increase in cost of cotton, flour and vegetable, production costs have naturally increased. • New pancakes going into Asda this month. • C4P2 states, "To be honest we don't track who is buying our product. We don't really do taste testings as we have so much going on. Costs add up and essentially we do not have the time".
Six	Cultural	<ul style="list-style-type: none"> • C4P2 informs the researcher that they are leaving C4.
	Behavioural	<ul style="list-style-type: none"> • The researcher sent C4 an updated report on NI bakery trends but C4 did not get as much use out of this report as they are waiting for the next category review.

4.4.4.3 Interview Two

Interviews with C4P1 and C4P2 occurred at different time periods with C4P1 interviewed two months after leaving C4. C4P2 was interviewed after observation six, four months after C4P1's Interview Two.

4.4.4.3.1 Consumer Orientation

Much of the change which took place in C4 was attributed to the exposure and utilisation of SLCD according to C4P1. However, C4P2's opinion of the value of SLCD was contrasting, "*It (SLCD) hasn't been that active to be perfectly honest*". C4 had been utilising the resources it had to deliver business as "*...opposed to proactively using the information (SLCD) and understanding consumer wants*". In fact C4P2 goes so far as saying, "*we have been very factory oriented in some ways*". C4 did utilise SLCD but C4P2 stated that SLCD was used to support what they were already doing (in preparation for meeting with Tesco), as opposed to helping C4 discover where C4 should be going. C4P1 believed that C4 thought they knew who their consumer was but "*...that is one thing that (SLCD) did deliver I think above all else, who actually bought this product or the types of products that we did*". This was fresh as much of their thinking had been based on information on consumers in early days of trading.

C4P1 believed that the firm was focused on attracting new consumers and customers and having access to SLCD helped them drive NPD, being first to the market with the new whoopie products. By looking at SLCD, C4P1 was able to identify whether their NPD was a little bit of a '*me too*' product or whether there was a market out there for something new. By observation six, C4P2 felt that C4 was focused more on holding on to current consumers. C4P2 honestly felt that the firm was not particularly concerned of 'what consumer' by the end of the longitudinal period.

4.4.4.3.2 Competitor Orientation

C4 utilised SLCD to understand competitors strategies in a huge way, "*...there was a lot of information presented which you would just never had access to in your wildest dreams for a small business*" (C4P1). One aspect of SLCD stood out to C4P1 during the very first exposure of SLCD on Bakery, as he stated "*In fact that was when the light came on with me when you were talking that day, that's when I said 'we are going to be making those'*". C4P1 believed that this would be a perfect example of taking

something that was doing well for their competitor and by adding local, provenance hand-made to the product they could retail at a higher price. In contrast C4P2 stated that C4 did not use the information to understand competitors, despite requesting two reports on competition and particular competing businesses. C4P2 believed that because Tesco was somewhat *“a false trading environment”*, with only £1.5 million of the £40 million cake industry and only listing 5 to 6 key businesses, C4 did not find it representative to use the data in this way.

C4P1 believed that SLCD told him what competitors were doing what. More importantly it dispelled beliefs that because a competitor was on the shelf meant that they must be selling tonnes. When in fact using the data it showed C4P1 actually what was happening instead of listening to word-of-mouth. C4P2 agreed that C4 knew who the competition was, but was more realistic after exposure to SLCD having a better understanding of the C4's strengths and weaknesses. Also C4 had *“...a lot less resources now as there are less people and we have been sorta stretched and we haven't had the time to be analysing the market or spend time on analysing SLCD, sharing information, talking... more doing and reacting to the situation as opposed to building strategy”*(C4P2). C4P2 stated that there was no real strategy, with the economic recession within the context of C4 and Bakery in NI as a whole the focus was survival.

C4P1 and C4P2 both agreed that assessing competitors' strengths and weaknesses was not a priority and the information on SLCD was not used in relation to this. Also C4P1 stated that he would put little weight on what competitors were doing as in their opinion none of them are doing well. Instead the firm tended to focus on itself but requested information on competitors out of curiosity, *“...to be brutally honest it was probably out of nosiness because for the first time you are really seeing what your competitors' are doing”* (C4P2).

4.4.4.3.3 Interfunctional Coordination

C4 shared SLCD on a small scale with limited discussion outside of the monthly meetings. C4P2 stated, *“It (SLCD) probably wasn't shared with the rest of the Company... the (SLCD) didn't become a part of the business strategy or become a part of the way we operated and it was a part of the background”*. Both C4P1 and C4P2

believed that there was a lack of communication between all employees and in essence SLCD never went beyond management level as it was never deemed critical enough.

SLCD was used to support decision-making, *"...no matter what the decisions we always had a look at what the information said"* (C4P1). Although C4 had Mintel reports, C4P1 believed that *"...it (SLCD) was very much where the rubber hit the road"*. C4P2 also agreed that SLCD alongside Mintel reports did help make some decisions on the way forward. SLCD was used to build a story to present to the retailer according to C4P2, *"...supporting what we believed, using it as an argument or using it as a selling mechanism to the retailers"*. It also helped reassure what C4 was doing was right and with the right calibre of people employed C4P1 believed the business was coordinated enough to deliver it as C4P1 stated, *"All of this is only as good as the people that is delivering this... there is that arrogance in Bakery that they know best!"* At the end of the observations, C4P2 stated that the information did help coordinate the firm, but only at management level, however with the change in management, *"I don't think the business wanted to hear what the market was doing"* (C4P2).

4.4.4.3.4 Behavioural Response

C4 was slightly active in considering innovation, however, innovation according to C4P2 was only considered if it fitted into the current capabilities of the business. At the end of month six observation the firm was experiencing a transition period with C4P2 declaring that *"...the resources really have not been there to put the time in to focus on new products"*. C4P1 stated originally that C4 was strongly focused on efficiency and saving money. However, C4P1 was of the opinion that this had changed slightly within the first two months of observations with the realisation that unless the product was offered and tailored to suit the consumer's needs, all the efficiencies would not save a business. However, C4 by observation six was completely efficiency and production driven.

C4P1 believed that C4 were very good at dealing with consumers however by observation six, C4P2 was of the opinion that C4 was *"slow to react to the consumer..."* due to the fact that products had been launched where he personally knew that consumers would have *"an adverse reaction to it...the product quality wasn't there or the product was priced out of the market of the consumer you were targeting"*.

C4P2 believed that this was a case of focusing on what the business could make as opposed to why or to whom it was being made for. In light of the most recent change in management, C4 could not implement a marketing plan in a timely fashion due to this change. According to C4P2 this change saw C4 go from one extreme of purely being market focused to the other extreme of being production focused.

4.4.4.4 Entrepreneurship Orientation

C4P1 was market aware stating, *“we are in a recession, people’s eating habits, obesity and all these things are impacting on how food is going to be delivered within the next ten years”*. Therefore C4P1 believed that R&D, technical leadership and innovations were significant. In contrast by month six, C4 was imitating existing products in the market stating, *“What we do generally for ideas is to look and see what product is working in the market and try and copy it under our (C4’s) brand”*. Prior to SLCD, C4 undertook high risk activity by being the first Bakery in the UK and Ireland to have the traffic light system on C4’s products. C4 was also the first business in NI to introduce the whoopies. However, by month six the business was risk adverse with C4P2 stating, *“I would say that it is more about the position the family is in. You know the company is in a difficult position, plus the economical situation meant you were probably less reluctant to take risks in new products”*. SLCD did help with risk taking providing C4 with a general idea of where the market was but the nature of the bakery industry was perceived as typically conservative and there was not much incentive for C4 to be proactive as C4P2 believed that *“...generally it is the much more traditional stuff that sells”*.

4.4.4.5 Capacity to Innovate

Approximately 30 new lines were created by C4 but according to C4P2 *“...at least about a third of them are still in the market, about a third of them never happened, they were listed by the customer but for whatever reason within production never made it to the shelf. And a third of them were launched but were ineffective”*. C4P2 believed the failure was based on production inefficiencies or potential shortcuts taken.

4.4.4.6 Performance

C4P2 believed that C4 performed stronger within the most recent three months in contrast to previous three months. The business was trying to stabilise itself before advancing any further in terms of profitability and volume. C4P1 was unable to quantify the financial impact of SLCD on C4's performance, however, "*...very top line SLCD would have been used to give C4 a better understanding of the market place, albeit in the context of multiples and using the multiples as a guideline to the NI market place*". SLCD would definitely become more useful for C4 as their strategy becomes more market oriented.

4.4.5 Summary of C5's Market Orientation Pre and Post Exposure to SLCD

Table 4.5: Summary of Case Study Five	
Prior to exposure of SLCD	<ul style="list-style-type: none"> • Most of the consumer buying behaviour was based on gut feel and information gleaned through in-store demonstrations. However, C5P2 did not feel they had enough end consumer information.
	<ul style="list-style-type: none"> • The customer (retailer) played a significant role in dictating NPD.
	<ul style="list-style-type: none"> • Any form of information on competitors tended to be through in-store audits carried out by C5P2 personally or through the grapevine. C5P2 was reliant on personal contacts and networks to build up information on competition.
During exposure of SLCD	<ul style="list-style-type: none"> • Focus during the observational period was solely centred on getting the stuffed mushrooms listed within the multiples.
	<ul style="list-style-type: none"> • New product development driven by retailers on Pizza was supported using SLCD to back up what C5P2 was planning to do.
	<ul style="list-style-type: none"> • Making decisions but still in a very forced way as they were reacting to the environment. C5P2 have had to react to promotions in order to compete with others in the market.
Post exposure of SLCD	<ul style="list-style-type: none"> • No products in Tesco and this did limit the impact of SLCD.
	<ul style="list-style-type: none"> • Still very reliant on feedback from in-store demos, feedback from category and store managers.
	<ul style="list-style-type: none"> • The main use of SLCD was to contribute to the development of new recipes for the roasting tray as it provided a form of 'comfort' and an indication of what could be produced.
	<ul style="list-style-type: none"> • Utilised SLCD more on the innovation side in terms of looking at products and flavours.
	<ul style="list-style-type: none"> • Despite being largely driven by what the retailer dictates, SLCD provided confidence in where the product was going.
	<ul style="list-style-type: none"> • Performance had increased within the six months on the previous period. Although unable to quantify SLCD's impact, it instilled confidence and was supportive in marketing activities for the firm.

4.4.5.1 Interview One

4.4.5.1.1 Consumer Orientation

The majority of C5's market information derived from feedback received in-store from consumers through demonstrations. C5 also received market information from EPOS data from Superquinn post promotion, but this was not on a regular basis. C5 also talked to store and category managers as this often led to new opportunities such as the roasting trays. C5P2 suggested, *"There are just little things like that where you can actually get information from people without having to go too far for it"*. C5P1 also referred to more formalised information deriving from IGD analysis and Fresh Product Journal but this tended to be too time absorbing. Overall C5P2 had an understanding of who their target consumer was based mostly on gut feel but acknowledged that, *"We don't get enough of the end user information"*.

C5P2 suggested that C5's core objectives were driven by sales performance, what flavours were selling best and recipe development. C5P1 continued to suggest that often the problem C5 experienced was that *"...in between us and the end user is our actual customer. And if we can't convince them of it (the product), there is no hope that the end actual consumer is going to change the way they use it"*. In order to respond to this, C5 had to adapt their business objectives to suit what the industry dictated, as C5's customer was crucial as *"...ultimately at the end of the day we usually end up getting persuaded by what the customer actually wants"*. C5P2 was focused on attracting new consumers because they were aware that C5's products were still new to a lot of people and as a result they were constantly developing new products to keep things fresh in order to grow the business and to get volume out. However the firm was conscious that current consumers were important so it was a 60/40 mix.

4.4.5.1.2 Competitor Orientation

C5P2 believed that they as a firm had a good relationship with major competitors, but they did not fully understand their competitor's strategies as they perceived their competitors to be secretive. But in turn C5 admitted to playing their cards close to their chest. C5P2 utilised store audits as the best means of understanding competitors' activity, as well as gaining information through personal or business contacts, as C5P2 stated, *"You will hear... I suppose with my past history I have quite a few friends*

working in that similar type of business and you will get a tip off". C5P1 believed that they were aware who their competition was but felt confident that their quality and production outperformed that of competitors. C5P1 also discussed the working relationship with a similar sized competitor stating, *"Well going forward we are hoping to do a bit. I won't tread on their toes and they don't really tread on ours and we are working on something together at the minute"*.

C5P1 and C5P2 were aware of what competitors were doing but tended to be more focused on driving forward themselves, as C5P1 suggested *"...you can spend too much time looking at other people, and while looking at them, they are just looking ahead aren't they and getting on with it"*. However, C5P1 was aware that one larger competitor had reduced production during June and July stating, *"We will consider what they are doing as they are a big Company and know what they do. But we don't always react the same way as they do, because they can get it just as wrong as we do"*. Therefore C5P1 and C5P2 tried to keep focus on their business operations, but were conscious of the activities of other firms.

4.4.5.1.3 Interfunctional Coordination

As a firm, C5 did not share market information well between all employees as any information shared happened mostly at top level management only. Production employees were perceived as having less understanding of the end consumer, other than seeing the products on shelves themselves. C5P2 suggested that communication barriers existed as some members of staff were Foreign Nationals and information was difficult to communicate. Despite this, the actions of different employees were reasonably well coordinated and C5P2 was actively working to formalise the business by introducing more regular weekly meetings and ways to motivate employees.

C5P1 would use whatever information was available to them such as word-of-mouth, information on what was happening in the industry although conscious that *"...it might have grown a few horns before you get it you know"*. As well as, what C5P1 read within journals and gathered information through IGD. However, C5P1 found that IGD information required it to be filtered down. Also C5P2 highlighted that *"...some of our decision-making can come from a request from our retailer"*. Probably 50 to 60% was driven from whatever market information the firm was being brought back by sales van.

4.4.5.1.4 Behavioural Response

C5 was constantly considering innovation and according to C5P1, if C5P2 came up with an idea he would tell her to run with it. So innovation was on-going and all new ideas were shared around the management table. C5P1 supported this and saw this as the way forward for the business stating, *“I see that as being the way that our business is going to move forward, through innovation by bringing new products to the table”*. C5 has according to C5P1 *“...the ear of Superquinn and we seem to have the ear of Dunnes Stores. And Tesco have asked us to come with products there as well”*. C5P1 was also of the opinion that a 50/50 balance was required between efficiency and market opportunities within their business, however, the market research would come first and once launched the business would start looking at where they could save money through efficiency and technological gains. C5P2 highlighted the issue of cost and how for the firm the importance of getting high volume out would in turn lead to C5 investing money in different kind of innovations.

C5 felt that they have been very good at driving ideas through and once management decided to do something then they do have the resources to turn it around fairly quickly, such as, new tray sizes, new wrappings, new sleeves and rebrand of the products. C5P1 was sceptical of too many decision-makers, with C5P1 describing himself as “impulsive” and his preference to enact a plan immediately. C5P1 did regard the retailers as a typical obstacle in implementing a new product in a timely fashion, as *“...the only thing that holds you back is that we could launch a fantastic product and bring it to one of the supermarkets and by God could they slow it down for you”*.

4.4.5.2 Longitudinal Observation

A summary of C5’s engagement with SLCD over the longitudinal observation period is captured within Table 4.5.1.

Table 4.5.1: C5's Longitudinal Engagement with SLCD

Time Period (Months)	Market Orientation	Observation
One	Cultural	<ul style="list-style-type: none"> Limited understanding of consumer.
	Behavioural	<ul style="list-style-type: none"> Requested SLCD on pizzas and is using that information to support activities as C5P2 states, <i>"I only really glimpsed at that report so far. To be honest I only replicate the products that are on the shelves as that is what they (the retailer) have asked us to do"</i>. Tesco meeting cancelled and C5P2 requests updated version of SLCD. Attended the Balmoral show and observes competitors' products.
Two	Cultural	<ul style="list-style-type: none"> C5P2 is reacting to the current drive on promotions, stating <i>"everything is driven with the meal deals and other promotions. We had to join these as everyone else is doing them"</i>. Management belief in the superiority of the firm's products and operations over other competitors due to no wastage with mushrooms.
	Behavioural	<ul style="list-style-type: none"> Attended a Tesco/Invest NI event in the UK meeting key people within Tesco. The firm secures a contract to sell stuffed mushrooms in September 2010. C5 presents to Tesco providing background information to company, products and utilising SLCD data as C5P2 states <i>"...we used your information (SLCD) on the category performance of loose and prepacked mushrooms to provide a top line view of the category as a whole"</i>. Preparing for Garden Gourmet Party in September.
Three	Cultural	<ul style="list-style-type: none"> New staff had been taken on in production and C5P2 is looking to take on a Product manager as a go between production and them. C5 finding one retailer difficult to work with.
	Behavioural	<ul style="list-style-type: none"> New equipment purchased in the form of a conveyor belt to speed up production. Superquinn is not going to progress the pizza product, <i>"I developed the products, flavours and had used SLCD report you had given me. It is all a learning experience but we will target someone else"</i>. C5 looking at developing roasting trays and party food- request for information.
Four	Cultural	<ul style="list-style-type: none"> Change in timetable for products to go into Tesco NI has resulted in a delay.

Four	Behavioural	<ul style="list-style-type: none"> • C5P2 is meeting with various retailers and so hasn't had the time to look at the SLCD sent on roasting trays and party food. • Secured Tesco UK meeting from the show case event of Tesco/Invest NI.
Five	Cultural	<ul style="list-style-type: none"> • Winner of Fine Food Award.
	Behavioural	<ul style="list-style-type: none"> • Tesco UK meeting went really well and they are hoping to launch C5's products in Express stores. • Tesco NI have changed buyer and all contact to date will have to be renewed. • C5P2 states, <i>"To be honest my day-to-day decisions are forced... we are always reacting very quickly and as far as NPD goes we are looking at recipes on the market, product types that already exist"</i>.
Six	Cultural	<ul style="list-style-type: none"> • C5P2 is reluctant to use SLCD stating, <i>"I have been slow to include any market information (SLCD) out there as this is a fairly new product within the prepared vegetable category so there is nothing really specific out there to put in this report"</i>.
	Behavioural	<ul style="list-style-type: none"> • Secured a meeting with ASDA UK next month on stuffed mushrooms.

4.4.5.3 Interview Two

4.4.5.3.1 Consumer Orientation

C5P2 remained reliant on more informal means of market information, preferring feedback from in-store demonstrations, store and category managers. C5P2 did utilise SLCD, but was conscious they had no products within Tesco so *"...all we can use from the data is to find out what other similar products, how they are performing in the market and you know how people are buying"*. C5P2 gathered information from looking at how the market had reacted to promotions and did this by observing sales trends in stores, but struggled to get around them all. C5P2 had made a few tweaks based on consumer purchasing behaviour and the patterns that C5P2 had seen within SLCD stating, *"We are developing more traditional recipes now, people are less adventurous and they are kinda going back to nature and getting a bit more comfort eating"*. C5P2 did not know whether this was linked with the recession or not. According to C5P2, a lot of the firm's objectives were driven by product performance, pack sizes, flavours and promotional activity.

Management was interested in winning new consumers through new product ranges and by diversifying within the current business. However, one development on the Pizza side did have to be put on hold due to the change in retail buyer. SLCD was used to help the firm win new consumers as C5P2 suggested *“Now we did use a part of SLCD to help us, I suppose to convince us to move a step forward on the roasting trays and we have developed a recipe for a roasting tray that we are launching in Booths in the UK”*.

4.4.5.3.2 Competitor Orientation

C5P1 did observe competitor's strategies but felt confident in the firm's position due to the strength and uniqueness of own capabilities. However, management were also conscious of the impact of the recession and the current promotional environment as *“...consumers are buying into deals and you have to keep an eye because, if we are not doing a deal and someone else is say on prepared vegetables... chances are they will buy the prepared veg. because it is on deal. You know they are our competitor's too”*. Despite access to SLCD on competitors, SLCD didn't highlight anything new and C5P2 remained active in carrying out in-store audits to assess the strengths and weaknesses of competitor. However, C5P2 was aware of the limitations of this method stating, *“There is only me doing this role and I don't do it to be honest and I should be doing more. But again it is time and money and there are costs involved in doing all that because it's time consuming going around and doing all that research”*.

4.4.5.3.3. Interfunctional Coordination

Information was shared at only top level because being a small organisation, management believed that they did not have the time to share information with production staff. However, new top level staff had been taken on board in the form of a Technical Manager and a Productions Manager and C5P2 would be sharing the information with them. This information was used to justify ideas when presented at management level board meetings. C5P2 believed that there was still very little common understanding between all employees about consumer purchasing behaviour but operations were running a lot smoother now. C5 had become more efficient within the past six months investing in a total restructure of the factory and new machinery which has helped to get greater volume.

4.4.5.3.4 Behavioural Response

As a firm, C5 believed that they strongly considered innovation spending more time looking at products in the market, such as the roasting trays, stuffed peppers and pizza. C5P2 stated that they used SLCD more on the innovation side of their business to get ideas of what were selling and the types of flavours people were buying into. In terms of meetings with multiples, C5P2 presented a category overview during month two at a buyer's meeting to illustrate an understanding of the market as a whole. C5's management had been asked to bring market data to support the business's product at other meetings, but C5P2 maintained that because there was nothing like C5's products in the market, there was no exact market information to support the products.

Although C5P2 did not believe the firm performed well in implementing a marketing plan in a timely fashion, it was improving as a result of new employees on board. C5P2 stated, *"If you haven't got the people to drive them or deliver them you know... I am not superhuman, there is only a certain amount (of time) you know. But now we have got people in place and I believe we certainly have the support there and certainly the experience there to drive the market plan a bit better you know"*. Previously the business felt it was fire fighting most of the time, but they had to make money in order to take people on board. C5 management was becoming much more structured and were having more regular meetings.

4.4.5.4 Entrepreneurship Orientation

C5P1 and C5P2's decision-making and NPD was driven largely by the retailer, but on exposure to SLCD, management felt supported in their activities to act upon retailer's direction stating, *"I suppose we needed something to give us a bit of comfort that it was worth investing in... because the retailer currently do not have a roasting tray they have no data for us so we used the information you sent me (SLCD) just to give us an indication of what we could do"* (C5P2). All products produced by the firm were tried and tested, using a trusted retailer as the test market as they did not have to commit to huge costs in packaging if the product did not test well. C5P2 suggested that C5 did not produce too many products as *"...at the end of the day there is only a certain amount of stuffed mushrooms that can be on the shelf at any one time"*. Through the use of SLCD, C5 management did feel more confident, as C5P1 stated, *"You have all the packs,*

nutrition, there is so much behind it, and so you do need something to support you and give you confidence that the product is going to work in the market place and I suppose that is where SLCD comes in”.

4.4.5.6 Capacity to Innovate

C5 management was actively varying the business product range as a means to stay ahead of competition. They did this by looking at SLCD, *“we looked at the data to see what flavour trends that are out there in things and ready meals and stuff...” (C5P2).* The firm was open to what retailers indicated but they also tried to make suggestions as times were difficult as retailers do not want to carry excess stock and there was a harder challenge to get products on the shelves.

4.4.5.7 Performance

As a firm, C5 had been performing better over the past six months on the previous period. It had been finding it difficult as they had been promoting more but they had cost engineered some of the products in order to recoup sales. Despite gaining from exposure to SLCD, C5P2 was unable to quantify the impact of SLCD on the business’s performance, but stated *“I would say it was supportive... It gives you more confidence when you are doing a recipe that actually cheddar and bacon sells...”*

4.4.6 Summary of C6's Market Orientation Pre and Post Exposure to SLCD

Table 4.6: Summary of Case Study Six	
Prior to exposure of SLCD	<ul style="list-style-type: none"> Created an image of the consumer based on gut feeling and without any concrete market information.
	<ul style="list-style-type: none"> Managed to keep track of competitors through competitor's websites and purchasing their products. However preferred to see themselves as market leaders.
	<ul style="list-style-type: none"> Regarded itself as innovative, but acknowledged that they lacked structure and open communication.
	<ul style="list-style-type: none"> C6P1 Would barge ahead with implementing a marketing plan despite the business often fire-fighting.
During exposure of SLCD	<ul style="list-style-type: none"> Adopted SLCD life-stage/life-styles segmentation for the development and structure of website.
	<ul style="list-style-type: none"> Gained business contacts through facebook and had decided to actively pursue the blog, facebook and the website within the marketing strategy.
	<ul style="list-style-type: none"> Enjoyed carrying out informal observations of top Tea Houses in London.
	<ul style="list-style-type: none"> Utilised SLCD more out of interest as opposed to using it for strategy purposes.
Post exposure of SLCD	<ul style="list-style-type: none"> Believed that they did observe market information in more depth to aid strategic change whereas before they would have just guessed.
	<ul style="list-style-type: none"> Utilised SLCD to understand how competitors were performing out of interest whilst also learning who was a bigger threat.
	<ul style="list-style-type: none"> Kept an eye on competitors but were still focused on being market leader.
	<ul style="list-style-type: none"> Despite having access to SLCD, C6P1 still made decisions based on gut instinct.
	<ul style="list-style-type: none"> C6P1 was aware that they had not used SLCD to its full potential and stated he did not feel that SLCD would affect or make any difference to implementing a marketing plan.
	<ul style="list-style-type: none"> SLCD increased C6P1's ability to take risks, whilst also minimising the risk in poor risk taking scenarios.
	<ul style="list-style-type: none"> Performance had increased within six months and SLCD benefited the firm in focusing them slightly better as well as being informative.

4.4.6.1 Interview One

4.4.6.1.1 Consumer Orientation

As a firm, C6 dealt with the majority of their consumers directly via website orders and indirectly through their customers (Cafes and high-end restaurants/Hotels). When dealing with consumers directly, C6P2 processed most of the orders personally to gather insight into the consumer. C6P1 used a range of formal and informal market information to understand actual consumer purchasing behaviour, such as Mintel NPD reports accessed through Invest NI, as well as in-store observations, general observations on the market and competitors and most importantly the gathering of information through face-to-face discussions with consumers at their Saturday market stall. Despite the firm having an idea or a general feeling about their target consumers C6P2 stated, *"I don't think we can say with hands on our hearts yes we know that information"*. C6P1 was hopeful that the new website would capture more in-depth information to aid consumer understanding.

Much of this consumer understanding to date was based on general feeling and this was supported by C6P1 who had created an image of the target consumer (Lucy, 34). The artwork and newsletter had been designed with this imaginary consumer Lucy in C6P1's mind. C6 was basically driven by what sold as C6P1 stated *"...we are certainly not asking people what they want, and providing it. We have just more teas than you can imagine on the website, and what sells, we will market"*. C6P2 analysed the sales made from the website and made special offers based on what people were buying. C6P1 was focused on new consumers as although the growth of C6 had been pretty fast, he believed that there was still capacity for growth.

4.4.6.1.2 Competitor Orientation

C6 management had a good awareness of their competitors both in food service and on-line as C6P2 would get on the competitors mailing list to receive any mail shots and to keep an eye on their activities such as promotions. C6P2 also stated that they had used the list of where their competitor's sold produce to, as a guide for their own sales strategy. C6P1 would do secret shopping, purchasing competitor's products to observe packaging, presentation, and extras. Essentially this was done according to C6P1 to *"...not in effect to copy it but just so we know"*. C6 management assessed competitor's

strengths and weaknesses, stating *"I don't think it is a timetabled thing. I would say it is an aspiration of constant awareness"*, but mostly they prefer to be the leaders in the industry as C6P1 continued, *"I certainly think that we kinda may have ruffled the feathers of a few of the bigger Companies with the Tea service concept"*.

4.4.6.1.3 Interfunctional Coordination

C6 as a firm was poor in sharing market information between all employees, as C6P1 tended to keep ideas to himself, with information *"...ruffling around in my head"*. More recently C6P1 and C6P2 were working towards involving employees in the business, through weekly team meetings as typically information was shared in *"...a general sense, mostly on sort of lunches, not necessarily officially"* (C6P2). As a result, C6P1 did not believe its employees had a common understanding of consumer purchasing behaviour but felt that it was important that they do know. C6P1 realised recently that *"...the whole marketing side of things is just me upstairs, or at home on my Mac kinda plugging away and getting PR or networking events up and running... when asked recently what I do, some employees didn't have a clue"*. C6 management were working to get employees involved and had started taking them to Trade shows to get a feel for what the business was doing. However, C6P2 would have liked to have seen greater coordination, stating *"I don't know that everybody is fully aware of how their actions might influence the other cogs in the wheel but we are working on highlighting that as well"*. Overall C6 management used a lot of gut feel to make decisions but was working on using other information such as customer questionnaires to generate some feedback on the performance of the firm which they hoped to use for future decision-making.

4.4.6.1.4 Behavioural Response

C6P1 was very active in innovation believing that it was important for a company to keep ahead, generating new ideas and improving the existing offer. Whereas, C6P2 tended to 'rein' C6P1 in, in order to focus on more practical issues of innovation, such as reducing packaging. C6P1 as innovator believed that if they had a plan they would *"barge ahead with it"*. C6P1 would create the plan, generate the ideas and would rely on C6P2 to keep track on it. Whereas C6P2 suggested that the business spent a lot of the time fire-fighting, but was trying to rectify that by structuring days, and planning specific key dates for occasions, trade shows and newsletter releases.

C6P2 took a balanced approach to efficiency and market research, as it was important to keep production slick and smooth so employees could enjoy the day without complications whilst driving the business forward. C6 as a firm was not technologically advanced with products handpicked, utilising all the resources whilst focusing largely on market opportunities.

4.4.6.2 Longitudinal Observation

A summary of C6's engagement with SLCD over the longitudinal observation period is captured within Table 4.6.1.

Table 4.6.1: C6's Longitudinal Engagement with SLCD

Time Period (Months)	Market Orientation	Observation
One	Cultural	<ul style="list-style-type: none"> • C6P1 interested in the speciality tea performance, the life-stage and life-style segmentation of consumers. • Consumer feedback from the markets. • Not sure whether their product would fit into the multiple retailers.
	Behavioural	<ul style="list-style-type: none"> • First report used to feedback at a team meeting. • Attended the Real Food Festival with C6P1 describing it as <i>"a very consumer facing festival. There was a lot of 'me too' type businesses and naturally everyone wants a portion of the tea market"</i>. • C6P1 requested information on what tea brands people are buying on line, stating <i>"This information would be great product wise, website design and also geographically for newsletter purposes. Overall I believe it would help us with marketing purposes"</i>.
Two	Cultural	<ul style="list-style-type: none"> • Packaging decision-making has been based largely on gut feeling as C6P1 suggests that the SLCD, <i>"...kind of made us take a step back before we commence to try and get this on to a supermarket shelf"</i>. • C6 also have a blog, facebook page for creative free marketing.
	Behavioural	<ul style="list-style-type: none"> • C6P2 is off on maternity leave for six months. • C6P1 believed that SLCD <i>"...kinda confirmed to us that we had chosen good flavours and that is fine. It was great to see that. I suppose it wasn't a</i>

		<i>surprise but it was interesting to know as we kinda made a gut feeling on it”.</i>
Three	Cultural	<ul style="list-style-type: none"> • C6P1 tells researcher how he worked 7 days a week – needs more breaks. • In retail with Berryhillmerchants in NI/UK. • C6P1 believes that the information on competitors and their products probably seeps in somewhere but it is not a conscious thing.
	Behavioural	<ul style="list-style-type: none"> • Using SLCD segmentations on life-stage and life-style, C6P1 has broken down the website into different areas. According to C6P1, <i>“From looking at the life style charts... you give us an insight into a really relevant way of marketing that we really had never thought of before”</i>. Therefore the website will have 5 messages on every page. • C6P1 is also working on mechanisms within the website to collate information on those purchasing and how often, to target more specifically. • C6P1 actively collects competitor products for C6’s Hall of Fame. <i>“I like to keep track on whatever everyone else is doing. If there is a new tea brand and taste their tea as well to see what the quality of tea is like”</i>. • Requesting information on white tea and flavour
Four	Cultural	<ul style="list-style-type: none"> • C6P1 is looking for a new employee in a marketing and sales position to aid his roles. <i>“I have got a stack of marketing projects that could be taken on. But I just don’t have the time. I just keep thinking... ‘If I can get this out of the way, I can open the drawer now and pick one of those out’ because it is just a treasure chest of ideas. But I just don’t have the time”</i>. • The impact of the absence of C6P2 on the business, C6P1 states <i>“...a lot of things are just on hold. So the development of a new business plan, a few strategy things we can’t really get on with. We are keeping afloat...”</i> • C6P1 believes that the information on competitors and their products probably seeps in somewhere but it is not a conscious thing.
	Behavioural	<ul style="list-style-type: none"> • After reviewing SLCD, C6P1 has pulled the white tea idea. <i>“Well there wasn’t really enough back up to tell us that this was going to be a massive seller”</i>. • Information required on Christmas tea/Gift sets.
Five	Cultural	<ul style="list-style-type: none"> • C6P1 states <i>“This year we have had 9 NPDs all launched, plus the website, plus CP62 being off, Trade shows to do, and I got married!! So things have slacked off a little bit in that area (customer service). It has been a bit hard to juggle it”</i>.

Five	Behavioural	<ul style="list-style-type: none"> • C6P1 visited 9 top tea rooms in London for research. • C6P1 took part in a trade show called Lunch picking up 120 contacts/two days. • C6P1 didn't read last report on Christmas sales stating <i>"I have been flat out as the website launch was taking up so much time, weekends, afternoons, I didn't realise how much work it was"</i>.
Six	Cultural	<ul style="list-style-type: none"> • C6P1 has a stronger understanding of consumer and competitor.
	Behavioural	<ul style="list-style-type: none"> • The updated website is now running with newsletter going out more tailored to the consumer. • C6P1 suggests that the SLCD is <i>"...It's like gold. The information is phenomenal that we could get it... it is more of an interest to me than something that we would sit down and use as a strategy I think. I mean we have certainly reconsidered pack sizes from the information that we got but that's it, it's just been flat out really"</i>.

4.4.6.3 Interview Two

4.4.6.3.1 Consumer Orientation

With the development of the website C6P1 had now been able to generate information from the consumers purchasing their products on line. A newsletter or contents of the home page could now be tailored to what people were searching for. In terms of SLCD, C6P1 had not sat down and thoroughly reviewed the SLCD reports perceiving it as *"an interest thing"*. However, C6P1 felt he had a better idea of who their consumer was, based on information from SLCD as C6P1 stated *"We had an idea. Lucy Gardener. But she was plucked from thin air and it was just a feeling that I had. It wasn't actually based on anything"*. SLCD provided C6P1 with insight into the life-stage and life-styles of the consumers in month two. Six months on, he felt that SLCD had really opened his eyes to see who was buying. By doing this, C6P1 was looking at the data in more depth and then making changes. C6 as a firm was focused on attracting new consumers through the attendance of Trade shows in Paris and London. However, management was conscious that the economic recession had hit a lot of businesses badly so they were starting to put more focus on retaining current consumers.

4.4.6.3.2 Competitor Orientation

C6P1 still found it interesting to see what competitors were doing and requested reports on competitor brands. In general C6P1 did not feel that SLCD showed him anything that he didn't already know but it satisfied his curiosity. C6P1 actively collected competition products stating, *"It is kind of absorbed and booked into categories upstairs so when I need it, it is there and I know where it is and I know what is in every single box"*. But C6P1 acknowledged the problems with doing this, confessing that *"Maybe it is a bad way because it is just in my head. But I am the only person developing new products anyway so..."* By knowing what competitors were doing, C6P1 believed *"If I know what it is like then I can differentiate"*. He also believed that his firm had a good understanding of who their main competitors were, through in store observations and through utilisation of GNPD Mintel alerts on new products. Overall, C6P1 did not believe that they used SLCD to understand their competitor's strategies but they did take note of what competitors were doing. In fact he liked that there was good competition within the market to keep everyone on their toes, and SLCD served to highlight who was more of a competitor than not.

4.4.6.3.3 Interfunctional Coordination

SLCD was typically shared between C6P1, C6P2 and finance at top level. Initially management had started to make an effort to share information through weekly meetings but this slipped by the way side when C6P2 took maternity leave. To a large extent C6 still relied on gut instinct to inform most decision-making. However, C6P1 did utilise SLCD to make decisions on the structure of the website which has helped target more specific consumers. He believed that they could utilise SLCD much more stating, *"I think there is still a leap to go in regards to using the (SLCD) information and I don't think that we have made the most of the information"*.

4.4.6.3.4 Behavioural Response

C6P1 regarded innovation as continuous and enjoyable however, the actual implementation was stressful according to C6P1. As a firm C6 was focused on maintaining a balance of efficiency gains and market research as a small business, and perceived every market as an opportunity for them. C6P1 believed that they could implement a marketing plan in a timely fashion but learning from previous experience he was aware that things may arise such as C6P2's maternity which would slow things

down. Overall C6P1 did not feel that having SLCD would make any difference in the business implementing a marketing plan faster or slower.

4.4.6.4 Entrepreneurship Orientation

C6P1 believed that he was typically more inclined to take high risks and stated that, *"I think if I put every idea that I had into production or something we probably would have failed quite a long time ago"*. C6P1 utilised SLCD to understand the performance of developing the white tea and flavour, but upon the evaluation of the SLCD report, he realised that developing the product was not worth the risk due to poor performance, stating *"...we decided to stay safe and to keep what we had as an ok seller but we didn't see value in adding a fruit"*.

4.4.6.5 Capacity to Innovate

C6 management felt that they had led the industry in the innovation front and as a result other businesses had attempted to copy C6's ideas. C6P1 felt that the copy cat businesses did had an impact on their business as consumers appeared to confuse C6 products with the imitation tea, because *"It is just a competitor who has a very similar looking bag of tea, the same tea pot and the same range of tea that we have got as well"*.

4.4.6.6 Performance

C6P1 believed that the business had been performing well despite C6P2 being off on maternity. C6P1 measured this performance looking at the increase in sales, the maintenance of customers and consumers as well as managing new products and launching a website. C6P1 believed that SLCD has impacted in C6's performance but in a small way stating, *"I think that (SLCD) has focused us both slightly as well as being informative... certainly on the website development. But it certainly has opened our eyes to doing a bit more research before us stepping out and jumping into the deep end. You know how to analyse data and actually use it"*. C6P1 believed that they will analyse the reports coming from the new website much better going forward.

4.4.7 Summary of C7's Market Orientation Pre and Post Exposure to SLCD

Table 4.7: Summary of Case Study Seven	
Prior to exposure of SLCD	<ul style="list-style-type: none"> • An innovative and proactive family business diversifying from start-up from a savoury range into the convenience ready meals.
	<ul style="list-style-type: none"> • Reactive to customers (independents) who request new product development.
	<ul style="list-style-type: none"> • Management are dependent on sales figures, personal experience, observations and store visits to gain understanding of the consumer.
	<ul style="list-style-type: none"> • Management believed that if their product was good enough, people would come to them.
During exposure of SLCD	<ul style="list-style-type: none"> • C7P1 requested SLCD based on products similar to what C7 produced.
	<ul style="list-style-type: none"> • Utilised SLCD to assess the strengths and weaknesses of top performing ready meal products.
	<ul style="list-style-type: none"> • SLCD was utilised to aid new product development of crumble dessert and three new curry lines.
	<ul style="list-style-type: none"> • C7P1 believed that most sales until currently had been driven by word-of-mouth.
Post exposure of SLCD	<ul style="list-style-type: none"> • SLCD helped C7P1 understand that their consumer for ready meals typically was an older consumer.
	<ul style="list-style-type: none"> • The firm remained driven by what they could produce, but they would try to consider consumer wants if possible.
	<ul style="list-style-type: none"> • The firm reached volume/output capacity and management was content to retain current consumers.
	<ul style="list-style-type: none"> • Still reliant on old methods such as the sales van man bringing back new products.
	<ul style="list-style-type: none"> • 100% increase in performance on previous year with SLCD having a big impact despite not actually quantifiable financially.

4.4.7.1 Interview One

4.4.7.1.1 Consumer Orientation

C7 management used a variety of information within the business but for different purposes. For example, C7P2 would have utilised Mintel and Keynote when planning and gaining funding for the new factory, but had chosen not to utilise it as, *"It really doesn't give us target groups, it gives us more information like the popular ready meals in the UK, the trends..."* C7's operations was typically was driven by what the actual customer wanted, as opposed to the end consumer. C7P2 reinforced this when he stated *"...we are quite responsive in here, if somebody asks us to make something, we try to develop it over a number of days or weeks and then put it on the shelves for a while to see how things go"*. Other forms of market information were gained according to C7P1 being *"out and about"*, in-store observations, looking at competitor's products and looking at C7's own sales. Overall management did not get much consumer feedback suggesting that they relied on personal instinct and experience with C7P2 stating, *"We have a fair idea of what works and what doesn't"*. All future actions were based on what was selling within the business as C7P1 stated *"...if people are not buying something then we don't produce it"*.

4.4.7.1.2 Competitor Orientation

C7 management had limited information on what competitors were doing, other than going into the stores and seeing what was on the shelves. C7P1 operated on the following premise, *"See who is getting the most shelf space in stores, see how they are making the product, purchasing trends, and see if it is any good, see if we can do it and see if we can do it any better"*. The sales van man was useful in informing C7 management on competitors' activities providing them with a good understanding of who their competitors were. However, C7P2 believed, *"I don't see anybody being close to us to tell you the truth. Maybe that is me with the C7 blinkers on, but I have been in the industry for two and a half years and I haven't seen anything that is as good as this"*. However, C7P2 did keep an eye on what competitors were doing suggesting *"...if we know that we can do it better we are more than likely to give it a go. If I see someone that is doing a product and they are doing it very well and they are doing it at a good price, then we will leave them to it"*. C7 management believed that they were the market leader at present.

4.4.7.1.3 Interfunctional Coordination

C7 management did not share information between all employees but it was something that the business was aware that they needed to improve on. C7P1 believed that the business was “...*just traditional. A couple of people know but not all do... staff is sort of down there and we are up here*”. This is very much down to the fact that C7P2 does not feel that employees at production level need to know who is buying, but need to focus only on quality. However, a common understanding of consumer purchasing behaviour was important for management as they needed to know who was buying the product in order to do the product design, packaging and labelling. C7P1 was however working on informing employees more and potentially looking at organising meetings with production. With the new production manager (C7P1) in, C7P2 felt that more time would be allocated to do this.

As a firm, C7 did not use much, if any formal market information to inform their decision-making. C7P1 was linked into a nutritional website which kept him informed on market trends but C7P2 was ultimately the decision-maker stating, “*I think that is the key to the success of this place. If I make a decision and I want it done, I will chat with production and... it can be turned around in a couple of days*”. At present firm management was currently working on coordinating production and had brought in C7P1 to implement this. C7P1 described production as “*organised chaos*”. He believed that “*It has always been. It’s a family business that started in a kitchen*” and he suggested that, “*everybody actually is very stuck in their ways and they have their own wee jobs*”. He was hoping he could streamline production and make everything run more efficiently.

4.4.7.1.4 Behavioural Response

As a firm, C7P2 believed that it strongly considered innovation within the business, stating that “*About 15 or 20% of what we are thinking about or talking about we do trials on it and get it done*”. C7P1 was with C7 for the past five weeks and in that time two products had been launched with five more ready to be launched, as well as looking at rebranding and repackaging. C7P2 believed that by innovating they were staying ahead and as a result C7 was a market leader in NI. However C7’s main focus was on efficiency as C7P2 stated “*we have plenty of business and I just want it to run a bit more efficiently at the minute*”.

Although production was undergoing change at present, C7P1 believed that with a new product C7 production “...would turn it around in a matter of days as rather than weeks”. However, C7P1 did not think that the quick turnaround was necessarily a good thing as the business did not get time to iron out any problems. C7P1 also stated that there was very little documentation within production and this was what he regarded as his new role. To support this informal set-up, C7P2 did not regard himself as a marketer stating, “...our marketing has always been just to make good products and they will come and get them... and it has worked. If the product is good enough then people will come and find you”.

4.4.7.2 Longitudinal Observation

A summary of C7’s engagement with SLCD over the longitudinal observation period is captured within Table 4.7.1.

Table 4.7.1: C7’s Longitudinal Engagement with SLCD

Time Period (Months)	Market Orientation	Observation
One	Cultural	<ul style="list-style-type: none"> • C7 management does not feel that their business is big enough yet to supply the like of the multiples.
	Behavioural	<ul style="list-style-type: none"> • Successfully passed a Musgrave Audit. • C7P2 requested report on the top performing ready meals in the UK. • C7P2 purchased the top ten products listed, saying “The first thing that I did was look at the first 25 products that were selling. I picked out things that were similar to me... things that we make and things that I think we can make”. • C7P2 also looked at the top selling product alongside ready meals (mixed berries crumble) and purchased mixed berries ingredients to be trialled.
Two	Cultural	<p><i>C7P2 and the researcher spoke about the continuation of the research as C7P2 had been difficult to contact. C7P2 is interested.</i></p> <ul style="list-style-type: none"> • C7P1 has departed from the business earlier in the month. C7P2 states “I think it is easier for me to have a view of everything that is happening in the business”. • C7P2’s motto is “just to get it in there, get it right and see how it goes”.

Two	Behavioural	<ul style="list-style-type: none"> • C7P2 states <i>“Currently we have Musgrave and Dunnes organised and that is enough for (C7) to see into next year. I typically have used the data to date on product development... bringing chicken Tikka Masala after reviewing the top performing products listed by SLCD on Ready Meals. But apart from that, I can't see any more product development until March or April”</i>. • C7 production had introduced wraps for summer season but they are performing just ok.
Three	Cultural	<p><i>It took the researcher four attempts to get in contact with C7P2. Even when in contact, the observation is short and rushed as C7P2 is busy.</i></p> <ul style="list-style-type: none"> • New staff has been brought in on production side and office. One acts as the communication link between the office, production and dispatch.
	Behavioural	<ul style="list-style-type: none"> • C7P2 is working on reducing products but also working on ready meals, <i>“I think Tikka Masala was the best selling. And other information on ethnic ready meals showed curries at the most popular dish in the UK. So we went for three ready meal products”</i>. • C7P2 requested further information on ethnic meals. • C7P2 is thinking about rebranding stating, <i>“I just think we need a change to freshen up our packaging. We are building and expanding our new ranges but our packaging has remained the same”</i>. • The berry crumble went into store last week.
Four	Cultural	<ul style="list-style-type: none"> • C7P2 states <i>“once again 15 minutes has been hard to find!”</i> • Pick up in sales with the colder weather kicking in, children being back to school and C7's products going into new outlets.
	Behavioural	<ul style="list-style-type: none"> • C7P2 was collecting overdue balances. • C7P2 is working on an email flyer to be sent to all outlets.
Five	Cultural	<ul style="list-style-type: none"> • C7P2 response to the ethnic food report, <i>“Well we have three curries going now and I really just wanted to see from SLCD what ready meals were selling and what was the most popular curries”</i>.
	Behavioural	<ul style="list-style-type: none"> • No in-store promotions when products are launched. • The rebrand of the business is now delayed to after Christmas. • Extension of factory site needed as the business is at full capacity. • Update of website completed costing £200. • C7P2 requests SLCD on chilled desserts.

Six	Cultural	<ul style="list-style-type: none"> • There was no marketing or sales person until this year (2010). • C7P2 let two staff go as the distribution was picking up products from the factory and therefore took a van off the road, <i>"I just wanted to see how they would cope. And they coped, no problem so I am trying to cut back if I can"</i>.
	Behavioural	<ul style="list-style-type: none"> • Flyers sent out today to Musgrave. • The performance of the curries has been slow according to C7P2, <i>"Yeah well we probably listed them too quick and the recipes weren't bang on but we had two chefs over from England a couple of weeks ago just to tweak them a bit and I think we got them right now"</i>. • C7P2 looked at desserts reports, <i>"Yeah I wanted to see what is the best selling and how it would fit in with our production. You know is it something like what we are doing already that we just need to tweak slightly with a new product or is it a new line..."</i> • C7P2 is responding to a request from the distributor for chilled desserts.

4.4.7.3 Interview Two

4.4.7.3.1 Consumer Orientation

After the six months of access to SLCD, C7 as a firm was still largely reliant on the gut instinct of C7P2, but access to SLCD had helped decrease this reliance on gut alone. The main use of SLCD was for the development of new curries in which C7P2 identified the top performing products that consumers purchase in the UK and decided to adopt something similar for NI. SLCD also had helped C7P2 become more aware of the age range of the people purchasing and this information alongside feedback from stores suggested that their consumer was the older adult. C7P2 suggested that he would use this new understanding to help him make decisions in the New Year about reduced pack sizes tailored to the older consumer. He also looked at the sales history every week to guide the business objectives as they had a new system written which aided analysis of top selling products. Currently, the factory was filled and sales were good, so management was content to retain consumers as opposed to gaining any more.

4.4.7.3.2 Competitor Orientation

C7P2 were relying on sales van drivers to bring new products back as insight into competitors' activities. One of the obvious limitations of SLCD was the fact that the ready meals listed in Tesco all fell under the own brand label and therefore C7P2 could not identify individual producers, making it challenging to assess competitor's strengths and weaknesses. However, in observation one, C7 management utilised the top performing ready meals list to identify the best selling products that C7 could possibly produce. C7P2 stated, *"I would look at other products there that other people are doing and selling quite a few of and seeing if there is anything we can do to improve on it"*.

4.4.7.3.3 Interfunctional Coordination

There had been an increase of eight permanent staff members within the business over the past six months, predominately within production and one in administrative role. C7P2 did discuss a lot with production suggesting, *"They like to know I am coming out with ideas about doing curries and different things there so just to back myself up, I would show them the information and then they would run with it you know"*.

C7P2 believed that he was talking to a lot more to staff about new products and in turn they were coming back to him with different feedback and comments. Overall the focus was more on efficiency and products as opposed to a common understanding of consumers as C7 management had reduced the amount of products from 70 to 30 and started making larger batches. C7P2 also had improved in his use of SLCD to inform the business' decision-making stating, *"...we have used the dunnhumby data (SLCD) to develop the new products and things and to help us and guide us in developing the new products"*. Despite the increase in employees the business believed that they were still well coordinated. In fact C7P2 had for the past three months concentrated on trying to stay in the office to look at things. However, the firm now employed a person who acted as the key go between C7P2 and the production floor and this provided C7P2 with a better chance to look at what is going on from the one place.

4.4.7.3.4 Behavioural Response

C7P2 viewed innovation in various ways. Such as new ways of doing things, new processes, and new machinery that makes the plant a bit more efficient. He also regarded innovation as something that needed to be done daily to improve. C7P2

utilised SLCD which slightly helped with innovation on the curry products. Also as a result of the SLCD, C7 management would be confident they could produce a great marketing plan but with right people provided to bring it together. In general the owner/manager liked to implement ideas immediately and the exposure to SLCD aided the pace at which ideas could be implemented. The exposure to SLCD facilitated the management of risk, in which the firm felt more assured that the product being produced would be successful due to the information on real consumer purchasing behaviour.

4.4.7.4 Entrepreneurship Orientation

C7P2 regarded himself as a risk taker as he undertook the building of a factory during the downturn of the current climate. Over the past six months, C7P2 had been involved in the tweaking of current products with new sizes and shapes as well as development of the new wraps, curries and new desserts for reheating. SLCD was used in the development of the curries and the potential desserts. The wraps idea was developed from what C7P2 saw at a Trade show in England. After watching the success of one company, he thought they could give it a go, *“They were all ingredients that we were using already, we just used them with something else added in and put in a wrap”*. C7 management believed that they as a business were focused on having something completely different that nobody else was doing and to make a margin on it.

4.4.7.5 Capacity to Innovate

On exposure to SLCD, the pace at which C7 management acted upon ideas and turned them into products for retail was increased. The capacity to innovate was enhanced due to the new awareness of top performing lines both in NI and the UK. Due to the nature of the ready meal sector, products could be implemented within days. During the six month period, SLCD aided the development of one dessert and three new curry lines incrementally, building upon what the firm was already doing.

4.4.7.6 Performance

As a firm, C7 has grown by 100% in the past year, with measurement of the success of the business based upon sales and ensuring good quality. Despite being the worst recession in years, C7P2 stated that the business had experienced its biggest growth year. C7 management was not interested in getting involved in discounts or promotions, but they did give some thought to doing cheaper meals. Overall, they were happy that they were getting enough sales to maintain where they were. But C7P2 did state, *“I wish that the curries would have went better I wouldn't blame SLCD for that. I would blame us for not having the recipe right. So I don't think SLCD has made that big an impact. It could make a big impact next year”*. However SLCD did help C7P2 make decisions that bit quicker stating, *“I might have an idea that this is a good seller or whatever and this (SLCD) backs me up... it can be hard enough to get information on certain products sometimes because your competitors aren't going to tell you”*.

4. 5 Conclusion

This Chapter presented findings from each of the seven SME agri-food case firms, with findings addressing research objectives one and two. These objectives will be addressed further through cross case understanding and analysis of the agri-food case firms in Chapter Five.

Chapter Five

Cross Case Analysis

CHAPTER FIVE: CROSS CASE ANALYSIS OF FINDINGS

5.0 Introduction

This Chapter presents an integrative review of key marketing literature with findings emerging from the individual case by case findings. Analysis of findings from Interview One, the longitudinal study and Interview Two, are presented to address the first two research objectives set in Chapter One.

Interview One analysis aimed to address objective one to explore the agri-food SME market orientation (MO) before exposure to supermarket loyalty card data (SLCD). The agri-food case firms engaged in *six months longitudinal observations* during which firms were exposed to SLCD on a monthly basis. The full impact of the exposure and utilisation of SLCD during the longitudinal was captured in a second interview. *Interview Two* analysis aimed to address objective two, to explore the agri-food SME MO after exposure to SLCD. Each stage of the research will be analysed in this Chapter as follows, exploring the core concepts of MO in Interview One and Two, as well as probing emerging themes of Entrepreneurship Orientation (EO) and the capacity to innovate at Interview Two.

5.1 Interview One Analysis

The analysis of the seven agri-food case firms specialising in premium products ascertained the current MO of the case firms prior to exposure to SLCD. In this interview, fourteen participants (two per case firm) provided in-depth insight into the firm's consumer orientation, competitor orientation, interfunctional coordination and behavioural response. Each of which will be addressed in the following analysis.

5.1.1 Consumer Orientation

All seven agri-food case firms perceived themselves to have a good awareness of the consumer and demonstrated reliance upon more informal observations to aid their understanding of actual consumer purchasing behaviour. These findings support existing marketing literature that managers will typically use informal sources of information to become informed (Gilmore, Carson and Rocks, 2006; Moriarty et al.,

2008). These types of informal sources of information range depending on the decision-maker which in the SME context is typically the owner/manager (Simmons et al., 2008). The reliance upon the owner/manager as decision-maker across all seven agri-food case firms was evident and the majority of owner/manager's emphasised the importance of gut feel and opportunity particularly when working in a small firm to survive. The use of intuition within SME marketing is recognised as the immediate knowing of something without conscious reasoning (Vaghely and Julien, 2010) and has been accepted as a major factor in the decision-making process of a small firm owner/manager (Vasconcelos, 2009; Michell, Friga and Mitchell, 2005).

Findings also correlated with Mackenzie (2005) study which found the preference of the manager to receive communication orally over paper reports. Findings suggested that agri-food case firms did have access to formalised data in the form of Mintel, Data Monitor, and IGD analysis, but overall little use of the formalised market intelligence data was used. The majority of firms that did have access to formalised information stated that the information being received was not focused enough. Research findings corroborate the original belief from extant literature that SMEs rely on informal word-of-mouth and network contacts to become informed about the market (Carson and Gilmore, 2000).

Also to substantiate this belief in oral communication, three of the seven agri-food case firms' findings suggested that in-store tastings and discussions with the retailer/buyers provided the best source of information. The majority of firms considered the in-store tastings the most rewarding as the direct contact with the consumer was the most valuable in terms of getting real opinions and feedback. This was also evident as more of the owner/managers were trying to speak more closely with retailers and buyers to understand the market more, whilst others gathered information through face-to-face discussions with consumers at their market stalls. The need for direct communication was strong within the agri-food case firms to deliver better understanding of the consumer (Pelupessy and Van Kempen, 2005: p358). It is clear that the findings reinforced current academic literature which suggested that firms, particularly, small firms do not survive or prosper solely through their own means, but often depend on the activities of others, such as the retailers and buyers and hence the nature and quality of

the direct or indirect relations a firm develops with these parties (Wilkinson and Young, 2002: p123).

However, despite in-depth literature on the informal marketing practices of the small business, literature was lacking in relation to SMEs use of social media to understand their consumers. Findings from Interview One suggested that two of the seven agri-food case firms utilised the internet or social networking media, such as the website and facebook to gain insight on consumers. The value of this insight is important as Simmons (2008) found that the internet was an important business tool for SME food companies.

It is evident that the nature of the industry in which the SME operated in Interview One appeared to impact upon one of the seven businesses. C4 was the longest running amongst the agri-food case firms with 55 years in business. C4 felt they had an idea of who their consumer was, based on this history and experience. This finding supports the existing marketing belief that industry is a key aspect of the firm's environment in which it competes (Carter and Jones-Evans, 2006: p112) as small firms in particular tend to conform to established norms (Fuller, 1994).

However, in more recent times within the agri-food industry, the transformation of the retailer has impacted on the smaller manufacturer (Reid, 1995; Burch and Lawrence, 2005). In fact findings in Interview One, suggests that the role of the customer (the retailer) is significant in the majority of SME understanding who the end consumer is. As a result of this intermediary, many firms have no choice but to adapt. This supports current literature such as Wilkinson (2002) who suggested that due to the change in the industry, retailers were brought to the fore, where they emerged highly competitive. This is an issue as it appears from the findings that the agri-food case firms are primarily focused on delivering to the customer (retailer) that they overlook the needs or wants of the actual consumer in delivering the product, whether consciously or unconsciously. Duffy, Fearn and Healing (2005) warned that due to the uncertain and segmented markets, farmers and small business need to be even more aware, and pay attention to the finer details of market requirements, suggesting that *"upstream operators (agri-food case firms) are being encouraged to reconnect with consumers..."*(p18).

The life-stage of the firm also played a role on the outlook of the firm at Interview One, where five of the seven agri-food case firms were focused on attracting new consumers to their product. Much of this focus was based on the fact that these firms believed that they were still growing and that there was plenty of opportunity for their product in their respective markets. Although the majority of case firms were still interested in sourcing new consumers, two of the seven case firms had put a cap on their growth. According to McMahon (1998) the decision to cap growth is a conscious one in a bid to avoid risk, uncertainty and the problems associated with expansion, which appears to be the case for these minority case firms. However, what is important is that the minority case firms realise that expansion would mean that the business would lose the differentiation quality associated with their product in the process of growing. Ultimately in all case firms, the owner/manager dictates whether focus remains on retaining consumers or working on attracting new consumers. This reinforces the existing literature which purported that the pace at which a small firm grows is determined by the owner/manager's focus on growth and their innovative behaviour to develop new products, attract new consumers, and to exploit opportunities (Stenholm, 2011).

To summarise, there are key issues that need to be considered from these findings relating to SME marketing. These findings concluded that the agri-food case firms do have an understanding of the consumer, but this is based on informal information gathered through networking, discussion with consumers and suppliers with real decision-making made largely based on gut feel and intuition. However, an important implication arising from the analysis is evidence of an association between cost effective social networks and consumer orientation despite the fact that SMEs tended to find all other forms of formalised market information unfocused or irrelevant. Also the role of the customer (retailer) in the agri-food case firms' understanding of the consumer is significant as many agri-food case firms tended to rely on the customer to dictate what consumers wanted or needed.

Key themes of Consumer Orientation with supporting case firm quotes	
Informal nature of data collection	C2P2: "...market information (on the consumer) is usually based on ourselves, seeing what is out there, seeing the products, tasting the products".
Limited use of formalised market information	C1P2: "...it is interesting to see, but it's not a very useful and easily used type of information."

Reliance on tradition	C4P1: <i>"...to be brutally frank we have done nothing. It really has been, this is what has been, what we always have done and that's what we will do"</i> .
The role of the retailer	C5P1: <i>"...in between us and the end user is the actual customer. And if we can't convince them of it (product), there is no hope that the end actual consumer is going to change the way they use it"</i> .
Dominance of the retailer	C5P1: <i>"...we try to blend things to suit the industry... but ultimately at the end of the day we usually end up getting persuaded by what the customer actually wants"</i> .
Cap on growth of case firm	C1P2: <i>"...we don't intend to grow beyond our own milk source because we have that artisan feel and you know that's all we want to do"</i> .

5.1.2 Competitor Orientation

Much of the information used by the agri-food case firms to inform their understanding of the competitor in Interview One was based upon in-store observation of shelf space, promotions and pricing within the retail outlets, as well as building network contacts and relationships. The level of networks and contacts is significant for SME owner/managers (Rocks, Gilmore and Carson, 2005; Lechner and Dowling, 2003) and findings reinforced the literature as the majority of agri-food case firms felt that they lost out to competition due to their small level of contacts.

Findings also revealed the value of having contacts on the ground in the form of the sales van man for a minority of the case firms who could afford to do so. The research findings from Interview One emphasised the importance of network contacts, business, personal or groups to inform SMEs of their competition. This was supported by substantial SME marketing literature by Gilmore et al., (2006), McCarton-Quinn and Carson (2003) and Jack (2005) who all emphasised the integral and consistent role of networking within SME marketing.

Most industries are engaged in continuous innovation and regeneration due to the changing nature of the markets (Hult and Hurley, 1998: p42) and findings from Interview One suggested that the majority of owner/managers within the agri-food firms stated that new ideas and innovations were a top priority within their business (Lawson and Samson, 2001: p377). Increasingly SMEs in the agri-food industry are looking for ways to enhance their ability to innovate effectively as innovation that is successful will result in good performance and subsequent growth (Cakar and Erturk, 2010: p325). The findings concur with the literature in that the minority of family case firms believed that

their competitor's were on another level to them because they were a family business with a small team. But they did perceive their strength in innovation, to override that of the competition.

Wilkinson and Young (2002: p123) acknowledged the importance of interaction for facilitating innovation as it is believed that the firm creates and renew competitive advantage within the present and future markets (Miles and Darroch, 2006). Future research has recognised the crucial need for collaboration and communication particularly across the agri-food industry (Pelupessy and Van Kempen, 2005: p358), and findings replicate this thinking as two of the seven agri-food case firms worked in co-operation with their other small businesses within their sector, often competitors in order to co-innovate. Both agri-food case firms were aware of the strengths and weaknesses of each of their competitors, but were happy to work with businesses, with a mutual understanding of not to tread on each other's toes. These findings reveal an important linkage between SME marketing and innovation, in which SME's are building networks to facilitate innovative marketing for the benefit of their business and the group as a whole.

Again as in the consumer orientation theme, the industry structure plays a significant role in setting the competitive rules and strategies available to a firm, in relation to competitor orientation. In this structure certain customs and practices create the norms in which industry and markets exist and operate to. To buck the trend of such norms would result in difficulty for a business to accept (Fuller, 1994) and it is therefore not surprising that all seven agri-food case firms admitted to keeping an eye on competition. However, contrary to this literature, four of the seven agri-food case firms were focused to a greater extent on their own product and on being the market leader. On the other hand, a minority of case firms suggested that if they were on the same level of their competitors they would not survive, and the following of the promotional trend within the market was not something case firms could afford to do. The majority of case firms however were not afraid of gaining from competitor's weaknesses.

The nature of the business particularly that of the family business appeared to emerge strongly within the findings with the traditional agri-food culture preserved in firms

who had been longer in operation. This however contrasted to the other case firm family business which described itself as innovative, but was still in early stages of lifecycle.

To summarise, agri-food case firms rely on networking and contacts to facilitate their understanding of the competition without any real access to formalised market information. Much of this informal information derives from discussions between SMEs, buyers, retailers and through word-of-mouth. An important implication arising from the analysis is evidence of association between marketing and innovation, in which small businesses co-innovate to share resources and ideas in order to compete. Agri-food SMEs rely on innovation to compete against the larger firm whether individually or in a group with other small businesses. The industry structure and the nature of the business can impact on the agri-food case firms' ability to respond to their competition.

Key themes of Competitor Orientation with supporting case firm quotes	
Importance of network contacts	C5P2: <i>"I suppose with my past history I have quite a few friends working in that similar type of business and you will get a tip off"</i> .
Importance of good contacts	C5P1: <i>"We don't have the same level of contact. Contact is important in the food market"</i> .
Sales van people as information medium	C4P2: <i>"...we get a lot of information on what is going to happen with competitors believe it or not, before it reaches the market because the van sales guy cannot keep it quiet"</i> .
Observing the actions of competitors	C1P2: <i>"...although we watch what they (competitor's are doing), there are certain paths we cannot follow anyway"</i> due to technological or financial restrictions.
Gaining from competitor's weaknesses	C7P2: <i>"...if we know that we can do it better we are more likely to give it a go"</i> .
Interfunctional coordination within a family business	C7P1: <i>"It's (C7) a family business that started in a kitchen... everybody actually is very stuck in their ways and they have their own wee jobs"</i> .

5.1.3 Interfunctional Coordination

The informal nature of the communications within the SME (Coviello, Brodie and Munro, 2000) reinforced the findings from Interview One in which information that was shared amongst production tended to be done in much smaller sized firms through word-of-mouth. This supports the thinking that the scale of the small business in many ways will naturally influence marketing practices and processes typically in an informal manner (O'Dwyer, Gilmore, and Carson, 2009), due to the lack of barriers and the level of flexibility within the SME to share information quickly and without hassle.

In being small firms, three of the agri-food case firms reported that they did share information but only at top level, whilst two other case firm's Managing Directors typically stored the information alone. Literature suggests that it is by no means an easy task for all employees to generate valuable information from internal or external sources of the firm, as well as attempt to store and arrange information in a meaningful way (Sorensen, 2009: p741). As most SMEs are dominated by the owner/manager, who are considered a generalist rather than a specialist (Carson and Gilmore, 2000), and therefore may be solely responsible for the generation, dissemination and utilisation of any market intelligence.

The leading role of the owner/manager is also particularly evident in decision-making, as when operating within a dynamic environment such as the agri-food industry, agri-food SME owner/managers tend to make marketing decisions in a haphazard, non-sequential and unstructured fashion which ultimately can lead to informal, spontaneous and reactive marketing (O'Dwyer, Gilmore and Carson, 2009: p46). This literature was supported by findings from Interview One in which five of the seven agri-food case firms relied largely on the gut feel of their management to inform the decision-making process. As a result of this gut feel, things happen quickly. In all seven agri-food case firms, it is key individuals or joint partnerships which made decisions.

Contrary to much of the literature there was evidence from the findings in Interview One which suggested that at least one agri-food case firm used some form of market research to inform their decision-making process. However, this use of formalised data was believed to have been based on years of industry experience. The minority of agri-food case firms had learnt that carrying out good research saved time, effort and grief in

the future. This also supports the literature on owner/manager experiential learning in which the owner/manager learns from previous good or bad decisions which will ultimately shape and inform their future decisions (Corbett, 2005; Grant et al., 2001).

Again it is evident that due to the conservative and reactive nature of the agri-food industry (Baourakis et al., 2002; Papathanassiou, Arkoumani and Karadaras, 2003) and the changing structure of the retailer (Kinsey and Ashman, 2000) SMEs were reliant on retailers to drive decision-making on behalf of the agri-food case firm. These findings determine the level of pro-activeness of the agri-food case firm in leading decision-making as a result of the dominance of the retailer and the structure of the industry.

To summarise, agri-food case firm owner/managers are pivotal to the success of the interfunctional coordination of the firm, in terms of sharing information and making decisions. The small size and nature of the firm contributes to the success of easy flow of communication within the firm but also negates success in terms of restricted resources such as finance and people. Out of the seven agri-food case firms only one owner/manager utilised formal information to inform decision-making, whilst the remaining six relied heavily on intuition. The lack of pro-activeness emerged as a key concern from the findings as a result of the accepted role of the retailers as dictators of change within the agri-food industry.

Key themes of Interfunctional Coordination with supporting case firm quotes	
Informal communication within a firm	C2P2: <i>"...while we are making the soup or while we are doing something we are constantly talking"</i> .
Central role of the owner/manager	C6P1: <i>"...the marketing side of things is just me upstairs, or at home on my Mac kinda plugging away... when asked recently what I do, some employees didn't have a clue"</i> . C1P2: <i>"I make 95% of decisions on my own, you know, without any outside influence. So a lot of the decisions are solely mine"</i> .
Intuition based decision-making	C2P2: <i>"It's all totally intuitive and sort of 'where is there an opportunity?'"</i> Whilst C4P1: <i>"...we are not making decisions based on informed opinion. We take it on what we think a lot of the time"</i> .
Information based decision-making	C3P1: <i>"...in terms of gut feelings and all of that, those days are gone"</i> .
Reliance upon customer retailer	C1P2: <i>"...we were led very much by the buyers of our three main customers... we put a lot of weight on their opinion"</i> .

5.1.4 Behavioural Response

The majority of agri-food case firms considered their business active in *innovation*, as the majority of owner/managers considered themselves' to be innovative. This is in keeping with Simmons et al., (2008) who posited, that the choices and perspective of the owner/manager is shaped by the distinctive personality traits of the SME owner/manager. The level of innovation was considered strong, so much so that two agri-food case firms both jokingly referred to their high level of innovation as a “*weakness*” of or a “*detriment*” to their business. The intention to grow and the innovation orientation are regarded as characteristics of entrepreneurial behaviour (Sadler-Smith et al., 2003: p49) and it would seem that often owner/managers possess these inherent entrepreneurial characteristics (Carson and McCarton-Quinn, 1995).

Again the analysis illustrated evidence of an association between marketing and the *entrepreneurship orientation* as the level of pro-activeness was restricted by the small scale of the SME, with the minority of agri-food firms constantly thinking of innovation but were restricted by limited cash. This restriction on finance was also heightened by the impact of the economic climate. Other moderating factors such as industry sector were currently impacting on the development of the small firm. A minority of the agri-food case firms were restricted by the traditional and production driven industry sector in which they operated.

Findings suggested that three of the seven agri-food case firms focus was more on market research and market opportunities in Interview One as they were trying to grow their business. Whilst two other agri-food case firms took a balanced approach to their focus, with emphasis on both efficiency and market research considered of equal importance. As a result of an expansion in staff, a minority of firms were now very much looking to evolve from being efficiency driven to being more market focused.

There are conflicting arguments within the marketing literature in relation to SME's ability to plan (Hill, 2001; Perry, 2001). The prevailing contention is that SME owner/managers will minimise the comprehensiveness and complexity of the marketing planning process practiced by larger organisations (Carson and Gilmore, 2000). Findings suggest that only three of the seven agri-food case firms had a written marketing plan, however, two of the three businesses implemented plans in order to

meet funding purposes. A possible explanation for the lack of strength in small business planning is attributed to the fact that formal (written) planning is rarely undertaken by firms with less than five employees, and in many instances the formal plan may have very limited value and utility for micro businesses, especially if the business is not required to develop a “business plan” in order to borrow money or to establish commercial credit with vendors (Perry, 2001: p205).

A minority of businesses also suggested that they spent a lot of time fire-fighting, but were trying to overcome this by becoming more structured in their approach to marketing. This appears to support the current thinking that the need for formality appears to be more prominent as owner/managers need to adjust their managerial behaviour becoming more formal operationally and strategically (Mazzarol, Reboud and Soutar, 2009: p321). However, Carson and McCarton-Quinn (1995) suggested that the firm’s entrepreneurial nature is dominant and pushes aside the necessary formal management system needed for business growth. Out of the seven agri-food case firms, three firms believed that they would have no problems implementing a marketing plan in a timely fashion, which is in keeping with the literature on the flexible and reactive nature of the SME (Lieberman-Yaconi, Hooper and Hutchings, 2010: p72).

However resource limitations associated with being small in scale ultimately impacts upon SME’s ability to enact a marketing plan (O’Dwyer, Gilmore and Carson, 2009). The majority of the agri-food case firms suggested that that they could implement the marketing plan in a timely fashion however this was depending on the actual cost implication. A minority of agri-food case firms suggested that as a business they could not afford to take a risk when implementing the marketing plan due to fear of losing money. These findings present the entrepreneurship orientation concept of risk taking in association with SME marketing. The element of risk is also highlighted by two agri-food firms who suggested that having the right people on board would speed up the implementation.

Key themes of Behavioural Response with supporting case firm quotes	
Importance of Innovation	C3P1: <i>"Yes 110% that is what our business is all about, innovation".</i>
Limited by financial resources	C1P2: <i>"...we are proactive as we can be with the financial limitations that are there".</i>
Influence of the industry sector	C4P1: <i>"NI is very reactionary and the Bakery sector just reacts..."</i>
Balance of efficiency and market research	C1P2: <i>"...there is no point being efficient if the product that you are making amazingly efficiently isn't selling".</i> C7P2: <i>"...we have plenty of business and I just want it to run a bit more efficiently at the minute".</i>
Implementing a marketing plan quickly	C6P1: <i>"We would barge ahead with it".</i> C7P2: <i>"We would turn it around in a matter of days rather than weeks".</i> C2P1: <i>"From the day (customer) said he would take us on we turned it around in three weeks... If C2P2 comes up with a new idea and it requires £10,000 investment then that's the difference".</i>

To summarise, the majority of the agri-food case firms regarded themselves as innovative, reflecting their own personal quality of innovator with a good ability to implement plans quickly as possible. However, the agri-food case firms regarded limited finance as a restriction on their drive for innovation which therefore dictated their level of pro-activeness. Also the element of growth arose as a key moderating influence within the firm, as although the majority of agri-food case firms wanted to grow, the minority were content to put a cap on their growth, either from the start up or for the short term to avoid any element of risk within the firm in terms of behavioural response.

Interview One addressed objective one which was to explore the MO of SMEs before exposure to SLCD. A summary of MO of the agri-food case firms has been captured in the following Table 5.0. It was evident from the analysis within Interview One that other strategic orientations, in the form of entrepreneurship orientation (EO) and the capacity to innovate appear to exist alongside the current MO of the agri-food case firms.

Table 5.0: Summary of Interview One Market Orientation Analysis

1. Agri-food case firms had a basic level of consumer understanding deriving from informal sources of information.
2. Agri-food case firms utilised networking contacts to obtain information on competitors.
3. The role of the owner/manager within the agri-food firm dictated the success and nature of the interfunctional coordination, with information being shared informally and decision-making being made intuitively.
4. Agri-food case firms used innovation to strategically respond to the market, however, the extent to which they can respond is impacted by the small size of the firm and the nature of the agri-food sector in which they operate.
5. The capacity to innovate and entrepreneurship orientation (pro-activity and risk taking) emerged through the everyday informal activities of the agri-food owner/manager.

After the completion of Interview One all agri-case firms agreed to engage in a longitudinal research process in which exposure to and analytical breakdown of SLCD was provided by the action researcher. The longitudinal period was instrumental to the findings produced at Interview Two in addressing objective two. The longitudinal observational period is explained further in the following section.

5.2 Longitudinal Observation

The exposure to SLCD was provided after Interview One with Chapter Four's individual case findings illustrating the in-depth nature of the longitudinal study. During this exposure, monthly observations over a six month period occurred between the action researcher and the agri-food case firm owner/manager(s). The rationale for the exposure was to provide agri-food case firms with the opportunity to engage with formalised SLCD for the first time, free of charge. The outcome of the six month longitudinal exposure was captured in Interview Two. Key findings emerged during the longitudinal study which illustrated the behavioural aspect of the owner/manager, the emergence of EO and the capacity to innovate within the daily activities of the agri-food firms, and the relevance of SLCD to the agri-food case firms. These findings are discussed in the following section.

5.2.1 Behavioural Aspect of the Agri-Food Case Firm Owner/Manager(s)

Each agri-food case firm was observed for a longitudinal period with all contact recorded (See Table 3.4, p98). Fifty reports were produced for the seven agri-food case firms with an average of seven reports being requested per firm. The engagement with SLCD was lowest with C4 who requested four reports, whilst C3 was the most engaged firm requesting twelve reports, with the strongest increase overall in MO after exposure to SLCD as a perceived direct effect of the use of SLCD. C3 management were extremely engaged in all aspects of SLCD, whilst C4 in contrast experienced a change in management and culture during the longitudinal research which ultimately impacted on the behaviour of the firm. The instrumental role of the manager in the engagement with the information has been established within the study of information use in a SME, where Lybaert (1998) held the belief that the manager's sensitiveness to information and likewise the firm's sensitiveness were directly related to the owner/manager's personal characteristics such as need for achievement, education of owner/manager and locus of control.

Also the behaviour of owner/management within a family firm emerged as a key issue from the longitudinal study. Three of the seven agri-food case firms were family businesses, but only one of the three case firms was run by nonfamily members at Interview One. Interestingly the perspective of the nonfamily member in family business has been under researched in theory of the family business (Mitchell, Morse and Sharma, 2003: p534). The nonfamily member perspective is important as the large proportion of nonfamily employees working in family businesses may not necessarily be aligned with that of the family members (Mitchell, Morse and Sharma, 2003: p534).

This evidence of misalignment between family and nonfamily management emerged within one agri-food case firm having a significant impact on the outcome of the study (See Chapter Four C4). Essentially the change in management from nonfamily management to family management during the longitudinal phase of the study changed the direction of the focus from marketing to production, with the result of the relationship between SME MO and SLCD being negative. The researcher contends that once the original owner/manager departed the agri-food case firm, exposure to SLCD for the firm was no longer deemed a priority by new management. This finding correlates with research that suggests that one must acknowledge that it is the drivers of

this action that are important as these drivers dictate the action to be taken (Sorensen, 2009: p742), which within the agri-food and drink firm is the owner/manager. The pace and dynamics of change in MO takes place slowly but for a change to occur, an organisation first must perceive a gap between its current MO and the preferred MO (Kohli and Jaworski, 1990). Once the market oriented nonfamily manager was removed, the pace at which the business operated slowed significantly down with only one report requested in the four months.

5.2.2 The Emergence of Entrepreneurship Orientation and Capacity to Innovate

During the observational period, all seven agri-food case firms had developed and or were developing new products demonstrating a capacity to innovate (Baker and Sinkula, 2009). Much of this development and innovation was driven by their own gut instinct as well as the exposure to SLCD. This provided agri-food case firms with the opportunity to review the current market to establish what was already out there and so to aid differentiation and the development of new products at the higher artisan price range. Whilst, the remaining agri-food case firms utilised SLCD to observe current trends and responded by developing products through imitation. Although much of the daily operations carried out by the agri-food case firms varied, they did appear to build upon already existing knowledge skills, utilising SLCD in an incremental way to strengthen the current activities (Li et al., 2008).

Elements of EO were evident with the concept of innovativeness, pro-activeness, and risk taking (Menguc and Auh, 2006; Knight, 1997; Lumpkin and Dess, 1996), arising within all firms as they spoke about the risks and challenges they faced in their bid to be proactive in their marketing activity. Findings also suggested that a small number of food firms proactively pursued joint promotional activity with other similar sized cross sector food firms, for NPD purposes, as well as utilising SLCD for planning purposes.

A detailed analysis of the strategic orientations has been captured in Interview Two, (sections 5.3.5 Entrepreneurship Orientation and 5.3.6 Capacity to Innovate).

5.2.3 Relevance of Supermarket Loyalty Card Data for Agri-food Case Firms

Despite the standard exposure of SLCD to all agri-food case firms, the relevance of SLCD for each of the case firms did vary. The rationale for request of SLCD ranged depending on each case firm. Findings suggested that typically the information being requested did change within the six month period. In fact the majority of firms admitted that the data being received initiated change within the business. Whereas three of the seven agri-food case firms request for information was driven by the retailer, or by the category window within the retailers. It is evident that the motive or incentive driving utilisation did range or differ per agri-food case firm, but essentially the data had to fit the firm's needs. These findings corroborate current literature by Sondergaard and Harmen (2007: p195) which suggested that it was "*only when in possession of the right kind of market information, the use of market information becomes important*".

Three of the agri-food case firms queried whether they were using SLCD right or to the full potential, with a minority on the other hand regretted that they did not engage more with the reports during the six month period. It appears that after completion of the six month observations some agri-food firms did perceive that they could have used SLCD more. However, day-to-day operations dominated owner/manager's activity in the small firms (Jones et al., 2007: p281) and the perception of the owner/manager actions and ability to do things changes with time.

The full extent of SLCD exposure on SME MO, and the strategic orientations of EO and the capacity to innovate are demonstrated in the analysis of Interview Two.

5.3 Interview Two

After the six months longitudinal study, all seven agri-food case firms had been exposed to SLCD. Interview Two aimed to explore SME MO after exposure to SLCD as set out in Chapter One. However, after analysis of these earlier findings further questions were asked in Interview Two to build upon key themes which emerged from Interview One and the longitudinal observations on EO and the capacity to innovate. These will be discussed in detail in the next section.

5.3.1 Consumer Orientation

The majority of the agri-food case firms reported positive benefits through exposure and utilisation of SLCD, to the extent that it made a 'change' for two of seven agri-food case firms. Agri-food case firms claimed that SLCD provided a clearer understanding of who their consumers were. This insight into SMEs using formalised market intelligence challenges current marketing literature which stated as in Interview One that SMEs only relate to informal market information as they use informal, personal opinions to make decisions (Gilmore, Carson and Rocks, 2006; Moriarty et al., 2008; Vasconcelos, 2009). With exposure and utilisation of the formalised data SMEs have concrete understanding of their consumer. In fact it provided SMEs with the best insight of the consumer to date for their business which informal market information failed to do.

However, two of the seven agri-food case firms did not relate fully to SLCD in terms of consumer understanding. This was attributed to a change in one business over the past three months from marketing to more production focus due to a change in management. Another reason provided was that a minority of firms were conscious that as their products were not listed in Tesco they could only utilise data to find out how other similar products were performing.

Under half of the agri-food case firms were completely focused on gaining new consumers for their business. The agri-food case firms utilised SLCD in two main ways according to the literature. This research appreciated that three dimensions would exist in SMEs utilisation of the information: instrumental utilisation, conceptual utilisation and symbolic utilisation (Toften and Olsen, 2003). It is evident from the findings that the agri-food case firms conceptually utilised SLCD by converting the information into understanding in order to inform their own decision-making (Moorman, 1995). Building upon that, owner/managers were then able to instrumentally utilise SLCD by strategically planning in-store demonstrations in the case of a few firms in order to maximise awareness building, to be more effective in decision-making, or to assist with restructuring of firm's marketing activities.

Largely, most agri-food case firms were driven by the belief that generating new consumers would allow the business to invest more in marketing activities. Of these firms, some were interested in winning new consumers through new product ranges and

SLCD was used to help and convince them to move a step forward. This supports Rich (1997) literature on symbolic utilisation in which the information is utilised to portray a positive message or to justify decisions already made.

Interestingly the remaining agri-food case firms illustrated a focus on both retaining and gaining consumers. Participants within a minority of firms were split in their views of the business focus. They put this difference of opinion down to their roles within the business and their experiential learning (Corbett, 2005). Literature supports this belief that owner/manager's characteristics and background influence their operating style within the business (Carter and Jones-Evans, 2006: p292). The implications of this suggest that the personal characteristics of the agri-food SME owner/manager were dominant and dictated the extent of use of SLCD upon the current focus of the business.

Only one of the agri-food case firm was focused on attracting new consumers as having access to SLCD helped them establish new products and identify where they could avoid a 'me too' product. It is evident from these findings that SLCD does relate to innovation enhancing the case firm's ability to drive NPd and to differentiate (Pelham and Wilson, 1996). The strategic orientation of innovation will be discussed further in this Chapter. And only one out of all seven agri-food case firms were fully focused on retaining current consumers citing that with the factory filled to capacity and sales good, they were happy to keep things as they were. For those businesses which were happy to maintain sales and focus on meeting volumes, and not to drive any further for innovation illustrates the impact of the nature of the industry and the leadership style (Orser, Hogarth-Scott and Rising, 2000).

The make-up of the agri-food case firms impacted on their relationship with SLCD as the agri-food case firms highlighted the financial constraints associated to meeting their business objectives. Despite the agri-food case firms' utilisation of SLCD, impact was restricted due to the inherent limitations of being a small firm (Jocumsen, 2004). The need for financial stability was a priority within a majority of case firms as it rated the need to make a certain level of revenue as the main driver behind the business. Only one case firm suggested that their business was driven by production. Again this supports the literature which suggests that SMEs are restrained by their physical resources (Carson and Gilmore, 2000) despite access to formalised market intelligence.

This challenges the literature posited by Simmons et al., (2007) and Clarke et al., (2006) who suggested, that SME food companies must overcome their inherent marketing constraints in order to do business. Although the agri-food case firms did relate to, understand and utilise SLCD for various means within their business, they were still restrained to the extent by which they could implement SLCD as a result of the small scale of the business.

To summarise, key findings that have emerged from Interview Two consumer orientation conclude that all seven agri-food case firms did relate to the formalised SLCD. The relationship facilitated better understanding of the consumer and complimented existing informal information on consumers, whilst decreasing the gut feel used in decision-making. The nature of SLCD, the sector and nature of the industry did have a negative impact on two of the seven agri-food case firm's understanding of the consumer. Otherwise the majority of agri-food case firms utilised SLCD on all three levels from conceptual, instrumental to symbolic utilisation to the benefit of the firm, but the overall size of the firm did limit the extent to which the business could implement their knowledge gained on the consumer.

Key themes of Consumer Orientation with supporting case firm quotes	
Focused marketing post exposure to SLCD	C1P2: <i>"It (SLCD) changed my notion slightly marketing wise as to where we should be pushing"</i> . C2P1: <i>"...before it was our own personal opinion... But now we know who our target consumer is"</i> .
Little impact due to SLCD exposure	C4P2: <i>"...it (SLCD) hasn't been that active to be perfectly honest"</i> .
Contrasting perspectives within a case firm	C2P2: <i>"I would say that I am very much focused on retaining the current consumers but (C2P1) is probably more focused on attracting new consumers"</i> .
Inherent limitations of a small firm	C1P2: <i>"...we still have very minimal marketing spend which is our issue... and as much as we have lots of information and we would like to do lots of things... literally we try to do marketing items that pay for themselves"</i> .

5.3.2 Competitor Orientation

The relationship between agri-food case firms and SLCD in relation to their competitor orientation was based largely upon conceptual utilisation (Moorman, 1995) in which SLCD reinforced the agri-food case firm's current understanding of the competition. Findings suggested that three of the seven agri-food case firms utilised SLCD on competition within their market as a form of reassurance and clarity that the market was as they thought.

SLCD made a significant impact on a number of case firm's competitor orientation as it increased their awareness to the role of the supermarket own brand products when identifying competition. Whereas, a minority of the agri-food case firms did not find that SLCD enhanced their competitor orientation suggesting that it was more of an interest thing. However, some firms did suggest that SLCD on competitors was absorbed and assisted with avoiding copying or having another 'me too' product. What was significant was the ability of the case firm to absorb the data. Despite SME's not being long term focused (Coviello, Brodie and Munro, 2000), SLCD had unconsciously been absorbed for future use. It is important that SME's are not only sensitive to recognising changes in the market and have the ability to identify opening opportunities, but also to have the necessary capabilities to transform the knowledge into valuable products (Jantunen, 2005: p340) at a later stage in their development.

Two of the agri-food case firms instrumentally utilised SLCD on competitors to identify gaps in the market. Through the utilisation of SLCD a large number of agri-food case firms became more proactive in relation to their competitor orientation. Having this ability, some agri-food case firms were able to utilise SLCD to show how a competitor's product was performing and launch a product to go into direct competition. This finding is evidence of an innovation orientation which exists when a business is recognised as creating and implementing new ideas and products (Lukas and Ferrell, 2000).

The impact of the relationship between the SME competitor orientation and SLCD was restricted due to the structure and the capabilities of SLCD itself. Two of the seven agri-food case firms suggested that due to restrictions within the data, they were unable to utilise SLCD on competitors. This case firm also suggested that the business did not use

the information as they viewed the data source (Tesco) as unrepresentative of the cake industry in NI, listing only five to six key businesses. The main restriction for one firm with use of SLCD was that all ready meal products listed within the supermarket (Tesco) fell under the own brand label. As a result of this, the agri-food case firm could not identify key competitors, only top performing products whilst also using feedback obtained from the sales van drivers. Despite having access to the formalised SLCD, the majority of agri-food case firms also relied on the informal daily operations of the business to compliment the formal collection of market information.

Despite having access to formalised SLCD the inherent nature of the SME has restricted the relationship between SME competitor orientation and SLCD. The majority of agri-food case firms acknowledged the lack of resources both financially and physically in comparison with larger competitors. The marketing literature to date would support the belief that *'a small business is not a little big business'* (Welsh and White, 1981), suggesting that firm size is a significant factor in influencing the firm's behaviour and performance (Coviello, Brodie and Munro, 2000: p526). Due to this lack of resources, time and capabilities, it is evident that *'it is not a level playing field'* (Gray, 2006: p346). As a result, a minority of agri-food case firms made the decision to enter promotions in an attempt to compete with larger players in their market, despite having access to SLCD they felt compelled to compete through cutting price and doing promotions.

To summarise, agri-food case firms did relate to SLCD but it served more as a reinforcement of information they had already gathered through networking and contacts. Much of this SLCD exposure was regarded as an interest, or as a motivational boost. However, a minority of agri-food firms did utilise the data strategically for decision-making purposes and for the development of NPD. Only one of the seven agri-food case firm's findings suggested that those who innovated within a group did so using SLCD. SLCD was not without restrictions as a minority of agri-food firms could not utilise the data to the desired extent due to limited information within SLCD dataset on products and competitors within their sector. Overall the industry structure and the nature of the business did impact on the agri-food case firms' ability to respond to their competition even with exposure to SLCD.

Key themes of Competitor Orientation with supporting case firm quotes	
SLCD provided a motivational boost	C1P2: <i>"So maybe that was more of an ego thing or wanting to know where we were, to be perfectly honest"</i> .
Enhanced understanding of competitors	C1P2: <i>"Initially because you are a branded product you looked at other brands. Whereas in actual fact... it is very obvious that it is the own brand that has the biggest section of the market"</i> .
Enhanced pro-activeness	C3P1: Utilised SLCD <i>"...to look in and to be more proactive"</i> .
Utilising SLCD for basic insight	C4P2 did request two reports on competitors but stated: <i>"...to be brutally honest it was probably out of nosiness because for the first time you are really seeing what your competitor's are doing"</i> .
Inherent limitations of being a small firm	C1P1: <i>"We can't react as quickly as a large company does but what we can do is to badger the retailers if we see that we are not getting promotions that other people are..."</i> C4P2: <i>"... we haven't had the time to be analysing the market (SLCD)... more doing and reacting to the situation as opposed to building strategy"</i> .

5.3.3 Interfunctional Coordination

The sharing of formalised SLCD within the agri-food case firms proved to slightly enhance the relationship with SME's interfunctional coordination as three of the seven agri-food case firms believed that they did share the market information with all employees within their business. For example, one agri-food case firm strongly believed that as a business they were talking a lot more with staff, but in general agri-food case firms communicated in an informal way. The findings provide evidence that formalised information can be shared amongst agri-food case firms (management and production) but through informal means of word-of-mouth, thereby complimenting the existing practices of the agri-food case firm (Frishammar, 2003).

Although the majority of agri-food case firms owner/managers did share SLCD it was typically at management level only, developing a more formalised approach to communication through structured meetings (Coviello, Brodie and Munro, 2000), and deeming it unnecessary to share the market information beyond top management particularly within family firms. Chrisman, Shua and Sharma (2005: p557) suggest that *"altruism and entrenchment, combined with intentions to maintain family control, can influence family firm behaviour in ways that nullify the value of existing capabilities, prevent or retard the development of new capabilities and makes cooperation dysfunctional"*. The desire therefore to maintain control of the business can ultimately

affect the way the business is run and the working relations with nonfamily members. Findings corroborate literature on family firms which suggest the element of control is inherent, and in all three family case firms there was evidence of control on the sharing of formalised data within the family.

The desire of a minority of case firms to formalise communication structures in Interview One never fully materialised by Interview Two, as in the case of one firm, effort to formalise structures for communications slipped down the list of priorities as one decision-maker took maternity leave. This finding highlighted the difficulty for owner/managers in detaching themselves from the operational day-to-day concerns (Jones et al., 2007: p281) of running a business, where priority remained in operations as opposed to facilitating structured meetings for delivery of formalised SLCD.

The utilisation of SLCD during the longitudinal study was presented through Interview Two findings in which all three types of utilisation (conceptual, instrumental and symbolic) were evident (Moorman, 1995; Rich, 1997). Five of the seven agri-food case firms declared that they utilised SLCD for decision-making purposes demonstrating conceptual utilisation of SLCD, whilst some firms also suggested that they had considered the end user more than before. Whilst, three agri-food case firms utilised SLCD symbolically describing the data as a selling mechanism to the larger retailers in order to support their product pitch.

Overall the findings suggested SLCD was utilised in conjunction with the SME's gut feel to inform their decision-making. Marketing literature to date lacks discussion on the role of formalised data in complimenting the informal gut instinct of the small business owner in decision-making. To further this, the findings also suggested that use of SLCD was dependent upon the right people. The importance of the 'right people' with the right skill within each business was significant to the strength of the relationship between SME interfunctional coordination and SLCD. Literature is limited within this field, suggesting only that the performance of the firm is heavily reliant upon the skills and competencies of the owner/manager (Simmons et al., 2008; Carson and Gilmore, 2000).

To summarise, agri-food case firms did attempt to share SLCD both informally and formally during the longitudinal period. Significantly, findings did suggest that

formalised SLCD was shared with production staff by owner/managers through informal means of word-of-mouth. Otherwise information would be retained as in Interview One within top management level, with SLCD shared through more structured meetings. The information deriving from SLCD was utilised as a learning tool as well as a selling tool to retailers, however the impact of limited resources and the small size of the firm did impact on the interfunctional coordination.

Key themes of Interfunctional Coordination with supporting case firm quotes	
Increased confidence in developing ideas	C7P2: "...they (staff) like to know that I am coming out with ideas about doing curries and different things there. So just to back myself up, I would show them the information and then they would run with it".
Informal communication between staff	C2P1: "I am the type of person who would talk aloud and share the information... he (staff) would be listening and he would chirp in what he thinks".
SLCD as a learning tool	C1P2 used SLCD to aid learning: "that is why we need this information... Knowledge is power".
Failed to maximise SLCD	C6P1: "... there is still a leap to go in regards to using SLCD and I don't think we have made the most of the information".
Right people utilising SLCD	C4P1: "All of this is only as good as the people that are delivering it".

5.3.4 Behavioural Response

Findings suggest that SME behavioural response had a strong relationship with SLCD as the majority of the agri-food case firms all viewed SLCD as a significant facilitator of innovation for their business. This was reinforced by case firms who believed that SLCD was used more on the innovation side of the business to get ideas of what were selling and the types of flavours people were buying into. This supports findings suggested in Pelham and Wilson (1996) in which the increase in innovation and differentiation positively affects MO. However, agri-food case firms did highlight the importance of maintaining good relationships and contacts with buyers and retailers as they too facilitated NPD ideas. This supports the current literature on SME networking (Carson and Gilmore, 2000), however it fails to address the findings from Interview Two which suggested that by utilising SLCD for innovation purposes, SMEs could build upon this as a means of creating contact and relationships with the buyer and or retailer.

The nature of the small business has restricted the relationship between SLCD and the SME's behavioural response. The agri-food case firms were limited by the practicalities and logistics of what they could do despite having access to SLCD. However, findings suggested that despite having access to very powerful formalised SLCD, the majority of agri-food case firms still is challenged by the practicalities of being 'small' (Jocumsen, 2004).

All but one of the seven agri-food case firms believed that they could implement a marketing plan in a timely manner, with the majority of firms adopting a more realistic outlook on the business since the exposure to SLCD in relation to implementing marketing plans. It was clear from the findings that the majority of agri-food case firms perceived themselves to be much more focused and clearer in their understanding of how they could perform marketing as a result of utilising SLCD.

For SMEs industry norms are potentially influential (Carter and Jones-Evans, 2006). Only one agri-food firm perceived that the industry had restricted their utilisation of SLCD due to the Bakery sector being perceived as inherently production oriented (Baourakis et al., 2002; Papathanassiou, Arkoumani and Karadaras, 2003). One firm also had experienced a cultural shift from a MO back to a production orientation as a result of change in management. This finding supports current literature which states that the strength of a business's culture and traditions may play a significant role in aiding a business to adapt to its environment (Stoica and Schindehutte, 1999: p6; Deshpande, Farley and Webster, 1993). It is understandable that the business had slowed down its speed at which it responded to the environment (Stoica and Schindehutte, 1999: p6), as focus was on production as opposed to understanding the market through exposure to SLCD.

Key themes of Behavioural Response with supporting case firm quotes	
Innovation	C3P1: <i>"We see innovation coming through SLCD...it is not just about recipe, it is about product shape, size..."</i>
Balance of capabilities and efficiencies	C3P1: <i>"I know when you are a small producer like we are, if you don't have the capabilities and the efficiencies within your factory you can't compete with the bigger players no matter how innovative you are"</i> .
More realistic in marketing outlook	C1P1: <i>"Previously I was a bit more naive and thought 'off course if we had great ideas and a marketing plan we could go after it big style', but maybe I am more realistic now"</i> .

To summarise, the majority of the agri-food case firms regarded the exposure to SLCD as a means of strengthening their innovation by providing firms with a more focused approach. Also SLCD was utilised to compliment the agri-food case firm’s networking, particularly within discussions with retailers and buyers. However, the agri-food firms regarded limited finance as a restriction on their drive for innovation in Interview Two. Despite the majority of agri-food case firm’s not being impacted by the culture or norms of the industry, one firm cited their agri-food sector and existing production culture having negative effect on their relationship with SLCD.

Interview Two addressed Objective Two which was to explore the MO of SMEs after exposure to SLCD. A summary of MO of the agri-food case firms has been captured in the following Table 5.1.

Table 5.1: Summary of Interview Two Market Orientation Analysis

1. Agri-food case firms had an enhanced level of consumer understanding after exposure to SLCD.
2. Agri-food case firms utilised SLCD to reinforce their existing understanding of competitors, and as a tool to enhance and extend their networking activities.
3. The role of the owner/manager was central to the sharing of SLCD formally/informally within the firm.
4. Agri-food case firms’ exposure to SLCD enhanced SME focus on innovation and their ability in strategically responding to the market. However, the extent to which the firm can respond is impacted by level of resources and the agri-food sector in which they operate.
5. Agri-food SMEs illustrate an entrepreneurship orientation of innovativeness, risk taking and pro-activeness.

Throughout the field research it was evident that the agri-food case firms demonstrated a level of MO as well as an EO and a capacity to innovate. Consistent with the findings presented by Grinstein (2008) that more successful market oriented businesses are those balancing between MO, and EO, and a capacity to innovate, this research therefore decided that it was important to address the potential impact of these two specific strategic orientations further in relation to the study of SME MO and the relationship with formalised SLCD.

5.3.5 Entrepreneurship Orientation

Throughout the findings from Interview One and the six month observational period, other strategic orientations emerged in the form of EO and the capacity to innovate. The strategic orientation of a firm may be “*considered a key element with important implications for the management and efficiency of small businesses*” (Aragon-Sanchez and Sanchez-Marin, 2005: p 288). The reason for this is that a strategic orientation is the strategic direction followed by a business to create the proper behaviours to ensure continual superior business performance (Gatignon and Xuereb, 1997).

The researcher decided to probe these orientations further post exposure to SLCD, as a number of studies suggest that a single orientation alone such as MO is inadequate to achieve greatest firm performance (Atuahene-Gima and Ko, 2001; Baker and Sinkula, 1999). The first strategic orientation of EO comprised of three dimensions explored below; innovativeness, risk taking and pro-activeness (Collinson and Shaw, 2001; Morris, Schindehutte and LaForge, 2002; Miles and Darroch, 2006; Holmen, Magnusson and McKelvey, 2007).

5.3.5.1 Innovativeness

Innovativeness refers to a willingness to support creativity and experimentation in the business’s internal and external operations (Menguc and Auh, 2006; Knight, 1997; Lumpkin and Dess, 1996), as a means of departing from old ways and adopting an ‘openness’ to new ideas within the firm’s culture (Hult and Ketchen, 2001). Findings from Interview Two suggested that within the majority of agri-food case firms the relationship of SME MO and SLCD was enhanced through the firm’s innovativeness as well as enhancing their innovativeness when utilising SLCD. The formalised market intelligence provided the agri-food case firms with confidence in expanding their product line. The data also aided realisation for the majority of firms that they needed to focus on getting core lines right before expanding into other lines.

This degree of empowerment provides more control in decision-making and enabled the owner/manager to be more innovative (Cakar and Erturk, 2010: p325). In contrast, a minority of agri-food case firms’ innovativeness reduced the SME’s MO utilisation of SLCD. For example, some firms limited their innovativeness to avoid any major risk of

alienating consumers by producing more standard flavours. By doing this, a minority of firms was attempting to avoid differentiation. The majority of agri-food case firms believed that they had a high level of innovativeness, but only one agri-food case firm owner/manager felt that having access to SLCD enhanced or decreased this. Mainly this was due to the fact that he just did not have the time to act on his ideas with the general role of running the business (Jones et al., 2007). The findings suggest that the impact of innovativeness in the relationship between SME MO and SLCD can impact on performance in some agri-food case firms but not all. Overall the findings are aligned with Atuahene-Gima and Ko (2001) in that including innovativeness into the strategic configuration of the small business in combination with MO, will lead to improved performance.

5.3.5.2 Risk taking

The ability to take risks is one significant characteristic of an entrepreneur (Carter and Jones-Evans, 2006: p161). Only one of the seven agri-food case firms deemed themselves as a risk taker, while three of the seven agri-food case firms deemed there was a split in personnel within the firm from risk taking and risk adverse perspectives. Whilst, some interviewees enjoyed the buzz of taking risks, others stated that they would not make a decision that would put the business under too much risk. Having access to SLCD provided the majority of agri-food case firms with the confidence to approach the retailer. The relationship between SME MO and SLCD was both affected by and enhanced by the risk taking nature of the SME owner/manager(s). In this case firm, the risk taking nature of the firm encouraged the owner/management to pursue the retailer but SLCD was conceptually and instrumentally utilised to inform the pitch necessary to win the contract with the retailer.

Through conceptual utilisation of SLCD, one firm realised that developing a new product was not worth the risk, therefore facilitating risk reduction (Frishammar, 2003). One of the seven deemed themselves risk takers due to the innovative nature of the business however believed that the real risk had gone out of the business after five years of operation. Another factor impacting on the firms risk taking ability was linked to the environment. The impact of the economic climate ultimately restricted the risk taking impact of the SME MO relationship with SLCD, as a minority of agri-food case firms suggested that due to the current climate they were trying to stick to what they knew

would work. One firm based this reluctance to take risks upon the current financial position of the family and the difficult and challenging market in which they were operating. Literature suggests that entrepreneurs are primarily concerned with growth and profit, whereas owner/managers are concerned with securing an income to meet their immediate needs (Mitchell, Morse and Sharma, 2003), which C4 was evidence off.

The nature of the business itself ultimately can influence the impact of the risk taking element of the entrepreneurial orientation on the relationship between SME MO and SLCD. One specific case firm deemed itself risk adverse due to the history of how the business started with a delay in development and huge costs in set up. This is supported by literature which states that the strength of a business's culture and traditions may play a significant role in aiding a business to adapt to its environment (Stoica and Schindehutte, 1999; Deshpande, Farley and Webster, 1993).

However, with use of SLCD the majority of agri-food case firms suggested that having this knowledge gained through SLCD was comforting and instilled confidence within the firms' ability to take risks. A minority of agri-food case firm owner/managers tended to follow tried and tested products using a trusted retailer but having access to SLCD these firms felt more assured. The conceptual utilisation of SLCD to enhance risk taking ability is evident from these findings. Limited literature is available in this area to assess how formalised market information enhances confidence to support decision-making within SMEs.

5.3.5.3 Pro-activeness

Pro-activeness refers to the ability of firms to seize the initiative in the pursuit of marketplace opportunities (Baker and Sinkula, 2009). It is typically regarded within a forward thinking perspective and with being the first mover (Li et al., 2008: p119). Often this propensity is regarded as aggressive as a proactive business competes with rival businesses in the pursuit of favourable business opportunities (Hansen et al., 2011: p62). Proactive firms are therefore more inclined to discover resources and opportunities in their external environment than their less proactive counterparts (Stevenson and Jarillo, 1990). Typically for market oriented SMEs, they have limited resources in the established market in contrast to larger firms. Therefore Li et al., (2008:

p120) suggests that the competitive advantage of an SME often depends on their speed with which they enter the market and their ability to meet consumers needs.

The majority of agri-food case firms established a correlation between pro-activeness and the SME's utilisation of SLCD with four of the seven agri-food case firms having deemed themselves as typically proactive, actively developing new lines, spotting gaps in the market and engaging with the market to stay ahead. By having access, it helped the majority of agri-food firms avoid a haphazard approach to marketing. What is significant in these findings is that SMEs who were typically not attuned to formalised market intelligence had learned how to access, understand and utilise formal data. This exposure has facilitated learning and confidence for SMEs in the use of other types of formalised data. The act of utilisation has facilitated further confidence in using similar data which requires further discussion within the SME marketing literature.

A third of the agri-food firms traditionally viewed themselves as reactive, responding to leads by the retailers, and pressure from competition in relation to promotions. These findings are aligned with literature on SMEs tending to conform to established norms in order to operate successfully (Fuller, 1994). Literature suggests that if an SME wished to move away from these accepted norms, the SME would require a *'significant market differentiation in some aspect of the business activity'* (Gilmore and Carson, 1999: p32). Despite all seven agri-food businesses producing premium and niche products, a minority still felt restricted by the conservative nature of the sector in which they operated stating that there was not much incentive for the business to be proactive. However, other firms looked to differentiate further and were encouraged to be more proactive within NI as insight into SLCD showed some of the agri-food firms that there is still room for growth in NI. Findings suggested that although retailer's control disincentives agri-food case firms not to be proactive, SLCD counteracted this by providing agri-food firms with a tool to create ideas and NPD in which they can present to retailers. Thereby increasing pro-activeness and enhancing relations with the retailer.

Key themes of Entrepreneurship Orientation with supporting case firm quotes	
Innovation	C2P1: <i>"SLCD has led us to where we are now. I would safely say that we would not be in Tesco without it"</i> .
Risk management	C2P1: <i>"We decided to sit safe and to keep what we had as an ok seller but we didn't see the value in adding a fruit to it"</i> .

Risk management	C3P1: "...any market information that you get that is evidence based reduces the risk". C1P2: "It (the economic climate) tempered people's ability to take risks".
Instilled confidence	C5P2: "You do need something to support you and give you confidence that the product is going to work in the market place and I suppose that is where SLCD comes in". C3P1: "I suppose it goes back to the whole thing of validating... are we going in the right direction".
Enhanced awareness	C6P1: "I don't know if we have used it to the best of our strengths but yes it is phenomenal information to get and to see and it has been completely eye opening".
Reliance on the retailer	C5P1: "To be honest I only replicate the products that are on the shelves as that is what they (the retailer) have asked us to do".

To summarise, findings revealed that the integration of owner/manager MO and EO characteristics contributed positively towards the agri-food case firm's utilisation of SLCD. This corroborates with the literature which states that it is this fusion of entrepreneurial characteristics with MO that will contribute positively to small business relationship with SLCD (Atuahene-Gima and Ko, 2011; Shane and Venkataraman, 2000; Grinstein, 2008). A summary of the analysis is captured in Table 5.2.

Table 5.2: Summary of Entrepreneurial Orientation Analysis

1. The relationship of SME MO and SLCD was both enhanced through the agri-food firm's innovativeness, and contributed to enhanced innovativeness.
2. SLCD enhanced confidence in taking risks, whilst also increasing understanding in not engaging in poor risk taking.
3. The utilisation of SLCD enhanced agri-food firms with both a proactive and reactive level, with a small majority of agri-food firms pressurised to conform to existing industry trends such as promotions.

Findings suggest that MO and EO have a very strong synergistic effect of a complementary nature (Grinstein, 2008). The next section addresses the strategic orientation of innovation after SME MO exposure to SLCD.

5.3.6 Capacity to Innovate

The second strategic orientation to emerge from Interview One findings and the observational period was innovation. The findings in this Chapter so far reveal that EO

dimensions are important elements of the agri-food firm owner/manager's disposition in relation to SLCD utilisation. This research suggests that these EO dimensions will need to be integrated with a MO which focuses them towards opportunities and innovations that will create enhanced utilisation of SLCD. The focus of Interview Two was to probe the capacity of the SME to innovate after exposure to SLCD. The capacity to innovate represents the ability of an organization to adopt or implement new products, ideas or processes successfully. Innovativeness, when combined with resources and other organizational attributes, creates a greater capacity to innovate and superior performance (Baker and Sinkula, 2009).

The majority of agri-food case firms believed that they were high in innovation. Findings suggested mixed results on the role of innovation on the impact of SME MO and SLCD, as well as the impact of that relationship on innovation. Out of these five agri-food case firms, half suggested that exposure and utilisation of SLCD helped innovation. The majority of these agri-food firms suggested that utilisation of SLCD had complimented what they had already been doing. However, a minority did not believe there had been anything new that had come out of SLCD, but it did provide support to their existing marketing activities. Findings suggested that the relationship between SME MO and SLCD facilitated incremental innovation in which changes or advances on already established technology/knowledge within the business took place (Naidoo, 2010: p1312).

A minority of the seven agri-food case firms portrayed themselves as low in innovation. However, this minority suggested that despite their innovation being dictated mostly by what the retailers want them to do, the SCLD provided them with an opportunity to also try and make suggestions. This finding is significant in providing agri-food case firms with the ability to demonstrate their capacity as a small business to innovate using a formalised marketing tool (SLCD), whilst working in conjunction with the retailer.

The impact of the nature of the agri-food case firms did play a role in restricting the impact of innovation on SME MO and SLCD. For example, despite being innately innovation driven, a third of firms did not find that SLCD enhanced their level of innovation. One firm suggested that due to the early stage of their business, focus remained on core soup lines, with most products being implemented to date having been

based on already tried and tested flavours. Despite thirty new lines created within one specific case firm over the past year, they suggested that only one third actually remained in the market. They based this failure on production inefficiencies or potential short cuts taken in not utilising SLCD. Ultimately it is evident that the pace of growth was dependent on the entrepreneurial characteristics of the owner/managers (Macpherson, 2005). Also the ability of the small firm to react quickly is evident in the findings but by reacting quickly in production, the small business did so without using any informed decision-making.

It is understandable that the piloting of a business through the growth process of a lifecycle is regarded as a formidable challenge (Hill, Nancarrow and Wright, 2002). In fact literature suggests that the lifecycle stage a small business is at is an important factor in determining the type of marketing they practice (Carson and Gilmore, 2000; Hill, 2001). However, findings in this research suggested that there was no real association between the agri-food firm's lifecycle (length of operations) and the firms utilisation of SLCD, as one firm was in operation for two years and another was in operation for fifty-five years but yet both case firm's appeared to exhibit a high level of caution in relation to growth, focusing on establishing financial stability before concentrating on growth.

The majority of case firms deemed themselves as being limited financially in how they grew and what they did. But only a minority of firms believed that SLCD did not provide their firm with any further ideas in relation to new products. These minority firms did suggest that they had no plans to diversify or grow beyond their current state. This reinforced the literature posited by Hanks et al., (1993) and more recently by Orser, Hogarth-Scott and Riding (2000) that some firms prefer to remain small and cap their growth, in which this decision was made at the early stage of the business set up. Research acknowledges that it is the management within the firm with a central role that makes the fundamental decision to grow or not to grow (Stenholm, 2011) based on avoiding risk, uncertainty or any problems associated with expansion. Findings revealed that these agri-food firms appeared to be concerned about achieving an increase in business as they were unsure as to how they would actually resource this with their limited capabilities.

Key themes of the Capacity to Innovate with supporting case firm quotes	
High in Innovation	C3P2 highlighted, <i>“Probably for food manufacturers, innovation is probably at the core of our business”</i> .
Strengthened marketing activities	C6P1 states that the SLCD <i>“...has strengthened our case and steered us in the right direction”</i> .
Identifying a gap in the market	C5P2 illustrated, <i>“You look and see the gaps and if there is a new idea and if we have something in house ourselves then you try and propose it to them”</i> .
Cap on growth	C1P2: <i>“We have no wild ambitions to massively diversify into totally different products”</i> .

To summarise, findings suggest that the capacity to innovate represents the ability of an organization to adopt or implement new products, ideas or processes successfully. Innovativeness, when combined with resources and other organizational attributes, creates a greater capacity to innovate and superior performance (Baker and Sinkula, 2009). This is evident within the majority of firms analysed, which supports the belief that market oriented firms who are consumer focused are positioned correctly to anticipate future needs of consumer which consequently can lead to innovative consequences (Jaworski and Kohli, 1993; Narver and Slater, 1990; Kirca, Jayachandran and Bearden, 2005). Those who do not have the capacity to innovate have consciously chosen not to grow, or are restricted in some way by the traditional nature, size or lack of resources of the firm. The size of the business affects the availability of important inputs for the innovation process such as money, facilities and the management of employees (Kotey and Folker, 2007; Madrid-Guijarro, Garcia and Van Auken, 2009). A summary of innovation analysis is captured in Table 5.3.

Table 5.3: Summary of the Capacity to Innovate Analysis

1. The exposure to SLCD on agri-food case firms with high capacity to innovate contributed to incremental innovation.
2. The exposure to SLCD on agri-food case firms with a low capacity to innovate contributed to incremental innovation.
3. Agri-food case firms were restricted in their capacity to innovate due to limited resources of the small firm.

Findings suggest that MO and innovation does have a positive relationship in this context (Grinstein, 2008: p 124), with the agri-food firms attempting to satisfy both expressed and latent needs of the customer as well as continually monitoring consumers

not necessarily to create 'me too' products but in fact to ensure their product offers some form of differentiation from their competitors (Deshpande, Farley and Webster, 1993). Whilst, the study acknowledges the link between use of SLCD and business performance (Figure 2.2), this relationship is not the key outcome of this research. Rather, the focus of the empirical stage of the study is primarily on the relationship between MO and SLCD. However, analysis illustrated good organisation outcomes which this research has termed as performance.

5.3.7 Performance

The performance of the relationship between the agri-food case firm MO and SLCD was ascertained through the case firms' perception of their financial and or non-financial performance. Findings suggested that six out of the seven agri-food case firms increased in their businesses' performance over the past six months with only C4 experiencing instability. Not one of the six agri-food case firms were able to financially quantify the impact that SLCD had upon their business over the past six months in terms of sales and profit. However, the majority of firms suggested that SLCD had contributed towards the firm overall. Literature suggests that the challenges involved in the measurement of a firm's achievement are plentiful given the difficulty in defining effectiveness and performance (Haber and Reichel, 2005: p257).

It is believed that the traditional way of looking at performance has been challenged especially from the context of the SME (Walker and Brown, 2004), with recent studies such as Gorgievski, Ascalon and Stephan (2011) acknowledging the need for a better understanding of the subjective success criteria of small business owners. Financial gain is not always the primary or only source of motivation for the small business. In fact it is argued that non-financial measures are often viewed as better indicators of success (Reijonen and Komppula, 2007: p690). The six agri-food case firms suggested that they did benefit in utilising SLCD from a non-financial perspective. SLCD provided agri-food case firms with a better understanding of the consumer, whilst also providing some agri-food case firms with greater confidence in pursuing a particular product and making decisions alongside gaining credibility when meeting the buyers and the retailers.

The findings from Interview Two suggested that strong MO culture did provide small firms with a valuable source of competitive advantage (Pelham, 1999: p40), in the selection of attractive product assortment and market intelligence (Verhees and Meulenber, 2004), commanding higher prices for better quality and reliability of product, reducing new product development (NPD) failures and improving customer retention (Pelham, 1997b). For example, three of the seven agri-food case firms stated that SLCD had been instrumental in getting new business.

Key themes of Performance with supporting case firm quotes	
Difficulty in quantifying performance	C1P1: <i>"...it would be hard to quantify whether it has or not, or whether it directly has or not".</i> C1P2: <i>"I can't really put my hand on how to say that 'yes that has happened as a direct result of the dunnhumby data' but it is all a part of the big picture and it has proved to become an important part and valuable part of the picture".</i>
SLCD as a learning tool	C6P1: <i>"The SLCD has certainly opened our eyes to doing a bit more research before stepping out and jumping into the deep end. You know how to analyse data and actually use it".</i>
SLCD contribution to securing contracts	C2P2: <i>"At the end of the day we got our business in Tesco and a large part of that was using SLCD".</i>

It was obvious that factors did exist which restricted or prohibited C4 from developing their MO by Interview Two, in terms of ignorance of MO by new management, limited resources, short-termism, and an unclear view of the customer (Harris and Watkins, 1998). Essentially these impediments restricted the agri-food case firm's MO development. A summary of performance analysis has been captured in Table 5.4.

Table 5.4: Summary of Performance Analysis

1. The measurement of this performance was difficult to quantify.
2. Agri-food case firms experienced financial and non-financial gain from exposure and utilisation of SLCD.
3. Performance of the case firm may be restricted if the firm failed to develop a MO.

5.4 Conclusion

The findings from the cross case analysis, highlight implications for future research. The owner/manager of the agri-food case firms did rely on intuition and performed informal marketing activity during their exposure to SLCD. Through the longitudinal utilisation of SLCD, this allowed agri-food case firms to utilise a formalised marketing tool which worked in synergy with their informal, intuitive marketing style (Carson and Gilmore, 2000; Jones et al., 2007). It therefore can be contended from the research findings that those agri-food case firms with normally an informal approach to MO could utilise the formalised SLCD to enhance their understanding of the consumer and competitor through integrated coordination in order to strategically respond to the market.

There were two case firms who failed to utilise the SLCD to enhance their overall MO. These outliers were ultimately affected by issues of mismanagement and failure to utilise SLCD to aid their firm adapt to the current economic climate. This finding suggests that the SLCD will in fact not always be utilised effectively to benefit the MO of the firm, if management does not relate to the relevance of the information for their own business.

Overall this Chapter provided a cross case analysis of the findings deriving from Chapter Four. The analysis was presented in consideration of the Theoretical framework (Chapter Two). Through this analysis, the research was able to develop new knowledge and understanding in addressing the research aim, exploring the relationship between SME MO and SLCD.

This Chapter addressed both:

Objective One: To explore SME agri-food market orientation before exposure to supermarket loyalty card data.

Objective Two: To explore SME agri-food market orientation after exposure to supermarket loyalty card data.

The next, and concluding Chapter Six utilises the cross case analysis from Chapter Five in order to address:

Objective Three: Develop a theoretical framework that interprets the relationship between SME market orientation and supermarket loyalty card data.

In addressing this, the research will present implications for agri-food SME owner/managers, policy makers and future research.

Chapter Six

Conclusions &

Recommendations

CHAPTER SIX CONCLUSION AND RECOMMENDATIONS

6.1 Introduction

A systematic research process established in Chapter One has been adopted in this study to ensure that a valid and rigorous process was applied to address the research problem. Chapter One presented background information on the agri-food industry and the emergence of supermarket loyalty card data (SLCD). It also presents the research aim and three objectives to direct the research towards creating an understanding of the relationship between SME market orientation (MO) and SLCD. Chapter Two facilitated a thorough review of extant literature within SME marketing and MO fields, accumulating in a theoretical framework. In Chapter Three, the research methodology was identified and discussed in agreement with the philosophical perspective of the researcher and relevance to the research problem. The methodology was carried out, followed with case by case findings presented in Chapter Four, before Chapter Five analysed these findings on a cross case basis.

6.2 Summary of research

This Chapter will present conclusions pertaining to the three research objectives as defined in section 1.2 of this research.

6.2.1 Conclusions Pertaining to Research Objective One

Through the review of the literature in Chapter Two and the presentation and analysis of findings from Interview One (Chapters Four and Five), the research addresses first objective.

Objective One: To explore SME agri-food market orientation before exposure to supermarket loyalty card data.

The research findings indicate that all seven agri-food firms possessed some level of MO. Kohli and Jaworski (1990: p6) assert that MO exists on a continuum at some level in all organisations. The MO evidenced in the agri-food case firms tended to fit with the

inherent make-up of being a small firm (Pelham and Wilson, 1996). That is, they adopted an informal, simple and flexible approach to marketing, with the majority exhibiting a strong desire to succeed due to their ownership and absence of bureaucracy. Much of this desire to succeed was largely driven by the owner/manager, who was detrimental to the business activities and success of the firm (Clarke et al., 2006).

Interview One revealed that the agri-food case firms gained insight and knowledge about the market, through informal and unstructured gathering and dissemination of information. Agri-food SME owner/managers relied on in-store observations, discussions with consumers, buyers and/or retailers, as well as active networking activities with other businesses or from word-of-mouth. This was used in conjunction with the agri-food owner/manager's gut feeling and intuition to inform the decision-making within the firm. The agri-food case firms perceived themselves to have a good level of consumer understanding and awareness. However, this awareness was weaker in relation to the competitor orientation, with agri-food firms being much more guarded, having less access to written information on competitors and relying on industry and business contacts to remain informed about competitors and their activities. The interfunctional coordination within the agri-food case firms was generally good due to the small size of employees and lower levels of bureaucracy. Despite their smallness and the open communication flow, decisions still tended to be made by owner/manager(s) impulsively and without much deliberation. The flexible and unstructured nature of the agri-food case firms was also evident in terms of the agri-firm's behavioural response.

To conclude, the agri-food case firms demonstrated a level of MO, which was typically informed through informal awareness of the market. This was used as a form of information advantage over other firms, supporting the observations of Van Raaij and Stoelhorst (2008).

6.2.2 Conclusions Pertaining to Research Objective Two

Through the review of the literature in Chapter Two and the presentation and analysis of findings from Interview Two (Chapters Four and Five), the research addresses objective two.

Objective Two: To explore SME agri-food market orientation after exposure to supermarket loyalty card data.

The literature review undertaken in Chapter Two illustrated the informal nature of the SME and the highly incompatible relationship with formal marketing practices, which are typically associated with the larger business (O'Dwyer, Gilmore and Carson, 2009; Blankson and Stokes, 2002). SMEs were criticised as being non-traditional, informal, short-term and non-strategic as a result of being assessed in relation to the larger firm (Coviello, Brodie and Munro, 2000). They were therefore unlikely to relate to, or utilise, formalised market information due to limited resources, lack of awareness and unfamiliarity (Gilmore, Carson and Rocks, 2006).

Exposure to SLCD took place over a six month longitudinal period in which agri-food case firms were provided with formalised market information and bespoke reports free of charge and available on request. Findings from Interview Two highlighted, that by the end of the longitudinal period all seven agri-food firms had been exposed to and utilised the formalised SLCD. The range of utilisation did vary on a case by case basis, impacted by the characteristics of each individual SME agri-food case firm. These characteristics related to: the SME owner/manager context; the firm context; and the nature of the industry/ sector. These characteristics will be addressed in the following section alongside the concepts of Entrepreneurship Orientation (EO) and capacity to innovate which also emerged out of Interview Two findings when agri-food firms were exposed to SLCD.

6.2.2.1 The Owner/Manager Context

A central feature of study was the role of the owner/manager(s) within each of the seven agri-food case firms. They served as the main contact with the action researcher throughout the study. This engagement with the action researcher during the six month observational period proved significant in the owner/managers' uptake and utilisation of SLCD. SME owner/managers have been previously identified as being instrumental to the overall success of the firm (Jones et al., 2007). They were found to utilise a range of skill sets at different stages in this longitudinal study from management, through to leadership and entrepreneurship skills. However, it was evident that the agri-food

owner/managers did find it difficult to detach themselves from the operational day-to-day concerns, playing the role of 'generalist' (Reijonen and Komppula, 2007). This in effect lessened their ability to engage with SLCD. Only the owner/manager's who understood the value of SLCD, and made time to detach themselves from the day-to-day routine of running the agri-food firm, benefited from an enhanced MO.

The majority of the owner/manager(s) relied on their own marketing competencies of experience, knowledge, communication and judgement to dictate their actions (Grant et al., 2001; Carson and Gilmore, 2000). For those agri-food firms who had a positive organisational outcome from utilising SLCD, they leveraged the market information to complement their competencies. A minority of firms' who did not see a measurable quantifiable outcome, restricted further utilisation of SLCD and were not able to realise benefits coming from this complementary relationship.

6.2.2.2 The Firm Context

The SME agri-food case firms involved in this study ranged from start-up to mature firms. Each stage of the business lifecycle will present new and different challenges such as dealing with consumers, competition and changes in the firm's size and structure (Hill, Nancarrow and Wright, 2002). The research findings suggested that typically the start-up firms were trying to build and create a consumer base. They therefore regarded the access to formalised information on consumers as essential. Those firms who were growing tended to adopt a focus on both new and current consumers, whilst the older firms tended to focus on maintaining their existing trade. However, during Interview One the majority of agri-food firm's owner/managers were unable to define who exactly their current consumers were without relying on perception or intuition. It was only after exposure to SLCD that the agri-food case firms were able to define their consumer based on real consumer behaviour. Ultimately, this enhanced the agri-food case firm's ability to more precisely target their marketing at each lifecycle stage of development.

The pace at which a firm grows emerged as more significant than actual age, or stage of the firm, during this study. The desire for speed of growth was determined in many cases at the start up of the business, with a particular strategy adopted by the

owner/manager(s) in relation to growth, new product development and markets (Mazzarol, Reboud and Soutar, 2009: p323). In fact findings from Interview Two revealed that the pace of growth is and can be dependent on the entrepreneurial characteristics of the owner/manager (Macpherson, 2005). It emerged that those agri-food firms with a cap on growth appeared to restrict utilisation of SLCD in the belief that they did not need the information to perform their marketing. They also expressed a fear of growing beyond their capacity if they utilised SLCD for marketing.

The scale of the firm emerged as a significant factor in the utilisation of SLCD during the six month longitudinal period. This supports existing literature which acknowledges that firm size does influence behaviour and performance (Coviello, Brodie and Munro, 2000: p526). As agri-food case firms were small in scale, SLCD was able to be passed informally and formally amongst management and, in some case firms, informally down to Production employees. Despite the agri-food firm's consistent exposure to SLCD and application within the business, not all ideas, opportunities and developments created or built up by SLCD were feasible due to limited finance and personnel with the firm. Although it emerged that finance was a major restriction, the 'right people' available to utilise SLCD was just as significant to the overall success (Sorensen, 2009). If firms did not have the right people on board to be able to deal with SLCD, then access alone was not enough.

The networking capability of the SME agri-food case firms was evident at all stages of the study, playing an integral role in the marketing practice of the SME. The owner/manager(s) across all seven agri-food firms relied on personal, business and group contacts to aid their market knowledge and understanding of consumers and their competitors, and to facilitate their decision-making. Whilst the agri-food case firms were exposed to SLCD during the six month period, the case firms continued to network and create relationships. In fact, SLCD was used in conjunction with networking and relationship building in which it was used to initiate conversation with someone in a superior position in retailer buyers. Therefore SLCD served to strengthen the SME agri-food firms' networking capability as owner/manager's felt more assured in their market knowledge of the consumer and competitor, and more confident to approach contacts or to make new contacts. These findings contribute new insights to existing literature on SME networking, in which formalised marketing tools such as

SLCD can in fact facilitate, and be conducive to the traditional networking activity of the SME firm owner/manager.

6.2.2.3 Nature of the Agri-Food Industry

It emerged that only one of the seven agri-food case firms appeared to be significantly impacted by the nature of the industry in which it operated. Findings suggested that this impact was very much linked to the traditional and longstanding conservative culture of the bakery sector in NI which was production oriented. A more prominent issue for concern was the agri-food industry's reaction and adaption to the economic recession with the introduction of heavy promotional activity. For the majority of the agri-food case firms involved in this research, the premium-niche nature of their products was not sufficient to make them immune from adopting similar promotional activity to that of competitors. Exposure to SLCD was not enough to counteract the effect of the promotional pattern existent within the industry. However, it did help the agri-food firms' understand whether their consumer was price sensitive or not.

6.2.2.4 Market Orientation Post Exposure to SLCD

Overall the longitudinal findings from this study illustrated a heightened awareness post exposure to SLCD in terms of a consumer orientation. The majority of agri-food case firms revealed a clear understanding of who their consumer was for the first time. This insight facilitated new knowledge, with a more targeted consumer focus and enhanced consumer and retail customer relationships. This is particularly important as SMEs are increasingly realising that consumers and customer relationships are among their most important assets (Cambra-Fierro et al., 2011). Findings from Interview Two relating to the competitor orientation served to reinforce who the SME agri-food case firms perceived as their competition. Despite a desire to enhance more formal and structured communications and meetings at Interview One by the majority of agri-food case firms, no one firm acted upon this with access to SLCD by Interview Two. However, the information from SLCD was shared with production in some of the agri-food case firms in an informal and casual way, if at all. The owner/managers in the majority of firms utilised the formalised SLCD in terms of strategic responsiveness for NPD, meetings with retailers, meeting with buyers or as a part of discussion with network contacts.

From these findings it has emerged that synergy does exist between the informal agri-food case firm and the formalised SLCD. That is, the level of MO in Interview Two was strengthened, with the majority of SME agri-food owner/managers revealing an enhanced consumer orientation and behavioural response.

Also evident from research was the ability of the SME owner/manager to integrate the formalised SLCD into their informal marketing activities. In particular, they embraced a complementary or integrated decision-making process. The intuition of the SME owner/manager and analysis from SLCD were employed through an iterative process (Vasconcelos, 2009). To conclude, the agri-food case firms explored, demonstrated a stronger awareness of their market, which was typically informed through both informal and formal means which they used as a form of information advantage over other firms.

In addition to these findings, Interview Two also demonstrated the significance of entrepreneurship orientation (EO) and the capacity to innovate in relation to SME MO and SLCD in this research. It emerged that the niche product agri-food firms did possess some level of EO, in relation to innovativeness, risk taking and pro-activeness in order to engage with SLCD. Through exposure and utilisation of SLCD, the SME MO and SLCD enhanced the agri-food firm's level of innovativeness, provided risk management and contributed to further pro-activeness. This two-way process was also evident in relation to the agri-food firm's capacity to innovate, in which the niche product agri-food firms did require some capacity at the early stages of the longitudinal study to engage and utilise SLCD, but in turn SLCD enhanced the agri-food firms' incremental capacity to innovate. The agri-food firms, who enhanced their MO greatest, achieved this through integrating their EO and capacity to innovate. The emergence of other orientations in this research supports previous research from scholars such as Grinstein (2008) who proposed that a balancing of orientations generates more advanced company culture, enhancing firm performance.

The overall behaviour of the seven agri-food case firms is summarised in Table 6.0 illustrating the conceptual, instrumental and symbolic utilisation of SLCD for all seven case studies over the longitudinal period of use.

Table 6.0: Agri-food case firm's utilisation of SLCD

Case Study/ Utilisation	C1	C2	C3	C4	C5	C6	C7
Conceptual	Better understanding of product's performance against other competitors. Clearer idea of end consumer. Broadened understanding of the poorer performing areas of sales.	Better understanding of the end consumer and the gap in the Soup market for the new offering.	Better insight into the consumer. Reinforced existing understanding of market leaders.	Reinforced ideas and decisions already undertaken- e.g. Indulgent brand line. Highlighted the limited nature of the retail bakery market.	Heightened awareness of their potential consumer. Insight into the top line view of loose and packed mushrooms.	Better understanding of key flavours in retail. Reinforced belief on the need to improve packaging.	Better understanding of top performing products in the ready meal category.
Instrumental	Utilised information to inform the in-store taste testing demonstrator. Provided data to the researcher to inform the strategic business plan.	Utilised the data to create the Tesco pitch, successfully getting five new lines listed.	Utilised data to assist development of new seed product.	Utilised data to support pricing strategy.	Utilise data to replicate what's already on the shelves. Developed products and flavours. E.g. roasting trays.	Developed website based on segmentation deriving from data. Reconsidered pack size.	Developed two new dessert lines and three ready meal lines from the data.
Symbolic	To aid discussions with buyers at the Balmoral Show, Taste of Ulster and Tesco events.	Used to engage with Tesco buyers to set up a meeting.	Stated data use to engage with Government Bodies on funding.	Utilised networking opportunities to engage with Tesco.	Discussion at local events.	No use.	No use.

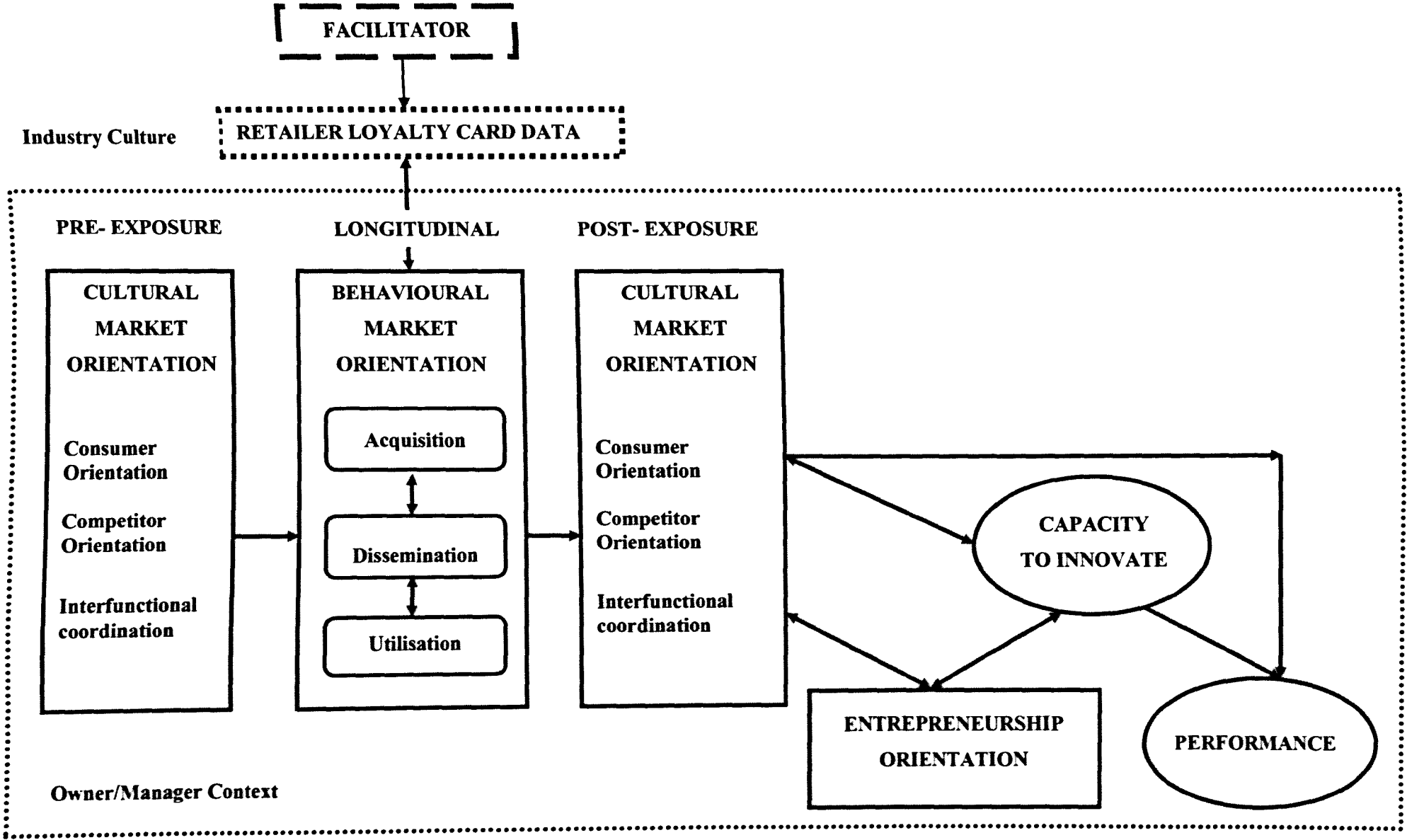
6.2.3 Conclusions pertaining to objective three

In light of the analysis and findings from Chapters Four and Five in meeting objectives one and two, further refinement has been made to the framework in order to meet Objective Three, accompanied with research propositions for future development.

Objective Three: Develop a theoretical framework that interprets the relationship between SME market orientation and supermarket loyalty card data.

After a rigorous methodological process in Chapter Three, the agri-food case firm interviews and longitudinal observations presented two other strategic orientations for consideration. As previously discussed in Objective Two the concepts of EO and the capacity to innovate did contribute to the relationship between SME MO and SLCD, and is captured within the theoretical framework. MO represents a synthesis of Narver and Slater's (1990) cultural perspective and Kohli and Jaworski (1990) behavioural approach for a business (Gounaris and Avlontis, 2001: p361). These dimensions are illustrated within the framework.

Figure 6.0: Towards a Theoretical Framework



6.2.3.1 Market Orientation and Entrepreneurship Orientation

Elements of EO such as innovativeness, risk taking and pro-activeness (Miles and Darroch, 2006) were evident initially during Interview One and emerged more clearly during the six month longitudinal period. Each element contributed to and benefited from the SME MO's relationship with SLCD. As the access to SLCD enhanced firm MO so too did the agri-food firms' ability to;

1. Identify new product development opportunities;
2. Manage risks better;
3. Reduce uncertainty within decision-making;
4. And finally to be more proactive in their approach to meeting consumers' latent and expressed needs, with research findings demonstrating how SME owner/managers utilised SLCD to identify gaps on the shelves for new lines or for amended lines.

This is a two-way process which is evident within the framework as a complimentary relationship. Also, through the direct relationship between SME MO, EO and the capacity to innovate, agri-food firms did achieve performance outcomes ranging in the form of subjective and/or objective performance (Grinstein, 2008). Due to the short time period of this research (six months longitudinal study), limited financial performance was available, however, agri-food firms did report an increase in new product lines, successful listings within multiple retailers, as well as increased confidence, credibility and knowledge of the market and within the firm itself.

6.2.3.2 Market Orientation and the Capacity to Innovate

A two-way relationship exists between SME MO and the capacity to innovate. By possessing a capacity to innovate, the agri-food case firms were able to identify, develop and produce a product or plan from the firm's new knowledge of the market. This enhanced MO as a result of access to SLCD. Overall, SLCD contributed to incremental innovation, enhancing what the business already was doing, and providing a more focused outlook, directing the firm in a more effective manner. In the same way, an enhanced MO through SLCD, created an enhanced capacity to innovate, strengthening the agri-food owner/manager's confidence within their products and their decision-making to implement ideas.

6.2.3.3 Owner/Manager Context

A central feature of the framework is the role of the owner/manager(s) upon the SME MO and SLCD. This is based on the key role owner/managers played within each of the seven agri-food case firms, acting as the main contact with the action researcher throughout the study. This engagement with the action researcher during the six month observational period proved significant in the owner/managers' uptake and utilisation of SLCD. SME owner/managers have been previously identified as being instrumental to the overall success of the firm (Jones et al., 2007). They were found to utilise a range of skill sets at different stages in this longitudinal study from management, through to leadership and entrepreneurship skills. However, it was evident that the agri-food owner/managers did find it difficult to detach themselves from the operational day-to-day concerns, playing the role of 'generalist' (Reijonen and Komppula, 2007). This in effect lessened their ability to engage with SLCD. Only the owner/manager's who understood the value of SLCD, and made time to detach themselves from the day-to-day routine of running the agri-food firm, benefited from an enhanced MO.

The majority of the owner/manager(s) relied on their own marketing competencies of experience, knowledge, communication and judgement to dictate their actions (Grant et al., 2001; Carson and Gilmore, 2000). Agri-food firms who had a positive organisational outcome from utilising SLCD leveraged the market information to complement their competencies. A minority of firms' who did not see a measurable quantifiable outcome, restricted further utilisation of SLCD and were not able to realise benefits coming from this complementary relationship.

6.2.3.4 Industry Culture

The impact of the industry culture must be considered within this theoretical framework. Even though it emerged that only one of the seven agri-food case firms appeared to be significantly impacted by the nature of the industry in which it operated, it cannot be disregarded. Findings suggested that this impact was very much linked to the traditional and longstanding conservative culture of the bakery sector in NI which was production oriented. A more prominent issue for concern was the agri-food industry's reaction and adaption to the economic recession with the introduction of

heavy promotional activity. For the majority of the agri-food case firms involved in this research, the premium-niche nature of their products was not sufficient to make them immune from adopting similar promotional activity to that of competitors. Exposure to SLCD was not enough to counteract the effect of the promotional pattern existent within the industry. However, it did help the agri-food firms' understand whether their consumer was price sensitive or not. Therefore within this theoretical framework, consideration must be given to the culture in which the business operates.

To conclude, as the study took place over a longitudinal six month period, it facilitated a longer examination of the marketing practices of the SME agri-food case firms, capturing detailed insights into how SME informal businesses practice marketing. This research illustrated how access to SLCD can be used as a complimentary tool to enhance the MO of the firm, creating a complementary relationship with EO and also enhancing their capacity to innovate.

6.4 Research Propositions

Building upon the theoretical framework (Figure 6.0), research propositions have been established for future development. The seven SME agri-food case firms demonstrated enhanced MO as a result of the relationship with SLCD. Therefore this research presents a basis upon which a broader scope of the relationship is proposed outside the context of agri-food.

Proposition One – The relationship between retailer loyalty card data and SME MO will be positive.

The capacity to innovate emerged within the literature discussion between MO and innovation. Literature suggests that innovation is a direct outcome of MO and therefore this research wishes to probe this further when discussing the relationship with the retailer loyalty card data.

Proposition Two – The relationship between retailer loyalty card data and SME MO impacts positively on the firm's capacity to innovate.

The literature review identified the core concept of EO arising from the SME marketing and the MO literature. This examination of the literature reveals that little is understood about the role EO plays on the relationship between SME MO and retailer loyalty card data. The EO and MO fields only in recent times have been discussed alongside one another.

Proposition Three – SME EO has an influencing role on SME MO.

The nature and make-up of the SME dictates the way marketing is performed, taking into consideration the central role of the SME owner/manager in engaging in exposure to the retailer loyalty card data.

Proposition Four – The owner/manager has an influencing role on SME MO and the relationship with retailer loyalty card data.

The industry sector in which the SME operates ultimately defines the practices of the business and the norms which the business needs to adapt to, with the culture dictating the pace of change within the industry in relation to new products and a market focus. Therefore focus on culture is significant in future research.

Proposition Five – The industry culture has a potentially influencing role on the relationship between SME MO and the retailer loyalty card data.

This research explored the relationship between SME MO and SLCD in the context of agri-food NI. From this aim and three objectives, this research presents significant contribution to knowledge and understanding in the area of SMEs, MO and SLCD. This will be discussed within the theoretical contributions.

6.5 Theoretical Implications/Contributions

This research contributes to current SME marketing and market orientation literature, as well as providing new insight into strategic orientations. The research implications are discussed as follows. Firstly, this research responded to the call made by Tregear (2003) in the exploration of MO within under researched industries, by focusing the research

on an area (NI) and an industry (agri-food) which has received limited attention. In this research, findings provide examples of how enhanced MO and SLCD created opportunities for growth for the majority of NI agri-food firms.

Jones and Rowley (2011: p26) posited that it was *“timely to seek to energise the debate about marketing and MO within the mainstream small business literature”*. Building upon this, this research contributes to the debate, presenting a formalised type of market information to SME agri-food firms to explore whether through exposure and utilisation if SME’s could relate to SLCD. The longitudinal findings support existing SME management literature which highlights the individual, informal and often personal approach to the way SMEs are managed (Jones et al., 2007). The SME owner/managers in this research served to illustrate their dominance and often individual decision-making on firm actions over the six month period. SLCD does not stop this behaviour. But it does however support this behaviour as SLCD provided confidence and empowerment to the owner/manager to make decisions quicker and more effectively (Cakar and Erturk, 2010).

The idea that SMEs strive to compete in their current market through their own initiative, preferring pragmatic and intuitive planning over complexity and formality (Moriarty et al., 2008) is being challenged in this study. Although agri-food SMEs illustrated this preference at Interview One, this was prior to free access and exposure to SLCD. Post exposure, the majority of agri-food firms suggested that they would be inclined to not make any major decisions without reviewing SLCD first. This research suggests that possibly over time, SME food firms may gravitate towards the formalised SLCD as they become more comfortable with utilising it.

The SME agri-food firms which engaged in the research and made changes to the firm as a result of SLCD appeared to have enhanced their MO. Most action was initiated by those SME agri-food firms who met more regularly with the action researcher on a face-to-face basis as opposed to telephone or email contact. This finding reinforces existing literature by Zontanos and Anderson (2004) who suggested that, *“...firms which are most enthusiastic in making adjustments in what they do, and how they do it, particularly in relation to the market place, appear to have a better chance of survival than those who carry on as before”*.

The focus of this research was on SME MO, utilising the previous work of Pelham and Wilson (1996) as a loose framework in which to carry out the inductive research. Pelham and Wilson (1996) suggested that market oriented SMEs were typically informal in their generation, dissemination and utilisation of market intelligence data. The research posits that SMEs do continue to perform marketing largely through informal means such as networking, but with exposure and utilisation of SLCD acting as a complementary tool in the understanding of the market. The findings suggested that all agri-food SMEs did utilise the formalised SLCD in some form, with the majority enhancing their MO through the exposure of SLCD.

The research also strengthens the belief that a clear understanding of market trends and identification of the consumer is a critical success factor (Simmons et al., 2008). This research served to facilitate the belief that understanding of market trends and consumers is in fact a basic need rather than an exception for the agri-food firm. The focus on the consumer stakeholder of the agri-food firm within this research served to illustrate the importance of the need for closer attention to the firm's stakeholders than just the immediate customer (Narver and Slater, 1990; Matsuno, Mentser and Rentz, 2005). The immediate customer in this research (the retail customer) did have an impact on the activities of the SME agri-food firm. However, research did show that through better understanding of the market and the consumer as a result of the exposure of SLCD, agri-food case firms felt more confident in approaching their immediate retail customer in pitching ideas for new products to meet the needs of the consumer.

The research also demonstrated the subjective and objective performance of the longitudinal exposure of agri-food firms to SLCD with positive results. This contributes to the existing literature of Fearn and Dedman (2000) and Cacciolatti et al., (2009) which suggested that SLCD is in fact a rich resource for business use. In fact research findings facilitate clearer understanding of how SLCD can be used for designing better marketing strategies. This was an area which was unclear in the literature, as focus until recently had been largely on the potential of the loyalty card increasing customer loyalty (Cortiñas, Elorz and Mugica, 2008).

Effective use of SLCD remained low for those businesses which did not perceive any relevance in SLCD for their firm. This strengthens the literature posited by Sondergaard

and Harmen (2007) which stated that effective use of information will always be low unless the involved functions of the firm recognise the value. In this research, SME owner/management needed to understand and grasp the relevance of SLCD in order to endorse it to fellow management and employees.

Research findings demonstrated that exposure to SLCD facilitated innovativeness within the SME agri-food case firm as they successfully utilised SLCD to depart from old ways of thinking, merging their production orientation towards a more market oriented outlook (Harmsen, Grunert and Declerck, 2000). This finding contributed to the existing thinking of Hult and Ketchen (2001) who suggested that innovativeness acted as a means of departing from old ways and being open to new ideas within the firm's culture. SLCD therefore serves to illustrate how innovativeness facilitates SLCD utilisation as well as enhancing innovativeness.

The strength of the SME agri-food case firm's culture and traditions supports existing literature which states that culture may play a significant role in aiding the firm to adapt to its environment (Stoica and Schindehutte, 1999; Deshpande, Farley and Webster, 1993). This was particularly evident in the firm's ability to deal with the current economic climate and upsurge in promotional activity by competitors, with the result being that the majority of agri-food firms were highly risk aware. However, exposure to SLCD did aid risk management, encouraging agri-food firms to take risks, supported by the information deriving from SLCD. Therefore with an enhanced MO, SME agri-food case firms' MO culture aided the firm's ability to adapt to the food promotions environment.

The level of pro-activeness of the agri-food case firms was demonstrated throughout the longitudinal period of the research, serving to support and contribute to the existing literature posited by Baker and Sinkula (2009) and Li et al., (2008) which stated that pro-activeness is the ability of the firm to seize the initiative in the pursuit of marketplace opportunities. The research agreed that those firms with a higher level of pro-activeness did actively engage in SLCD to advance their products. However, SLCD also in turn enhanced pro-activeness. In a minority of cases, where there was a low level of pro-activeness prior to exposure, SLCD increased the firm's ability to be more

proactive, such as engaging in new lines or speaking to retail customers which they had never done before.

The capacity to innovate (Baker and Sinkula, 2009) was evident within the research with the SME agri-food firms combining their innovativeness with the new formalised SLCD resource to implement new ideas or processes successfully. This unique resource of SLCD contributes to the innovation literature, illustrating SLCD role in incremental innovation as research findings illustrated that SLCD did not provide new insights but contributed to existing ideas already established (Naidoo, 2010).

The research findings emerged through the role of the action research and case based study. This research contributes to the existing action research literature posited by Crowther and Lancaster (2009) which viewed action research as a strategy/approach to research than a specific methodology. By applying the action research approach to a case based methodology, the researcher was central to the real life experimentation, which was enacted and action replicated in seven agri-food case firms.

This review of theoretical implications and contributions serves to highlight the significance of this research to SME MO, SLCD, EO and the capacity to innovate literature. The next section will discuss the significance of this research for SME owner/managers and Government/Policy Makers.

6.5 Implications for Practice and Policy

Important practice and policy implications arise within the theoretical framework. These implications will be discussed in the following section in relation to the SME agri-food owner/manager and the policy makers.

6.5.1 SME Agri-Food Firm Owner/Managers

This research illustrates how informal agri-food SMEs can utilise formalised SLCD in a complimentary form to aid development and strength of the business. The role of the owner/manager(s) in this research proved to be extremely pivotal in the utilisation of the data. Good management will identify the relevance of SLCD for their firm (Sorensen,

2009). Going forward, owner/manager(s) need to ensure that their business is more aware of the availability of this type of data and similar market information for access. They can do this by utilising the SLCD, internet, and talking to Government bodies and agencies. Owner/manager(s) must be open and willing to engage in future training or programmes designed to help SME businesses develop.

The findings illustrated an increase in MO as a result of the relationship with SLCD. SME agri-food case firms with a higher MO tended to utilise SLCD to a greater extent. According to the SME study by Pelham and Wilson (1996), MO is likely to be a key criterion for small business success. SME firms typically lack the financial resources to perform research and development, to gain competitive advantage, low cost leadership or afford skilled staff to develop effective planning strategies (Laforet, 2008: p755). Increasing firm market orientation does not have to be costly, but will require time set aside in which owner/manager(s) need to take time from daily activities to plan ahead, to speak with consumers on the shop floor, to read market information in trade magazines, on-line or through discussions with buyers and retailers. Access to formalised information in the form of SLCD will not provide the answer to all marketing questions for the owner/manager. Instead SLCD will facilitate incremental innovation over a period of time, building upon the work and ideas already created by the agri-food firm through other marketing activities (Baker and Sinkula, 2009). Therefore owner/manager(s) must also be realistic in what they can achieve utilising SLCD in conjunction with their existing resources and competencies.

Research acknowledges that not all small firms wish to grow. In fact some firms prefer to remain small and cap their growth (Orser, Hogarth-Scott and Riding, 2000) with owner/manager(s) playing a central role in this decision to grow or not to grow (Stenholm, 2011). However regardless of this decision, owner/manager(s) need to remain in tune with the market to ensure survival, particularly in the ever-changing food market and the rise of the super-savvy shopper (Sheehan, 2010). SLCD provided the SME agri-food case firms with insight into the current market trends, facilitating enhanced knowledge and enhanced confidence in the firm's ability to maintain business. Going forward owner/managers must think about the value of re-educating themselves with current market trends and activities, especially within a business with a capped

growth, otherwise they run the risk of relying on out of date market information to make everyday business decisions.

The majority of the SME agri-food case firms developed in their MO with the firms increasing in their awareness of the consumer. In Interview One, despite the SME owner/manager(s) having some idea of their end consumers' wants, needs and profile, no one agri-food firm had a clear and focused view of the consumer. It was only after exposure to SLCD that agri-food firms developed a clear profile of the consumers. In many cases this differed from their original perception which was largely based on instinct. After developing new consumer insights post exposure to SLCD, the SME agri-food firms felt confident to target and to become focused more in their marketing. It is therefore evident that agri-food owner/managers must be more certain when performing marketing that they have a clear view of the consumers' wants, needs and profile to ensure that they are focused in their marketing efforts. Going forward owner/managers should validate the profile of their target consumer at least every three to six months, using consumer feedback, SLCD and in-store observations. By doing this, marketing remains focused and relevant for the consumer.

SME agri-food firms are competing for a share of the consumer's stomach (Kinsey and Ashman, 2000). With the super consumer expecting more (Sheehan, 2010), the SME agri-food firm is under considerable pressure to fulfil the consumers need. The heavy promotional activity within the food and drink market today proves challenging for the premium product agri-food firm whose focus is on excellent quality, high price and with an added value based on extrinsic and intrinsic factors (Grunert, 2005). Before owner/managers do get involved in promotional activity, they should look at SLCD and do in-store observations to see how competitor's products are performing on promotion over a period of six weeks, and whether going on promotion would really benefit the overall value of their premium product in the short and long term. By doing this, owner/managers will be in a better informed position to decide on the type of promotional activity for their product.

It was evident within the findings that information on competitors was gathered largely through word-of-mouth, networking contacts, personal or business contacts and other knowledgeable market actors (Ottesen, Foss and Gronhaug, 2004). The implications

arising from this is that the type of network contact or relationship will dictate the quality of information being shared (Gilmore, Carson and Rocks, 2006). Owner/managers should be actively networking with other businesses within/outside of their sector to aid understanding of their competitors, and supplementing this understanding with SLCD.

Good management can increase the organisation's exposure to information about its specific environment. By doing this the firm can improve its ability to disseminate and utilise the data in order to be competitive in the market place (Jones, Knotts and Udell, 2008: p444). It is therefore important that the owner/manager(s) understand and endorse MO at senior levels before it can be embraced by the firm as a whole (Wrenn, Souder and Berkowitz, 2000). Owner/managers therefore going forward should actively share SLCD and other types of market information between top management and other employees, incorporating information generation, dissemination and utilisation activities within their day-to-day roles. Otherwise, agri-food firms need to appoint someone responsible for liaising with the information in order for key information to be shared with management and the employees of the firm. This marketing activity should be regarded as an inherent role within the business as opposed to an extra role.

The ability to take risks is one significant characteristic of the entrepreneurial SME. However, acknowledging the limited resources of the SME agri-food firm (Doern, 2009) owner/manager's should be aware of the benefits of utilising SLCD to avoid uncertain risks (Frishammar, 2003). SME agri-food firm's benefited from insight from the formalised SLCD in making more informed decisions in relation to diversification and creating new products. Going forward owner/managers should refer to the most recent SLCD and market information to inform any business decision, which will reduce risk taking and increase confidence in the owner/managers actions.

The emerging role of the retail customer in dictating the activity (e.g. product development) of the SME agri-food firms was evident within these findings. The retail customer, which is predominately the larger retailers are significant to the success and survival of many of these businesses. In turn the SME agri-food case firm is responding largely to ideas being put forth by the retailer (Hingley, 2005; Busch and Bain, 2004). However going forward owner/managers should utilise SLCD to be more proactive in

their relationship with the retailer. They can do this by utilising the formalised data to gather insights into what the gaps in the retailer market are. By doing this, the agri-food owner/manager is exhibiting an understanding of the market in which they operate, enhancing confidence within themselves as well as confidence from the retailer on their firm.

In the *Northern Ireland context*, the SME agri-food case firms were amongst the first owner/manager(s) to receive free exposure to and analytical support of the formalised SLCD. These two factors were originally viewed as barriers to success (Simmons et al., 2008). The results of this research suggest that a strong relationship between SME MO and SLCD could provide a means for Northern Ireland SME agri-food firms to address the recommendations of Fit for Market (2004) and more recently the Focus on Food (2010) strategy discussed in Chapter Two. NI agri-food owner/manager's have the ability to gain intimate understanding of the needs of the market and the consumers (Taylor, 2008). The fact that this information was available to NI agri-food owner/managers over a period time addressed the issue of the ever evolving market and for the first time, small agri-food owner/manager's were in tune with changes as they happened. The fact that consumers often fail to express their own needs was no longer an issue as SLCD captured real purchasing behaviour at the point of sale, therefore providing agri-food owner/managers with an accurate and focused view of consumer behaviour as opposed to relying on word-of-mouth or intuition.

Although performance was not a central focus of this research, organisational outcomes from the longitudinal study demonstrated that NI agri-food firm's owner/managers perceived their firm to be more competitive and in some of the agri-food case firms new products and lines were developed and entry into larger retailers was achieved facilitated by the utilisation of SLCD. In effect the research is addressing the issue of insufficient level of competitiveness within NI agri-food industry as posited by Fit for Market (2004) and reinforced in the Focus on Food (2010) report.

The next section will discuss how Government Policy makers, particularly within NI, must actively seek to support SME agri-food firms in their exposure and utilisation of formalised market information such as SLCD.

6.5.2 Policy Makers

The research findings clearly suggest that agri-food SME owner/managers are central to the development of the firm. However, the findings also reinforce current literature which posits that Governments can have a profound effect on how SMEs operate and on the opportunities present for them to grow (Carter and Jones-Evans, 2006). This section will discuss how policy makers could benefit from adopting the theoretical framework within this research to ensure a positive relationship between SME MO and SLCD.

SME agri-food case firms are challenged to survive and to grow, however with the assistance of the free exposure to and utilisation of SLCD these businesses have been able to compete against larger businesses within their own market. The formalised SLCD helped agri-food case firms create a level playing field when meeting with retailers and buyers as owner/managers exhibited an enhanced level of MO as a result of the exposure to SLCD. This enhanced MO provides the SME agri-food owner/manager with confidence and credibility to pursue new products, to meet with retailers and to develop their business. Going forward, the Government should endorse free or low cost access to SLCD or other types of consumer purchasing behaviour, as cost of access has been a barrier for all SME agri-food firms to date.

Evidence from the findings suggested that some of the SME agri-food firms formed links with other similar sized firms to co-innovate. The implications for policy makers is that through the networking activities of these SME agri-food case firms, formalised information can be utilised as a shared resource and a form of knowledge-transfer created between firms for the development of all included. Therefore policy makers should be facilitating and promoting networking opportunities for businesses within the same or different agri-food sectors, such as running sector or generic workshops on SLCD utilisation.

Typically larger businesses have been regarded as more willing to get involved in training and utilise government support services (Gray, 2006; Boter and Lundstrom, 2005). Findings within this research found that through an open and constant communication channel suitable to the small agri-food firm enabled all firms to engage with the formalised SLCD. Therefore going forward policy makers should provide a

training scheme for getting the most out of SLCD, with the necessary one-to-one system of analytical support and education for the small business are integral to the success of the firm. Through this mentoring, owner/managers should build confidence to access and utilise other types of formalised market information and maintenance of interest should be ensured.

Government need to acknowledge that MO consists of a cultural (Narver and Slater, 1990) and behavioural dimension (Kohli and Jaworski, 1990). Despite firms having the ability to acquire, disseminate and utilise SLCD, Government and policy makers need to understand the significant change in culture which takes place in conjunction with the external behavioural element. This does require time and is not always a tangible benefit. However, this is perceived by many SME agri-food owner/managers as important as behaviour. Government need to appreciate that this is a long term investment to the development of SME agri-food firms.

In consideration of the implications presented on NI agri-food firms in section 6.5.1 on NI SME agri-food firm owner/managers, NI government and policy makers too would benefit from implications arising from these findings.

The NI Government acknowledges the importance of the agri-food sector with a report titled *'Value of Food & Drink Industry to Northern Ireland'* presented in October 2010 highlighting the strength of the Food and Drink sector as a source of stability for the local economy during the Recession. By considering the findings from this research, policy makers would be taking a step forward in the support of their SME agri-food firm as well as for the NI economy as a whole. It can be concluded within the seven agri-food firms explored that an SME's MO relationship with SLCD was complimented by the firm's EO and capacity to innovate (Baker and Sinkula, 2009). By encouraging these behaviours, the policy makers are aiding higher chance of SME survival, ultimately contributing to a positive impact on the economy (Doern, 2009).

Government need to renew current policy and practices in place for SME support and should consider the mechanism by which formalised information such as SLCD is effectively delivered on a long term basis to small agri-food case firms in NI. Findings revealed that agri-food case firms had been impacted positively by the action researcher

in their utilisation of SLCD. Findings suggest that direct contact between the agri-food case firm and the action researcher enhanced the owner/manager's understanding of the formalised information allowing them to make more informed decisions as to how to utilise SLCD for their business. This fits the SME style of business where communication, experience and knowledge are competencies needed to develop judgement in business decisions (Carson and Gilmore, 2000; Hill, 2001). However, Government policy makers need to be cautious in this approach as findings reiterated marketing literature that suggested that SMEs can rely too heavily on external expertise and in turn fail to develop their own ability to develop the required vision and knowledge needed to drive their utilisation from their own perspective (Jones, Hecker and Holland, 2003).

Therefore in order to implement this research to all small businesses in the agri-food sector, training programmes could be developed where agri-food firms are supported on a one-to-one basis, but on a monthly basis as opposed to a daily basis. In these programmes the main agent for the firm (owner/manager) would be provided with insight into how they could maximise their informal market information whilst also utilising more formalised market information in the form of SLCD to exploit more opportunities available to them. This in effect could take the form of a mentoring programme. The idea of a one-to-one "partnership" scheme was recently supported by Enterprise Minister Arlene Foster who stated that "*Businesses need a one-stop shop for advice and support*" (McGarrigle, 2011). In effect this type of service would be beneficial for small NI agri-food owner/managers. Expertise could come in the form of academic expertise from Universities within NI as well as Industry expertise from Invest NI.

As NI agri-food industry looks to develop exports (Intertrade Ireland, 2009), the Government needs to consider formalised market information availability of not just UK SLCD but also market information and consumer purchasing behaviour of consumers in the Republic of Ireland and beyond. By providing agri-food firms with access to consumer behaviour in the Republic of Ireland, NI agri-food firms would strengthen their export opportunities more efficiently. Findings from this study suggested that for many small agri-food firms, the Republic of Ireland market would be the next logical step after the NI market.

These implications and recommended next steps for SME agri-food firm owner/managers and policy makers were presented to the Board of Management in relation to the University of Kent and University of Ulster collaborative dunnhumby project on Wednesday 25 May 2011. The Board comprised of DARD representatives, Invest NI representative and a former Chief Executive of a successful agri-food firm who discussed the findings in great detail with all present concurring with the recommendations proposed.

6.6 Limitations of the Research

The research was ultimately shaped by the focus upon agri-food industry, the region of NI, the sample size, the methods used and the use of one form of market information in SLCD, which focused the research study but placed limitations on the research findings.

The call for further analysis of MO in previously unexplored industries such as the agri-food industry provided the reasoning for the agri-food context (Tregear, 2003), allowing the research to develop the depth required for an exploratory study. However, this narrow focus on the agri-food industry within NI may be considered a limitation as transferability of empirical results is ultimately limited as the small number of SMEs available in each particular sector of the agri-food industry was restrictive and prevented the research from focusing on firms within one sector. It is possible, therefore, that findings may vary if the study was to be conducted in larger agri-food industries such as in the UK or Europe.

Empirical research findings were based on a small sample size of seven agri-food firms, resulting in limited generalisations to a larger population. However, the research does benefit from the rich depth and insight of the case study approach which was appropriate, given the exploratory nature of this research.

Further, the research was focused on seven agri-food firms who were regarded as successful to some extent by the Industry experts from DARD and Invest NI. On selection, the agri-food case firm owner/managers illustrated an awareness of the value of SLCD and therefore were very willing to engage in the research. It would have proved extremely challenging to select agri-food firms who did not recognise some

value in SLCD as the research required agri-food firms to commit to monthly contact over a longitudinal period. However, the research is aware that these case firms were likely to be predisposed to some levels of EO and innovation.

Only two personnel were chosen to represent each individual agri-food firm. The two personnel typically held owner/manager or decision-making status within the firm. Although the research was subject to the perceptions and feedback from these interviewees, as opposed to a wide selection of employees, the research attempted to curb any false representations of the firm by adopting an action research approach over the six month longitudinal period. The benefit of an action research study is the role of the researcher in the real life experimentation (Crowther and Lancaster, 2009) providing insight into real activities and responses from agri-food firms and owner/managers. Findings from Interview Two suggested that the majority of agri-food owner/managers benefited from the presence and analysis of the researcher in the provision of SLCD, with the element of trust central to this relationship. However, the main limitation of this approach is the action researcher's bias which ultimately can have a positive or negative effect on the agri-food owner/manager's ability to understand the data or their desire to engage with the data.

A final potential limitation of this research study was that the agri-food case firms were exposed only to one type of formalised market information in the form of SLCD. This was captured by the most prominent multiple retailer in NI/UK (Tesco) and representative of almost 40% of all household purchases in the UK (Cacciolatti et al., 2009), with free access to the formalised SLCD provided through funding from DARD. To purchase any other types of formalised market information such as Nectar, TNS and Data Monitor would have been at an additional cost and required further time and training which the researcher did not have the luxury to do.

Research findings highlighted limitations of relying upon and the utilisation of SLCD. Firstly, no transactional data can ever be perfect, as there will be errors or unknown factors that can upset the results of the analysis. For example, cardholders move address and do not change the address for their Clubcard statement. Or the multiple user of the one card, displaying very different buying patterns. Secondly, results can be distorted by unique occurrences or local effects. For example, a local store runs out of stock of a key

product, or road works are taking place within the area of the supermarket which makes it difficult to access on a regular basis and over a period of time. Finally, Clubcard usage is only 80% of shoppers at any store, then 20% of consumer behaviour is not traceable.

Despite SLCD (Tesco Clubcard) being described as legendary in the grocery world (Cannon, 2003), there are limitations existent within SLCD database. Firstly, the emergence and dominance of the own brand is particularly evident in some food categories over others in the retailer Tesco. As a result, some of the agri-food case firm's could not develop their knowledge of the competition as the identity of the competition was masked through the labelling of the own brand product. Secondly, some food categories were regarded by the minority of SME agri-food case firms as not fully representative of the sector as a whole, with four to five brands dominating the retailer shelf space in the example of the, bakery NI category. Finally, the data is collected only within the region of the UK only, therefore access restricted only to UK analysis of consumer purchasing behaviour.

Taking into consideration the limitations discussed, this research importantly presents direction for a future research agenda within the next section.

6.7 Future Research Agenda

The research has explored the MO of SME NI agri-food case firms and the relationship with one type of formalised SLCD. As a result of this exploration, research has led to the development towards a theoretical framework to show the existing links between SME agri-food firms' MO, SLCD, EO, and the capacity to innovate and performance. After reviewing the theoretical and practical implications of the research deriving from the empirical analysis, a number of avenues for future research are identified and discussed.

This research explored the relationship with SME agri-food case firms who had never been exposed to or utilised SLCD before. Building upon the theoretical framework, future research could probe whether the same relationship between MO and SLCD is existent within companies who do buy SLCD.

Research findings suggested co-innovation took place between a minority of the agri-food case firms and other similar sized same sector firms. Future research could lend itself to the exploration of a network, and the relationship between the network MO and SLCD. In this, the interfunctional coordination may become a significant dimension for consideration as coordination will be taking place at top level between firms. The case based approach may be considered relevant in this context to facilitate the generation of rich and detailed data.

Three of the seven SME agri-food firms were family businesses, but only one of the three was managed by a nonfamily member. Interesting, results gathered over the longitudinal period illustrated a breakdown of management within this agri-food case firm and a return to production orientation from a market focus. Future research could focus on family firms with nonfamily in management, and explore the impact of nonfamily management control on the family firm's MO and the relationship with SLCD.

Only one of the seven agri-food firms analysed was involved in the export market. Further expansion of this SME agri-food firm or similar export firms could prove interesting to test the theoretical framework. Particular emphasis may be focused on the EO role on the firm's MO and SLCD (Gonzalez-Benito, Gonzalez-Benito and Munoz-Gallego, 2009) as research findings would dictate that the agri-food firm involved in the export market was a risk taker and proactive. This focus would demonstrate whether SLCD deriving from Tesco UK is anyway relevant or beneficial for agri-food firms exporting outside of the UK.

In the same respect future research should utilise the framework, but in other geographical regions of the UK to ascertain whether geography will impact upon the relationship between the firm and SLCD. This could facilitate the cross-country analysis of agri-food case firms across the UK.

Also geographically, future research could explore how the cultural aspect of a country impacts on the culture of the firm and their behaviour towards SLCD. The consultancy firm dunnhumby have databases in various locations throughout the world, which could be utilised to the same effect as demonstrated in this research based in NI.

Future research could also supplement SLCD with other types of formalised market information to explore whether particular types of market information compliment or oppose the informal market practices of SME agri-food firms. This exploration of other types of formalised market information could prove to enforce the synergistic effect of informal marketing practices with formalised marketing tools.

The performance of the SME agri-food case firm as illustrated in the theoretical framework was not a primary concern for the current research. Due to the limited time frame of the research, SME agri-food case firms could not quantify the financial output from their relationship with SLCD. This was largely due to the shortness of the data collection and the qualitative nature of the research. Future research could extend the existing study by revisiting agri-food case firms in a year from now to assess the impact if any. Also this research could also consider a quantitatively based research study, utilising a larger sample size across different regions of the UK.

Due to the type of formalised market information, SLCD is restricted to the consumer purchasing behaviour of grocery items predominately. However, with the development of multiple retailers into non-grocery items, researchers may wish to extend this research into other industries such as Clothing and Health and Beauty. Future research could utilise the framework within these industries to see whether the industry norms/culture impacts on the firm's MO and relationship with SLCD.

6.8 Conclusion

The research study explored the MO of SME agri-food case firms before and after exposure to SLCD. The study also explored the role of EO and the capacity to innovate on this relationship. Chapter Six has addressed the theoretical framework with key propositions, the contributions of the research study for both SME agri-food case firm owner/managers and Government/policy makers, and outlined the key findings pertaining to each individual research objective and the overall research aim.

This research study concludes that a relationship does exist between SME MO and SLCD. This relationship is a complimentary one in which SME's practice informal marketing activities on a daily basis and can relate to formalised market information in

the form of SLCD when free access and analysis is provided. This relationship is illustrated through the behavioural dimension of the market orientation, with SME agri-food owner/manager's utilising SLCD in three ways, conceptually, instrumentally and symbolically.

Through this utilisation, the majority of agri-food case firm's perceived their MO to be strengthened as a result of exposure to SLCD. It provided SME owner/managers with a clear understanding of the consumer and a real insight of the profile of their consumer for the first time. In getting a true picture of their consumer, the owner/manager was able to focus marketing in confidence. For the first time also, the agri-food SMEs understanding of their competitors was reinforced through the utilisation of the SLCD. In some cases, agri-food SME owner/managers were able to measure their performance against that of their competitors. Furthermore, a more active attempt was made in sharing information within the agri-food case firms, at both management and employee levels. Typically information was shared on a more formal level at board room level, with actual SLCD reports used in team meetings. Overall a key finding illustrated that the agri-food case firms' owner/manager's felt more credible and confident in making short term plans and decisions when responding to the market.

Findings from Interview Two illustrated the role of EO and the capacity to innovate on the relationship between SME MO and SLCD. Firms with a good EO demonstrated a higher willingness to engage in SLCD, whilst simultaneously the SME MO and SLCD relationship reduced the uncertainty element of the firm allowing managed risk taking. The capacity to innovate was considered vital for the small firm in the agri-food industry. It was evident that SLCD did not provide new innovation activity but contributed to the incremental innovation already existent within the SME agri-food case firm.

These findings provide new insights into the marketing activities of seven agri-food case firms and demonstrate the importance of the longitudinal research study in highlighting the valuable role of formalised SLCD in the incremental development, growth and sustainability of agri-food firms in NI. Implications of this research suggests that future free access and analysis of SLCD for SMEs within the agri-food industry is a necessity and not a luxury.

It would be proposed that this research study is only the beginning of a greater long-term project between SME owner/managers and policy makers in relation to the increased flow and understanding of actual consumer purchasing information in NI.

Appendix One: Support Structure

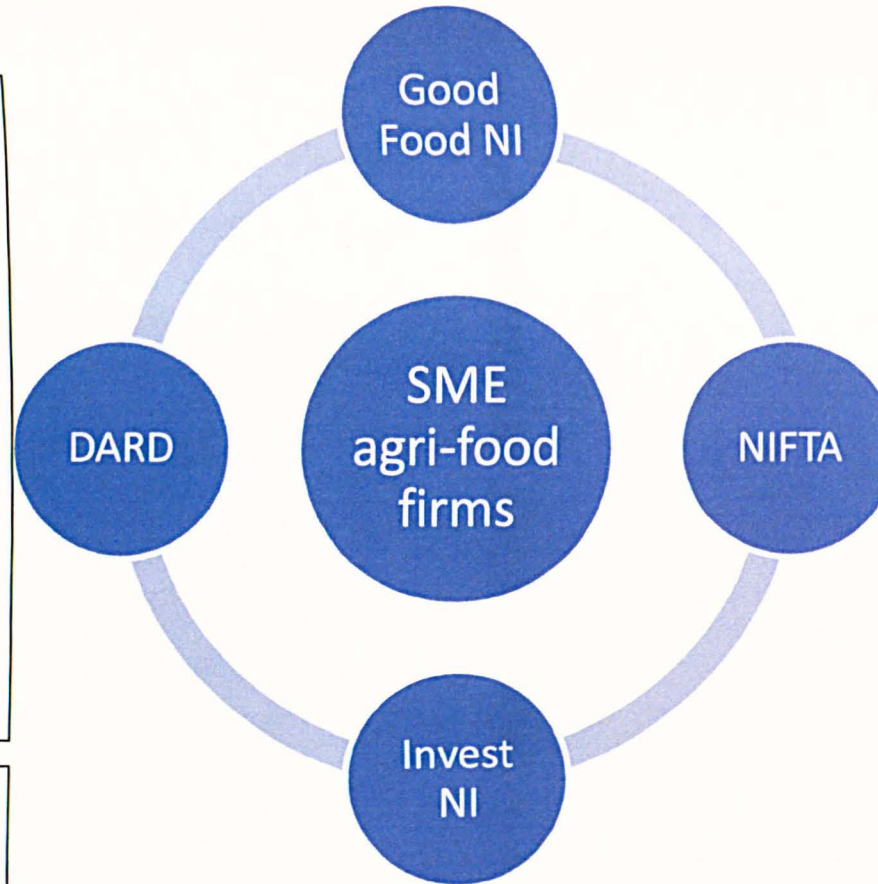
Appendix One: Support Structure for agri-food firms in NI

Department for Agriculture and Rural Development

DARD aims to promote sustainable economic growth and the development of the countryside in Northern Ireland. The Department assists the competitive development of the agri-food, fishing and forestry sectors of the Northern Ireland economy, having regard for the need of the consumers, the welfare of animals and the conservation and enhancement of the environment.

Invest NI

As Northern Ireland's business development agency, Invest NI's aim is to support new and existing business to grow and compete internationally, and to attract new inward investment to Northern Ireland.



Good Food NI

Food NI provides a single promotional voice for Northern Ireland's food and drink. It works to enhance the reputation of Northern Ireland's food and drink through the Taste of Ulster and Northern Ireland- Good Food is in our nature messages. Good Food is a company limited by guarantee, formed voluntarily by a consortium of food sector representatives, to develop a positive identity for high quality food from Northern Ireland.

NI Food and Trade Association

NIFDA is a voluntary organisation committed to helping Northern Ireland food and beverage companies compete successfully and to represent and promote their interests. It was established to provide services to enhance, promote, inform,

Appendix Two: Notes on Contact

Action	Date	Next step
<p>Final Questionnaire as amended by seventh pilot study, and confirmed in agreement with Supervisors (3).</p> <p>Page 1: added Role and Number of Employees into respondent details.</p> <p>Page 2:</p> <ol style="list-style-type: none"> 1. emphasis on <u>your business</u> 2. Removal of numbers – referencing to definitions 1. Our business uses market information to understand <u>actual</u> consumer purchasing behaviour (Source: Pelham & Wilson, 1996: p39 q.2/3 & Supervisors/ pilot 3) 2. Our business knows who our target consumer (s) are (Source: Pilot 6- SMA/ Pilot 4 MM) 3. Our business objectives are driven by what consumers <u>actually</u> purchase (Source: Greenley, 1995: p50- adapted pilot 3) 4. Our business strategy is focused on retaining current consumers than attracting more consumers (Source: Greenley, 1995: p50) adapted by pilot 3- adapted by pilot 7. 5. Our business uses market information to understand our competitor’s strategies (adaption from question 1, supported by pilot 3 and supervisors) changed wording 6. Our business knows who our main competitor(s) are (Source: pilot 4 & 6) 7. Our business objectives are driven by our assessment of our competitor’s strengths / weaknesses (Source: Greenley, 1995: p50; Pelham & Wilson, 1996: p39) 8. Our business strategy is focused on the actions of our competitors at all times (Source: adapted from Greenley, 1995: p50 on consumer, to competitor) adapted by pilot 7 9. Our business shares market information between employees (Pelham & Wilson, 1996: p39 q. 6- adapted) 10. Our business has a common understanding of consumer purchasing behaviour between all employees (Source: Pelham & Wilson, 1996: p39 q.2- adapted) 11. We use market information in our business to inform decision-making (Supervisors- AF edit 21/02/10) 12. The actions of the different employees in our business are well coordinated (Source: Kohli, 	<p>23 Feb 2010</p>	<p>Finalised Questionnaire</p> <p>First Case study- (Yoghurts) Thursday 25 February 2010.</p>

<p>Jaworski & Kumar, 1993: p267, q.27)</p> <p>13. Our business actively considers innovation (e.g. new ideas, new products) on a regular basis (Source: Supervisors, pilot 6 & AF edit 22/02/10)</p> <p>14. <u>Our business is more focused on efficiency gains and technological advances than on market research and market opportunities</u> (Source: Kohli, Jaworski & Kumar, 1993: p.267, q.23/ adapted by AF 21/02/10)</p> <p>15. If we ever find that our consumers are unhappy with the quality of our products or service, we take corrective action immediately (Source: Kohli, Jaworski & Kumar, 1993: p267, q.31; Pelham & Wilson, 1996: p39, q.4)</p> <p>16. <u>Even if our business produced a great marketing plan, we do not feel we could implement it in a timely fashion</u> (Source: Kohli, Jaworski and Kumar, 1993: p476- opposite of q.29)</p>		
<p>Initial communication began – through Michael Moorhead/ Stephen Millar at DARD and through Shane Donnelly (Invest NI)</p> <p>Proposed that C1 would be a great case study.</p>	<p>Dec 2009/ Jan 2010</p>	
<p>First contact made by email – as informal information had been feedback from DARD re: Yoghurt workshop for C1.</p> <p>NI has only two local yoghurt suppliers- one of which is C1.</p>	<p>16 Feb 2010</p>	<p>Email sent to C1P2</p>
<p>Follow up phone call made- to speak with C1P2 re: potential workshop date and meeting.</p>	<p>23 Feb 2010</p>	<p>Meeting arranged for Thursday 25 Feb @ 2pm on Yoghurt</p>
<p>Meeting at C1 OFFICE Time: 2pm Yoghurt Workshop Present: C1P2 (Food Business Manager), (Marketing) & C1P1 (Estate Manager)</p> <ol style="list-style-type: none"> 1. Filled in Questionnaire (3) 2. Interview with C1P1 (1)- consent form 3. Interview with C1P2 (1)- consent Form 4. Presentation of Yoghurt Workshop (standardised) <p>C1 are the first case study for my PhD- they showed interest in working further with this data- and becoming a case study for my research-</p>	<p>25 Feb 2010</p>	<p>First interview with C1</p> <p>All conversation/ communication has been through C1P2</p>

recommended through DARD/ Invest NI.		
<p>Response after standardised template report:</p> <p>C1 see them as competing against the Organic range as opposed to the natural yoghurt range.</p> <p>This information reinforced the idea that they fit into the finer foods category.</p> <p>However, most surprise came from the different life stages purchasing different flavours in different package sizes.</p> <p>The basket analysis on the category as a whole was of great interest as they wish to join up with another company in order to promote alongside their products- thinking possibly along the Mexican/Asian cooking lines, or granola line.</p>	03/03/10	<p>Recorded Observation</p> <p>-Next contact sent through request for information sheet to all who attended.</p> <p>-C1P2 confirmed that he wished to be the main contact on this.</p>
<p>Email contact sent to C1P2 about monthly observation- contact to be made via telephone.</p> <p>Email sent as follows: 30/03/10 C1P2,</p> <p><u>Re: dunnhumby update</u></p> <p>I hope all is well with you and the team at C1.</p> <p>As a part of my research, I promised that I would follow up every month with you to see how things were going.</p> <p>I was hoping to contact you this Friday (2nd April) afternoon time around 2pm by phone, if this suits. If this does not let me know of a better day/time.</p> <p>I am keen to hear at what stage the Flavoured Yoghurts are at, and whether you have any other up and coming activities pressing. Also, I am interested to know whether you have had time to look at the standard report and if you require further information using the dunnhumby data.</p> <p>I look forward to speaking with you. Kind regards Christina</p>	30/03/10	<p>Month 1 contact – pre warning With view to telephone contact on Fri 2 April (one month after the delivery of the standard report).</p>
Observation 1 with C1P2 by phone	2 April 2010	Request for information Next observation 2 May 2010
Observation 2- with C1P2e by phone	5 May 2010	Request for information Attendance at Balmoral 5 June 2010

C1 taste testing new flavours at the Balmoral Show- very busy operation	13 May 2010	Observation of C1 at taste testing stand
Observation 3- C1P2 (by phone) Follow up on the Balmoral show and the success. Flavours to go in on 8 th June 2010. Attending Tesco London Event New market- flavours and identified competitors	3 June 2010	Next observation 3 July 2010 Check the dunnhumby database for new products being listed
CD checking database for new products but have not been able to identify them in the database.	23 June 2010	CD decided to run report looking at the potential new category for C1P2 new products- to send report to C1P2 by Fri 25 June. Next observation 01 July 2010.
Observation 4- Thursday 1 July 2010 CD found the C1 Yoghurts in the database today for the first time. They have been positioned in the natural yoghurt category alongside the other C1 natural and Greek style yoghurts. Attending Invest NI and Tesco show case event in UK. New marketing person in- whom C1P2 is sharing the dunnhumby data with. Keen to see how the new flavours will perform.	01 July 2010	CD to keep an eye on the new yoghurts with the aim of producing a report on the performance for the 19 July 2010. Next observation due on August 2 nd (C1P2 might be on holidays) - need to reschedule this date.
Report produced on the performance of flavours to date.	19 July 2010	Arrange next observation date (Observation 5)
CD sent C1P2 the following email on basket analysis data found whilst working on another report on Wed 21 st Jul 2010. <i>"I was analysing information this morning on Luxury and Regional Ice Cream. When I ran the basket analysis, the data showed two C1 yoghurts listed within the top 25. Although % significance may be low, I found the trend interesting.</i> <i>Possibly something to think about for cross promotion.</i> <i>Also, hoping to confirm date/ time for next phone observation?"</i>	21 July 2010	Need to confirm next observation
CD was aware that from last observation, C1P2 had mentioned that he would be taking holidays from the 2 nd August- which was the due date for the next observation. CD did not receive any further emails in response to previous emails, so contact C1P2 on mobile on Tuesday 27 July 2010 to confirm observation. C1P2 was happy to speak then on the mobile. Observation 5 carried out. New lines into Tesco. New personnel in operations. Holiday period- busy due to staff on breaks etc.	27 July 2010	Next observation (6) on Mon 6 August 2010 Request for information- update on flavours. Running promotion in Aug/ late Sept to be followed after next observation.

CD informed C1P2 that the next observation would be the 6 th - the final observation followed by a final interview.		
Observation 6 with C1P2 on Monday 6 September 2010 <ul style="list-style-type: none"> - Disappointed with current sales on flavours - Working on garden gourmet brand - Looking at new possibilities for sales in the UK 	6 Sept 2010	To send email to Both C1P1 and C1P2 to arrange interview for final stages
<p>Email reminder sent to C1 to remind them both of the final stage interviews on Wednesday 29 September.</p> <p>C1,</p> <p><u>Re: Final stage Interview</u></p> <p>I look forward to speaking with you both next Wednesday afternoon at the C1 Office. Times confirmed for meeting: 2pm C1P1 and 3pm C1P2.</p> <p>Have a great weekend.</p> <p>Kind regards Christina</p>	27 Sept 2010	Interviews to take place.
<p>CD sent on promotion activity report to C1 (information unavailable past week 1 Sept)</p> <p>C1P2,</p> <p>Please find attached the short analysis on your recent promotional activity. I will discuss this in more detail this afternoon when we meet.</p> <p>Kind regards Christina</p>	29 Sept 2010	CD meeting with C1 on Wed 29 Sept 2010
<p>Final stage interviews Wed 29 Sept 2010</p> <p>2pm interview- C1P1</p> <p>3pm interview – C1P2</p>	29 Sept 2010	The End
<p>C1P1,</p> <p>Yes I agree that the comparative report of C1 Yoghurt and Yeo Valley would be most relevant. I will run analysis on this and will send to both yourself and Bryan by next Thursday 7 October.</p> <p>Your interviews I can assure you were of great value- so thanks again.</p> <p>Kind regards Christina</p> <hr/> <p>Christina</p>	29/30 Oct 2010	Report request for C1 v yeo valley (Thur 7 Oct) Promotions report due in 2 weeks

<p>Thank you for your note. I enjoyed our interviews and hope that you managed to get something worthwhile out of them. Your work has certainly been of great value to us and I am sure that C1P2 will ask for more reports in the coming months.</p> <p>Regarding the report that I asked about; I would have thought that the report that compares us with the Yeo types would be better than the first one.</p> <p>Thanks</p> <p>C1P1</p> <p>From: C.Donnelly Sent: 29 September 2010 19:16</p> <p>C1,</p> <p>I just wanted to thank you both for your time and cooperation today and over the past 6 months. I have really enjoyed working with you on this project and do hope you will continue to use this information for your business.</p> <p>In terms of the recent promotions report- C1P2- can you confirm dates? As this promotion has just finished within the past week I will have to wait for the new information to be processed through dunnhumby. So it will be two weeks before I can run off any promotional activity information for you both.</p> <p>C1P1- you had mentioned you would like to see an updated version of one of the original reports. Can you give me a run down of which report you were thinking of- is this the very first one on all yoghurts?</p> <p>Speak soon.</p> <p>Kind regards</p> <p>Christina</p>		
<p>CD sent report on C1 v Yeo Valley on Monday 5 Oct.</p> <p>C1,</p> <p><u>Re: dunnhumby report</u></p> <p>As promised please find attached the most current analysis based on C1 v Yeo Valley.</p> <p>* The last report dated 11 May 2010 illustrated Yeo Valley's 30 products, which now in October 2010 has increased to 39 products in the database. Just in the same respect C1 has increased from 4 to 7 products (including the 150g pot). I included all 7 C1 products in the analysis as this information is based year on year performance.</p>	<p>5 October 2010</p>	<p>Overview of promotional activity</p>

* Analysis shows the increase of C1 products on the Top 20 products listed from May 10 to Oct 10.

* There are clear signs of a successful promotion for C1 over the recent weeks from the end of August to start of September as sales have remained at a higher level post promotion in contrast to prior promotion.

During this promotional activity, the flavoured C1Yoghurts outperformed the Yeo Valley comparative flavour.

* The consumer profile shows the strength of C1 in the Older Adults/ Pensioners in contrast to Yeo Valley, as well as the importance of 'Traditional' to the C1 Consumer.

I do hope you find this report interesting.

Any questions please feel free to contact me.

Kind regards
Christina

Appendix Three: Pilot One

Market Orientation Pilot Questionnaire

The Centre for Value Chain Research (VCR²) and Ulster Business School provides farmers and small food producers with free access to weekly supermarket purchases of 1.4 million UK households in the form of Tesco Clubcard.

In conjunction with this service, research is currently being conducted which aims to explore the relationship between the market orientation of small to medium-sized businesses and the supermarket loyalty card data provided through the dunnhumby database.

The first stage of this research requires understanding of an owner/manager's current level of market orientation before exposure to the supermarket loyalty card data.

In order to assess this current level of market orientation, a short questionnaire has been designed to be completed prior to attending the sector workshop.

This questionnaire should take no longer than 10 minutes to complete.

The information you provide will be treated in **strict confidence**.

If you have any queries, please contact the researcher.

Researcher/Facilitator of Workshop

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For the purpose of this study the following terms are clarified:

- **Consumer** in this research is defined as the person(s) who purchase the product and or end user of the product.
- **Market Information** is defined as data that has been structured and organized relating to the market. It can come in a variety of sources, e.g. informal meetings, word of mouth, observation, feedback, written reports, and or market research.

You are asked to indicate your extent of agreement with each of the following statements, with respect to your business, by circling the chosen number on the scale provided for each question.

Company Name		Contact Name	
Tel Number		Email Address	

<i>Consumer Orientation</i>	
Our business uses market information to understand consumer wants	Not at all 1 2 3 4 5 6 7 Always
Our business is committed to serving consumer needs	Not at all 1 2 3 4 5 6 7 Always
Our business objectives driven by consumer satisfaction	Not at all 1 2 3 4 5 6 7 Always
Our business plan/strategy influenced by your beliefs about consumer wants	Not at all 1 2 3 4 5 6 7 Always
<i>Competitor Orientation</i>	
Our business monitor and review other competitor's strategies	Not at all 1 2 3 4 5 6 7 Always
Our business respond to competitor's actions	Not at all 1 2 3 4 5 6 7 Always
Our business assess competitors' strengths and weaknesses	Not at all 1 2 3 4 5 6 7 Always
Our business plan/ strategy influenced by your belief about other competitor's products	Not at all 1 2 3 4 5 6 7 Always
<i>Interfunctional Co-ordination</i>	
Market information is shared across the different parts of our business	Not at all 1 2 3 4 5 6 7 Always
A common understanding of consumer wants exists within different parts of our business	Not at all 1 2 3 4 5 6 7 Always
Different parts of our business uses market information to make decisions	Not at all 1 2 3 4 5 6 7 Always
The activities of the different departments of our business are well coordinated	Not at all 1 2 3 4 5 6 7 Always
<i>Strategic Responsiveness</i>	
Our business open to change	Not at all 1 2 3 4 5 6 7 Always
Our business regularly assess consumer satisfaction	Not at all 1 2 3 4 5 6 7 Always
Our business responds effectively to negative consumer feedback in a timely fashion	Not at all 1 2 3 4 5 6 7 Always
Our business implements its marketing plans in a timely fashion	Not at all 1 2 3 4 5 6 7 Always

**Thank you for completion of the questionnaire.
Please return to Christina Donnelly by email: cd233@kent.ac.uk**

Appendix Four: Pilot Two

Market Orientation and Supermarket Loyalty Card Data

Workshop Questionnaire

Ulster Business School, in partnership with Kent Business School, provides farmers and small food producers in Northern Ireland with free access to supermarket loyalty card data – the weekly supermarket purchasing behaviour of 1.4 million UK households.

In conjunction with this service, research is currently being conducted to explore the levels of market awareness of farmers and small food producers and how this effects (and is affected by) their use of the supermarket loyalty card data.

The first stage of this research requires analysis of the level of market awareness of workshop participants prior to their exposure to the supermarket loyalty card data. In order to assess this, a short questionnaire has been designed to be completed prior to attending the workshop.

This questionnaire should take no longer than 5 minutes to complete. Please note that there are no 'right' or 'wrong' and the research just requires a true response.

The information you provide will be treated in **strict confidence**.

If you have any queries, please contact: Christina Donnelly, Research Office 1H11, Ulster Business School
University of Ulster, Jordanstown Campus, Shore Road, Newtownabbey , Co. Antrim, BT37 0QB

Tel: 028 90 368 994, Email: cd233@kent.ac.uk

Respondent details:

Company Name:		Contact Name:	
Sector:		Target Market e.g. NI/ROI/GB	
Tel Number:		Email Address:	

Definition of terms:

Consumer – includes the person(s) who purchase the product as well as the person(s) who consume the product

Consumer purchasing behaviour - the actual purchases made by the consumer (as opposed to claimed purchases)

Market Information – information relating to the current or future market conditions derived from a range of sources (e.g. informal meetings, word of mouth, in store observation, informal consumer feedback, sales data, written reports, and or formal market research).

In respect to your business, please indicate the extent to which you agree/disagree with the following statements by circling the appropriate number (1 = Strongly Disagree, 7 = Strongly Agree).

	Strongly Disagree	Dis-agree	Slightly Dis-agree	Neither Agree/ Dis-agree	Slightly Agree	Agree	Strongly Agree
Our business uses market information (3) to understand <u>actual</u> consumer purchasing behaviour (2)	1	2	3	4	5	6	7
Our business knows who our target consumer(s) (1) are	1	2	3	4	5	6	7
Our business objectives are driven by what consumers <u>actually</u> purchase	1	2	3	4	5	6	7
Our business plan/ strategy is influenced by our beliefs about <u>actual</u> as opposed to perceived consumer purchasing behaviour(2)	1	2	3	4	5	6	7
Our business uses market information (3) to understand our competitor's strategies	1	2	3	4	5	6	7
Our business knows who our main competitor(s) are	1	2	3	4	5	6	7
Our business objectives are driven by our assessment of our competitors' strengths/weaknesses	1	2	3	4	5	6	7
Our business plan/ strategy is influenced by our belief about other competitor's products	1	2	3	4	5	6	7
Our business shares market information between all employees	1	2	3	4	5	6	7
Our business has a common understanding of consumer purchasing behaviour (2) between all employees	1	2	3	4	5	6	7
We use market information (3) in our business to inform our decision-making	1	2	3	4	5	6	7
The actions of different employees in our business are well coordinated	1	2	3	4	5	6	7
Our business actively considers innovation (e.g. new ideas, new products) on a regular basis	1	2	3	4	5	6	7
Our business is more focused on efficiency gains and technological advances than on market research and market opportunities	1	2	3	4	5	6	7
If we ever find that our consumers (1) are unhappy with the quality of our products or service, we take corrective action immediately	1	2	3	4	5	6	7
Even if our business produced a great marketing plan, we would probably fail to implement it in a timely fashion	1	2	3	4	5	6	7

**Thank you for your time and honesty in completing this questionnaire.
Please return the completed questionnaire to Christina Donnelly @ cd233@kent.ac.uk**

Appendix Five: Interview Questions

Market Orientation and Supermarket Loyalty Card Data Workshop Questionnaire

Ulster Business School, in partnership with Kent Business School, provides farmers and small food producers in Northern Ireland with free access to supermarket loyalty card data – the weekly supermarket purchasing behaviour of 1.4 million UK households.

In conjunction with this service, research is currently being conducted to explore the levels of market awareness of farmers and small food producers and how this effects (and is affected by) their use of the supermarket loyalty card data.

*The first stage of this research requires analysis of the level of market awareness of workshop participants prior to their exposure to the supermarket loyalty card data. In order to assess this, a **short questionnaire** has been designed to be completed prior to attending the workshop.*

*This questionnaire should take **no longer than 5 minutes** to complete. Please note that there are no 'right' or 'wrong' and the research just requires a true response.*

The information you provide will be treated in **STRICT CONFIDENCE**.

If you have any queries, please contact: Christina Donnelly, Research Office 1H11, Ulster Business School, University of Ulster, Jordanstown Campus, Shore Road, Newtownabbey, Co. Antrim, BT37 0QB, Tel: 028 90 368 994, Email: cd233@kent.ac.uk

Respondent details:

Company Name:		Contact Name:	
Role :		Sector:	
Current Target Market e.g. NI/ROI/GB:		Number of Employees:	
Tel Number:		Email Address:	

Definition of terms:

- **Consumer** – includes the person(s) who purchase the product as well as the person(s) who consume the product
- **Consumer purchasing behaviour** - the actual purchases made by the consumer (as opposed to claimed purchases)
- **Market Information** – information relating to the current or future market conditions derived from a range of sources (e.g. informal meetings, word of mouth, in store observation, informal consumer feedback, sales data, written reports, and or formal market research.

*In respect to **your business**, please indicate the extent to which you agree/disagree with the following statements by circling the appropriate number (1 = Strongly Disagree, 7 = Strongly Agree).*

	Strongly Disagree	Disagree	Slightly Disagree	Neither Agree/Disagree	Slightly Agree	Agree	Strongly Agree
Our business uses market information to understand <u>actual</u> consumer purchasing behaviour	1	2	3	4	5	6	7
Our business knows who our target consumer(s) are	1	2	3	4	5	6	7
Our business objectives are driven by what consumers <u>actually</u> purchase	1	2	3	4	5	6	7
Our business strategy is predominately focused on retaining current consumers than attracting new consumers	1	2	3	4	5	6	7
Our business uses market information to understand our competitor's strategies	1	2	3	4	5	6	7
Our business knows who our main competitor(s) are	1	2	3	4	5	6	7
Our business objectives are driven by our assessment of our competitors' strengths/weaknesses	1	2	3	4	5	6	7
Our business strategy is focused on the actions of our competitors at all times	1	2	3	4	5	6	7
Our business shares market information between all employees	1	2	3	4	5	6	7
Our business has a common understanding of consumer purchasing behaviour between all employees	1	2	3	4	5	6	7
We use market information in our business to inform our decision-making	1	2	3	4	5	6	7
The actions of different employees in our business are well coordinated	1	2	3	4	5	6	7
Our business actively considers innovation (e.g. new ideas, new products) on a regular basis	1	2	3	4	5	6	7
Our business is more focused on efficiency gains and technological advances than on market research and market opportunities	1	2	3	4	5	6	7
If we ever find that our consumers are unhappy with the quality of our products or service, we take corrective action immediately	1	2	3	4	5	6	7
Even if our business produced a great marketing plan, we do not feel we could implement it in a timely fashion	1	2	3	4	5	6	7

**Thank you for your time and honesty in completing this questionnaire.
Please return the completed questionnaire to Christina Donnelly @ cd233@kent.ac.uk**

Appendix Six: Interview One
Coding Framework

Level One Coding	Level Two Coding	Level Three Coding	Level Four Coding	Level Five Coding
Interviewee Profile	Demographic Information			
	Prior Education			
	Prior Work Experience			
	Current Title / Role			
Business Profile	Business Description			
	Age of Business			
	Number of Employees			
	Current Target Market			
	Current Channel			
Consumer Orientation	Understanding of consumer:	Yes	Formal	Data Monitor IGD Mintel Tesco Link TNS
			Informal	Gut Feel Assumption Discussion with Retailers / Buyers Network Contacts Market Stalls In store Observations
		No		
	Level of understanding of Consumer:	Good		
		Poor		
	Focus on Consumers:	New	To drive sales	
		Retaining Current	To maintain sales	
		Balance of Both	To achieve both	Role of the Customer

Level One Coding	Level Two Coding	Level Three Coding	Level Four Coding	Level Five Coding	
Competitor Orientation	Understanding of Competitor:	Yes	Formal		
			Informal	In store observations Discussion with Buyers / Retailers Network contacts Sales van man	
		No			
	Focus on Competitors:	Yes	At all times		
			Keep an eye		
		No	Focus on our own business		
		Balance of both	To achieve both		
Interfunctional Coordination	Information shared within the firm:	Good Flow	Top Management and all staff		
		Poor Flow	Top Management only		
		Good but could be improved	Top Management but working to share with others within the firm		
	Decision-making	Informed by market information		Formal	Good Market Research
				Informal	Driven by what customers dictate (Supermarket / Retailers)
		Not informed by market information	Reliant on Owner / Manager only		
		Not enough information			
	Co-ordination:	Strong Co-ordination	Amongst all staff		
		Moderate Co-ordination	Amongst Top Level only		
No Co-ordination		Needs Improvement			

Level One Coding	Level Two Coding	Level Three Coding	Level Four Coding	Level Five Coding	
Behavioural Response	Innovation driven:	Yes	100% Driven	Positive: Supports differentiation	
		No	Non-existent	Negative: Always changing Costly activity	
		To an extent	Actively trying to improve		
	Efficiency / Market Opportunities:	Efficiency and Technological advances			
		Market Research and Opportunities			
		Balance of both efficiency and market opportunities			
	Implementation of Marketing Plan quickly	Yes	Informally	Matters of days Barge ahead	
			Formally		
		No	Too much of a risk		
		Yes but restricted	Cost implications		

Appendix Seven: Interview Two
Coding Framework

Level One Coding	Level Two Coding	Level Three Coding	Level Four Coding	Level Five Coding
Interviewee Profile	Demographic Information			
	Prior Education			
	Prior Work Experience			
	Current Title / Role			
Business Profile	Business Description			
	Age of Business			
	Number of Employees			
	Current Target Market			
	Current Channel			
Consumer Orientation	Utilisation of SLCD in understanding consumer:	Yes	Positive Effect	More effective decision making. Better understanding of consumer.
			Negative Effect	
		No		
	Focus on consumers:	New	To drive sales	
		Retaining Current	To maintain sales	
		Balance of Both	To achieve both	Role of the Customer
Competitor Orientation	Utilisation of SLCD in understanding competitors:	Yes	Form of reassurance Clarity Ego boost Identify a gap	New way of understanding competitors through formal SLCD. Enhanced awareness of competitors
		No	Out of Interest Restriction on data False Trading Environment	Still reliant on sales vans for informal information. No effect on the awareness of competitors.
		Good but restricted understanding	SLCD restricted understanding slightly	

Level One Coding	Level Two Coding	Level Three Coding	Level Four Coding	Level Five Coding	
Competitor Orientation	Focus on Competitors:	Increased	All the time		
		Decreased	Focus on own business		
		Remained the same			
Interfunctional Coordination	Sharing of SLCD within the firm:	Yes	Top Management and all production staff		
		No	Top Management only No necessary to share any further with staff	Family Business	
		No, but working to improve			
	Decision-making:	Utilised SLCD	Positive Effect		Aided Learning Used as a selling mechanism More Professional appearance
			Negative Effect		Still reliant on gut feel Need right people to use it
		Did not utilise SLCD	Reliant on gut feel		
		Utilised SLCD but not to full extent possible			
	Co-ordination:	Good	SLCD positive effect		
			SLCD negative effect		
		Poor	SLCD positive effect		
		SLCD negative effect			

Level One Coding	Level Two Coding	Level Three Coding	Level Four Coding	Level Five Coding
Behavioural Response	Use of SLCD to drive innovation:	Yes	Changed thinking	
		No	More important to build relationships with larger retailers	
	Efficiency / Market Opportunities with SLCD:	Efficiency and Technological Advances		
		Market Research and Opportunities		
		Balanced Approach		
Implementation of a marketing plan quickly with SLCD:	Yes	More realistic outlook		
Entrepreneurship Orientation	Innovativeness:	SLCD Positive effect		
		SLCD Negative effect		
	Risk taking:	Risk taker	SLCD increase effect	
			SLCD decrease effect	
		Risk adverse	SLCD increase effect	
			SLCD decrease effect	
Pro-activeness:	Proactive	SLCD effect		
	Reactive	SLCD effect		
Capacity to Innovate	Good Capacity to Innovate	SLCD positive effect	Radical	
			Incremental	
		SLCD negative effect	Radical	
			Incremental	
	Low Capacity to Innovate	SLCD positive effect	Radical	
			Incremental	
		SLCD negative effect	Radical	
			Incremental	

Level One Coding	Level Two Coding	Level Three Coding	Level Four Coding	Level Five Coding
Performance	Good Performance: Poor Performance:	SLCD Impact SLCD Impact		

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